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**March 31, 2022**

### **FORM ADV PART 2A – DISCLOSURE BROCHURE**

This Brochure provides information about the qualifications and investment advisory business practices of RAA, a division of Allworth Financial, L.P. If you have any questions about the contents of this brochure, please contact Gary Krasnov, at 972-233-3367 or via email at [gary.krasnov@raa.com](mailto:gary.krasnov@raa.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. RAA is an investment adviser registered with the SEC. Registration as an investment adviser does not imply a certain level of skill or training. Additional information about our investment advisory business is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## MATERIAL CHANGES

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This item provides information regarding specific material changes and a summary of such changes made to the Disclosure Brochure since the last annual update of the brochure which occurred in March 2021.

- RAA may delegate some or all of its responsibilities for a portion or all of a client's portfolio to one or more third party investment advisers. Please see "Advisory Business" for additional details on these relationships.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time, we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

## TABLE OF CONTENTS

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ITEM 4 - ADVISORY BUSINESS.....	4
ITEM 5 - FEES AND COMPENSATION.....	8
ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	11
ITEM 7 - TYPES OF CLIENTS .....	11
ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....	11
ITEM 9 - DISCIPLINARY INFORMATION.....	15
ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	15
ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	16
ITEM 12 - BROKERAGE PRACTICES.....	17
ITEM 13 - REVIEW OF ACCOUNTS .....	19
ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION .....	19
ITEM 15 - CUSTODY .....	20
ITEM 16 - INVESTMENT DISCRETION .....	20
ITEM 17 - VOTING CLIENT SECURITIES.....	20
ITEM 18 - FINANCIAL INFORMATION.....	21

## ITEM 4 - ADVISORY BUSINESS

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### ADVISORY FIRM DESCRIPTION

Allworth Financial, LP. d/b/a RAA (referred to as “RAA”, “Allworth” or the “Firm”) is owned and controlled, through intermediate subsidiaries, by the Ontario Teachers’ Pension Plan and Lightyear Capital. Allworth has been an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) since June 21, 1996. Effective January 1, 2020, RAA was acquired by Allworth and operates as a division of the Firm.

The Firm is a fee based registered investment advisor providing retirement planning, financial planning and investment management services primarily to current and former airline personnel. The Firm offers its clients retirement planning service in addition to investment management services. The Firm’s investment strategies are designed to deliver a customized mix of mutual funds, ETFs and other investment products to match both risk tolerance and performance goals of the Firm’s clients.

The Firm primarily provides investment advice to its clients through discretionary advisory services based on a client’s responses to the Investment Policy Questionnaire and formulation of the Investment Policy Statement. Each discretionary managed account client grants investment discretion to the Firm pursuant to an Investment Management Agreement to manage their assets in the Firm’s sole discretion and subject to the Investment Policy Statement.

### TYPES OF ADVISORY SERVICES

As further described herein, the Firm offers discretionary advisory services through an unbundled (*i.e.*, non-wrap fee) or bundled (*i.e.*, wrap fee) fee program. In the unbundled program, the client pays separately for: custodial and transaction fees, and the Firm’s advisory fee. The unbundled program currently is available to RAA clients utilizing the Schwab custodial platform.

The Firm also offers discretionary advisory services through a bundled service called a wrap program. The decision to bundle fees in a wrap program is reached through discussions between the investment adviser representative, client and custodian, based on such variables as (i) the asset class and types of investments the client will invest in, as well as the fee/expense levels associated with such assets, (ii) the degree of expected transactional activity for the chosen strategy or management style provided.

RAA typically does not manage discretionary advisory managed accounts differently based on whether they are wrap accounts vs. non-wrap accounts. Rather the decision on entering into a wrap fee program versus a non-wrap fee program generally is driven by the client’s choice in custodian.

#### *Wrap Fee Program*

For clients with assets at Fidelity, RAA offers a Wrap Fee Program (Program). RAA charges a single fee to the client that includes custody, trading, investment advisory fees and other expenses associated with management of the account. RAA is also the portfolio manager

for the accounts and clients may select any of the investment strategies RAA and Allworth Financial offers. Various investment strategies are provided under the Program; however, a specific investment strategy and investment policy is created to focus on the specific client's goals and objectives. Depending on a client's individual circumstances, investments will be made in, but not necessarily limited to, no-load mutual funds, funds at NAV, exchange trade funds, equity positions and fixed income positions. For more information on RAA's wrap programs please refer to Appendix 1, RAA's "Wrap Fee Program Brochure."

### *Individual Equity Strategy*

For client accounts invested in the Individual Equity Strategy, RAA engages Westwood Management Corp. as an overlay manager to provide investment recommendations for its Large Cap Value portfolio. Westwood provides RAA with the holdings and changes to the portfolio strategy and RAA implements the strategy in client accounts, subject to its discretionary trading authority.

### *401(k) Account Management*

RAA offers investment advisory services to participants of employer-sponsored retirement plans (primarily in the airline industry) through self-directed brokerage accounts.

### *Non-Discretionary Advisory Services*

Clients may instruct the Firm to abide by particular guidelines and restrictions as it relates to the investment decisions in their portfolios. The Firm may provide investment advice and counsel for these accounts but will not execute transactions without the client's consent. These accounts are treated as "non-discretionary" and are assessed a management fee according to our standard Managed Accounts fee schedule.

### *Self-Directed Advisory Accounts*

Clients may prefer to make investment decisions on their own behalf and use the Firm as a resource or sounding board to vet ideas about markets, the economy or investment options. At the discretion of the Firm, self-directed advisory accounts will only be permitted in limited circumstances, such as if the client has other Managed Accounts or if a Managed Account switched to a self-directed account due to a change in the client's investment needs. These accounts are assessed a management fee according to our standard Managed Accounts Standard Fee Schedule.

### *Third Party Investment Advisers*

After a review of a client's portfolio(s), risk tolerance and investment objectives, RAA may delegate some or all of its responsibilities for a portion or all of a client's portfolio to one or more third party investment advisers (each, a "TPA"). Each TPA will actively manage client portfolio(s) and will assume discretionary investment authority over that portion of the portfolio(s) allocated to the TPA. Discretionary investment authority will allow the TPA to place trades and make changes to client portfolio(s) or the portion of client portfolio(s) the TPA is authorized to manage without prior approval of the client. RAA will periodically monitor each TPA's performance to ensure its investment program remains aligned with the client's goals and objectives. RAA conducts due

diligence of any recommended TPA and monitors the performance of TPAs with respect to the TPA's management of the designated assets of each account relative to appropriate peers and/or benchmarks. RAA will retain discretionary authority to hire and terminate each TPA and/or to reallocate client portfolio assets to another TPA where deemed appropriate. Client portfolio(s) will be billed fees by the TPA directly, according to the TPA's fee schedule. The annual fee(s) charged by TPAs range between 0.05% and 1.00% of the client's assets under management by the TPA. TPA fees are in addition to any advisory fees paid to RAA and RAA does not share in the advisory fee paid by clients to a TPA. The recommendation of TPAs may be done on a discretionary or non-discretionary basis with the specific terms outlined in your RAA Client Agreement. When a client authorizes us to have the ability to select TPAs on a discretionary basis, we will have the authority to select and terminate TPAs without the client's specific approval. When TPA recommendation are made on a non-discretionary basis, the client will need to execute an agreement directly with the TPA. Fees for services provided by the TPAs will be deducted by the TPA directly from the client account at the custodian in accordance with the TPA's fee schedule.

RAA is available and responsible to answer questions clients have regarding any portion of their account managed by a TPA and will act as the communication conduit between the client and the TPA. A complete description of the TPA's services, practices and fees will be disclosed in the TPA's Form ADV Part 2A: *Firm Brochure* that will be provided to the client.

### *Newsletters and Podcasts*

RAA periodically provides a newsletter and podcasts to its clients. These newsletters and podcasts contain general, educational and informational articles. Non-clients can also subscribe to these newsletters and podcasts by contacting RAA or subscribing at RAA's website. These newsletters and podcasts are free of charge for clients and non-clients.

### *Seminars*

RAA and its associated persons provide financial seminars to the public (primarily the airline industry) on general, informational and educational topics.

### *Specialization*

RAA considers itself to specialize in retirement planning, investment and wealth management. Our advisers work with each client to focus on their individual retirement, planning and investment needs, as applicable. More details regarding our specific services are described in Item 5 of this brochure. In addition, you should refer to Item 8 for a description of some of the common risks associated with our advice and services.

### *Other Services*

#### Financial Planning (Specialized Planning Services)

Financial planning services are billed on a fixed fee basis. RAA's investment adviser representatives provide a quoted fixed fee to clients before any services are provided. Fees generally fall within one of the following categories:

<u>Service</u>	<u>Fee</u>
Comprehensive Planning-Advanced	\$15,000 - \$30,000
Comprehensive Planning	\$3,500 – \$5,000
Comprehensive Financial Review	\$1,500 - \$4,000

Fees are negotiable depending on the complexity of the client’s financial situation, the actual services requested and the RAA investment adviser representative providing the services. One-half of the quoted fee is due at the time the client agreement is signed with the remainder of the fee due upon completion of the services and receipt of RAA’s billing statement.

Clients contracting for a financial plan who also contract for asset management services, as well as clients who contract only for asset management services, will receive on-going financial planning services. These ongoing financial planning services will continue as long as there is an asset management contract in place between Advisor and the client. Clients can contact or visit with the RAA’s investment adviser representatives as needed to discuss anything included in the original financial plan and can have their financial plan reviewed and updated any time at no cost.

Services terminate upon presentation of the financial plan unless clients receive on-going financial planning services due to an existing asset management agreement. Either party can terminate services at any time by providing written notice to the other party. Termination is effective upon receiving that notice. If services are terminated within five business days of executing the client agreement, services are terminated without penalty. If terminated after five business days but before presentation of the plan, fees are prorated, and clients are responsible for the time and effort expended by RAA prior to receipt of the termination notice. For fixed fees, this is determined by calculating the percentage of the requested services that have been completed at the time of termination. For ongoing services charged as a fixed fee, this is calculated by the number of days those services were provided in the quarter. RAA provides the client with a billing statement detailing the services provided, fees earned and the prorated refund due to or fees due from client. If the financial plan has been presented to client there is no refund of fees.

In addition to providing advisory services, some of RAA’s investment adviser representatives are also registered representatives of AW Securities, a broker-dealer. Some of RAA’s investment adviser representatives are also independently licensed insurance agents. Therefore, RAA and AW Securities can earn both fees when providing advisory services and commissions when selling variable annuities. Each RAA investment adviser representative is compensated with a base salary and will earn additional compensation, up to 10 basis points, based on the total revenue generated by client assets under management. RAA investment adviser representatives are not compensated on a per transaction basis.

Clients can select any broker/dealer or insurance agent they wish to implement commission-based transactions. If clients elect to have RAA’s investment adviser representative implement a variable annuity transaction as part of a Specialized

Planning Services Agreement, the representative can waive or reduce the amount of the Specialized Planning Services fee charged by the amount of any commissions AW Securities earns on these variable annuity transactions. Any reduction will not exceed 100% of the commission received and will be disclosed to clients prior to any services being provided.

Clients can also elect to implement the advice of the RAA investment adviser representative through the Program. In this case, investment adviser representatives can waive or reduce the amount of the financial planning fee as a result of additional Program fees being earned. Any reduction will be disclosed to clients prior to any services being provided.

The Firm also provides advice and services regarding coordination of the client's estate plans and federal and state tax needs; however, the Firm is not a law firm or CPA firm. This includes consulting with attorneys and/or CPAs on behalf of a client or recommending attorneys and/or CPAs to a client.

Depending on the scope of the client engagement, there is no additional cost or additional fee charged by the Firm for estate planning review and advice. The Firm does not provide legal documents for estate plans.

Tax preparation services are also offered for an additional fee.

#### **CLIENT ASSETS UNDER MANAGEMENT**

As of December 31, 2021, Allworth had \$13,782,219,676 in assets under management ("AUM"), of which \$13,408,844,041 was managed on a discretionary basis and \$373,375,635 was managed on a non-discretionary basis.

### **ITEM 5 - FEES AND COMPENSATION**

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#### **GENERAL INFORMATION ON FEES**

Fees are computed and billed either monthly or quarterly in advance at the beginning of the period based on the market value on the last day of the prior period. New accounts and deposits to existing accounts are prorated and charged in advance on or shortly thereafter receipt of the initial deposit or transfer. The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the account. Frequency of fee calculations and charges depend upon the specific terms and conditions set forth in the Investment Management Agreement (including any amendments) executed by the client. There is no additional cost or additional fee charged to the client for financial planning or retirement planning.

Fees are subject to negotiation and may vary from the standard fee schedule to reflect circumstances that apply to a specific client relationship. Therefore, clients may pay different fees for the same services. The client's fee schedule, and any applicable terms and conditions, are stated in the client's Investment Management Agreement. The Firm reserves the right to maintain alternate fee schedules for certain groups of clients, such

as those grandfathered from prior fee schedules, or those clients that have come to the Firm as a result of mergers/acquisitions who were subject to the fee schedule of the acquired firm.

### INVESTMENT ADVISORY FEES

RAA's standard fee schedules for the investment advisory services offered are listed below. If a client maintains multiple accounts under RAA's management as either a Managed Account or in the Individual Equity Strategy, the market values of each account will be aggregated for purposes of the fee break points specified below. Because 401(k) account fees are already discounted, these assets are not subject to aggregation for purposes of calculating the advisory fee.

#### ***Managed Account Standard Fee Schedule\****

<u>Market Value</u>	<u>Annual Fee</u>
First \$500,000	1.20%
Next \$500,000	1.10%
Next \$500,000	1.00%
Next \$500,000	0.90%
Assets above \$2 million	0.70%

#### ***401(k) Account Management Standard Fee Schedule\****

Total Market Value	0.50%
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***\*Clients subject to the Managed Account and 401(k) Account fee schedule may be eligible for Fee Credits as described in the following section.***

#### ***Individual Equity Strategy Standard Fee Schedule***

<u>Market Value</u>	<u>Equity Strategy Annual Fee</u>
First \$500,000	1.40%
Next \$500,000	1.30%
Next \$500,000	1.20%
Next \$500,000	1.10%
Assets above \$2 million	.90%

The fee schedule for accounts invested in an Individual Equity Strategy is comprised of the Firm's standard Managed Account Fee, plus fees RAA pays to the TPA.

### *Schwab Accounts*

#### ***Managed Account Standard Fee Schedule***

<u>Market Value</u>	<u>Annual Fee</u>
First \$500,000	1.20%
Next \$500,000	1.10%
Next \$500,000	1.00%
Next \$500,000	0.90%
Assets above \$2 million	0.70%

## **401(k) Account Management Standard Fee Schedule**

Total Market Value 0.50%

### **ADDITIONAL FEES**

All RAA client accounts pay additional fees which may be charged by the account custodian, including account maintenance fees, transfer fees, electronic fund and wire fees, margin interest, exchange fees, taxes, spreads, mark-ups/mark-downs, custody fees for alternative investments, etc. Mutual fund redemption fees incurred in accounts RAA manages are handled according to the reason for the transaction. Redemption fees as a result of trades ordered by RAA, such as rebalancing across multiple accounts, are not charged to the client accounts. Redemption fees as a result of a client's change in investment strategy will be charged to the client's account. Clients pay any mutual fund early redemption fees if the client initiates the trade.

For Wrap Fee Program client accounts held at Fidelity, Clients pay a single fee to RAA that includes custody, trading, investment advisory fees and other expenses associated with management of the account. RAA pays Fidelity a flat rate per account each year to cover transaction fees, commissions and other brokerage expenses generally charged by the custodian. Clients may receive comparable services from other investment advisers and pay fees that are higher or lower than those charged by RAA. Fees may be more or less than the client would have paid if the services (account management and brokerage transactions) were not bundled together and purchased separately. RAA offers an unbundled fee option, and client accounts held at a custodian other than Fidelity are assessed these brokerage fees directly. Clients should be aware that similar or comparable services to those provided by RAA might be available elsewhere (or through the Firm's unbundled option) at a lower total cost than is available through RAA's wrap fee program for client accounts held at Fidelity.

All fees paid to RAA for investment advisory services are separate and distinct from the fees and expenses charged by mutual or money market funds to their shareholders. The fees and expenses charged by the mutual fund are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible redemption fee. A client could invest in mutual funds directly without the services of RAA, and without incurring transaction fees to purchase or sell shares of the fund. In that case, the client would not receive the services provided by RAA which are designed, among other things, to assist the client in determining which mutual fund and/or individual securities are most appropriate to his/her financial condition and objectives. Accordingly, the client should review both the fees charged by the mutual funds and the fees charged by RAA to fully understand the total amount of fees that will be paid by the client and thus evaluate the benefit of the advisory services being provided.

Generally speaking, funds that have no transaction fees may have higher expenses than similar funds that charge transaction fees. RAA considers the different expenses when selecting specific investment products for clients. Because of the number of trades RAA makes to the client's account, including regular rebalancing, RAA evaluates the expense ratio of different fund types to keep overall costs down.

## TERMINATION

A client may terminate his/her Management Agreement with the Firm at any time without penalty. The Firm may terminate its relationship with a client at any time upon delivery of a written notice. Regardless of the terminating party, a client may obtain a refund of fees upon termination of the Investment Management Agreement. Fees are paid in advance and will be refunded for the unused term upon termination before the end of the month or quarter, depending upon the terms of the individual investment management agreement. Refunds are calculated from the time the Firm receives or sends written notice of termination, or from the time the custodian receives notice of transfer, whichever occurs first.

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## ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. RAA does not charge or receive performance-based fees.

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## ITEM 7 - TYPES OF CLIENTS

RAA provides investment advice to the following types of clients:

- Individuals and high net worth individuals
- Personal Trusts and Foundations

RAA imposes a \$250,000 minimum portfolio size for starting or maintaining an account and a \$500,000 minimum investment to participate in the Individual Equities Strategy or Individual Bond Strategy. These minimums may be waived at the sole discretion of the Firm.

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## ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

RAA employs a "strategic asset allocation" approach to investment management. Our strategy aims to balance risk and reward by apportioning a portfolio's assets among major asset classes according to an individual's goals, risk tolerance and investment horizon. RAA's process starts with a quantitative approach to determining if or when to overweight equities or bonds. Each month the Investment department reviews three back-tested valuation models to assist in determining what equity to bond ratio the portfolios should hold. The Investment Policy Committee then overlays these results to where the economy is positioned in the macro economic cycle.

Through quantitative and qualitative analysis, the Investment Policy Committee makes recommendations based on where we are in the economic cycle. These recommendations are monitored at least quarterly to make sure the portfolios remain positioned properly given market dynamics and the Committee's forecast for asset

classes. The Investment Department also monitors portfolio positions to make sure they align with our performance standards and fundamental investment criteria.

The Firm's Investment Policy Committee has the discretion to alter the weightings of asset classes and sectors within each strategy based on its assessment of expected returns and risks in the capital markets. The Firm will manage only the securities, cash and other investments held in the client's account. In making investment decisions for the account, the Firm will consider only the investments owned by the client which the client has disclosed to the Firm.

## INVESTMENT MANAGEMENT STRATEGIES

Many of RAA's clients choose a combination of the strategies outlined below in an effort to further diversify their holdings. Each of our strategies (except for Individual Equities and Individual Bonds) is enacted through trading in no-load and often in no transaction fee mutual funds, which allows the Firm to rebalance as necessary with decreased concern for incurring transaction fees likely to negatively affect performance.

### CORE

The Core strategies are made up of a number of mutual funds that in aggregate provide a well-diversified investment portfolio. Under normal market conditions the portfolio offers exposure to the following sectors: domestic large, mid and small cap, international equities, domestic fixed income and money market. The mix may be adjusted to provide more or less equity exposure depending on the client's risk profile. Clients are generally directed to one of seven core strategies as follows:

- Fixed Income: 0% equity, 100% fixed income
- Income Plus: 20% equity, 80% fixed income
- Conservative Growth: 40% equity, 60% fixed income
- Balanced: 50% equity, 50% fixed income
- Moderate Growth: 70% equity, 30% fixed income
- Growth: 80% equity, 20% fixed income
- Strategic Growth Opportunities: 100% equity

### CORE-TAX EFFICIENT

The Core-Tax Efficient strategies mirror the Core strategies with the exception that municipal bond funds are used in place of taxable bond funds and ETFs are used in place of mutual funds. In addition to market risk, there may be additional risk of continued tax-efficiency of the selected equity funds.

### INDIVIDUAL EQUITIES

The Individual Equities strategy is an all-equity large cap value strategy designed for clients interested in a portfolio of individual stocks seeking long-term capital appreciation. RAA acts as the overlay portfolio manager and maintains full discretion with regard to implementing the model portfolio recommendations provided by the third party investment adviser, Westwood Management Corp. Westwood has entered into a contract to provide RAA with a recommended model portfolio and timely updates to its

recommendations. The model portfolio and any updates provided by Westwood serve as the primary source of information for RAA's Individual Equity stock decisions.

In general, the Individual Equities strategy is for clients that have expressed a personal preference to have a portion of their equities allocation invested in a portfolio of individual stocks and who meet appropriate suitability criteria. RAA imposes a \$500,000 minimum investment to participate in the Individual Equities strategy, which may be waived at the sole discretion of the Firm.

## INDIVIDUAL BONDS

The Individual Bond strategy is an all bond strategy that is designed for clients interested in a portfolio of individual bonds. In general, the portfolio will be invested in corporate issues, municipal issues or U.S. government agency issues with an S&P credit rating of "A" or higher. This portfolio may complement a Core strategy, Individual Equities strategy or Strategic Growth Opportunities strategy.

## PARTICIPANTS OF EMPLOYER-SPONSORED RETIREMENT PLANS

RAA provides investment management services to participants of employer-sponsored retirement plans, such as 401(k)'s, through self-directed brokerage accounts. Strategies for participants of employer-sponsored retirement plans are comprised of a number of mutual funds that in aggregate provide a well-diversified investment portfolio suitable primarily for active team members.

## RISK OF LOSS

Past performance is not indicative of future results. Current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there are varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, RAA is unable to represent, guarantee, or even imply that its services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through this investment management program.

- ETF Risks – Buying or selling an ETF during market hours can result in higher or lower values than the index that it is based on. This may have to do with the time of the purchase or sale, the bid-ask spread of the ETF or the amount of daily volume that is traded for the ETF. While generally low, ETFs have expenses that are absorbed by clients. The risk of owning an ETF generally reflects the risks of owning the underlying securities the ETF holds. There are certain de minimis regulatory fees, which Allworth does not impose or receive, associated with ETF trades.

- Mutual Fund Risks – Mutual fund trades only occur at the end of the trading day, regardless of when purchase or sell orders are placed. Depending on intraday market movements, this may result in a price for the trade that is more or less favorable than trading at other times. Along with expenses that are absorbed by clients, there may be additional expenses incurred based on early redemptions made by clients. Clients in non-qualified accounts are subject to potential taxable capital gain and dividend income distributions. The risk of owning a mutual fund generally reflects the risks of owning the underlying securities the mutual fund holds.
- Market Risk – Equity markets as a whole can go down, resulting in a decrease in the value of Client investments that are invested in broad equity exposures.
- Stock Specific Risk – When investing in stocks, there is always a certain level of company or industry specific risk that is inherent in each investment. Diversification is used in an attempt to mitigate this unsystematic risk. There is the risk that a company and its stock price will perform poorly or have its value reduced based on factors specific to the company or its industry.
- Credit Risk – When investing in fixed income investments, there is the risk that issuer will default on the security and be unable to make payments or that an issue will be downgraded. Fixed income instruments with a higher credit risk typically pay a higher yield than those of a higher credit quality to compensate investors for the risk of potential default or downgrade.
- Interest Rate Risk – When investing in high quality corporate bonds, U.S. Treasury securities, or other government-related bonds, these issues generally have very little if any credit risk, but such investments can be very sensitive to changes in interest rates. Fixed income investments with longer maturities generally have the highest degree of interest rate risk. As interest rates increase, the value of the fixed income securities could decrease.
- Liquidity Risk – To the degree that a stock, bond, mutual fund, ETF or other investment cannot be sold easily, investors may not be able to quickly get out of an investment in a timely manner. This also holds true for interval mutual funds where investors may only liquidate their funds at specified times, often at the end of a calendar quarter. Liquidity risk can be an issue if one needs to immediately convert their assets to cash and this risk generally becomes more prevalent when asset prices are precipitously declining.

## **ITEM 9 - DISCIPLINARY INFORMATION**

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RAA and its personnel seek to maintain the highest level of business professionalism, integrity and ethics. RAA has no reportable disciplinary events to disclose.

## **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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Hanson McClain Retirement Network, LP (doing business as AW Securities)  
RAA is under common ownership with Hanson McClain Retirement Network, LP, doing business as AW Securities, a broker-dealer member of FINRA/SIPC. AW Securities is also registered with the SEC as an investment adviser. RAA and AW Securities are owned by HMG Holdco, Inc., a holding company with majority ownership controlled equally between Scott Hanson and Pat McClain.

AW Securities offers a limited selection of variable annuity products and mutual funds to its clients and does not engage in any other types of securities transactions. In addition, AW Securities provides marketing, consulting, and client acquisition services to other investment adviser firms, broker/dealers and their representatives through the Hanson McClain Retirement Network.

Some investment adviser representatives of RAA are also registered securities agents with AW Securities. A conflict of interest exists as potential sales of variable annuity products which provide commissions could create an incentive for an Allworth investment adviser representative to recommend products based on the commission they earn. When placing variable annuity transactions through AW Securities in their capacity as registered securities agents, RAA investment adviser representatives are allowed to earn sales commissions; however, such representatives do not directly earn commissions. RAA investment adviser representatives are compensated with a base salary and have the ability to earn additional compensation based on the total revenue generated by the representative's client assets under management. RAA investment adviser representatives are not compensated on a per transaction basis.

RAA's investment adviser representatives will only recommend variable annuity products to a Client if it is determined that such products are suitable for the client and appropriate for fulfilling the client's asset allocation strategy and objectives. In doing so, RAA, AW Securities, its associated persons and employees are prohibited from trading on material non-public information.

AW Securities is also a licensed insurance agency and some of the associated persons of AW Securities and RAA are also independently licensed to sell variable annuity products through various insurance companies. When acting in these capacities, commissions are paid to AW Securities for selling these products.

The compensation received from RAA creates a conflict of interest whenever an

associated person recommends an insurance product through AW Securities.

RAA is under common ownership with an accounting and tax preparation firm, Allworth Tax Solutions. Clients seeking assistance with tax preparation and/or accounting services are referred to Allworth Tax Solutions to work with a licensed Certified Public Accountant (CPA), but are not obligated to use our affiliated accounting firm's services. If a client chooses to engage Allworth Tax Solutions for tax preparation and/or accounting services, the client will pay a separate fee in addition to the fees paid to RAA for investment advisory services. A conflict of interest when clients choose to use Allworth Tax Solutions because of the additional revenue RAA earns when clients use the services of Allworth Tax Solutions. All fees for services provided by Allworth Tax Solutions are disclosed to clients and clients are under no obligation to use the services of Allworth Tax Solutions. RAA receives no compensation or referral fees for recommending clients to Allworth Tax Solutions.

RAA has entered into an agreement with eHealthInsurance Services, Inc. ("eHealth") to refer clients of RAA to eHealth for health insurance services. eHealth specializes in offering insurance solutions for clients and their families. Product availability and coverage can vary by state. To the extent an RAA client or prospective client purchases insurance through eHealth, RAA will receive a referral fee.

## **ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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### **Code of Ethics Summary**

As a fiduciary, RAA has a duty of utmost good faith to act solely in the best interest of each of its clients. RAA places the interests of its clients ahead of the interests of the firm and its personnel. In order to ensure that RAA's personnel conduct themselves in an honest, ethical and fair manner, Allworth has established a Code of Ethics, which all supervised persons must read and then execute an acknowledgement agreeing that they understand and agree to comply with RAA's Code of Ethics. The Code of Ethics contains policies and procedures designed to prevent personnel from placing their own interests ahead of clients and imposes limits on certain activities, including personal trading, giving or receiving gifts for business purposes, political contributions and outside business activities. RAA will provide a complete copy of the Code of Ethics to any client or prospective client upon request.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

RAA's supervised persons have the ability to buy or sell securities or have an interest or position in a security for their personal account that they also recommend to clients. This presents a potential conflict of interest as it provides RAA supervised personnel with the ability to take investment opportunities from clients for their own benefit, favor personal trades over client transactions when allocating trades, or use the information about transactions planned for client accounts to their personal benefit by trading ahead of clients. RAA's policy is that no supervised person shall prefer his or her own interest to that of a client. No RAA supervised person may purchase or sell any security prior to a transaction or transactions being implemented for the client account. Further, RAA

supervised persons are not allowed buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of his/her employment unless the information is also available to the investing public upon reasonable inquiry. RAA maintains a list of all securities holdings for itself and all supervised persons, which is reviewed on a regular basis by a principal of the firm.

## **ITEM 12 - BROKERAGE PRACTICES**

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### **SELECTING BROKER/DEALERS FOR TRADES AND CUSTODY OF CLIENT ASSETS**

The Firm has arrangements with National Financial Services LLC, Fidelity Brokerage Services LLC (collectively, and together with all affiliates, “Fidelity”) and Charles Schwab & Co., Inc. (“Schwab”). Fidelity and Schwab (“the Custodians”) provide the Firm with “institutional platform services.” The institutional platform services include, among others, brokerage, custody, and other related services. The firm is not affiliated with Fidelity or Schwab.

For clients with assets at Fidelity, RAA offers a Wrap Fee Program (Program). RAA charges a single fee to the client that includes custody, trading, investment advisory fees and other expenses associated with management of the account. RAA is also the portfolio manager for the accounts and clients may select any of the investment strategies RAA offers.

The reason for preferring these Custodians includes, but is not limited to: discounted commission rates; dedicated trading and/or client service personnel; availability of and access to no load, no transaction fee, load-waived and institutional class mutual funds; access to electronic trading and/or block trading; daily transaction download and reconciliation files; research tools; and an online account service platform. While the receipt of these benefits – which are not typically available to retail investors - creates a potential conflict of interest on behalf of the Firm, there is no direct link between the Firm’s participation in the platform and the advice it gives to clients nor does receipt of these benefits depend on the amount of brokerage transactions directed to the Custodians. These services are typically provided to investment advisers that maintain a minimum of \$10 million held with each Custodian. The Firm receives no fees or compensation for recommending these Custodians but receives other benefits as described herein.

The Custodians do not charge clients a separate custody fee. Instead, they are compensated through commissions, transaction-related fees, asset-based fees or fixed fees. Commissions are charged for individual equity trades. Transaction fees are charged for certain no-load mutual funds. Individual bonds pay a spread or mark-up reflected in the transaction price. The Custodians may also be compensated based on the account value or a flat fee charged per account. In addition, the Custodians are compensated by any no-transaction fee mutual funds that are held in client accounts.

The Firm regularly assesses the services provided by the Custodians to determine that the reasonableness of commissions is consistent with their ability to provide quality services to the Firm and its clients. The Firm believes that, in consideration of all services

provided, including but not limited to commission rates and other fees, the Custodians are providing overall execution quality consistent with the Firm's duty to seek best execution for its clients.

Scott Hanson, Co-CEO, of Allworth Financial serves on the Schwab Advisor Services Advisory Board (the "Advisory Board"). Allworth Financial may recommend that clients establish brokerage accounts with Charles Schwab & Co., Inc. ("Schwab") and/or its affiliates (e.g. TD Ameritrade Institutional) to maintain custody of the clients' assets and effect trades for their accounts. The Advisory Board consists of representatives of independent investment advisory firms who have been invited by Schwab management to participate in meetings and discussions of Schwab Advisor Services' services for independent investment advisory firms and their clients. Advisory Board members enter into nondisclosure agreements with Schwab under which they agree not to disclose confidential information shared with them. This information generally does not include material nonpublic information about the Charles Schwab Corporation, whose common stock is listed for trading on the New York Stock Exchange (symbol SCHW). The Advisory Board meets in person or virtually approximately twice per year and has periodic conference calls scheduled as needed. Advisory Board members are not compensated by Schwab for their service, but Schwab does pay for or reimburse Advisory Board members' travel, lodging, meals and other incidental expenses incurred in attending Advisory Board meetings.

## RESEARCH AND OTHER SOFT-DOLLAR BENEFITS

The Firm has no "soft dollar" relationships, in which funds (or credits) generated by client trades pay directly for products and services the Firm uses. However, the Custodians do provide other services intended to help the Firm manage and further develop its advisory practice as described here under Brokerage Practices and also in the section titled Client Referrals and Other Compensation.

## BROKERAGE FOR CLIENT REFERRALS

The Custodians do not refer clients to RAA for compensation.

## DIRECTED BROKERAGE

Clients are not allowed to request that trades be enacted through a specific broker. The Firm requires clients to use one of the Firm's recommended broker-dealers as their account custodian.

## ORDER AGGREGATION

In certain instances, the Firm may determine that it is in one or more of its clients' best interests to engage in a block trade comprised of shares to be purchased or sold by more than one client account. In such cases, the Firm will allocate the block trade proportionately to the capital of each of the client accounts participating in the trade in a manner that the Firm determines is fair and equitable to the participating clients. The Firm will engage in block trades when it determines such action will result in best execution for all client accounts and to ensure that all client accounts are treated equally and fairly. Fidelity does not provide commission breaks to participants in block trades.

## **ITEM 13- REVIEW OF ACCOUNTS**

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Clients' accounts will be reviewed by authorized portfolio managers on a regular basis to review liquidity levels needed for upcoming or ongoing distributions, to review asset allocation within the portfolio, and to apply the investment policy to the individual portfolios. The overall investment policy is determined by the members of the Investment Policy Committee. Individual funds, issuers and securities are monitored and reviewed on an ongoing basis.

The Investment Policy Statement is reviewed with the client on a periodic basis to ensure that the portfolio continues to be managed in accordance with the client's goals and objectives. Relationship Managers are available to answer questions and address any changes to the client's financial situation as needed.

Each client receives a monthly statement from his/her qualified custodian showing the account assets, value and transactions for that month. Once an account has been managed for at least a year, RAA may provide a written Annual Account Review which outlines projections for the portfolio based on a certain set of assumptions.

RAA sends each client a monthly newsletter that summarizes information on the economy, financial markets and other noteworthy events.

## **ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

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### **CLIENT REFERRALS**

The Firm's independent marketing representatives are paid a fee by the Firm. The Firm compensates the representatives according to an ongoing fee-sharing agreement. In most cases, the fee is structured to pay the representative a higher percentage at the inception of the client relationship and it is reduced over time. Clients referred to the Firm in accordance with any referral arrangement do not pay a higher fee for advisory services as a result of the referral. The details of such payments are described to clients as required, and acknowledged and accepted by those clients, in a signed Solicitors Disclosure Document.

### **OTHER COMPENSATION**

As part of the institutional platform services offered by Fidelity and Schwab, the Firm has access to free industry information, such as newsletters or other publications pertaining to compliance, marketing, practice management, etc. The Custodians negotiate discounted prices for advisers on products and services offered by third parties that assist the Firm with trading, reporting, marketing, compliance, technology, operations and other business management functions. The Custodians may also provide benefits including attendance at sponsored events, such as workshops and conferences, at reduced cost or no cost and may include payment or reimbursement for travel, lodging, meals and/or entertainment. These benefits are not provided on the basis of client transactions. Under no circumstances do any clients pay additional fees or commissions in order for the Firm to obtain these products or services.

## **ITEM 15 - CUSTODY**

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For an investment advisory firm, its related entities, and/or its personnel, custody is defined as directly or indirectly holding client funds or securities or having the authority to obtain possession of them.

The deduction of investment management fees from client accounts is deemed a form of custody. In addition, even though the Firm's clients' accounts are held by qualified custodians, the Firm's client and custodial agreements, which allow the Firm to provide a higher level of service to its clients (including the ability to direct funds or securities to third parties designated by a client), give the Firm a form of custody-

Client accounts are held by a qualified custodian, which sends account statements directly to Clients on at least a quarterly basis. Custodial statements include account holdings, market values and any activity that occurred during the period, including the deduction of investment advisory fees. We urge clients to compare information contained in reports provided by the Firm with the account statements received directly from the custodian. Differences in portfolio value may occur due to various factors, including but not limited to: (1) unsettled trades; (2) accrued income; (3) pricing of securities; and (4) dividends earned but not received.

RAA is deemed to have custody of client assets as a result of clients authorizing RAA to distribute assets from their accounts to a specific named recipient in accordance with a standing letter of instruction. RAA intends to comply with the SEC No-Action Letter dated February 21, 2017 (Investment Adviser Association) allowing firms who comply with all of the provisions of the no-action letter to forego the annual surprise custody examination with respect to those assets.

## **ITEM 16 - INVESTMENT DISCRETION**

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Most of the Firm's clients grant full discretionary trading authority to the Firm. This grant of authority permits the Firm to buy and sell certain types of securities in amounts deemed desirable by the Firm without obtaining specific client consent for that purchase or sale. The practical limits of the Firm's authority in this regard arise from the Firm's duty to act in accordance with clients' needs, objectives, and family and financial circumstances, and to act wisely, ethically and prudently. Some of the Firm's clients retain investment control over their assets (self-directed accounts) but look to the Firm for investment advice and counsel. In this case, the Firm will not buy or sell securities without specific instructions from such clients.

## **ITEM 17 - VOTING CLIENT SECURITIES**

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The Firm may choose to, but is not required to, vote proxies on a client's behalf. Clients that retain proxy-voting responsibilities will receive all issuer communications directly from their custodian.

When charged with the responsibility to vote proxies on behalf of its clients, the Firm will vote such proxies through an independent, unaffiliated third-party voting service (“Broadridge”) in accordance with policies and recommendations determined by Broadridge. Broadridge endeavors to make vote recommendations in a manner that is reasonably designed to eliminate any potential conflicts of interest. Broadridge is required to establish and maintain adequate internal controls and policies in connection with the provision of proxy voting services to the Firm, including methods to reasonably ensure that its analysis and recommendations are not influenced by a conflict of interest. The policies include voting guidelines for matters relating to, among other things, the election of directors, approval of independent auditors, executive compensation, corporate structure and anti-takeover defenses. Broadridge may abstain from voting from time to time where it determines that the costs associated with voting a proxy outweigh the benefits derived from exercising the right to vote.

In situations where a conflict of interest arises between the Firm and a Client with respect to a particular security or a specific issue on the proxy ballot, the conflict of interest will be disclosed to the Client and the Firm will take direction from the Client on how to cast their vote.

A report summarizing each corporate issue and corresponding proxy vote is available to clients upon request by contacting the Client Service Department.

### **Class Actions**

A securities “class action” lawsuit is a civil suit brought by one or more individuals on behalf of themselves and others who have been similarly harmed by the issuer of a certain security. Clients retain the right under the applicable securities laws to initiate individually a lawsuit or join a class-action lawsuit against the issuer of a security that was held, purchased or sold by or for a client. RAA will not initiate such a legal proceeding on behalf of any of its clients and does not provide legal advice to clients regarding potential causes of action against such a security issuer and whether its clients should join a class-action lawsuit. RAA recommends clients seek legal counsel prior to making a decision regarding whether to participate in such a class-action lawsuit. RAA’s services do not include monitoring or informing its clients of any potential or actual class-action lawsuits against the issuers of the securities that were held, purchased or sold by or for any of its clients. However, upon a client's specific instruction, RAA will provide factual information related to the individual client's investment history in the security underlying the individual or class-action lawsuit and provide assistance with the completion of a portion of certain class-action paperwork. At no time should such assistance by RAA be deemed as a substitute for consulting with legal counsel.

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## **ITEM 18 - FINANCIAL INFORMATION**

Registered investment advisers are required to provide certain financial information or disclosures about their financial condition. The Firm has no financial commitment that

impairs its ability to meet contractual and fiduciary commitments to its clients and has not been the subject of any bankruptcy proceeding.