

RETIREMENT ASSET ADVISORY, INC.

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This brochure provides information about the qualifications and business practices of Retirement Asset Advisory, Inc. If you have any questions about the contents of this brochure, please contact us at 817-563-3400. 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 Retirement Asset Advisory, Inc. is also available on the SEC's website at www.advisorinfo.sec.gov.

Retirement Asset Advisory, Inc. is a registered investment advisor, however as with all registered investment advisors, registration does not imply a certain level of skill or training.

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ADVISORY BUSINESS

Retirement Asset Advisory (“RAA”) has been in business since 1995. The principal owners are William D. Worley, President and John D. Cole, Vice-President.

RAA provides investment supervisory services, defined as giving continuous advice to a client or making investments for a client based on their individual needs.

Services provided include:

- Recommendations to clients regarding the selection of suitable investment;
- Ongoing monitoring and reports related to such investment’s statistical comparisons to established benchmarks;
- Asset allocation modeling;
- Retirement planning concepts;
- Retirement plan distribution strategies.

RAA anticipates that it will, from time to time, offer other advice and services in the realm of financial planning including providing clients with financial calculations related to projecting future account values and calculations necessary to establish current savings requirement to meet future financial goals.

After ascertaining client investment objectives and tolerance for risk, we tailor our recommendations to fit their individual needs. Using this approach, RAA and its client forge an agreement for a course of action, an investment strategy including specific investment options. From time to time the agreement may include the prohibition not to invest in certain securities or types of securities.

As of December 31, 2011, RAA manages client assets of \$215,200,000 on a non-discretionary basis and assets of \$11,100,000 on a discretionary basis.

FEES AND COMPENSATION

RAA's basic fee schedule is comprised of two formats:

An annual fee of .25% to 1.25%, (25 to 125 basis points), on the market value of assets under management. Fees are negotiable based on:

- the dollar value of assets,
- expected level of activity,
- expected task difficulty in providing contracted investment advisory services and
- frequency of reporting requirements.

The asset fee will be charged on a monthly or quarterly basis and calculated on an average daily account balance of a period-ending balance, depending on the type of account. The fee is calculated and billed to the client at the end of each period.

An hourly fee of \$110 for specific investment advisory services on a project-by-project basis with no annual asset fee. Hourly fees are negotiable based on the extent and difficulty of a proposed engagement. RAA will provide each client with an estimate of the expected number of hours to complete an engagement. Hourly fees are due at the time of the completion and delivery of the investment advisory services to the client.

A client investment advisory contract with asset related charges may be canceled at any time, by either party, for any reason upon delivery of a written notice of intent to sever the relationship with 30 days prior notice. Asset-based fees for the next billing would reflect a fee adjustment for the actual number of days in the remaining contract period, that is, to the contract cancellation date.

Hourly and flat fee engagements require only written notice (no 30 day prior notice) and would be adjusted to reflect the number of hours already completed on an hourly contract or the percentage of completion of a flat fee project terminated by a client.

In the event RAA terminated an hourly or flat fee engagement, no fee will be charged to the client. RAA does not refund investment advisory fees since no fees are collected in advance of services performed.

Unless otherwise specified, RAA fees are calculated based upon the market value of client assets as of the last day of each calendar quarter. The fees are deducted from the account in the following month. For example:

Market value of client account at quarter end	\$1,000,000
Agreed upon RAA fee 1% /4(quarters)	.0025
RAA fee to be deducted for quarter	\$2,500

RAA does not provide investment custody services nor do we accept compensation from firms that provide investment custody services. We do have working relationships with several custody firms. As a RAA client you will be asked to enter into a custody agreement with one or more firms to provide custody services. Each custody agreement details the related fees for service, if any.

RAA clients can expect to pay mutual fund expenses as many of the recommended investments are offered through mutual funds. Mutual fund expenses will vary and will run between .10% and 2.00% per year. These expenses are detailed in the mutual fund prospectus. Mutual fund prospectuses are provided by RAA to all RAA clients. Please read the mutual fund prospectus prior to making a mutual fund purchase.

In addition to custody and mutual fund expenses, RAA clients may also incur brokerage expenses. Brokerage expenses include expenses for purchase or sale of securities including stocks, bonds, CDs, exchange traded funds (ETF) and certain mutual funds. Please refer to the fee schedule accompanying the custody and brokerage agreements.

RAA does not offer brokerage services but does have working relationships with various firms providing custody and brokerage services. RAA is not compensated by any custody or brokerage firm. Please refer to the section titled "Brokerage Practices".

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Retirement Asset Advisory, Inc. does not accept performance-based fees.

TYPES OF CLIENTS

Retirement Asset Advisory, Inc. generally provides investment advice to individuals, pension and profit sharing plans, trust and estates.

RAA requires a minimum opening account of at least \$50,000.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Mutual Funds make up the majority of the investments recommended by RAA. We choose mutual funds as our primary investment vehicle because they offer a broad array of diversified investment choices. We can choose from professionally managed investments which focus on the stock of large, midsize and small U.S. based companies as well as those based in foreign and emerging market countries. The same can be said of fixed income bond investment options.

Mutual fund investments offer both managed and unmanaged index based investment strategies with established track records. Mutual funds are also required to disclose financial performance information and other financial information that RAA is then able to quantify and analyze.

RAA is able to research available data to determine which mutual fund and mutual fund managers do the best job of delivering the highest return with the least amount of risk compared to their peers.

RAA uses mutual analytical tools from Morningstar, Russell, fi360 and Alliance Benefit Group as the basis for our investment research.

Although RAA engages in investment research to provide our clients investment recommendations that take less risk than their peers, the process does not eliminate risk.

RAA does not recommend investments that are subject to loss of principal unless the client indicates a tolerance for risk. Each client completes a risk tolerance questionnaire followed by a discussion regarding risk prior to the beginning of the investment process.

DISCIPLINARY INFORMATION

Retirement Asset Advisory, Inc. has not been involved in any legal or disciplinary event.

OTHER FINANCIAL ACTIVITIES AND AFFILIATIONS

William D. Worley conducts business through William D. Worley Insurance Broker, Sole Proprietor.

William D. Worley and John D. Cole, the executive officers of RAA, maintain positions with 401k Plus, Inc., a contract plan administrator, which provides consulting, actuarial and administrative services to approximately 400 qualified plan sponsors. The principals may spend as much as 100% of their time in these related activities. Both are salaried employees of 401k Plus, Inc.

The above referenced relationships define each principal executive's relationship with various "Other Financial Industry Activities or Affiliations" As such, these individuals will be able to effect securities, insurance and pension consulting transactions for advisory clients and receive separate, yet customary compensation for effecting the transactions. No agency cross transactions are intended now or in the future with RAA. Full compliance and adherence to SEC Rule 206(3)-2 is practiced.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTION AND PERSONAL TRADING

Retirement Asset Advisory has adopted a Code of Ethics and is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940. Our firm's Code of Ethics requires high standards of business conduct, compliance with federal securities laws reporting and recordkeeping of personal securities, transactions and holdings, reviews and sanctions. The Code is based on the principal that RAA owes a fiduciary duty to the firm's clients to conduct their affairs in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility. RAA will provide a copy of the Code of Ethics to any client or prospective client upon request.

RAA's personal investments are maintained by Fidelity Investments Brokerage Group and are available for inspection by the SEC.

The principal executive officers and other employees, as insurance agents and/or brokers of various insurance companies are able to purchase investment products (insurance) for any client. However, clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is at the sole discretion of the client. RAA or individuals associated with RAA may buy or sell securities identical to those recommended to customers for their personal accounts.

BROKERAGE PRACTICES

RAA maintains both discretionary and non-discretionary accounts. For discretionary accounts, RAA determines the securities to be purchased, the timing of purchases and/or sales and the broker-dealer used to effect the transaction. RAA does not control commission rates charged by broker-dealers to clients.

RAA typically recommends that clients use either Charles Schwab & Co., or Fidelity Investments as brokers for establishing accounts. In both cases, RAA has an established relationship with these brokers which allow clients access to a large group of no-load and no-transaction fee mutual funds. Other services such as stock and bond purchases and sales are available to clients at discounted rates. In general, both Fidelity's and Schwab's fee and commission structures are deemed to be extremely competitive by RAA. RAA recognizes that other brokers may have lower fees and/or better service but, in general Schwab and Fidelity represent substantial brokerage firms with above-average total packages. Research, when available from either Schwab or Fidelity, is typically provided without cost to the client.

RAA receives no products, fees, prizes, commissions or other forms of remuneration for recommendation or establishing accounts for clients at Schwab or Fidelity.

RAA utilizes certain software packages from Schwab and Fidelity. RAA utilizes this software to expedite and simplify various account activities for client accounts.

RAA does not have any formal or informal arrangements or commitments to utilize research, research-related products and other services obtained from broker-dealers or third parties on a soft dollars commission basis. Soft dollars generally refers to arrangements where a discretionary investment advisor is allowed to pay for and receive research, research-related or execution services from a broker-dealer or third-party provider in addition to the execution of transactions, in exchange for the brokerage commissions from transactions for client accounts.

RAA will utilize commercially available and/or obtain additional information on the companies and mutual funds that may be recommended to clients. Typically, these services are purchased by the firm on a subscription basis.

RAA may accept client instructions for directing the client's brokerage transaction to a particular broker-dealer. Any client instructions to RAA are to be in writing. Appropriate disclosures will be made that for any directed brokerage arrangements, RAA:

- will not negotiate commissions;
- may not obtain volume discounts;
- may not aggregate directed transactions;
- commission charges will vary among clients;
- best execution may not be obtained.

REVIEW OF ACCOUNTS

All accounts are monitored on an ongoing basis with written annual reports, except in circumstances where a client specifically requests and RAA agrees, to more frequent or less frequent written reports (e.g. annually or monthly). In general, only one level of service is provided for reviews and ongoing monitoring although extraordinary market conditions and/or client circumstances could trigger a special report and/or client contact. Clients of RAA will typically be assigned to the RAA professional responsible for acquiring the account. The RAA professionals are the principal owners, William D. Worley, President and John D. Cole, Vice-President.

Regular reporting to clients will occur on a quarterly and annual basis except in special circumstances as described above. Reports comprise investment summaries, contributions and distributions records, time-weighted internal rates of return calculations, asset allocation modeling and rebalancing suggestions, if deemed appropriate.

CLIENT REFERRALS AND OTHER COMPENSATION

RAA does not accept any economic benefit including sales awards and prizes from someone who is not a client for providing investment advice to RAA's clients.

RAA does not compensate any persons, i.e., individuals or entities for the referral of advisory clients to the firm.

CUSTODY

RAA does not permit employees or the firm to accept or maintain custody of client assets. It is our policy that we will not accept, hold, directly or indirectly client funds or securities or have authority to obtain possession of them.

INVESTMENT DISCRETION

RAA accepts discretionary authority to manage securities accounts on behalf of clients.

Upon occasion clients place restrictions on the scope of RAA's authority to manage assets. A common limitation is to restrict RAA's authority to purchase only mutual funds or to purchase only mutual funds that are rated four or better by Morningstar. Restrictions, if any, are then included in writing in the RAA Investment Management Agreement.

VOTING CLIENT SECURITIES

RAA, as a matter of policy and practice, has no authority to vote proxies on behalf of advisory clients. Clients will receive their proxies directly from their custodian. Upon a client's request, RAA may offer assistance as to proxy matters but the client always retains the proxy voting responsibility.

FINANCIAL INFORMATION

RAA does not require or solicit prepayment of fees and therefore is not required to prepare financial condition disclosures. However, there are no financial conditions that will impair RAA's ability to meet contractual commitments to clients.