

**Investment Adviser
Brochure Part 2A**

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This brochure provides information about the qualifications and business practices of RJR Associates, Inc. If you have any questions about the contents of this brochure, please contact us at (315) 476-8200.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.

Additional information about RJR Associates, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

March 28, 2014

Item 2 – Material Changes

There were no material changes to the brochure since the last annual update.

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Item 4 – Advisory Business

RJR Associates, Inc. (the “Adviser”) has been in business since 2005. The principal owner is Robert J. Ryan. Mr. Ryan previously owned the predecessor firm to the Adviser, Disciplined Capital Management, which he founded in 1991.

Assets Under Management

As of December 31, 2013 the Adviser manages \$543,084,000 in client assets broken down as follows:

Discretionary: \$425,872,000

Non-Discretionary: \$117,212,000

Investment Supervisory Services

The Adviser provides investment supervisory services to its clients on a discretionary and non-discretionary basis. When the Adviser manages client assets on a discretionary basis, the Adviser executes securities transactions for clients without having to obtain specific client consent prior to each transaction. Discretionary authority is limited to investments within clients’ managed accounts.

When the Adviser manages client assets on a non-discretionary basis, the Adviser notifies the client and obtains permission prior to the sale or purchase of each security within the client’s managed account. Clients may decide not to invest in certain securities or types of securities and may refuse to approve securities transactions.

The Adviser provides investment supervisory services that include among other things, advice regarding asset allocation and the selection of investments as well as portfolio design, asset allocation, investment plan implementation and ongoing investment monitoring. The Adviser relies on the stated objectives of the client and considers the client’s risk profile and financial status prior to making any recommendations.

The portfolio may include various funds, primarily passively managed. The portfolio would be re-balanced on a regular basis to reflect previously established commitments to each market/asset class.

The Adviser works to ensure that client portfolios bear only those risks for which it is expected that the market will provide a commensurate return.

The Adviser’s approach includes:

- Establishing the risk profile that is consistent with the achievement of client goals
- Identifying investment alternatives to achieve efficient diversification within particular asset classes
- Examining past returns and return variability and correlations to integrate investment objectives with what can be expected from capital markets

- Building a portfolio that provides a return commensurate with the risk profile through complete diversification and relentless focus on cost
- Developing and implementing systems to periodically measure and monitor results
- Reevaluating and rebalancing the portfolio

Investment Management Services

Management of accounts not involving investment supervisory services consists of establishing long term investment policies, making recommendations regarding portfolio construction and security selection and measuring and monitoring results.

Item 5 – Fees and Compensation

Investment Supervisory Services

Annualized Fees

	Assets	Per Year
Up to	\$100,000	1.00%
Next	\$900,000	0.50%
Next	\$9,000,000	0.20%
	\$10-25,000,000	0.10%
Over	\$25,000,000	0.05%

Fees may be either a fixed negotiated fee or a fee based on the above schedule. The Adviser may waive the 1.00% fee on the first \$100,000 for clients with larger amounts of assets under management.

Investment Management Services

	Assets	Per Year
Up to	\$1,000,000	0.50%
Next	\$9,000,000	0.20%
	\$10-25,000,000	0.10%
Over	\$25,000,000	0.05%

Fees may be either a fixed negotiated fee or a fee based on the above schedule.

Account custodians may charge accounts for transaction, retirement plan and administration fees. Mutual funds have annual expenses and may assess other fees, which are described in each fund's prospectus. Advisory clients should note that fees for comparable services vary and lower or higher fees for comparable services may be available from other sources.

Fees are paid quarterly in arrears and are due on the first day of each calendar quarter, based on the account's asset value as of the last business day of the prior calendar quarter. Fixed fees are invoiced quarterly. The Adviser invoices certain institutional clients but primarily deducts fees directly from other client accounts.

Either party may terminate the advisory agreement at any time via written notice.

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

The Adviser does not charge or receive, directly or indirectly, any performance-based fees.

Item 7 – Types of Clients

The Adviser provides advisory services to:

- Individuals
- High net worth individuals– Someone who individually or jointly with their spouse has more than \$750,000 managed by the Adviser or a net worth of \$1,500,000 excluding the value of their primary residence.
- Nonprofit organizations that may include charitable organizations, social welfare organizations, agricultural/horticultural organizations, labor organizations, business leagues or trade associations and entities that operate for purposes that are religious, artistic, literary, charitable, scientific, educational or in the interest of public safety.
- Business entities including corporations
- Pension and profit sharing plans (other than plan participants)

Account Minimums

The Adviser does not impose a minimum account requirement on clients.

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

The Adviser's approach to solving the investment problem is based on the ideas of Modern Portfolio Theory and the principle that in the long-run markets work.

The Adviser seeks to develop the best portfolio of risky assets that, when combined with a so-called risk-free asset, allows any investor to find the desired place between the risk-free asset and the risky portfolio. While the place on this line is unique to each investor; the risk-free asset and optimal risky portfolio is not.

The Risk-Free Asset

While acknowledging that there can be both interest rate risk and credit risk, the Adviser uses a well-diversified portfolio of fixed-income securities as a surrogate for the risk-free asset. The Adviser may use three separate strategies to construct this portfolio:

1. A fund/ETF designed to replicate the characteristics of the domestic bond market
2. A combination of a U.S. Treasury securities and high-yield bond portfolio
3. A portfolio of U.S. Treasury securities only

In strategies 1 and 2, the Adviser bears both interest rate risk and credit risk; in strategy 3 the Adviser bears only interest rate risk. In all three strategies the Adviser seeks to take a market level of interest rate risk and credit risk.

The Risky Portfolio

The Adviser constructs the risky portfolio in a two-step process. The first step is to find the optimal combination of just four separate asset classes:

- 90-day T-bills
- Domestic large cap stocks
- Domestic small cap stocks
- International equities

The Adviser determines this combination by using the historical results of several well-known benchmarks that are used as proxies for these asset classes to attempt to produce the highest average return subject to the historical variation of the S&P 500.

The second step is to look within each broad equity asset class for markets/market segments that improve the risk/expected return characteristics of that broad asset class. The Adviser considers real estate markets, value segments and emerging markets.

Measuring Results

Carefully measuring and monitoring investment results is important to long-term success and integral to managing financial asset portfolios. Results must be measured against appropriate benchmarks in a clear, concise and understandable way. While these periodic reports are crucial, they must not be more frequent than quarterly; looking at results more frequently is apt to result in the serious long-term investor getting caught up in short-term results, which can lead to making inappropriate changes at just the wrong time. Reports must include information that is relevant ensuring the results are on track, but must not include irrelevant data.

Risk of Loss

Clients are advised that investing involves the risk of loss. Risk of any individual asset is based on how it impacts the risk of the clients' portfolio and not as a standalone investment. The advisor works with its clients to structure portfolios that bear a level of risk that the client understands and is consistent with their goals and objectives. The risks are those for which capital markets are expected to provide a long term return.

Item 8.A – Frequent Trading of Securities

The Adviser is not involved in the frequent trading of securities.

Item 8.B – Material Risks of Particular Securities

The Adviser doesn't recommend any type of security that involves significant or unusual risks except for the following which may present material risks to investors:

Mutual and Exchange Traded Funds

The Adviser suggests mutual funds and Exchange Traded funds when designing client portfolios. The Adviser selects funds based on costs and on how closely its characteristics mirror a particular market or asset class.

Clients should consult the Adviser if they have questions concerning the basic characteristics of these or other investment products or about the risks and potential rewards of investing.

Item 9 – Disciplinary Information

The Adviser does not have any disciplinary information to disclose.

Item 9.A – Criminal or Civil Actions

Neither the Adviser nor any management person has been found guilty of or has any criminal or civil actions pending in a domestic, foreign or military court.

Item 9.B – Administrative Proceedings

Neither the Adviser nor any management person has any administrative proceedings pending before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

Item 9.C – Self-Regulatory Organization ("SRO") Proceedings

Neither the Adviser nor any management person have been found by any SRO to have caused an investment-related business to lose its authorization to do business, or to have been involved in a violation of the SRO's rules, or were barred or suspended from membership or from association with other members, or were expelled from membership, otherwise significantly limited from investment-related activities, or fined more than \$2,500.

Item 10 – Other Financial Industry Activities and Affiliations

Item 10.A – Broker-Dealer Registration

Broker Dealer

Neither the Adviser nor its management persons is or owns a securities broker-dealer registered with the Securities and Exchange Commission ("SEC"), member of the

Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protector Corporation ("SIPC"), or has an application for registration pending. No associated person of the Adviser is a registered representative of a broker-dealer.

Item 10.B – Futures Commission Merchant/Commodities

Commodity Broker

Neither the Adviser nor any of its management persons is a commodity broker/futures commission merchant, a commodity pool operator, commodity trading advisor or an associated person for the foregoing entities or has an application for registration pending.

Item 10.C – Relationships with Related Persons

Neither the Adviser nor any of its management persons have any material relationships with related persons that create a material conflict of interest with clients. However, the Adviser does own 50% of an affiliate, Coppice Asset Management.

Item 10.D – Relationships with Other Advisers

The Adviser acts as a sub-advisor to Coppice Asset Management, a registered investment adviser. In this role, investment adviser representatives of the Adviser may manage investments and/or provide investment advice to clients of Coppice Asset Management for a fee paid by Coppice Asset Management (which is disclosed in writing to clients of Coppice).

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

Item 11.A – Code of Ethics

The Adviser has adopted a Code of Ethics that sets forth standards of conduct expected of advisory personnel and to address conflicts that arise from personal trading by advisory personnel. Advisory personnel are obligated to adhere to the Code of Ethics, and applicable securities and other laws.

The Code covers a range of topics that may include: general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code, review and enforcement processes, amendments to Form ADV and supervisory procedures. The Adviser will provide a copy of the Code to any client or prospective client upon request.

Item 11.B – Participation or Interest in Client Transactions

Principal Trading

Neither the Adviser nor any affiliated broker-dealer affects securities transactions as principal with the Adviser's clients.

Personal Trading of Associates Affiliated with a Brokerage Firm

No associate of the Adviser is affiliated with a brokerage firm.

Agency-Cross Action Transactions

Neither the Adviser nor any associated person recommends to clients, or buys or sells for client accounts, securities in which adviser or an associated person has a material financial interest. Neither the Adviser nor any associated person acting as a principal, buys securities from (or sells securities to) clients; acts as general partner in a partnership in which Adviser solicits client investments; or acts as an investment adviser to an investment company that Adviser recommends to clients.

Item 11.C – Personal Trading by Associated Persons

Associated persons of the adviser may buy or sell for their own accounts the same securities that are purchased or sold in the accounts of advisory clients. These securities include no-load mutual funds designed to provide cost-effective diversification within particular markets or asset classes. All mutual fund transactions are at Net Asset Value (NAV) and are under the same terms and conditions that are available for client transactions. Any transaction in securities other than mutual funds will consist of securities traded in well-functioning, liquid markets, and only at the same terms and conditions that are available to clients.

Associated persons seek to ensure that they do not personally benefit from the short-term market effects of their recommendations to clients and the Adviser regularly monitors their personal transactions. Associated persons are aware of the rules regarding material non-public information and insider trading. Associated persons may also buy or sell specific securities for their accounts based on personal investment considerations that the Adviser does not deem appropriate for clients.

Item 11.D – Conflicts of Interest with Personal Trading by Associated Persons

See Item 11.C above.

Item 12 – Brokerage Practices

Item 12.A – Factors in Selecting or Recommending Broker-Dealers

The Adviser makes custodial recommendations that are based on the Adviser's perception of the breadth of services offered, and quality of execution. However, the client may pay commissions or fees that are higher or lower than those that may be obtained from elsewhere for similar services.

The Adviser recommends that clients establish accounts with the institutional division of Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients' assets and to affect trades for their accounts. Although the Adviser may recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. The Adviser is independently owned and operated and not affiliated with Schwab. Schwab provides the Adviser with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the Adviser's clients' assets are maintained in accounts at Schwab Institutional, and are not otherwise contingent upon the Adviser committing to Schwab any specific amount of business (assets in custody or trading). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum investment.

For the Adviser client accounts maintained in its custody, Schwab does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts. The majority of trades are in Charles Schwab NTF Funds, for which there are no transaction costs. Those funds that are not Schwab funds, (except Vanguard and DFA funds), are One-Source funds for which there are no transaction costs, but include increased fund expenses. The Adviser's trading is generally web-based batch trading which results in lower commissions and access to less expensive fund share classes. The Adviser participates in no soft-dollar trading activity. Stock trading is limited. Fixed Income Investments in most cases do not incur transaction fees and are generally limited to Treasury Bills, Notes, and Bonds.

Schwab also makes available to the Adviser other products and services that benefit the Adviser but may not directly benefit its clients' accounts. Many of these products and services may be used to assist in managing and administering clients' accounts, including software and other technology which provides access to client account data, facilitates trade execution, provides research, pricing information and other market data, facilitates payment of fees from clients' accounts, and assists with back-office functions. These are used to service all of the Adviser's accounts, including those not maintained at Schwab Institutional.

Clients are advised that they are under no obligation to act on the recommendations of the Adviser.

Brokerage Recommendations by Persons Associated with Other BD/IAs

The Adviser does not select broker-dealers for client transactions. The Adviser may recommend broker-dealers but clients are free to accept or reject such recommendations.

Item 12.A1 – Research and Other Soft Dollar Benefits

The term "soft dollars" refers to funds which are generated by client trades being used to pay for products and services such as to research and enhanced brokerage services that that the Adviser receives from or through the broker-dealers whom it engages to perform securities transactions. The Adviser does not receive soft dollars generated by securities transactions of its clients.

Item 12.A2 – Brokerage for Client Referrals

The Adviser does not refer clients to particular broker-dealers in exchange for client referrals from those broker-dealers.

Item 12.A3 – Directed Brokerage

The Adviser does not recommend or require that clients direct their brokerage business to any particular broker-dealer.

Item 12.B – Trade Aggregation

Because of the nature of the Adviser's business activities, the Adviser does not aggregate the purchase or sale of securities for various client accounts.

Item 13 – Review of Accounts

Adviser personnel review client accounts no less than quarterly. Accounts are balanced to reflect previously established long-term commitments to various asset classes. Adviser personnel review accounts for consistency with the investment strategy and performance chosen by clients (among other things). There are no limits on the number of client accounts that may be reviewed by Adviser personnel.

Values are reported to clients quarterly. The reports include asset allocation, market values and performance as compared with previously established benchmarks.

Additionally, reports include a summary of market conditions and a newsletter covering broad investment topics of interest to individuals.

Brokerage statements are generated monthly by the account custodian who sends statements directly to clients. These reports list the account positions, activity in the account over the covered period and other related information. The custodian also sends confirmations following each brokerage account transaction unless confirmations have been waived.

Item 14 – Client Referrals and Other Compensation

The Adviser does not have an arrangement under which it or its related persons compensate others for client referrals.

The Adviser doesn't receive any economic benefit from a person who is not a client for providing advisory services to clients. This includes sales awards or prizes.

Item 15 – Custody

The Adviser doesn't accept custody of client funds or securities. Client assets are held by qualified custodians.

Item 16 – Investment Discretion

The Adviser may have discretion over the selection and amount of securities to be bought or sold in certain client accounts without obtaining specific client consent. The Adviser will not have discretion over the selection of the broker to be used or the commission rates to be paid.

Item 17 – Voting Client Securities

The Adviser does not accept authority to vote proxies on behalf of clients as a matter of policy. Clients will receive their proxy information directly from their custodian or a transfer agent.

Clients may contact the Adviser with questions about a particular solicitation by telephone at (315) 476-8200 or e-mail at <http://www.rjassociates.net/contactus/email.asp>

Item 18 – Financial Information

The Adviser doesn't require prepayment of advisory fees so no audited balance sheet is being provided.