Shaffer Capital

FORM ADV PART 2A - FIRM BROCHURE
FORM ADV PART 2B – BROCHURE SUPPLEMENT

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This brochure provides information about the qualifications and business practices of Shaffer Capital. If you have any questions about the contents of this brochure, please contact us at 614-891-1200 or info@shaffercapital.net. 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 is available on the SEC's website at www.adviserinfo.sec.gov.

SHAFFER CAPITAL

Material Changes

Since our last amendment dated 02/12/2018, we have made the following changes:

Brochure Supplement #2 – Keith McLean is no longer employed at Shaffer Capital.

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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 Wealth Management, LLC headquartered in Westerville, OH. We will refer to both entities as Shaffer Capital (SC) throughout this brochure.

SC advises both individual and business clients in defining and pursuing their financial objectives and fiduciary responsibilities.

A. Services for Individuals & Families

SC provides **Financial Planning, Investment Management & Investment Consulting** to our individual clients.

1. Financial Planning

SC's financial planning process can be broken into six steps:

1. Define the Advisor/Client Relationship
2. Gather Information & Set Goals
3. Analyze & Strategize
4. Develop Recommendations
5. Present Recommendations & Put Plan into Motion
6. Monitor Progress

We provide the following financial planning services:

- Financial Statement(s) Creation, Review & Projections
- Cash Flow Planning
- Debt Management Planning
- Education Needs Planning
- Investment Consulting - Public & Private Investments
- Retirement Planning - Pre & Post Retirement
- Estate Planning
- Family/Personal Gift Planning
- Charitable Gift Planning
- Life Insurance Planning
- Disability Insurance Planning
- Long-Term Care Insurance Planning
- Healthcare Savings/Expense Planning

- Executive Compensation/Benefits Planning

2. Investment Management

SC offers the following discretionary investment portfolios:

- **Shaffer Capital Global Asset Allocation Portfolios** ($25,000 minimum per account) – Our asset allocation strategies seek an attractive total return while managing downside risk. No-load mutual funds, exchange-traded funds, and cash alternatives can be utilized in these strategies. Adjustments are made for taxable versus non-taxable accounts. Active strategies employ funds utilizing active security selection, while Passive strategies utilize index funds.

    - Aggressive – Active or Passive
    - Moderate Aggressive – Active or Passive
    - Moderate – Active or Passive
    - Moderate Conservative – Active or Passive
    - Conservative – Active or Passive
    - Ultra Conservative – Active or Passive

- **Shaffer Capital Equity-Income Portfolio** ($50,000 minimum per account) – Our Equity-Income strategy is comprised of approximately 15-20 individual stocks. While dividend income is a priority, growth, valuation, and risk are important components of the stock selection process.

- **Shaffer Capital Core-Equity Portfolio** ($50,000 minimum per account) – Our Core-Equity strategy is comprised of approximately 15-20 individual stocks. Growth through total return is the primary objective, but valuation and risk are important components of the stock selection process.

- **Shaffer Capital Fixed-Income Portfolio** ($75,000 minimum per account) – Our Fixed-Income strategies are tailored utilizing individual bond issues to solve for the client's specific needs. Fixed-Income portfolios are managed based on the client's need for income, the timing/duration of the income stream, and default risk. Adjustments are made for taxable versus non-taxable accounts.

- **Shaffer Capital Balanced Portfolios** ($100,000 minimum per account) – Our Balanced Portfolios contain stocks from either the Equity-Income or Core-Equity Portfolios and the Fixed-Income Portfolio. Clients can also choose from three different Equity/Fixed-Income targets depending on their objectives. Adjustments are made for taxable versus non-taxable accounts.

- 70% Equity / 30% Fixed-Income
- 50% Equity / 50% Fixed-Income
- 30% Equity / 70% Fixed-Income

- **Accounts below $25,000 –** For those accounts that do not meet the minimum investment requirement of our strategies listed above; Shaffer Capital can still serve as an investment adviser. On a discretionary basis, we will select either no-load mutual funds or exchange-traded funds for our clients. Adjustments are made for taxable versus non-taxable accounts.

3. Investment Consulting

Shaffer Capital strives to ensure that our clients have the correct asset allocation structure to coincide with the current economic environment and their individual financial strategy. Our firm continuously monitors economic changes and clients receive updated recommendations upon request. Trading responsibility/authority will remain with the client or the non-affiliated investment manager recommended by SC and selected by the client.

SC provides the follow investment consulting services:

- Asset Allocation Analysis and Recommendations
- Investment Manager Search and Recommendations
- Security Analysis and Recommendations
- Performance Reporting

B. Services for Businesses

SC's business clients are concerned with addressing their fiduciary responsibilities as retirement plan sponsors and helping their employees save for retirement. As defined by the Department of Labor and the Employee Retirement Income Security Act (ERISA) laws, there are three choices for a financial adviser when it comes to the fiduciary responsibilities for managing your company's retirement plan. It is crucial that plan sponsors and trustees have a good understanding of the different types of financial advisers who can service their retirement plans so that they can protect themselves, as well as their employees.

1. Fiduciary Investment Services

a. Plan-Level Discretionary Investment Management Services – 3(38)

Our plan-level discretionary fiduciary investment services are as follows:

- If the Plan does not provide for participant investment direction, SC shall be responsible for the selection of Plan investments.
- If the Plan provides for participant investment direction, SC shall have discretionary authority to determine the core investment options and qualified default investment alternatives under the Plan and shall support the Sponsor in complying with Section 404(c) of ERISA, although such compliance shall remain the Sponsor's responsibility; and
- SC provides asset allocation portfolios to participants reflecting a range of risk and potential return characteristics. These portfolios are updated by SC on a discretionary basis. The available portfolios are:
    - Aggressive – Active or Passive
    - Moderate Aggressive – Active or Passive
    - Moderate – Active or Passive
    - Moderate Conservative – Active or Passive
    - Conservative – Active or Passive
    - Ultra Conservative – Active or Passive

b. Plan-Level Non-Discretionary Investment Advisory Services – 3(21)

Our plan-level non-discretionary fiduciary investment services are as follows:

- Investment Policy Statement (IPS) creation, review and updates.
- If the Plan provides for participant investment direction, SCA shall assist the Sponsor to determine the core investment options and qualified default investment alternatives under the Plan and shall support the Sponsor in complying with Section 404(c) of ERISA, although such compliance shall remain the Sponsor's responsibility.

c. Participant-Level Fiduciary Investment Advice – 3(21)

As requested by a Plan participant or beneficiary who has signed an agreement in substantially the form attached to the Retirement Plan Services Agreement as Appendix I, SC shall provide fiduciary investment advice to a participant/beneficiary regarding the allocation of his/her Plan accounts among the Plan's investment options. Such advice shall not relate to (i) securities issued by the Sponsor or any affiliate or (ii) any amounts held in a self-directed brokerage account.

2. Non-Fiduciary Services

Our Non-Fiduciary Services are as follows:

- Assistance to Plan Sponsor in selecting/monitoring plan service providers:
    - Plan Recordkeeper
    - Third Party Administrator (TPA)
    - Plan Custodian
    - Plan Auditor
- Group enrollment meetings: on-site and/or virtual
- Financial education seminars: on-site and/or virtual
- One-on-one participant meetings: on-site and/or virtual
- Phone support for all plan participants and plan sponsor representatives
    - Enrollment
    - Investment election changes
    - Employee deferral changes
    - Loan/Distribution requests
    - Financial/Investment/Retirement planning questions
    - General "How-to" system questions
- Access to the Shaffer Capital Wealth Management System (Online)
    - For all participants with a plan balance

C. Current Shaffer Capital Advisers, LLC Ownership Structure

100% - Shaffer Capital Wealth Management, LLC

D. Current Shaffer Capital Wealth Management, LLC Ownership Structure

100% - Shaffer Capital, LLC

80% owned by the Matthew E. Shaffer Revocable Living Trust
20% owned by the Patricia L. Shaffer Revocable Living Trust

E. WRAP Accounts

Shaffer Capital does not participate in WRAP account programs.

F. Current Assets Under Management

Individual Clients
Discretionary - $39,970,301 – 194 accounts
Non-Discretionary - $1,805,946 – 21 accounts
Total - $41,776,247 – 215 accounts

Employer-Sponsored Retirement Plans
Discretionary Fiduciary Investment Management – $31,525,160 – 7 plans

Total Discretionary = $71,495,461 as of 02/12/2018
Total Non-Discretionary = $1,805,946 as of 02/12/2018
Total Assets = $73,301,407 as of 02/12/2018

Item 5 - Fees and Compensation

A. Financial Planning

Fees for financial planning services on Schedule A of the Financial Planning Agreement will be billed hourly in 15-minute increments and invoiced semi-monthly, according to the schedule below, plus travel expenses:

- Senior Financial Planner: **$300/hour**
- Financial Planner: **$150/hour**
- Financial Paraplanner/Other Staff: **$75/hour**

SC reserves the right to offset or waive fees or a portion thereof.

Travel expenses include airfare, lodging, rental car, gasoline, tolls, train/bus fares and all meals paid by SC representatives. Travel expenses will not be charged for Client meeting locations in the state of Ohio.

B. Investment Management

Client fees for SC's investment management services shall be based on a percentage of Account assets, with each quarterly fee based on the value of Account assets as of the last day of the preceding quarter, and such expenses shall be billed quarterly, in advance, pursuant to the applicable fee schedule set forth in the Investment Management Agreement. The fees for any partial quarter shall be determined based on the days during the quarter in which the Agreement is in effect. SC does not participate in management fees or Custodian fees charged by the Custodian, mutual funds, retirement plan Custodians, and non-affiliated investment managers, and such fees are separate from the fees described under the Agreement. SC's fees for investment management services may be higher or lower than comparable services offered elsewhere. SC reserves the right to offset or waive fees or a portion thereof. Annualized fees range from **0.50%** to **1.50%** of Account assets.

C. Investment Consulting

Client fees for SC's investment consulting services shall be based on a percentage of Account assets, with each quarterly fee based on the value of Account assets as of the last day of the preceding quarter, and such expenses shall be billed quarterly, in advance, pursuant to the applicable fee schedule set forth in the Investment Consulting Agreement. The fees for any partial quarter shall be determined based on the days during the quarter in which the Agreement is in effect. SC does not participate in management fees or custodian fees charged by brokerage firms, mutual funds, retirement plan custodians, and non-affiliated investment managers, and such fees are separate from the fees described under the Agreement. SC's fees for investment consulting services may be higher or lower than comparable services offered elsewhere. SC reserves the right to offset or waive fees or a portion thereof. Annualized fees range from **0.15%** to **0.75%** of Account assets.

D. Employer-Sponsored Retirement Plans

1. Shaffer Capital Platform

a. Fiduciary Investment Services

Fees for Fiduciary Investment Services shall be based on a percentage of Plan assets, with each quarterly fee based on the value of Plan assets as of the last day of the preceding quarter, and such expenses shall be billed quarterly, in advance, pursuant to the applicable fee schedule in the Retirement Plan Services Agreement. The fees for any partial quarter shall be determined based on the days during the quarter in which the Agreement is in effect. SC does not participate in management fees or custodian fees charged by brokerage firms, mutual funds, retirement plan custodians, and non-affiliated investment managers, and such fees are separate from those described in the Agreement. Annualized fees range from **0.125%** to **0.75%** of Plan assets.

b. Non-Fiduciary Services

Unless otherwise agreed to in writing, fees for Non-Fiduciary Services shall be **$250 per hour** for all on-site meetings, plus travel expenses. Hourly charges shall be billed in 15-minute increments. Virtual meetings with Participants, Beneficiaries, or Plan Sponsor representatives will not be billed. Travel expenses include airfare, lodging, rental car, gasoline, tolls, train/bus fares and all meals paid by SC representatives. Travel expenses will not be charged for Plan meeting locations in the state of Ohio. All other services listed in the Non-Fiduciary Services section of Schedule B of the Retirement Plan Services Agreement are included at no additional charge.

2. Non-Shaffer Capital Platform

a. Fiduciary Investment Services and Non-Fiduciary Services

Fees for Fiduciary Investment Services and all Non-Fiduciary Services shall be **$250 per hour** plus travel expense reimbursement. Hourly charges shall be billed in 15-minute increments. Travel expenses include airfare, lodging, rental car, gasoline, tolls, train/bus/cab fares and all meals paid by SCA representatives. Travel expenses will not be charged for Plan meeting locations in the state of Ohio.

E. Payment Options

Clients have the following payment options:

- Check from Client (made payable to Shaffer Capital Advisers).
- Wire Transfer (instructions can be provided upon request).
- Automatic Billing performed by a qualified custodian, third party administrator (TPA), or record keeper. SC will send the applicable entity an invoice that details the calculation of fees.

F. Termination of Services and Refund of Prepaid Fees

1. For Individuals:

Client may terminate the Agreement without penalty within five (5) business days from the date set forth below. Otherwise, either party may terminate the Agreement upon written notification to the other party. If the 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 the Agreement subsequent to receiving the written financial plan. Unless ongoing financial planning or investment consulting services are selected on Schedule A, Section II, or Section III, the Agreement shall terminate once the financial planning services described on Schedule A, Section I, have been rendered by SCA and payment for such services is received from Client. Upon termination of the Agreement, SC will not be obligated to provide any further financial planning and/or investment advisory services to Client under the Agreement.

2. For Businesses:

The Plan Sponsor may terminate the Agreement without penalty within five (5) business days from the date of execution. Except as provided in the preceding sentence, either party may terminate the Agreement upon at least 30-days prior written notice to the other party, which notice may be waived in writing by the party to whom such notice is required. If the Agreement is terminated, any unearned fees will be refunded back to the Plan. Upon termination of the Agreement, SC shall not be obligated to provide further services pursuant to the Agreement.

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, Account Minimums

A. Types of Clients:

Shaffer Capital advises both individual and businesses clients in defining and pursuing their financial objectives and fiduciary responsibilities.

Our individual clients include accomplished professionals, entrepreneurs, and business owners who want to provide for an enjoyable retirement while at the same time addressing and identifying their other financial goals.

Shaffer Capital's business clients are concerned with addressing their personal liability and responsibilities as retirement plan sponsors while offering a retirement plan solution that meets the needs of their employees.

B. Account Minimums:

- New Individual clients = $250,000 per household (all accounts combined)
- New Retirement Plan clients = $750,000 per plan

Minimums for SC portfolios:

- Shaffer Capital Global Asset Allocation Portfolios ($25,000 minimum per account)
- Shaffer Capital Equity-Income and Core-Equity Portfolios ($50,000 minimum per account)
- Shaffer Capital Fixed-Income Portfolios ($75,000 minimum per account)
- Shaffer Capital Balanced Portfolios ($100,000 minimum per account)

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

A. Methods of Analysis & Investment Strategies:

1. Methods of Analysis:

SC's methods of analysis include fundamental analysis, technical analysis, and cyclical analysis, and charting analysis.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves the analysis of past market data; primarily price and volume.

Cyclical analysis involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

Modern portfolio theory is a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets.

Charting analysis involves the use of patterns in performance charts. SC uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

Quantitative analysis deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

The main sources of information include Morningstar Direct, Fitch Credit Research, Gimme Credit – Corporate Bond Research Services, and S&P Credit Research.

2. Investment Strategies:

SC uses long term trading, short term trading, and margin transactions.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved:

1. Methods of Analysis:

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles these investors are trying to exploit.

Modern Portfolio Theory assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Charting analysis strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in solely using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Quantitative Model Risk: Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

2. Investment Strategies:

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Short term trading risks include liquidity, economic stability and inflation, in addition to the long term trading risks listed above. Frequent trading, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short sales entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

Margin transactions use leverage that is borrowed from a brokerage SC as collateral. When losses occur, the value of the margin account may fall below the brokerage SC's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

Options writing or trading involves a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value and the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

Selection of Other Advisers: Although SC will seek to select only money managers who will invest clients' assets with the highest level of integrity, SC's selection process cannot ensure that money managers will perform as desired and SC will have no control over the day-to-day operations of any of its selected money managers. SC would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulator breach or fraud.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized:

SC generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic, international, and/or emerging equity and debt markets. However, it will utilize margin transactions. Margin transactions generally hold greater risk of capital loss and clients should be aware that there is a material risk of loss using any of those strategies. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds (open end and closed end): Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned below).

Equity investment generally refers to buying shares of stocks by an individual or SCs in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

Treasury Inflation Protected/Inflation Linked Bonds: The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary and include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

High Yield Bonds are an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk. High Yield Bonds are at greater risk of default and repayment of principal due to the lower credit quality of the issuer.

Debt securities carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

Hedge Funds often engage in leveraging and other speculative investment practices that may increase the risk of investment loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; May involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

Stocks & Exchange Traded Funds (ETF): Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy).

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

REITs have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

Real Estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal): Investing in precious metal ETFs carries the risk of capital loss.

Private equity funds carry certain risks. Capital calls will be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment.

Private placements carry a substantial risk as they are subject to less regulation that publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

Venture capital funds invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

Annuities are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks; just as mutual funds do.

Commodities are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

Over-the-counter Currency: The low correlation to equity markets makes currency investments an invaluable source of *diversification* to the overall portfolio. However, it is important to note that there may be periods of higher volatility and liquidity maybe restrictive at certain periods in the 24-hour period. Further, the utilization of leverage in various instruments may amplify losses and profits. These over the counter instruments also carry the credit risk of the SC issuing the instruments.

International and Emerging Markets: investments in international and emerging market economies stocks and bonds may expose portfolio to greater volatility due to additional risks of currency and exchange rate fluctuations, political instability and governance issues, and liquidity concerns.

Non-U.S. securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Short term trading risks include liquidity, economic stability and inflation.

Margin transactions use leverage that is borrowed from a brokerage SC as collateral.

Options are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a "naked" or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

Options writing involves a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value and the possibility of leveraged loss of trading capital due to the leveraged nature of stock options. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a "naked" or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option writing also involves risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

Equity Derivatives gain their value from another instrument and therefore can result in large losses because of the use of leverage, or borrowing. Derivatives allow investors to earn large returns from small movements in the underlying asset's price. However, investors could lose large amounts if the price of the underlying moves against them significantly.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

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

A. Registration as a Broker/Dealer or Broker/Dealer Representative:

Neither SC nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor:

Neither SC nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests:

Mr. Shaffer, and SC IARs who are Financial Advisors are licensed insurance agents. From time to time, they will offer clients products from those activities. Clients should be aware that these services pay compensation and thus involve a conflict of interest. SC always acts in the best interest of the client. Clients are in no way required to purchase any product or service through any representative of SC in such individual's capacities. To help mitigate a conflict of interest, if Client purchases insurance products through an IAR of SC, SC will refund 100% of the financial planning fees, as outlined in Schedule A of the Financial Planning & Consulting Agreement, associated with the analysis and the recommendation of the purchased insurance product(s).

D. Selection of Others Advisors or Managers and How This Advisor is Compensated for Those Selections:

SC may direct clients to third party investment managers. SC will be compensated via an investment consulting fee directly from those clients. This relationship will be disclosed in each contract between SC and each third-party advisor. SC will always act in the best interests of the client, including when determining which third party manager to recommend to clients. SC will ensure that all recommended advisors or managers are licensed or notice filed in the states in which SC is recommending them to clients.

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

A. Brokerage Relationships and Soft Dollar Arrangements:

Client is free to choose any broker or agent to implement any recommendation or investment advice. SC may recommend Clients establish brokerage accounts with Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC. Schwab provides SC with access to their institutional trading and operations services, which typically are not available to retail customers. These services are generally available, without cost, to financial advisory firms who maintain a minimum threshold of client assets with Schwab.

SC utilizes Schwab for custody of customer assets and execution of customer transactions SC, subject to its best execution obligations, may trade outside of Schwab. In the selection of broker-dealers, SC may consider all relevant factors, including the commission rate, the value of research provided, execution capability, speed, efficiency, confidentiality, familiarity with potential purchasers and sellers, financial responsibility, responsiveness, and other relevant factors. SC has retained and will compensate Schwab to provide various administrative services which include determining the fair market value of assets held in the account at least quarterly and producing a brokerage statement and performance reporting for client detailing account assets, account transactions, receipt and disbursement of funds, interest and dividends received, and account gain or loss by security as well as for the total account.

Fees for Schwab accounts include all execution charges except (1) certain dealer mark-ups 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 transactions in the account, (2) offering concessions and related fees for purchases of money market mutual funds and other public offerings of securities as more fully disclosed in the prospectus; and (3) certain legal transfer fees. Client may also incur charges for other account services provided by Schwab, 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 transfers of securities. In no event, will Schwab be obligated to execute any transaction that would violate state or federal law or regulation of any self-regulatory organization of which Schwab is a member. Further, Schwab may designate certain investments that cannot be held in a Client's account.

In addition to those items named above, services provided by Schwab to financial advisory firms like SC include research (including mutual fund research and third-party research), brokerage, custody, and access to mutual funds and other investments that are available only to institutional investors or would require a significantly higher minimum initial investment. In addition, Schwab makes available software and other technologies that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution, provide research, pricing information, and other market data, facilitate payment of fees to SC from client accounts, assist with performance reporting, facilitate trade allocation, and assist with back-office support, record-keeping, and client reporting. Schwab also provides access to practice management consulting support, best execution assistance, consolidated statements assistance, educational and industry conferences, marketing and educational materials, technological and information technology support, and Schwab corporate discounts. Many of these services may be used to service all or a substantial number of SC's accounts, including accounts not maintained at Schwab.

Schwab may also provide SC with other services intended to help SC manage and further develop its business enterprise, including assistance in the following areas: consulting, publications and presentations, information technology, business succession, and marketing. In addition, Schwab may make available or arrange and/or pay for these types of services provided by independent third parties, including regulatory compliance.

B. Aggregating (Block) Trading for Multiple Client Accounts:

If SC buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, SC would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. SC would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

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 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

In compliance with Ohio Administrative Code section 1301:6-3-44(C), SC may use Solicitor(s) for Client referrals. Solicitors are required to enter into a written Solicitor Agreement with SC, wherein, among other things, the Solicitor represents and warrants to SC that it qualifies under the Ohio Securities Act to serve as a Solicitor and that it will provide a written disclosure statement and this Form ADV Part 2 to prospective Client referrals. In consideration of Client referrals from a Solicitor, SC agrees to pay compensation to the Solicitor equal to an agreed percentage of the advisory fees collected by SC from a referred Client.

SC does not accept referral fees.

SC's representatives may receive benefits from other investment/insurance companies in the form of travel (airfare) and lodging to attend various educational conferences. 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.

SC endeavors at all times to put the interests of its 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.

More information regarding benefits received from Schwab may be found in item 12.

Item 15 - Custody

SC has custody to the extent it deducts advisory fees directly from Client accounts via a qualified custodian. Clients will receive statements at least quarterly directly from the qualified custodian. Clients should carefully review those statements. Otherwise, SC does not take custody of Client securities, cash or other assets.

Item 16 - Investment Discretion

SC can and does take discretion for accounts held at one of its preferred custodians (i.e. Charles Schwab). Clients need to execute the Shaffer Capital Investment Management Agreement or Retirement Plan Services Agreement prior to discretionary investment management 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 #1

March 7, 2018

Item 1 - Cover Page

Matthew E. Shaffer, MBA, CFP®
Founder & Chief Executive Officer
Chief Investment Officer & Chief Compliance Officer

Shaffer Capital
550 Polaris Parkway
Suite 130
Westerville, OH 43082

614-891-1200 Main
877-891-1213 Toll Free
614-891-7360 Fax
www.shaffercapital.net

This brochure supplement provides information about Matthew E. Shaffer that supplements the Shaffer Capital 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 – Dec 2012 – Registered Representative & Branch Manager: Raymond James Financial Services, Inc., Westerville, OH
May 2009 – Current – Founder & Chief Executive Officer; Chief Investment Officer & Chief Compliance Officer: Shaffer Capital, Westerville, OH

C. Securities Licenses

Active: Series 65
Inactive: Series 7, 24, 63, 31

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 licensed insurance agent. If a Client decides to use Mr. Shaffer in his individual capacity as an insurance agent, Mr. Shaffer may receive commission compensation. To help mitigate a conflict of interest, if a Client purchases insurance products through Mr. Shaffer, SC will refund 100% of the financial planning fees, as selected on Schedule A of the Financial Planning Agreement, associated with the analysis and the recommendation of the purchased insurance product(s).

As part of Mr. Shaffer's fiduciary duty to his Clients, Mr. Shaffer endeavors at all times to put the interests of SC's 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 other investment/insurance companies in the form of travel (airfare) and lodging to attend various educational conferences. 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 SC's 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 activities of SC.

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.