



Form ADV Part 2 - Brochure

(Prepared Pursuant to SEC Rule 204 of the Investment Advisers Act of 1940)



NUKU Asset Inc.

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This brochure provides information about the qualifications and business practices of NUKU Asset Inc. If you have any questions about the contents of this brochure, please contact us at (206) 707-9350 or mail us at carson.cole@nuku.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 NUKU Asset Inc. also is available on the Securities and Exchange Commission's website at www.adviserinfo.sec.gov.

Plain English

For the sake of clarity, this document has been prepared using a minimum of technical legal language and portfolio management jargon.

Material Changes Made to this Brochure

Material changes will be recorded in this location in the future, as required. The table of contents follows, on page 3.

Table of Contents

Advisory Business – “Internet-Only” Investment Adviser	4
Fees & Other Compensation	4
Methods of Analysis, Investment Strategies and Risk of Loss.....	4
Disciplinary Information	4
Other Financial Industry Activities and Affiliations	4
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	4
Brokerage Practices.....	5
Reviews of Accounts and Reports to Clients	5
Custody.....	6
Investment Discretion	6
Voting Client Securities	6
Conflicts of Interest	6
Financial Information	8
<hr/>	
Other Information About NUKU – Certain Senior Officers and Investment Professionals	8
Form ADV Part 2 - Brochure Supplements	9

Advisory Business – “Internet-Only” Investment Adviser

NUKU Asset Inc. (“NUKU”) manages money for a range of individual clients and businesses. It provides investment advice by means of an internet portal only. The firm provides advice with respect to the optimal portfolio, in NUKU’s view, based upon the investor’s own risk tolerances and investment goals. Portfolio allocations are made accordingly by means of proprietary algorithms that seek to optimize the client’s portfolio in view of a set of investment criteria selected by the client from time to time.

Fees & Other Compensation

Fees are charged in various ways, depending upon the engagement. Currently, NUKU charges 1% to 2% of assets under management per account, with a minimum of \$25,000 to establish an account.

Methods of Analysis, Investment Strategies and Risk of Loss

NUKU follows a value-based methodology in the selection of investments. NUKU believes the highest long-term risk-adjusted returns can be achieved through careful analysis and selection of companies that are undervalued, have a strong capital base, and have a positive future potential. NUKU utilizes its own research staff and uses proprietary computer systems and algorithms for the allocation and management of client portfolios. As with all investments, there is the potential for substantial loss of principal, especially given an aggressive investment strategy.

Disciplinary Information

NUKU is registered with the United States Securities and Exchange Commission (the “Commission”) as an investment adviser. NUKU has no disciplinary record with the Commission or with any other regulatory authority, domestic or foreign.

Other Financial Industry Activities and Affiliations

NUKU’s only business is investment advisory/investment management services. It maintains no material business relationships with affiliates in the US or in other countries, although this may change in the future (this excludes business relationships with service providers, such as custodians and prime brokers).

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

NUKU has a code of ethics. The general purpose of its code of ethics is to foster high principles of commercial honor and just and equitable principles of trade. The code of ethics covers investment related matters as well as non-investment related matters, and establishes procedures for handling ethics related concerns or matters. It also contains provisions for the handling of personal trading by the firm’s officers and employees. NUKU has not entered into any soft dollar arrangements. NUKU has not engaged any person to provide it with client referrals, for a fee, but it may do so in the future. NUKU is not a part of

any directed brokerage arrangements. NUKU may, acting as principal, participate in a client transaction (See ADV, Part I), but it has not done so to date and there are no plans to do so presently.

Brokerage Practices

NUKU has discretion to select broker-dealers to effect client account transactions. In selecting broker-dealers, it will take into consideration the broker-dealers' general ability to execute transactions in a timely manner; their experience with the asset class or types of securities relevant to the transaction; the reasonableness of fees and commissions; and the availability of quality analytical materials, including research. Within the bounds of NUKU's duty to provide "best execution" for its client accounts, NUKU may cause the accounts to pay higher fees or commissions than might be available through other broker-dealers. NUKU will take into account a combination of qualitative and quantitative factors in determining which broker-dealers to use for client account transactions, including commission cost, the availability of research, responsiveness of the broker-dealer, willingness to assume principal risk, and other qualitative factors as discussed above. Research obtained by directing certain transactions to certain broker-dealers will be used for all clients and all clients will therefore benefit from such research, all else being equal. Presently, NUKU has not entered into any soft dollar or directed brokerage arrangements with any broker-dealer, but may enter into such arrangements in the future. Generally, such arrangements will be consistent with the safe harbor provisions of Section 28(e) of the Securities Exchange Act of 1934, unless arrangements outside of Section 28(e) are required and consistent with the policies and objectives of certain hedge funds or other institutional clients advised/managed by NUKU, consistent with NUKU's fiduciary duties under the various securities laws.

Certain brokers may pay or provide reimbursement for certain investment management related expenses incurred (e.g., investment research, investment data service providers, on-line quotation services, and news and research services). This practice will or may benefit NUKU since the clients will not need to pay for such products and services out of their own resources and since NUKU will not need to provide for those services out of its own resources. This practice may be a factor in such clients' selection of prime brokers.

NUKU's brokerage practices on behalf of its clients may be modified based upon the governing documents of certain clients. It is anticipated that execution of trades will be automatic, based upon NUKU's interface with selected prime brokers/custodians for client accounts. NUKU will monitor execution quality and services regularly.

Reviews of Accounts and Reports to Clients

Client portfolios are reviewed regularly by NUKU's Investment Committee or similar investment team ("Investment Committee"). The Chief Investment Officer is responsible for such reviews, which he may delegate to other qualified investment personnel. The Investment Committee will monitor financial, operational and risk factors that are or may be relevant to the respective client portfolios. The Investment Committee will meet from time to

time to discuss client portfolios, strategies, macroeconomic conditions, brokerage arrangements and other relevant matters. The Investment Committee may meet in the event of unusual or extraordinary macroeconomic, market, or political news that may reasonably be expected to affect client portfolios.

Generally, the firm expects to provide a high degree of total account transparency to clients in real time, in view of the internet-only nature of NUKU's business.

Custody

NUKU does not maintain custody of client assets. Custody of client assets is the responsibility of qualified custodian banks or broker-dealers.

Investment Discretion

In most cases, NUKU may have full investment discretion over client accounts pursuant to a written investment management agreement, i.e. it will make investment decisions without first consulting clients. This includes the ability to select brokers for the execution of portfolio trades. In some cases, NUKU will not have investment discretion.

To clarify the preceding, NUKU will effect client transactions based upon certain risk and other investment criteria selected by clients and communicated to NUKU through an on-line interface. The specific securities selected will be determined by NUKU, not the client.

Voting Client Securities

As part of NUKU's management obligations, NUKU may be required to vote proxies on equity securities held in client portfolios, where clients do not agree to vote proxies themselves. In accordance with applicable law, NUKU has prepared procedures to govern how such proxies are voted. Where NUKU will vote proxies, the procedures require that a reasonable decision be made regarding a vote on any matters recommended by issuer management or concerning any issuer shareholder proposals. The procedures require that if NUKU determines not to vote, it must have a reasonable basis for withholding its vote. The policies and procedures address the handling of conflicts of interest that may arise in the voting of proxies. NUKU's vote on any matter regarding any issuer's equity securities will be recorded and kept on file in NUKU's principal office in Seattle, Washington. Clients may request to see how NUKU voted any proxy, and obtain an explanation as to why it voted as it did. Requests for an explanation of votes, or for a copy of the policies and procedures, should be sent to the address listed below.

Conflicts of Interest

NUKU may effect principal trades with clients in accordance with the constraints imposed on it under documents that govern client accounts (such as offering memoranda, management agreements, indentures or other documents) and pursuant to the requirements of the Advisers Act. Such trades (if any) will be rare. See above.

At times NUKU, its affiliates, or employees (hereinafter with respect to this Item, "Traders") may purchase or sell for their own accounts the same issue or class of securities that are being purchased or sold for client accounts. Further, Traders may employ investment strategies for client accounts that differ from the investment strategies they employ for their own accounts. In connection therewith, Traders may at times buy the same issue or class of security that is being sold from client accounts, or sell the same issue or class of security that is being purchased for client accounts. Such disparities in direction will likely, inter alia, reflect a difference between the Traders' investment objectives, policies, risk tolerances, and investment limitations and those of clients. Nevertheless, these activities may create a conflict of interest in respect of client accounts. NUKU intends to mitigate such conflicts of interest by following policies and procedures (such as its code of ethics and compliance policies and procedures) as it has created to determine whether such proprietary purchases and sales by Traders do or may violate NUKU's fiduciary obligations to clients, or in any material manner undermine the clients' interests. NUKU has adopted a code of ethics which requires a high degree of internal transparency with respect to proprietary and personal transactions so that potential conflicts of interest may be addressed. The code of ethics and other policy documentation require employees of NUKU to report to the Chief Compliance Officer (or his or her designee) securities and commodities transactions in which they have a beneficial interest. The code of ethics also precludes certain types of transaction without prior approval.

NUKU or its affiliates may at times purchase or sell securities part of which purchases will be allocated to client accounts and part to their own accounts. Where there are such trades, NUKU will generally determine in advance that portion that will be allocated to its own or an affiliate's account and that portion that will be allocated among client accounts. As indicated above, a similar advance determination will be made when purchase or sale will be allocated only among client accounts. This advance determination will usually be recorded in an appropriate trade memorandum or similar record (which may be in electronic form). Sometimes it may not be possible to allocate in accordance with such advance determination because of bona fide client or portfolio considerations. NUKU will record the reason for amending such advance allocation determination in an internal memorandum. Further, at certain times NUKU will only allocate after a substantial amount of time has elapsed since effecting the block order. This may happen from time to time in rapidly moving markets in which NUKU must make a quick decision to buy or sell without time for prior allocation decisions. In such circumstances, allocations will be made in accordance with bona fide client portfolio considerations, including any investment restrictions or limitations. It is NUKU's policy that all allocations will be made in a fair and equitable manner over time.

NUKU, a Trader, or an affiliate may hold securities for longer or shorter periods of time than in client accounts for which NUKU is exercising discretion over such accounts. Generally, this will have to do with the differing objectives between NUKU's various client accounts and its or an affiliate's accounts. At times NUKU may purchase for its own account or the account of affiliates securities that it is not also purchasing for client accounts (this is also the case with sales of securities). Generally, this has to do with the differing investment objectives, policies and investment restrictions imposed (explicitly or by agreement, or both)

by the various accounts. Further, NUKU may employ investment strategies for client accounts that differ from the investment strategies it employs for its own or affiliates' accounts (and the same is true of such affiliates). Again, this is due, generally, to differing investment objectives, policies, restrictions and strategies.

Financial Information/Condition

NUKU is solvent and is not in a "precarious financial condition" (as that phrased is defined by NUKU's regulator, the SEC). The firm does not receive fees six months or more in advance of services, and would therefore not be liable for the reimbursement of such fees upon termination of an investment advisory or management agreement that called for such advance pre-payment of fees.

8

Other Information About NUKU – Certain Senior Officers and Investment Professionals

As mentioned, all of the investment personnel have appropriate degrees in finance, portfolio management or related disciplines. A number of our investment professionals have MBAs from well-known business schools and/or may have or hold the designation "Chartered Financial Analyst" (or "CFA"). NUKU expects to require these or similar qualifications of anyone who joins the portfolio management or research teams. See below.

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This brochure supplement provides information about Carson Cole that supplements the NUKU Asset Inc. brochure. Please contact David McClean at david.mcclean@nuku.com if you did not receive NUKU Asset Inc.'s brochure or if you have any questions about the contents of this supplement.

Carson Cole

Founder and Chief Executive Officer

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Educational Background and Business Experience:

Carson Cole, 45, founded NUKU Inc. and has been in finance for over 20 years as an investment portfolio manager, head of research, and founded a prior company, DebtTraders Inc., a firm that specialized in high yield and distressed asset trading, with offices in New York, Chicago, London and Hong Kong.

Mr. Cole launched DebtTraders Inc. in 1999, and grew it to annual trading volume of nearly \$14 billion globally in high yielding and distressed debt securities, during a period in which this asset class had tremendous appeal to institutional investors. DebtTraders was recognized as a global leader in the identification and sourcing of attractive and difficult-to-find securities in a mostly illiquid market. DebtTraders had over 90 employees, operating 24 hours a day through all major financial markets in New York, Chicago, London and Hong Kong.

Prior to DebtTraders, Mr. Cole served as the Head of Asian Fixed-Income and High Yield Research at Bankers Trust in Hong Kong from 1996 to 1999 and at Union Bank of Switzerland (UBS) in Singapore from 1994 to 1996. From 1991 to 1994, Mr. Cole was a portfolio manager at Frole, Revy Investments in Los Angeles, and from 1989 to 1991, he was an analyst and portfolio manager at Colombia Savings & Loan, Beverly Hills, CA. Mr. Cole's focus over the years has been identifying and valuing securities with high risk-adjusted returns. Mr. Cole graduated from the Whittemore School of Business at the University of New Hampshire in 1989.

Supervision/Disciplinary History:

All employees and officers report to Mr. Cole. Mr. Cole has no personal disciplinary history with any regulatory authority.

Outside Business:

Mr. Cole may serve on the boards of companies from time to time.

This brochure supplement provides information about Claus Lund that supplements the NUKU Asset Inc. brochure. Please contact David McClean at david.mcclean@nuku.com if you did not receive NUKU Asset Inc.'s brochure or if you have any questions about the contents of this supplement.

Claus Lund, Board Member

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11

Educational Background and Business Experience:

Claus Lund, 61, has an extensive career in finance. He currently serves as a management consultant to Accedo Technologies and has previously served as a management consultant to a variety of finance-related business, including JustPrice, Prosper.com and Rex Mortgage. In 2008, he served as the Senior Vice President and Head of Consumer Capital Markets at M&T Bank. From 2003 to 2007, he co-founded a real estate investment trust, Belvedere Trust, and served as its Chief Executive Officer. He has also served in senior management roles at Broad, Inc., Bank of America where he was Executive Vice President of Mortgage Asset Management, and Provident where he was chief administrative officer, from 1985-2001. He served on the Board of Directors at Aegis and E-Loan between 2002 and 2008. Mr. Lund is a MBA graduate of UCLA and received a Master's degree from Stanford. He also received a degree from Copenhagen University.

Supervision/Disciplinary History:

Mr. Lund reports to Carson Cole. Mr. Cole's telephone number is (206) 707-9350. Mr. Lund has no disciplinary history with any regulatory authority.

Outside Business:

Mr. Lund may serve on unaffiliated boards and otherwise pursue outside business activities from time to time. He may do so only with the permission of Mr. Cole.

This brochure supplement provides information about Tim Edwards that supplements the NUKU Asset Inc. brochure. Please contact David McClean at david.mcclean@nuku.com if you did not receive NUKU Asset Inc.'s brochure or if you have any questions about the contents of this supplement.

Tim Edwards

Managing Director, Chief Technology Officer

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12

Educational Background and Business Experience:

Tim Edwards, 50, has over 25 years of experience with computer systems engineering and software development. Mr. Edwards co-founded TeleScience Networks 2004, which was a rural California wireless internet services provider. In 1993, he also co-founded LifeLike Productions, which was a contract provider of technology development and media integration services to the interactive entertainment industry, including companies such as Sony, Sega, Eidos and 3DO. While at LifeLike he led the development of many technical projects including a high performance multi-threaded networked game engine, a three dimensional skinned character animation system, a non-sequential animation engine, and a very fast navigable streaming video engine. Prior to LifeLike, Mr. Edwards was involved in the design and implementation of many distributed computing systems and related technology projects while at Silicon Valley based companies. As a senior software engineer at Autodesk, Inc. he designed and developed the network components and the distributed object system for the Cyberspace Developers Kit (CDK), one of the first commercially available virtual reality development toolkits. As lead system engineer at Capital Market Technologies, Inc., Mr. Edwards designed and implemented a fault-tolerant data delivery system based on the Isis distributed computing environment. This system was used to feed multiple sources of financial market data into a live trading and portfolio management system. While at Advanced Decision Systems, Inc., he was involved in the construction and operations of their Computer Systems Laboratory, a test-bed used to support various distributed computing systems projects at the company. Mr. Edwards also adapted many algorithms for execution on exotic parallel hardware including the BBN Butterfly and Intel Hypercube. He holds a BS degree in Engineering Science (Computing Engineering) from Colorado State University.

Supervision and Disciplinary History:

Mr. Edwards reports to Carson Cole. Mr. Cole's telephone number is (206) 707-9350. Mr. Edwards has no disciplinary history with any regulatory authority.

Outside Business:

Mr. Edwards may serve on unaffiliated boards and otherwise pursue outside business activities from time to time. He may do so only with the permission of Mr. Cole.

This brochure supplement provides information about Rob Dumas that supplements the NUKU Asset Inc. brochure. Please contact David McClean at david.mcclean@nuku.com if you did not receive NUKU Asset Inc.'s brochure or if you have any questions about the contents of this supplement.

Rob Dumas

Managing Director, Chief Strategy Officer

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15

Educational Background and Business Experience:

Rob Dumas, 46, has 15 years of executive level experience, participating in the creation of several industry leading web properties, including Monster.com, Dice.com and numerous niche recruitment Internet websites. He joined Monsterboard.com in 1996 and in 1999 became Vice President of Sales in 1999, managing the transition to Monster.com. In 2001, Mr. Dumas was named Vice President, National Accounts for Dice.com, responsible for growth in field sales and launching advertising and agency sales channels. Dice later named Mr. Dumas, Vice President Global Corporate Development where he drove strategic direction, mergers and acquisition activity and corporate development relationships. Frequently called upon to participate in industry events, Mr. Dumas has also contributed to CNN, CNBC and NBC. Mr. Dumas is currently an active board member for JobOn and Internmatch.com, as well as an active advisor for Hirereach.net. He holds a BA in Marketing and a MBA from the University of Washington.

Supervision and Disciplinary History:

Mr. Dumas reports to Carson Cole. Mr. Cole's telephone number is (206) 707-9350. Mr. Dumas has no disciplinary history with any regulatory authority.

Outside Business:

Mr. Dumas may serve on unaffiliated boards and otherwise pursue outside business activities from time to time. He may do so only with the permission of Mr. Cole.

This brochure supplement provides information about David E. McClean that supplements the NUKU Asset Inc. brochure. Please contact David McClean at da-vid.mcclean@nuku.com if you did not receive NUKU Asset Inc.'s brochure or if you have any questions about the contents of this supplement.

David E. McClean

Chief Compliance Officer

NUKU Asset Inc.

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16

Educational Background and Business Experience:

Dr. David E. McClean, 51, has over twenty-five years of experience in securities industry operations and regulatory compliance, on both the buy and sell sides of the industry. He is the founding Principal of DMA Consulting Group ("DMA"), which he established in 1992. Over the years, David has helped to establish compliance and operations policies, procedures and systems for dozens of companies based in the US and abroad, including mutual funds, private equity funds, hedge funds, CDOs and CLOs, broker-dealers and a wide variety of investment advisors with various investment styles and strategies. He has experience with the financial services regulations of a number of different countries. David served or serves as CCO and in other capacities for such firms as Aladdin Capital Management, Van Eck Group, Pactual Capital, Sailfish Capital Partners, Capital Dynamics (Switzerland) and Bayerische Vereinsbank. He has several securities industry licenses: Series 7, 24, 27, 63, 82, 79, and 99. In addition, David teaches social and business ethics, among other courses, at Rutgers University and Molloy College, and has written and published articles on compliance and business. His latest piece is titled "Derivatives and the Financial Crisis: Ethics, Stewardship and Cultural Politics."

Supervision and Disciplinary History:

Mr. McClean reports to Carson Cole. Mr. Cole's telephone number is (206) 707-9350. Mr. McClean has not disciplinary history with any regulatory authority.

Outside Business:

Mr. McClean is Principal of DMA Consulting Group, a consultancy providing operational, business and regulatory advice and services to firms in the financial services industry. He may serve on unaffiliated boards and otherwise pursue outside business activities from time to time, serving as an officer or director with one or more of DMA's clients.

For further information please contact:

Carson Cole

Chief Executive Officer

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