

Shaffer Capital Advisers, LLC

FORM ADV PART 2 - FIRM BROCHURE

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This brochure provides information about the qualifications and business practices of Shaffer Capital Advisers, LLC. If you have any questions about the contents of this brochure, please contact us at 614-891-1200 or info@shaffercapitalllc.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Shaffer Capital Advisers, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

Since our last amendment dated 07/15/2011, Shaffer Capital Advisers, LLC has applied for state registration in Ohio and Texas.

Current Assets Under Management have been updated as of 03/19/2012.

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Item 4 - Advisory Business

Founded in May 2009 by Matthew E. Shaffer and Patricia L. Shaffer, Shaffer Capital Advisers, LLC is a wholly owned subsidiary of Shaffer Capital, LLC headquartered in Westerville, OH. We will refer to both entities as Shaffer Capital (SC) throughout this brochure.

SC provides informed, objective financial planning and investment management to successful individuals and businesses. Our dual structure as a Registered Investment Adviser whose advisors offer securities through Raymond James Financial Services, allows us to first focus on creating an objective financial plan or investment strategy that is uniquely tailored to your situation. Once the strategy has been agreed upon, our Clients have the ability to implement their plans anywhere they choose. If, however, they appreciate the value of a tightly coordinated planning and implementation process, they can hire us to actively manage their investments held at Raymond James; place life, disability, & long-term care insurance; educate and advise their employees; and provide ongoing services to their corporate retirement plans.

Our financial planning process begins with in-depth information gathering. We ask carefully crafted questions designed to elicit information about what matters most to you, how you desire to use your wealth and what you expect from your financial advisor. We use this information to help you define the financial goals that will provide the focus for your financial plan. In preparing your plan, we address not only your present and future needs, but those of future generations as well.

After implementing your plan, we carefully monitor its progress toward your goals, keeping you fully informed along the way. As needed, we will recommend adjustments to adapt to changes in market conditions or your personal circumstances. At any time, we will be available to answer your questions, offer guidance in financial decision-making and address any concerns you have about your financial path.

SC provides financial planning and/or investment advisory services described below in Item 5 and on Schedule A of our Financial Planning and Investment Advisory Agreement “Agreement”. In conjunction with the financial planning and/or investment advisory services described on Schedule A, we assist our Clients in defining their financial goals and objectives to be pursued in the areas indicated on Schedule A. SC will also supply analysis and recommendations as to the actions and financial strategies necessary to attain the selected goals and objectives. While SC can provide investment advice for accounts held anywhere, if you wish to have SC provide investment advisory implementation, discretionary management, and/or trading, these additional services can be provided through either the Ambassador or Passport programs offered through SC’s affiliation with Raymond James Financial Services, Inc. (“RJFS”). You will need to execute an Ambassador and/or a Passport agreement prior to these additional services being provided. These programs are described below in Item 5-f.

Our Clients recognize that the value and usefulness of the financial planning and/or investment advisory services will be dependent upon the information they provide SC. All recommendations or financial advice made as part of SC’s financial planning and/or investment advisory services will be based upon the information provided by the Client. Our Clients agree to respond promptly to any reasonable request for information or document made by SC. Our Clients warrant and represent that such information is and will at all times be accurate and complete. Our Clients agree to provide information regarding their income, investments, other assets and interests, liabilities, income taxes, estate plan, and other pertinent

information requested by the SC. Our Clients also agree to discuss their needs and goals candidly with SC and to notify SC of changes in their situation, needs and goals. Our Clients acknowledge that SC cannot adequately perform valid services based on incomplete or inaccurate information. Our Clients agree to permit SC to consult with and obtain information about themselves from their accountant and other advisors and SC is authorized to rely on such information. Our Clients will promptly notify SC in writing of any material changes to their financial condition that may affect the financial planning and/or investment advisory services being provided pursuant to the Agreement(s), including but not limited to; investment objectives, risk tolerance, net worth, annual income, and investment time horizon.

Current Shaffer Capital Advisers, LLC Ownership Structure

100% - Shaffer Capital, LLC

Current Shaffer Capital, LLC Ownership Structure

90% Matthew E. Shaffer Revocable Living Trust

10% Patricia L. Shaffer Revocable Living Trust

Current Assets Under Management

Discretionary - \$25,843,061 – 116 accounts

Non-Discretionary - \$10,402,870 – 135 accounts

Total - \$36,245,931 – 251 accounts

Account Minimums

There is currently no minimum account size for accounts not held at Raymond James. For accounts held at Raymond James the following minimum account sizes apply:

Passport Accounts: \$25,000

Ambassador Accounts: \$50,000

The Passport and Ambassador programs are discussed below in Item 5-f.

Item 5 - Fees and Compensation

a. “Initial Planning Period” Financial Planning and/or Investment Advisory Services

Below is the Standard Fee Range for the list of services included in the SC *Financial Planning and Investment Advisory Services Agreement – Schedule A*. The actual Client fee will be based on a combination of the planning services to be provided, their complexity, and/or the value of Client’s investable assets at the beginning of each calendar quarter.

Client will receive a fee quote for the Initial Planning Period of service after SC has reviewed their situation and before Client is asked to sign the Agreement. The Initial Planning Period will include any days in a partial initial calendar quarter plus the following four full calendar quarters. SC will provide all selected (Non-Investment Advisory) services described on Schedule A of the Agreement during the Initial Planning Period at the quoted flat fee, unless Client’s planning needs or requirements change substantially from those agreed upon. Half of the total Initial Planning Period fee quoted on Schedule A of the Agreement is due upon signing and the remainder will be due upon the delivery of services.

If Client chooses an investment advisory service that is priced as a percentage of investable assets, all billing will be conducted on a quarterly basis. Only the initial quarter’s fee for that service will be due upon signing the Agreement. SC **will not** require payment for half of the first year’s investment advisory services at signing. A 365 day year will be assumed and the fee for the initial quarter will only include the remaining days in that calendar quarter.

<u>SERVICE</u>	<u>STANDARD FEE RANGE</u>
<input type="checkbox"/> Cash Flow Analysis & Projections	\$250 - \$1,000
<input type="checkbox"/> Financial Statement(s) Creation, Review & Projections	\$250 - \$800
<input type="checkbox"/> Investment Advisory Services – Accounts not held at Raymond James	% of Assets - see below
<input type="checkbox"/> Education Needs Analysis	\$150 - \$500
<input type="checkbox"/> Life Insurance Policy Review & Needs Analysis	\$150 - \$1,000
<input type="checkbox"/> Disability Insurance Policy Review & Needs Analysis	\$150 - \$500
<input type="checkbox"/> Long-Term Care Insurance Policy Review & Needs Analysis	\$150 - \$500
<input type="checkbox"/> Retirement Planning Service – Pre-Retirement	\$300 - \$1,500
<input type="checkbox"/> Retirement Planning Service – Post-Retirement	\$300 - \$1,500
<input type="checkbox"/> Estate Analysis – Current Snapshot of Your Estate	\$200 - \$800
<input type="checkbox"/> Estate Planning Service	\$300 - \$5,000
<input type="checkbox"/> Family/Personal Gifting Strategies	\$150 - \$300
<input type="checkbox"/> Charitable Gifting Strategies	\$150 - \$500
<input type="checkbox"/> Employer Stock Options Analysis	\$150 - \$500
<input type="checkbox"/> Employer Based Retirement Plans – Participant Education – Non-Fiduciary	\$1,000 - \$15,000
<input type="checkbox"/> Employer Based Retirement Plans – Investment Advisory Services – Co-Fiduciary	% of Assets - see below
➤ Accounts not held at Raymond James	

b. “Ongoing or Periodic” Financial Planning and/or Investment Advisory Services

After the Initial Planning Period, if Client has chosen services on Schedule A of the Agreement to be provided on an ongoing or periodic basis, Client will be billed in advance each calendar quarter as outlined below in Item 5-c, and on Schedule A of the Agreement. Client’s fee will be based on a combination of the planning services to be provided, their complexity, and/or on the value of Client’s investable assets at the beginning of each quarter.

c. Investment Advisory Services for Accounts Not Held at Raymond James

For accounts not held at Raymond James, the SC advisory fee is 1.00% annually for investable assets of less than \$500,000; 0.75% annually for that amount that exceeds \$500,000 but is less than \$2,000,000; 0.50% annually for that amount that exceeds \$2,000,000 but is less than \$5,000,000; 0.25% annually for that amount that exceeds \$5,000,000 but is less than \$10,000,000; and 0.125% annually for amounts that exceed \$10,000,000. SC does not participate in management fees or custodian fees charged by mutual funds, retirement plan custodians, and non-affiliated investment managers, and such fees are separate from the fees described under the Agreement. Client accounts not held at Raymond James will be aggregated for purposes of this fee schedule. Furthermore, fee-based advisory accounts held at Raymond James will be added to the account(s) subject to the Agreement for billing purposes; thereby potentially reducing the effective fee for the account(s) not held at Raymond James. Only accounts to be advised and billed will be listed on Schedule A of the Agreement.

d. Payment Options

Clients have the following payment options for financial planning services and investment advisory services for accounts not held at Raymond James:

- ☐ Check from Client (made payable to Shaffer Capital Advisers).
- ☐ Wire Transfer (instructions can be provided upon request).
- ☐ Automatic Billing (ACH) performed by an Employee Benefit Plan Services Provider or Third Party Administrator (401(k), 403(b), etc...).

**Payment for investment advisory services for accounts held at Raymond James is discussed below in Item 5-f.

e. Termination of Financial Planning Services & Investment Advisory Services for Accounts Not Held at Raymond James

Client may terminate the Agreement without penalty within five (5) business days from the date set forth below. Otherwise, either party may terminate this Agreement upon written notification to the other party.

Unless Ongoing or Periodic services are selected on Schedule A, Section II, the Agreement shall terminate once the advisory services described on Schedule A have been rendered by SC and payment for such services is received from Client. If this Agreement is terminated before the completion of services, any unearned fees will be refunded back to Client. If Client is seeking only financial planning services from SC, and Client has received a written financial analysis and recommendation, no portion of any advisory fee will be refunded if Client terminates this Agreement subsequent to receiving the written financial plan. Upon termination of this Agreement, SC will not be obligated to provide any further financial planning and/or investment advisory services to Client under this Agreement.

f. Investment Advisory Services for Accounts Held at Raymond James

SC provides discretionary and non-discretionary fee-based investment advisory services under the Passport & Ambassador programs:

PASSPORT

The PASSPORT Account (“PASSPORT”) is an investment advisory account, administered by RJA, which offers Clients, on a non-discretionary basis (or discretionary, provided certain qualifications are met), the ability to pay an advisory fee on the assets in their account and a nominal transaction charge in lieu of a commission for each transaction. These services are offered nationwide in all fifty states, the District of Columbia and Puerto Rico.

SC provides investment advice to Clients on a discretionary and non-discretionary basis. There is a minimum investment of \$25,000 for PASSPORT Accounts, although smaller accounts may be accepted based upon the specific circumstances of an account. The advisory fees for PASSPORT Accounts offered through SC are as follows:

Adviser Fee - Client will pay SC an asset-based Advisory Fee for investment advisory services at the rate set forth in the Fee Schedule listed below. A portion of the Advisory Fee charged is paid to RJFS for administrative services. The fee will be payable quarterly in advance. When an account is opened, the Advisory Fee is billed for the remainder of the current billing period and is based on the initial contribution. The initial payment will become due in full on the date of inception.

Subsequent quarterly fees will be calculated based upon the Account Value on the last business day of the previous calendar quarter and will become due the following business day. No fee adjustments will be made because of withdrawals made by Client during the period. Cash reserve balances will be included in the open-end mutual fund section for billing purposes. Cash reserve balances which exceed 20% of the Account Value at the time of billing will be included for fee purposes only if such balances did not exceed 20% of the Account Value at the end of the previous quarter. Otherwise, the balance in excess of 20% will not be included in the Account Value for fee purposes.

SC and RJFS are authorized to deduct from Client’s account any fee owed to SC pursuant to the terms of the Passport Agreement, and pay said fee to SC or its designee. All fees paid to SC will be reported to Client on regular statements provided by RJA for RJFS.

PASSPORT FEE SCHEDULE

Minimum Account Size: \$25,000

<u>Account Value</u>	<u>SC Fee</u>	<u>RJ AMS Admin Fee</u>	<u>RJ Broker/Dealer</u>	<u>Total Fee</u>
PASSPORT Fee Investments:				
First \$200,000	1.515%	0.090%	0.145%	1.75%
Next \$300,000	1.290%	0.090%	0.120%	1.50%
Next \$500,000	0.840%	0.090%	0.070%	1.00%
Next \$4,000,000	0.880%	0.050%	0.070%	1.00%
Accounts greater than \$5,000,000 are negotiable.				

EXAMPLE: \$1,000,000 account with \$300,000 in equities, \$400,000 in open-end funds, \$100,000 in cash and \$200,000 in bonds

All Assets (\$1,000,000):

First \$200,000	\$200,000	*	1.75%	=	\$3,500
Next \$300,000	\$300,000	*	1.50%	=	\$4,500
Next \$500,000	\$500,000	*	1.00%	=	<u>\$5,000</u>
Total Fee					\$13,000

Billing Rate	\$13,000	*	\$1,000,000	=	1.30%
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Note: As demonstrated in this example, when calculating the fee on a large account using incremental breakpoints, you must multiply the assets within each underlying breakpoints by the corresponding rate to arrive at the "blended" rate for the entire account.

Securities Brokerage Remuneration - Client agrees to pay RJFS for transaction execution and clearing services a flat fee per transaction in Fee Investments based on the type of security involved, hereinafter referred to as "Processing Fee". Commissions will be charged on the sale of any investments which are Fee Exempt Investments, with the exception of the sale of any securities originally purchased as new or secondary offerings.

Schedule of Charge for Execution and Clearing of Transactions in Passport Fee Investments	
<u>Security Type</u>	<u>Processing Fee</u>
Stocks: Listed and OTC/Closed End Exchange Traded Funds	\$30.00
Mutual Funds	\$30.00
Unit Investment Trust/ Real Estate Investment Trusts	\$30.00
Preferred Stock	\$30.00
Option Contracts	\$50.00
Bonds: Government, Corporate, Municipal & Mortgage Backed	\$50.00

Select fund companies have agreed to pay RJFS administrative fees in consideration for RJFS's waiver of the above \$30 Processing Fee on certain mutual fund purchases ("Participating Funds"). You may request a list of Participating Funds from SC.

In addition to the foregoing Processing Fee, Client will incur a charge per transaction for handling and postage. Client may also incur charges for other account services provided by RJFS, through RJA, not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

Client understands SC's Investment Adviser Representatives will not share in any Processing Fee. Processing Fees are not commissions, but are to defray the expenses incurred in facilitating the execution and clearing of Client's portfolio transactions. The actual expense incurred by RJFS for any given transaction may be less than or greater than the Processing Fee. Additionally, Client understands that no-load funds may be transacted directly with the sponsoring fund organization with no Processing or Advisory Fee.

The Processing Fees set forth above include all execution charges except (1) certain dealer-markups and odd lot differentials, transfer taxes, exchange fees mandated by the Securities and Exchange Act of 1934 and any other charges imposed by law with regard to any transactions in the account; and (2) offering concessions and related fees for purchases of public offerings of securities as more fully disclosed in the prospectus.

Other Expenses - Certain open-end, closed-end and exchange-traded funds ("fund" or "funds") which may be acquired in Client's Passport account, may, in addition to assessing management fees, assess other internal expenses such as, distribution, shareholder service and/or 12b-1 fees, administrative fees and "other expenses." To the extent RJFS may receive shareholder services and/or 12(b)-1 fees from funds, Client may receive a reduction in Processing Fees or a credit to the account in an equal amount to such fees received from the funds.

The foregoing fees are generally included in the calculation of operating expenses of a fund and are disclosed in the fund prospectus. In addition, RJFS and/or its affiliates may enter into arrangements with funds or their affiliates in connection with the sale and/or maintenance of assets in certain funds, including Participating Funds, that may result in additional compensation being paid to RJFS and/or its affiliates. These additional financial incentives may create a financial incentive for RJFS and its affiliates to recommend and/or offer certain funds over other funds, which may include funds affiliated with RJFS. These additional financial incentives may not necessarily be reflected in a fund's expenses and may be paid solely out of asset of an affiliate of the fund.

Client should understand that the annual advisory fee charged in the Passport Investment Account program is in addition to the management fees and operating expenses charged by open-end, closed-end and exchange-traded funds. To the extent that Client intends to hold fund shares for an extended period of time, these internal fund expenses should be added to the annual advisory fee when evaluating the costs of a Passport Account. In addition, certain mutual fund families impose short-term trading charges (typically 1 to 2 % of the original amount invested) which are generally NOT waived for fee-based accounts.

AMBASSADOR

The AMBASSADOR Account (“AMBASSADOR”) is an investment advisory account administered by RJA, which offers Clients on a non-discretionary basis (or discretionary, provided certain qualifications are met), the ability to pay an advisory fee on the assets in their account.

SC provides investment advice on a discretionary and non-discretionary basis. There is a minimum investment of \$50,000 for AMBASSADOR Accounts, although smaller accounts may be accepted based upon the specific circumstances of an account. The advisory fees for AMBASSADOR Accounts offered through SC are as follows: (All fees are incremental)

Advisory Fee - Client will pay SC an asset-based Advisory Fee for investment advisory services at the rate set forth in the Fee Schedule below. A portion of the Advisory Fee charged is paid to RJFS for administrative services. The fee will be payable quarterly in advance. When an Account is opened, the Advisory Fee is billed for the remainder of the current billing period and is based on the initial contribution. The initial payment will become due in full on the date of inception.

Subsequent quarterly fees will be calculated based upon the Account Value on the last business day of the previous calendar quarter and will become due the following business day. No fee adjustments will be made because of withdrawals made by Client during the period. Cash reserve balances will be included in the open-end mutual fund section for billing purposes. Cash reserve balances which exceed 20% of the Account Value at the time of billing will be included for fee purposes only if such balances did not exceed 20% of the Account Value at the end of the previous quarter. Otherwise, the balance in excess of 20% will not be included in the Account Value for fee purposes.

SC and RJFS are authorized to deduct from Client’s Account any fee owed to SC pursuant to the terms of the Ambassador Agreement, and pay said fee to SC or its designee. All fees paid to SC will be reported to Client on regular statements provided by RJA for RJFS.

The Advisory Fee includes all execution charges except: (1) certain dealer-markups and odd lot differentials, transfer taxes, exchange fees mandated by the Securities and Exchange Act of 1934 and any other charges imposed by law with regard to any transactions in the Account; and (2) offering concessions and related fees for purchases of public offerings of securities as more fully disclosed in the prospectus. Client may also incur charges for other services provided by RJFS, through RJA, not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

AMBASSADOR FEE SCHEDULE

Transaction Costs: None, trading will be reviewed by the Broker Dealer

Minimum Account Size: \$50,000

Minimum Annual RJ AMS Administrative Fee: \$100

Minimum Annual Clearing Fee: \$250 (annual maximum of \$1200)

<u>Account Value</u>	<u>SC Fee</u>	<u>RJFS Retention Fee</u>	<u>RJ AMS Admin Fee</u>	<u>Clearing Fee</u>	<u>Total Fee</u>
First \$200,000	1.610%	0.100%	0.090%	0.200%	2.00%
Next \$300,000	1.510%	0.050%	0.090%	0.100%	1.75%
Next \$500,000	1.010%	0.050%	0.090%	0.100%	1.25%
Next \$4,000,000	1.150%	0.050%	0.050%	0.000%	1.25%

EXAMPLE: \$1,000,000

All Assets (\$1,000,000):

First \$200,000	\$200,000	*	2.00%	=	\$4,000
Next \$300,000	\$300,000	*	1.75%	=	\$5,250
Next \$500,000	\$500,000	*	1.25%	=	\$6,250
Total Fee					\$15,500

Billing Rate	\$15,500	/	\$1,000,000	=	1.55%
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Note: As demonstrated in this example, when calculating the fee on a large account using incremental breakpoints, you must multiply the assets within each underlying breakpoints by the corresponding rate to arrive at the "blended" rate for the entire account.

Other Expenses - Certain open-end, closed-end and exchange-traded funds ("fund" or "funds") which may be acquired in Client's Ambassador Account, may, in addition to assessing management fees, assess other internal expenses such as distribution, shareholder service and/or 12b-1 fees, administrative fees and "other expenses." To the extent RJFS may receive shareholder service and/or 12(b)-1 fees from funds, Client may receive a reduction in Advisory Fees or a credit equal to the Account in an equal amount to such fees received from the funds.

The foregoing fees are generally included in the calculation of operating expenses of a mutual fund and are disclosed in the fund prospectus. In addition, RJFS and/or its affiliates may enter into arrangements with funds or their affiliates in connection with the sale and/or maintenance of assets in certain funds that may result in additional compensation being paid to RJFS and/or its affiliates. These additional arrangements may create a financial incentive for RJFS and its affiliates to recommend and/or offer certain funds over other funds. These additional financial incentives may not necessarily be reflected in a fund's expenses and may be paid solely out of the assets of an affiliate of the fund.

Client should understand that the annual Advisory Fee charged in the Ambassador account program is in addition to the management fees and operating expenses charged by open-end, closed-end and exchange-traded funds. To the extent that Client intends to hold fund shares for an extended period of time, these internal fund expenses should be added to the annual Advisory Fee when evaluating the costs of an Ambassador account. In addition, certain mutual fund families impose short-term trading charges (typically 1 to 2 % of the original amount invested) which are generally NOT waived for fee-based accounts.

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

SC does not participate in Performance-Based Fees or Side-by-Side Management.

Item 7 - Types of Clients

SC advises individuals, and employer based-retirement plans. SC segments its individual Clients into Emerging Wealth (Net Worth less than \$1,500,000), High Net Worth (Net Worth greater than \$1,500,000 but less than \$25,000,000), and Ultra Affluent (Net Worth greater than \$25,000,000). Our employer based-retirement plans currently include defined contribution plans (i.e. 401(k), profit sharing).

Our Clients include successful, accomplished men and women who want to provide for an enjoyable retirement while addressing their other financial goals. We serve individuals and families concerned about preserving their legacies, as well as entrepreneurs and business owners seeking to maintain what they have built.

Individuals like these who have achieved significant wealth understand the importance of knowledgeable, informed financial guidance. As professionals and executives in various fields, our Clients recognize that:

- Planning is critical to building and preserving wealth,
- Financial risk is a fact of life and must be strategically addressed, and
- Managing wealth is a complex task that requires specialized knowledge and experience.

At the same time, our Clients know that trust and confidence are essential to a successful relationship with a financial advisor. We believe they appreciate not only the personalized nature of our day-to-day service, but also the sophisticated financial strategies we offer and the careful attention we give to the all-important details of wealth management. They are aware that we are working in their best interests so that they can direct their attention to other priorities.

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

Our investment process begins with our Client Questionnaire and our Investment Planning Questionnaire. The Client Questionnaire is designed to determine the Client's goals and objectives. This questionnaire helps us determine the next course of action...which financial planning or investment advisory services are needed. For example, if a Client needs assistance in cash flow projections, retirement planning, or estate planning we will utilize more specific questionnaires designed for the specific service to be provided. If the Client requires investment advisory services, we will require them to complete the Investment Planning Questionnaire. In the case of a retirement plan participant, we will utilize our Retirement Plan Participant Questionnaire. Both questionnaires are designed to determine Client/plan participant risk tolerance and

have a scoring system built in (created by SC). Clients/Plan Participants can fall into one of 5 risk profiles: Conservative, Moderate Conservative, Moderate, Moderate Aggressive, or Aggressive.

Once the risk profile is determined, we will identify the specific financial goals of the portfolio (per account). Upon combining the Clients' financial goals and objectives with their risk profile, we identify which SC model portfolio should be utilized. SC model portfolios are built to manage risk and return. We sometimes refer to these strategies as "core" portfolios while portfolios created to accommodate a more specific need, i.e. income generation, sector specific investments, individual stock and/or bond positions will be considered "satellite" portfolios. Generally, satellite portfolios will not have as great of an emphasis on risk management as our core model portfolios. SC reserves the right to invest in open-end mutual funds, closed-end funds, exchange-traded funds, individual stocks and bonds, and options.

Our model portfolios are constructed based on re-sampled mean-variance optimization (MVO) methodology (2,000 permutations). Re-sampled MVO combines traditional MVO with Monte Carlo simulation to account for the uncertainty in forward-looking capital market (asset class) assumptions. Conceptually, re-sampled MVO is a large scale sensitivity analysis in which hundreds or in our case 2,000 permutations on the starting inputs lead to an equal number of traditional MVO frontiers. Six universal benchmark portfolios are created upon careful consideration of statistically relevant asset classes...for example; we do not consider a mix of Large Cap Value, Large Cap Blend, and Large Cap Growth to be statistically relevant for optimization due to their high correlation with one another. With a statistically relevant asset class universe we can implement re-sampled mean variance optimization for more robust asset allocation models. Once the asset classes are selected, we determine the optimization inputs which include expected returns, historic standard deviation, and historic correlation coefficients. The expected returns are determined by utilizing Black-Litterman methodology. While the specific calculations are beyond the scope of this brochure, SC will provide more information upon request. The Black-Litterman model was invented by Fischer Black and Robert Litterman (see Black and Litterman [1989, 1990, and 1992]). The Black-Litterman model enables investors to combine their unique views regarding the performance of various assets with CAPM market equilibrium returns in a manner that results in intuitive, diversified portfolios. More specifically, the Black-Litterman Model uses a Bayesian approach to combine the subjective views of an investor regarding the expected returns of one or more assets with the CAPM market equilibrium expected returns (the prior distribution) to form a new, mixed estimate of expected returns (the posterior distribution).

Upon completing the re-sampled optimization, two final efficient frontiers are created, one for taxable portfolios and one for non-taxable portfolios. Six "universal" benchmark portfolios are created for each efficient frontier using standard deviation as the differentiating factor. (The term "universal" is used to reflect the fact that the 6 benchmark portfolios will be utilized for Clients and retirement plan participants alike.) SC has chosen to exclude efficient frontier portfolios with standard deviations greater than 18. SC also utilizes log-stable modeling when projecting the distribution (range) of returns for each portfolio. This methodology looks to include "black-swan," or extreme random events, which may be excluded from a log-normal distribution analysis.

Once the 12 benchmark portfolios are established (which we adjust periodically to reflect our changing view of the markets), we perform returns-based attribution modeling to create our active fund portfolios. Returns-based attribution enables us to make allocations to mutual funds while considering the evolving investment style within each fund. If there is adequate historical data, we utilize rolling 24 month periods to capture the changing style of each fund. For example, XYZ Large Cap Value mutual fund may actually behave as if it is 10% Cash, 5% High Yield Bonds, 70% Large Cap Stocks, and 15% Small Cap Stocks. Without a proper attribution analysis, the investor may take unintended risks in their portfolio if they thought XYZ Large Cap Value mutual fund was 100% Large Cap Stocks. Upon completion of our attribution analysis, our active fund portfolios are design to emulate the 12 original benchmark portfolios with the least amount of tracking error while providing incremental value (alpha) through active investment selection, asset allocation, and market timing decisions.

The process utilized to determine which open-end mutual funds, closed-end funds, and/or exchange traded funds (collectively referred to as “fund(s)”) are to be included in our portfolios begins with a multi-factor screening process designed to identify those funds that consistently add value to investors over time. SC defines value as compelling returns compared to like funds, net of fees, adjusted for risk. Numerous criteria must be met for SC to consider a fund for investment. However, we do not solely rely on a mathematical model or a rating agency when making our fund allocation decisions. We reserve the right to use our professional judgment if a timely investment can be made that might not otherwise meet our standard criteria. Upon identifying our current recommended “buy list”, we segment our active fund portfolios into taxable and non-taxable accounts, under and over \$250,000. Accounts under \$250,000 will utilize fewer investment strategies and taxable accounts will include allocations to tax-free bonds or tax-free bond funds. In all, SC has 24 model portfolios based on the original 12 benchmark portfolios described above.

Generally, SC will not allow market fluctuations or short-term changes in fund rankings by research firms (Morningstar, Lipper, etc.) to determine when a fund should be sold. Unless a portfolio manager leaves the fund, or the fund’s investment strategy deviates too greatly from our intended purpose, we will look to maintain the funds on our recommended list for at least 3 years. This does not mean that we will not reallocate within various asset classes, it simply means we will give our investments time to perform as intended. If it is determined that a fund must be sold, SC will look to replace the fund in question for all of our Clients.

The process outlined above is mirrored when providing investment advisory services to employer-based retirement plans. Differences can occur when a retirement plan provider offers different investment options from those available outside of the plan. To account for this variation, our fund research process is applied to the investment universe offered to the retirement plan. Upon identifying the recommended “buy list” within the plan, we will perform the attribution analysis against our 6 non-taxable benchmark portfolios to arrive at our active fund portfolios for the plan. When SC adjusts our universal benchmark portfolios we will perform an updated attribution and fund allocation analysis to update the active fund portfolios. As in the case with traditional Clients, this service is provided on a continuous basis.

Please remember the following when investing:

- There is no certainty that any investment or strategy will be profitable or successful in achieving your specific investment objectives or personal financial goals. While our recommendations may contain certain specific dollar amounts required to meet the estimated costs associated with your stated goals, these figures are strictly hypothetical in nature and are the result of mathematical calculations designed to solve for a given mathematical variable.
- It is impossible to achieve a fixed and predictable return with any investment over any period of time with total certainty. No such implication, suggestion or guarantee regarding your ability to attain any goal simply by investing the hypothetical amount at the hypothetical returns for the estimated time periods contained in this report is intended or implied. Any illustrations shown should not be considered as a prediction of any investment result. Principal values of your investments will fluctuate and when redeemed, may be worth more or less than your original investment. Asset management, commission, transaction and other costs will also affect your overall investment results. Asset allocation does not ensure a profit or protect against losses in a declining (or any type of) market.
- International and emerging market investments involve additional risks including but not limited to currency fluctuations, differing financial accounting standards and possible political and economic instability. These risks are magnified in emerging markets.
- Small-cap and mid-cap stocks generally involve greater risks than larger, more established companies. High yield bonds involve greater risks and are not appropriate for all investors. Futures/Commodities and Venture Capital/L. P. (Limited Partnerships) also involve greater risks and are not appropriate for all investors. Investments offering the potential for higher rates of return also involve a higher degree of risk to your principal.
- Securities products are not insured by the FDIC, are not deposits or other obligations of any financial institution, are not guaranteed by any financial institution, and are subject to investment risks, including possible loss of the principal invested.

Item 9 - Disciplinary Information

Neither SC nor its representatives are, or have been, subject to any disciplinary action or judgments.

Item 10 - Other Financial Industry Activities and Affiliations

Mr. Shaffer is a registered representative of Raymond James Financial Services, Inc. ("RJFS"). In the event that an advisory Client chooses to implement the advice through Mr. Shaffer, the broker/dealer would be RJFS. Clients are under no obligation to have SC implement any suggestions made in a written financial plan. If asked to implement the suggestions in a financial plan, Mr. Shaffer intends to implement such financial planning, in whole or in part, through financial products offered by RJFS. To the extent Mr. Shaffer implements, he will be acting as a registered representative of the broker/dealer.

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

On occasion SC or individuals associated with SC may buy or sell securities that SC recommends to Clients. Any conflict of interest is small as the securities are widely-held and publicly traded. SC or individuals associated with SC may buy or sell securities identical to those recommended to Clients for their personal accounts. It is the expressed policy of SC that no person employed by SC may purchase or sell any security prior to a transaction(s) being implemented for any advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts. SC or any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a Client. As these situations may represent a conflict of interest, SC has established the following restrictions in order to ensure its fiduciary responsibilities:

- (1) SC or individuals associated with SC shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person associated with SC shall prefer his or her own interest to that of the advisory Client.
- (2) SC maintains a list of all securities holdings for itself and for anyone associated with its advisory practice. These holdings are reviewed on a regular basis by Mr. Shaffer.
- (3) SC requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
- (4) Any individual not in compliance with any of the above may be subject to termination.

SC has adopted a written Code of Ethics in compliance with SEC Rule 204A-1. The code sets forth Standards of conduct and requires compliance with all federal and state securities law. SC's Code of Ethics also addresses personal trading and requires employees and related person to report their personal

securities holdings and transactions to the Chief Compliance Officer. SC will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

Item 12 - Brokerage Practices

Mr. Shaffer is a registered representative of Raymond James Financial Services, Inc. (“RJFS”). In the event that an advisory Client chooses to implement the advice through Mr. Shaffer, the broker/dealer would be RJFS. Clients are under no obligation to have SC implement any suggestions made in a written financial plan. Client is free to choose any broker or agent to implement any recommendations or investment advice. If asked to implement the suggestions in a financial plan, Mr. Shaffer intends to implement such financial planning, in whole or in part, through financial products offered by RJFS. To the extent Mr. Shaffer implements, he will be acting as a registered representative of the broker/dealer.

If Clients act upon advice from a representative of SC and elect to use one of SC’s affiliates as a money manager, custodian or purchasing insurance, SC may receive compensation in the form of commissions from the affiliate. If a Client decides to use a representative of SC in his or her individual capacity as an insurance agent, the individual representative of SC will receive a commission. Additionally, if a Client purchases a mutual fund containing a 12b-1 fee, SC and SC’s representative may receive such fee.

As part of its fiduciary duty to Clients, SC endeavors at all times to put the interests of its advisory Clients first. Clients should be aware, however, that the receipt of economic benefits by SC, or SC’s representatives, in and of itself creates a potential conflict of interest.

Item 13 - Review of Accounts

Mr. Shaffer is responsible for reviewing all Client accounts and preparing reports for the Clients. Investment analysis and recommendations are summarized in written reports. The reports are customized for each Client. Part of the analysis for each Client includes a review using data from Client’s investment statements received from third-party sources, i.e., brokerage firms, mutual funds and employer retirement plans. For those Clients engaging in on-going planning relationships, investment reviews include a comparison of annual and long-term investment results with the Client’s targeted allocation. Income tax projections and other financial planning scenarios may be updated as needed, as mutually agreed upon and described in the Agreement. Similarly, frequency of investment account reviews and related reports is based on previously mutually agreed upon terms as set forth in each Agreement. Clients typically choose quarterly, semi-annual or annual account reviews, depending on their goals and objectives. Interim verbal or written reviews may also take place in the event that unanticipated events arise. Clients are encouraged to promptly inform SC of changes to their financial situation. Clients are responsible for providing SC with all account statements to be reviewed.

Item 14 - Client Referrals and Other Compensation

SC does not offer compensation to any party for Client referrals. SC does not accept referral fees.

SC's representatives may receive benefits from RJFS and other investment/insurance companies in the form of travel (airfare) and lodging to attend various educational conferences. RJFS provides greater benefits (longer paid hotel stay) for those advisors who reach certain revenue levels. Mutual funds, insurance companies, and/or other money management firms may invite and pay for travel/lodging expenses for due diligence meetings.

From time to time SC may receive compensation in the form of sponsorship fees for seminars, meetings or conferences from product sponsors such as limited partnerships, mutual funds, insurance companies and annuity sponsors. Such sponsorship fees generally entitle the sponsor to an allotted presentation to representatives of SC.

As stated above, SC endeavors at all times to put the interests of its advisory Clients first. Clients should be aware, however, that the receipt of economic benefits by SC, or SC's representatives, in and of itself creates a potential conflict of interest.

Item 15 - Custody

SC does not take custody of Client assets.

Item 16 - Investment Discretion

SC can and does take discretion for accounts held at Raymond James through the Passport and/or Ambassador programs. Clients need to execute a discretionary Ambassador and/or a Passport agreement prior to discretionary investment advisory services being provided. Discretionary services are limited to trading in an investment account. Withdrawals from accounts cannot be made without prior Client consent.

Item 17 - Voting Client Securities

Proxy voting is Client's responsibility. SC is expressly precluded from voting proxies. Client understands and agrees that Client retains the right to vote all proxies that are solicited for securities held in any of Client's investment accounts. Any proxy solicitations that apply to any of Client's accounts and that are received by SC will be immediately forwarded to Client for Client's evaluation and decision.

Prospectuses for newly purchased investment securities recommended by SC will be provided directly by the associated brokerage firm, custodian, or by the provider or distributor of the recommended investment

security. SC will request the timely delivery of current Prospectus to Client's address of record when new investment securities are recommended. Such delivery will normally be made by regular US mail, and Client should receive these Prospectuses on or before the settlement date for the investment security purchase transaction(s). Client agrees to notify SC if Prospectuses for all newly purchased investment securities are not received in a timely manner.

Item 18 - Financial Information

SC is not required to disclose financial information.

Item 19 – Requirements for State-Registered Advisers

Please see Form ADV Part 2B – Brochure Supplement for the identity of SC's principal executive officers and management persons, and a description of their formal education and business background.

SC is not actively engaged in any business (other than giving investment advice).

SC is not compensated for advisory services with performance-based fees.

SC has nothing to report in response to Item 19(D) or (E).

FORM ADV PART 2B – BROCHURE SUPPLEMENT

March 20, 2012

Item 1 - Cover Page



Matthew E. Shaffer, MBA, CFP®
President & Director of Wealth Management
Elected Manager & Chief Compliance Officer

Shaffer Capital Advisers, LLC
550 Polaris Parkway
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Westerville, OH 43082

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614-891-7360 Fax
www.shaffercapitalllc.com

This brochure supplement provides information about Matthew E. Shaffer that supplements the Shaffer Capital Advisers, LLC brochure. Please contact us at 614-891-1200 if you have any questions about the contents of this supplement.

Additional information about Matthew E. Shaffer is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Educational Background & Business Experience

Date of Birth: 06/24/1974

a. Formal Education

1996 – Miami University – BS: Finance major, Economics minor

2005 – The Ohio State University – Fisher College of Business – MBA: Executive program class valedictorian

b. Business Experience

May 1996 – Nov 2001 – Financial Advisor, Associate Vice President-Investments: Morgan Stanley, Columbus, OH

Nov 2001 – May 2009 – Financial Advisor, Vice President-Wealth Management: Smith Barney, Columbus, OH

May 2009 – Current – President & Director of Wealth Management; Elected Manager & Chief Compliance Officer: Shaffer Capital, LLC/Shaffer Capital Advisers, LLC, Westerville, OH

May 2009 – Current – Registered Representative & Branch Manager: Raymond James Financial Services, Inc., Westerville, OH

c. Securities Licenses

Series 7, 24, 31, 63, 65 and the Life & Health Insurance license.

d. Professional Designations

2000 - Certified Financial Planner™ - See description immediately below**

**A CERTIFIED FINANCIAL PLANNER™ professional or a CFP® practitioner is a financial professional who meets the requirements established by the Certified Financial Planner Board of Standards, Inc. While others may call themselves financial planners, only those who demonstrate the requisite experience, education, and ethical standards are awarded the CFP® mark.

What are the requirements?

In order to obtain the CFP® mark, an applicant must:

- Hold a bachelor's degree from an accredited college or university
- Complete a CFP® Board-registered education program
- Pass the 10-hour CFP® certification exam
- Have at least three years of qualifying full-time work experience in financial planning
- Pass a professional fitness standards and background check

Once appointed, a CFP® professional must meet continuing education requirements every other year in order to maintain the certification.

e. Associations

Financial Planning Association

Honor Society of Phi Kappa Phi

Item 3 - Disciplinary Information

Mr. Shaffer is not, nor has ever been subject to any disciplinary action or judgments.

Item 4 – Other Business Activities

Mr. Shaffer is a registered representative of Raymond James Financial Services, Inc. (“RJFS”). In the event that an advisory Client chooses to implement the advice through Mr. Shaffer, the broker/dealer would be RJFS. Clients are under no obligation to have Mr. Shaffer implement any suggestions made in a written financial plan. If asked to implement the suggestions in a financial plan, Mr. Shaffer intends to implement such financial planning, in whole or in part, through financial products offered by RJFS. To the extent Mr. Shaffer implements, he will be acting as a registered representative of the broker/dealer.

If Clients act upon advice from Mr. Shaffer and elect to use one of SC’s affiliates as a money manager, custodian or purchasing insurance, Mr. Shaffer may receive compensation in the form of commissions from the affiliate. If a Client decides to use Mr. Shaffer in his individual capacity as an insurance agent, Mr. Shaffer will receive a commission. Additionally, if a Client purchases a mutual fund outside of the Passport or Ambassador programs offered through RJFS and those funds contain a 12b-1 fee, Mr. Shaffer may receive such fee.

As part of Mr. Shaffer’s fiduciary duty his Clients, Mr. Shaffer endeavors at all times to put the interests of his advisory Clients first. Clients should be aware, however, that the receipt of economic benefits by Mr. Shaffer, in and of itself creates a potential conflict of interest.

Item 5 – Additional Compensation

Mr. Shaffer may receive benefits from RJFS and other investment/insurance companies in the form of travel (airfare) and lodging to attend various educational conferences. RJFS provides greater benefits (longer paid hotel stay) for those advisors who reach certain revenue levels. Mutual funds, insurance companies, and/or other money management firms may invite and pay for travel/lodging expenses for due diligence meetings.

From time to time Mr. Shaffer or SC may receive compensation in the form of sponsorship fees for seminars, meetings or conferences from product sponsors such as limited partnerships, mutual funds, insurance companies and annuity sponsors. Such sponsorship fees generally entitle the sponsor to an allotted presentation to representatives of SC.

As noted above, Mr. Shaffer endeavors at all times to put the interests of his advisory Clients first. Clients should be aware, however, that the receipt of economic benefits by Mr. Shaffer, in and of itself creates a potential conflict of interest.

Item 6 – Supervision

Mr. Shaffer is responsible for supervising all financial planning and investment advisory activities of SC. In his role as a registered representative of RJFS, Mr. Shaffer is supervised by Scott Whitley, Regional Director of Sales in the RJFS-ICD National Sales and Supervision Department 828-277-7692, and the RJFS Compliance Department. In addition to daily monitoring of trading activity, RJFS conducts an annual audit of the SC office.

Item 7 – Requirements for State-Registered Advisers

Mr. Shaffer has nothing to report in response to Item 7.

Notice of Privacy Practices

SC views protecting private information about its Clients as a top priority. Pursuant to the requirements of the Gramm-Leach-Bliley Act (the “GLBA”) and the guidelines established by the Securities Exchange Commission regarding the Privacy of Consumer Financial Information (Regulation S-P), SC has instituted policies and procedures to ensure that such nonpublic private information is kept private and secure. This Notice describes the information SC may gather and the circumstances under which SC may share it.

As part of its business practices, SC obtains certain “nonpublic personal financial information” about its Clients, which for ease of reading will be referred to as “Information” in this notice. This Information includes data SC receives from you on applications or other forms (i.e. your name, address, social security or tax identification number, assets, income, account balances, investment activity and accounts at other institutions), information about your transactions with SC, its affiliates or others, and information SC may receive from third-party sources.

SC restricts access to the Information to authorized parties who need to know this information to provide services and products to its Clients. SC maintains physical, electronic and procedural safeguards to protect Client information.

SC does not disclose, and does not wish to reserve the right to disclose, Information to affiliates or nonaffiliated third parties except under the limited exceptions for processing and servicing transactions and legal requirements. Except in those limited situations, without Client consent, SC will not make any disclosures of Information to other companies who may want to sell their products or services to you. For example, SC does not sell customer lists, and will not sell your name to a catalog company or telemarketer. SC also does not disclose, and does not wish to reserve the right to disclose, Information about former Clients to affiliates or nonaffiliated third parties except under the limited exceptions for processing and servicing transactions and legal requirements.

SC only makes disclosures of Information of its Clients to nonaffiliated third parties as permitted or required by law, or consented to by its Clients.