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March 2022

Form ADV Part 2A – Firm Brochure

This brochure provides information about the qualifications and business practices of Patrick Daniel McNally, DBA Retirement Lifestyles Advisory Group (hereinafter referred to as “RLAG”). If you have any questions about the contents of this brochure, please contact us at (530) 377-5180 and/or patrick@rlaplan.com.

Patrick Daniel McNally is a Registered Investment Adviser with the state of California. Registration of an Investment Advisor does not imply any level of skill or training.

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 RLAG also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

The material changes in this brochure from the last annual updating amendment of RLAG on 03/2021 are described below. Material changes relate to RLAG's policies, practices or conflicts of interests.

- RLAG has updated its asset based fee schedule. (Item 5A, Asset based Fees).

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Item 4: Advisory Business

A. ADVISORY FIRM DESCRIPTION

Founded in 2010 by Patrick McNally as a registered investment advisory firm, “RLAG” focuses on retirement income planning while upholding its fiduciary duty to all clients. The name we primarily conduct business as is Retirement Lifestyles Advisory Group.

B. TYPES OF ADVISORY SERVICES

“RLAG” provides investment management solutions for its clients.

Our firm also provides ongoing and continuous supervision of our clients’ investment accounts through our portfolio management services offering. During or prior to your first meeting with our firm you will be provided with a current Form ADV Part 2 firm brochure that includes a statement with regard to our privacy policy. We will also ensure that we disclose any material conflicts of interest that could be reasonably expected to impair the rendering of unbiased and objective advice. Should you wish to engage “RLAG” for its advisory services, you must first enter into a written agreement with our firm.

Thereafter, discussion and analysis will be conducted to determine your financial needs, goals, holdings, etc. Depending on the scope of the engagement, you may be asked to provide current copies of the following documents early in the process:

- Wills, codicils and trusts
- Divorce decree
- Insurance policies
- Mortgage information
- Financial data that may include tax returns, W-2s or 1099s and/or paystubs
- Information on retirement plans and benefits provided by your employer
- Statements reflecting current investments in retirement and non-retirement accounts
- Employment or other business agreements you may have in place
- Credit card balances and interest rates
- Student loan documents
- Auto, home loans, HELOCs, and other liabilities
- Completed risk profile questionnaires or other forms provided by our firm

It is important that the information and/or financial statements you provide are accurate. Our firm may, but is not obligated to, verify the information you have provided, which will then be used in the investment advisory process. It is also necessary that you provide us with an adequate level of information and supporting documentation throughout the term of the engagement including, but not limited to: source of funds, income levels, and an account holder or their legal agent’s authority to act on behalf of the account, among other information. This helps us determine the appropriateness of our planning and/or investment strategies for your portfolio. It is also very important that you keep us

informed of significant changes that may call for an update to your investment plans. Events such as changes in employment or marital status, an unplanned windfall, etc., can have an impact on your circumstances and needs. We need to be aware of such events, so that we may make adjustments as necessary in order to keep you on track toward your goals.

C. INDIVIDUAL CLIENT NEEDS

Before we accept new clients, they must participate in a discovery meeting(s) to determine their compatibility with us. We will discuss individual goals, dreams, needs and realistic financial ability needed to complete their plan based on their current financial profile. Recommendations are made based on the client's individual situation, risk tolerance, and time horizon. Clients may always request restrictions on investing in certain securities or types of securities. We also reserve the right to *not* accept a client based on our assessment of the above criteria.

D. WRAP FEE PROGRAMS

"RLAG" does not sponsor any wrap fee programs.

E. CLIENT ASSETS

RLAG has the following assets under management:

| Non-Discretionary | Discretionary | Date Calculated: |
|-------------------|---------------|-------------------|
| \$30,644,148 | \$0.00 | December 31, 2021 |

General Information

"RLAG" does not provide legal, or accounting services. With your consent, we may work with other professional advisors, such as an accountant, attorney or insurance representative to assist with coordination and implementation of accepted strategies. You should be aware that these other entities will charge you separately for their services and these fees will be in addition to our own advisory fee.

Our firm will use its best judgment and good faith effort in rendering its services. "RLAG" cannot warrant or guarantee the achievement of a planning goal or any particular level of account performance or that your account will be profitable over time. Past performance is not necessarily indicative of future results.

Except as may otherwise be provided by law, our firm will not be liable to the client, heirs, or assignees for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by our firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from our adherence to your direction or that of your legal agent; any act or failure to act by a service provider

maintaining an account. Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith and, therefore, nothing contained in this document or our client engagement agreement shall constitute a waiver of any rights that a client may have under federal and state securities laws.

Item 5: Fees and Compensation

A. COMPENSATION

Forms of payment are based on the types of services being provided, term of service, etc., and will be stated in your engagement agreement with the firm. Payment is made via check or draft from a U.S. financial institution as well as through qualified, unaffiliated third-party processors or your custodian of record maintaining your account; both requiring your prior authorization. We do not accept cash, money orders or similar forms of payment for advisory engagements.

B. Method of Compensation and Fee Schedule

Fixed Planning Fees

Our services typically begin via a financial planning engagement so that each of our clients has a foundation: a personalized plan, the “RLA X-Ray” which includes stated goals and objectives. Clients will sign a one-time fee agreement and pay a one-time planning fee of between \$0-\$5,000. This fee for our planning services and ongoing support takes into consideration factors such as the complexity of your financial profile; the time involved developing your plan and assisting you in its execution, assets that comprise your overall portfolio, as well as the number of individual accounts comprising the portfolio. Clients have a period of 5 business days from signing the fee agreement to cancel and will receive a full refund of the planning fee. After 5 business days, no refunds are available.

Hourly Fees

On a limited basis we may be engaged for our income planning and investment consultation services on an hourly fee basis. This is typically for those clients requiring a narrowly focused plan, incidental advice or abbreviated review session. The hourly rate is \$250 per hour that will be billed in 30 minute increments, and a partial increment will be treated as a whole increment. Prior to engagement you will receive an estimate of the overall cost based on your requirements and the time involved.

Asset-Based Fees

Portfolio management services accounts are assessed an annualized asset-based fee that is based on the average daily balance during the previous calendar month (Betterment) or monthly ending balance amount calculated on the last trading day of the month (TD Ameritrade Institutional). Using an average daily balance allows our firm to readily adjust for additions and withdrawals, as well as mid-cycle account openings or closures. Betterment will bill on a monthly basis (Betterment), and (TD Ameritrade) monthly, in arrears, per the following table.

RLAG Annual Fees: 0.00% - 1.50%

Betterment Annual Fee: 0.175% - 0.25%

| Betterment | RLAG | Betterment |
|--------------------------|--------------------------------|-----------------------------|
| Assets Under Management | Annualized Asset Based Fee | Quarterly Asset Based Fee |
| \$0- \$1,000,000 | 0 - 1.00% (0-100 basis points) | 0-0.25% (0-25 basis points) |
| \$1,000,001- \$2,000,000 | 0.80% (80 basis points) | 0.20% (20 basis points) |
| \$2,000,000 + | 0.70% (70 basis points) | 0.175% (17.5 basis points) |

| TD Ameritrade Institutional | RLAG | |
|-----------------------------|----------------------------------|-----------------------------------|
| Assets Under Management | Annualized Asset Based Fee | Monthly Asset Based Fee |
| \$0- \$999,999 | 0 - 1.50% (0-150 basis points) | 0 - 0.15% (0-12.5 basis points) |
| \$1,000,000 - \$2,000,000 | 0 - 1.20% (0-120 basis points) | 0 - 0.125% (0 - 10 basis points) |
| \$2,000,001 + | 0 – 1.00% (0 - 100 basis points) | 0 - 0.083% (0 – 8.3 basis points) |
| \$5,000,000 + | negotiable | negotiable |

Our investment advisory fees are billed in arrears, therefore either party may terminate the investment advisory agreement with 30 days written notice and any owed fees will be debited on a prorated basis.

C. FEE PAYMENTS

“RLAG” does not charge prepayment of any advisory fees. Either party may terminate the investment advisory agreement with 30 days written notice.

D. SALES CHARGES

1. When insurance products are recommended in connection with investment management, plan implementation and financial planning, there is a potential conflict of interest since there is an incentive for the party offering financial planning services to recommend products or services for which the Adviser, or a related party, may receive compensation.
2. However, financial planning clients are under no obligation to act upon any recommendations of “RLAG” or to effect any transactions through “RLAG”.

3. "RLAG" whenever appropriate will recommend insurance products as a part of overall planning, and a commission will be paid directly to "RLAG" from the insurance company chosen. Approximately 50% of the overall compensation of "RLAG" comes from commissions on insurance products.
4. Commissions paid from insurance companies are not deducted from client accounts. If an insurance product is used, a commission is paid from an insurance company based on the premium amount used in the insurance product, therefore a separate management fee will not be charged to the client on this portion of the assets.

Item 6 Performance-Based Fees and Side-By-Side Management

"RLAG" does not accept performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle).

Item 7 Types of Clients

"RLAG" specializes in custom retirement income planning services and investment advice for individuals, small business owners, professionals, and company retirement plans, including 401(k), 403(b), profit sharing and defined benefit plans. We provide services to a limited number of clients, therefore a minimum investment amount of \$250,000 is recommended, however not required.

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

A. Methods of analysis and investment strategies

When we are engaged to provide investment advice, we will first gather and consider several factors, including your:

- current financial situation
- current and long-term needs
- investment goals and objectives
- level of investment knowledge
- tolerance or appetite for risk
- reasonable investment restrictions involving your account(s)

Our research is drawn from sources that include financial periodicals, reports from economists and other industry professionals, annual reports as well as prospectuses and other regulatory filings.

Investment Strategies

We recognize that each client's needs and goals are different; subsequently portfolio strategies and underlying investment vehicles may vary. Generally, our investment advice is based on Modern Portfolio Theory and the belief that proper diversification and risk management will provide an investor client with a stable and consistent return over time. The practice of Modern Portfolio Theory does not employ market timing or stock selection methods of investing but rather a long term buy-and-hold strategy with periodic rebalancing of the account to maintain desired risk levels.

Clients' portfolios are designed to maximize their risk adjusted return on assets by applying the implications of recent empirical research and the principles of modern portfolio theory. Accordingly, clients' portfolios typically overweight small cap and value stocks relative to their proportions of the total stock market capitalization while maintaining diversification across equity styles and industries.

Investment Vehicles Generally Recommended

We typically recommend portfolios that contain investment vehicles considered diversified, tax-efficient and low-cost whenever practical. It would be common to find a broad range of index funds, no-load and/or no transaction fee mutual funds, and ETFs within a portfolio that we have designed. We may also recommend an investor retain pre-existing holdings when appropriate.

Investing in securities involves risk of loss that *clients* should always be prepared to bear. Markets can and do lose money.

B. MATERIAL RISKS

"RLAG" recommends asset allocations that follow several precepts; 1) Diversification increases the risk adjusted return of portfolios. 2) Value stocks over the long term have outperformed growth stocks on a risk adjusted return basis. 3) Small cap stocks have outperformed large cap stocks on a risk adjusted return basis. 4) Overtrading a portfolio harms performance by creating transaction costs and tax liabilities.

Company Risk

When investing in securities, such as stocks, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is also referred to as unsystematic risk and can be reduced or mitigated through appropriate diversification.

Failure to Implement

As a financial planning client, you are free to accept or reject any or all of the recommendations made to you. While no advisory firm can guarantee future performance, no plan can succeed if it is not implemented. Clients who choose not to take the steps recommended in their financial plan may face an increased risk that their stated goals and objectives will not be achieved.

Financial Risk

Excessive borrowing to finance a business operation increases profitability risk because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Inflation Risk

When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.

Market Risk

When the stock market as a whole or an industry as a whole falls, it can cause the prices of individual stocks to fall indiscriminately. This is also called systemic or systematic risk.

Passive Markets Theory

A portfolio that employs a passive, efficient markets approach (representative of Modern Portfolio Theory) has the potential risk at times to generate lower-than-expected returns for the broader allocation than might be the case for a more narrowly focused asset class, and the return on each type of asset may be a deviation from the average return for the asset class. We believe this variance from the "expected return" is generally low under normal market conditions when a portfolio is made up of diverse, low or non-correlated assets.

ETF and Mutual Fund Risks

The risk of owning ETFs and mutual funds reflect their underlying securities (e.g., stocks, bonds, etc.). ETFs and mutual funds also carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. We do not recommend leveraged or inverse ETFs due to their inherent heightened risk.

Fixed Income Risks

Various forms of fixed income instruments, such as bonds, money market or bond funds may be affected by various forms of risk, including:

Credit Risk

The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as “default risk.” Credit risk may also occur when an issuer’s ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as funds or ETF share values that hold these issues. Bondholders are creditors of an issuer and have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.

Duration Risk

Duration is a measure of a bond’s volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations. Interest Rate Risk The risk that the value of the fixed income holding will decrease because of an increase in interest rates.

Liquidity Risk

The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income are generally liquid (i.e., bonds), there are risks which may occur such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.

No one can predict which asset class will perform the best each year. Diversification is the key to long term success.

C. SECURITY TYPES

“RLAG” recommends globally diversified portfolios through the use of separately managed accounts, unified managed accounts and ETF strategies. “RLAG” does not recommend securities involving significant or unusual risks, and takes all available information known under consideration when making recommendations.

Item 9 Disciplinary Information

“RLAG” has no legal or disciplinary events that are material to a *client’s* or prospective *client’s* evaluation of our advisory business or the integrity of our management.

Item 10 Other Financial Industry Activities and Affiliations

Neither “RLAG” nor any management persons are registered, or have an application pending to register, as a broker-dealer, a registered representative of a broker-dealer, futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the forgoing entities.

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

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

“RLAG” may buy or sell securities identical to or different than those recommended to clients. However recommendations are generally consistent with securities which we personally hold. It is our policy to avoid all transactions which would yield monetary benefit at the expense of our clients.

CODE OF ETHICS

“RLAG” has established the following restrictions in order to ensure its fiduciary responsibilities:

1. Associated persons or their immediate family members shall not buy or sell securities for their personal portfolio(s) where their decision is derived, in whole or in part, by reason of the associated person’s employment, unless the information is also available to the investing public on reasonable inquiry. No associated person of the firm shall prefer his or her own interest to that of the advisory client.
2. “RLAG” emphasizes the unrestricted right of the client to specify investment objectives, guidelines, and/or conditions on the overall management of their account.
3. “RLAG” and its associated persons generally may not purchase and/or sell securities being considered for, or held by client accounts without pre-clearance from “RLAG’s” Compliance Officer or designee.
4. “RLAG” and its employees generally may not participate in private placements or initial public offerings (IPO’s) without pre-clearance from the “RLAG’s” Compliance Officer or designee.
5. “RLAG” requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
6. Any individual not in observance of the above may be subject to termination.

A copy of the code of ethics is available to any client or prospective client upon request.

PERSONAL SECURITIES TRADING BY ADVISORY PERSONNEL

“Access persons” must report their personal securities transactions to the CCO each quarter. They must also submit a complete report of the securities that they hold at the time they first become an access person, and then at least once each year after that. The CCO must review these personal securities transaction reports. Supervised persons must promptly report violations of the code of ethics (i.e., including the federal securities laws) to the CCO.

The code of ethics also includes a prohibition on insider trading and the misuse of material non-public information (under Section 204A of the Advisers Act).

Item 12 Brokerage Practices

“RLAG” does not recommend, utilize or direct client transactions to a particular broker based on product and research services received. We *do not* receive research or any other products or services from a broker-dealer or a third party in connection with *client* securities transactions otherwise known as (“soft dollar benefits”).

Item 13 Review of Accounts

- A. “RLAG” personally reviews the accounts and financial plans of our clients on a monthly basis, as well as monitor the third party money managers we use. Financial planning is an ongoing practice and requires consistent supervision, depending on the current needs or life events of our clients.
- B. Depending on the complexity of the financial planning, “RLAG” will request in person meetings on a quarterly, semi-annual or annual basis. Most of these meetings are reviews of the current plan, the current account values and market performance statistics. “RLAG” reserves the right to schedule client meetings whenever we deem necessary. Clients are required to meet with us in person a minimum of once per year.
- C. Client investment account reporting is monthly or quarterly. The reports are generated and delivered by Eqis Capital as well as FolioFn Investments and Betterment Institutional via electronic mail to the email address on file each month. Paper copies are available upon request and will be mailed to the current address on file.

Item 14 Client Referrals and Other Compensation

“RLAG” gives and receives referrals from other advisors and related professionals, however does not directly or indirectly compensate any person for client referrals. We will share client information with and utilize our team of non-affiliated advisors (CPA, Enrolled agent, Estate Planning Attorney, Insurance agent, Real Estate agent) but only with written client permission. If our clients desire to use their own current professionals, we will work with them to the best of our ability.

Item 15 Custody

“RLAG” does not have custody of client funds or securities. All account reports are generated and delivered by TD Ameritrade Institutional and/or Betterment Institutional.

Item 16 Investment Discretion

“RLAG” will not accept discretionary authority to manage securities accounts on behalf of clients at this time. However, clients have the option to allow “RLAG” Limited Power of Attorney for trading and disbursement.

Item 17 Voting Client Securities

- A. “RLAG” does not accept authority to vote client securities.
- B. *Clients* will receive their proxies or other solicitations directly from their custodian or a transfer agent, and should direct all questions about a particular solicitation to the custodian, not to “RLAG”.

Item 18 Financial Information

- A. “RLAG” does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance.
- B. “RLAG” does not have discretionary authority or custody of client funds or securities.
- C. “RLAG” has never been the subject of a bankruptcy petition at any time.

Item 19 Requirements for State-Registered Advisers

“RLAG” provides services other than financial planning and investment advice. Patrick is a licensed insurance agent and can sell insurance products for sales commissions to clients as part of their overall financial plan, or who only want to retain services for the purpose of purchasing insurance. That profession currently takes up to about 10% of the work-week.



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Part 2B of Form ADV: *Brochure Supplement*

Item 1 Cover Page

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Item 2 Educational Background and Business Experience

Education and Background

Patrick Daniel McNally, Founder

Born in 1975.

BA Economics, San Diego State University, 2000.

09/2010-Present Patrick Daniel McNally, (RIA) Registered Investment Advisor
06/2010-02/2011 Palmetto Senior Solutions, Insurance Agent
08/2007-02/2009 Hunter Financial, Inc (RIA) Investment Adviser Representative
11/2006-02/2007 Sageworks, Inc, Inside Sales Representative
05/2006-10/2006 Northwestern Mutual Financial Network Insurance Agent
10/1999-Present McNally Insurance Services, Owner/Insurance Agent
05/1992-09/1999 JC Resorts, Inc., Golf Teaching Professional
Licenses:
2007- Series 65 Uniform Investment Adviser Law Examination (NASAA).
1999- California Resident Insurance license, multiple Non-Resident States.

Item 3 Disciplinary Information

“RLAG” has no legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of our advisory business or the integrity of our management

Item 4 Other Business Activities

A-1. When insurance products are recommended in connection with investment management, plan implementation and financial planning, there is a potential conflict of interest since there is an incentive for the party offering financial planning services to recommend products or services for which the Adviser, or a related party, may receive compensation.

A-2. Commissions paid from insurance companies are not deducted from client accounts. If an insurance product is used, a commission is paid from an insurance company based on the premium amount used in the insurance product, therefore a separate management fee will not be charged to the client on this portion of the assets.

Item 5 Additional Compensation

“RLAG” is also eligible to receive awards in the form of travel conventions or marketing reimbursement credits, on the basis of the insurance business submitted. Each insurance company offers its own awards and events, therefore a potential conflict of interest is present in a planning situation that involves insurance as a means of risk management.

Item 6 Supervision

Patrick is the only advisor providing investment advice to clients of "RLAG".

Item 7 Requirements for State-Registered Advisers

A. In addition to the events listed in Item 3 of Part 2B, "RLAG" has **never been involved** in any of the events listed below.

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;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

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;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

B. If the *supervised person* has been the subject of a bankruptcy petition, disclose that fact, the date the petition was first brought, and the current status.