

Core Asset Management Company
108 Caledonia Street
PO Box 1629
Sausalito, CA 94966

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John N. Mayberry, President
(415) 332 2000
JNMayberry@coreasset.com
www.coreasset.com

This brochure provides information about the qualifications and business practices of Core Asset Management Company (“Core”). If you have any questions about the contents of this brochure, please contact us at (415) 332 2000 or info@coreasset.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 authorities.

Additional information about Core is also available on the SEC’s website at www.adviserinfo.sec.gov.

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Advisory Business

A. Core Asset Management Company, a California corporation (hereinafter “Core” or the “Company”) was formed in 1979 as J W Cookson Co (“Cookson”). In 1986, Cookson was acquired by The Mayberry Group, Inc., a California corporation (“MGI”), when the present management assumed control of the Company and changed the name of the Company. The principal shareholders of MGI are John N. Mayberry, President of Core and MGI, who owns more than 50% of MGI, and Virginia Mayberry, who owns more than 25% of MGI.

B. Core’s primary advisory service is the management of investment portfolios for individuals and their qualified pension plans, trusts, and other investment vehicles. Core invests broadly in public securities for its clients, generally using Exchange-Traded Funds (“ETFs”), mutual funds, and, to a lesser degree, individual stocks and bonds. The portfolios Core manages are generally conservatively structured. For its portfolio management clients, Core also provides general financial advice, sometimes referred to as financial planning.

C. Core has a small range of portfolio types, constructed to meet different levels of risk. The most conservative holds bonds and precious metals only, which Core refers to as its Capital Preservation portfolio. Exposed to somewhat more investment risk is the Risk Averse portfolio, which holds bonds, equities, commodities and publically-traded real estate investments. This portfolio is usually heavily weighted toward bonds. Somewhat more investment risk is assumed in Core’s Conservative Growth and Income portfolio, with the same types of investments as in the Risk Averse portfolios, but with greater weighting to equities and less to bonds. The most investment risk is assumed by Core’s Global Growth portfolios, also with the same types of investments, but with still greater weightings to equities and lesser to bonds. In addition to these four portfolios, Core manages Balanced portfolios, with a smaller range of investments, for small accounts with less than \$50,000.

D. Core tailors its portfolio management for its individual clients. Core works with each client to determine what, within the range of the portfolios Core manages, is the appropriate way to manage an individual client’s investment assets, taking into account investment goals, present and future spending and saving plans, risk tolerance, and other individual considerations. Some clients impose certain restrictions on the types of investments Core may make; Core is

generally willing to observe such client-imposed restrictions in management of that client's portfolios.

D. Core does not participate in wrap-fee programs.

E. As of February 28, 2011, Core managed \$69,400,000, all on a discretionary basis, subject to client-imposed restrictions referred to above.

Fees and Compensation

A. Core's compensation is based on assets managed for a client. The fee for new accounts is 1% per year for the first \$1 million of assets managed, 0.875% per year for the next \$2 million of assets managed for a client, and 0.75% for assets above \$3 million. The minimum annual fee is \$10,000. Fees are billed quarterly in advance, based on the value of portfolios as of the last day of the previous calendar quarter. Over the years, Core has had different fee schedules from this one; thus, for some clients for whom Core began to work in year past, fees may be different from the present standard fee. Core has negotiated fees with some clients, as well, resulting in somewhat different fee arrangements. Core retains discretion to accept smaller accounts than \$1 million.

B. Core offers clients the opportunity to have its quarterly fee deducted from a specified account, or to have Core send a quarterly bill to clients, to be paid by check. In all cases, Core provides clients with its quarterly bill, along with a report on current investment holdings in portfolios and investment returns.

C. Core's only compensation comes from these investment management fees discussed above. However, there are generally additional costs that a client pays for the investments in its portfolios. For securities purchased or sold, a transaction fee is imposed by the brokerage firm that has custody of the client's account. These transaction fees (commission to the broker) range from \$8 per trade to about \$20 per trade. For investments in mutual funds or ETFs, there are underlying costs to the manager or sponsor of the pooled investment fund. For mutual funds, these costs generally range from 0.5% to 1.5% per annum. For ETFs, the underlying costs are lower, generally from 0.1% to 0.5% per annum. See further information on this subject at page 7, Brokerage Practices.

D. As stated above, Core bills its clients quarterly in advance. If a client terminates its relationship with Core prior to the end of a calendar quarter,

Core calculates the unearned portion of the fee it collected and refunds that amount to its former client. For example, if a client paid Core \$3000 in January for the period January 1 to March 31, and terminated its arrangement with Core at the end of February, Core would have earned two-thirds of the \$3000 fee it collected. Core would reimburse its former client \$1000 for the March portion of its first quarter fee.

E. Core receives no compensation, except for the management fee discussed above, for the investments it makes for its clients. It receives no portion of brokerage commissions, mutual fund expenses, or any other types of sales charges, or service fees.

Performance-Based Fees

Core does not receive performance-based fees.

Types of Clients

Core's clients are individuals and families, for whom Core manages individual investment accounts, qualified retirement plans, trusts, personal foundations, custodial accounts for minors, and the like. In general, Core requires a minimum of \$1 million in assets to be managed for a family or individual. Core has existing relationships with individuals and families with less than \$1 million in managed assets and does consider such smaller relationships when requested.

Methods of Analysis, Investment Strategies and Risk of Loss

Core invests globally and seeks to reap the investment benefits of favorable, long-term trends in global economies and asset markets. Core begins the process by trying to achieve an understanding of the broader developments in various important economies around the world. It then considers available investments by which it can benefit from these developments and evaluates the relative attractiveness and risk of the investment opportunities.

Core is mindful that unexpected events--the uprisings across North Africa and the Middle East and the earthquake in northern Japan in the beginning of 2011 provide examples--may affect the markets for investment assets in complex

and disruptive ways. Hence, Core seeks to construct portfolios for its clients that afford participation in the favorable global developments it observes and foresees, while lessening the risk that unexpected events and mistaken judgments will cause losses.

Core conducts its analysis of investment opportunity and risk in a careful and continuous way, but with the awareness that investment risk is always present. Investments of the kind Core makes give rise to the risk of loss and Core's clients should be prepared to bear investment loss.

It is not possible to enumerate all the risks inherent in the types of investments Core makes. These risks include, but are not limited to:

For bonds and other fixed income investments, risks from inflation, credit worthiness of issuers, tight monetary policy, and exchange-rate losses for bonds issued in currencies other than the US dollar;

For equities, risks of declines in general equity markets and in narrower industry and economic sectors, general economic weakness and recession (resulting in lower revenues and profits for companies and industry groups), and adverse policy actions by governments;

For commodities, risks from new technologies upsetting demand, general economic and business cycle developments adversely affecting demand, political and policy changes affecting supply of commodities, and natural disasters upsetting either or both of supply and demand; and

For real estate investments, risks arising from adverse economic conditions, distortions in supply and demand for real estate, rising interest rates and tightening credit conditions, and adverse policy actions by governments and regulatory bodies.

Because a significant portion of the assets Core manages is subject to tax on investment income, Core generally seeks to make investments in securities which it can expect to hold for a year or longer, so as to qualify for the more favorable tax treatment for long-term capital gains. This not a hard and fast rule; Core balances favorable tax treatment against investment risk and may decide to take actions that result in less favorable tax treatment to avoid greater investment risk. Thus, tax considerations may adversely affect investment returns. Additionally, if Core makes short-term investments to

mitigate risk or for other reasons, the transaction costs of trading can depress returns.

Disciplinary Information

Neither Core nor its personnel are or have been involved in legal or disciplinary events material to a client's or a prospective client's evaluation of Core's advisory business or the integrity of Core's management.

Other Financial Industry Activities and Affiliations

Core LLC, a subsidiary of Core, manages a private investment fund named Core Equity Trust, and has maintained registration as a Commodity Pool Operator with the Commodity Futures Trading Commission. The private investment fund has made investments in other private investment funds. Core's president and some of Core's clients are investors in Core Equity Trust. The fee structure of this fund is consistent with Core's fee structure; there is no incentive fee. The management of Core Equity Trust by Core LLC does not present a conflict of interest to Core.

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

Core has adopted a Code of Ethics pursuant to SEC rule 204A-1, a copy of which Core will provide to any client or prospective client upon request. In summary, the Code of Ethics provides that Core's employees and representatives will act in compliance with relevant laws and regulations, will not trade on non-public information, will act with undivided fidelity and loyalty to the interests of Core and Core's clients, will hold private information of Core's clients in confidence and will not disclose such information unless compelled by law, and will speak and write truthfully about investment matters.

Core takes positions in exchange-traded funds ('ETFs') and in mutual funds for its clients and for employees and representatives. As for mutual funds, because prices for purchase or sale are the same for all buyers and sellers (net asset value at close of day), there is no conflict of interest. As for ETFs, which trade throughout the day on exchanges, Core generally makes its purchases and sales of individual ETFs in block trades with the result that all of a given

day's transactions in a security are accomplished at the same price. If Core determines that it will make a purchase or sale of a security for clients, it will effect those trades before its employees or representatives may make sales and purchases in that security for individual accounts. If orders to purchase and or sell shares of a given ETF or other security are placed and executed at a range of prices, the transactions are allocated to client accounts at the more favorable prices and to Core's employees or representatives at the less favorable prices.

Core's affiliate, Core LLC, manages a private fund in which some of Core's clients have investments. The management fee for the private fund is portion of the assets managed in the fund, without an incentive fee. Thus, Core has no economic incentive to manage its clients' assets in individual accounts or via the private fund.

Brokerage Practices

Core does not receive research or other 'Soft Dollar' benefits from any broker-dealer or third party in connection with client securities transactions. Core's recommendation of broker-dealers for clients does not present a conflict of interest.

Core generally aggregates purchase and sale transactions for client accounts when effecting transactions for a number of client accounts in the same security. This enables Core to effect transactions at more favorable prices than would arise if such transactions were effected account by account.

Review of Accounts

Core reviews client accounts and the general financial information for clients periodically. Each client account is reviewed individually at least each quarter by President and other Core personnel. When broad investment changes are made to client accounts, Core reviews accounts promptly to see intended changes were made. Core sends reports to all clients each quarter showing positions in portfolios, investment returns for the year to date, and the bill for Core's services. (The report showing positions shows the aggregate of a given client's investment accounts under Core's supervision. That is, if a client has several accounts, the quarterly presentation shows the positions in the various accounts aggregated as if there were one account.) Core also sends to all clients a general newsletter called *Core Comments*, usually each month, discussing Core's investing. In addition to these regular reports, Core addresses matters with individual clients as requested by clients.

Client Referrals and Other Compensation

Core pays a portion of the fee it collects from certain clients referred to Core by an individual. The referral arrangement presents no conflict of interest.

Custody

Core does not have custody of client funds. The statements and other reports of client accounts that Core produces on its system and sends periodically to clients include the following statement: “Core urges you to compare any account statement we send you with those you receive from Schwab.”

Investment Discretion

Core accepts discretionary authority in managing securities accounts on behalf of its clients. The authority is conveyed by a client’s execution of a limited power of attorney in favor of Core, directing the custodian of the client’s account to take investment instruction from Core. The authority is generally limited to investment in publicly-traded securities, including stocks, bonds, mutual funds, closed-end funds, and exchange-traded funds. Certain clients impose other restrictions on the scope of Core’s investment discretion, for example, by instructing Core not to sell certain investment securities already held, or not to buy certain securities or types of securities.

Voting Client Securities

Core votes client securities if requested by its clients, voting either as directed by clients or, if a client provides no direction, in a manner considered by Core to be in the client’s interest. Core sees no conflict of interest between its clients’ interests and its own in this matter; to the extent a conflict should arise, Core would vote a client’s securities in a manner consistent with Core’s understanding of the client’s interests. Upon request, clients may obtain from Core information on its votes on their securities. Clients may request that Core vote their proxies and other solicitations.

Financial Information

Core does not require or solicit prepayment of fees six months or more in advance.

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John N. Mayberry, President
(415) 332 2000
JNMayberry@coreasset.com
www.coreasset.com

This brochure provides information about John N. Mayberry that supplements the Core Asset Management Company brochure. Please contact Core Asset Management Company if you did not receive the brochure for Core Asset Management Company or if you have any questions about the content of this supplement.

Additional information about John N. Mayberry is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

John N. Mayberry (“Mr. Mayberry”) was born on May 3, 1949. He is a graduate of Swarthmore College (Greek and Latin, B.A., 1971) and of Yale Law School (J.D., 1978). Since 1986, Mr. Mayberry has been Chairman and Chief Investment Officer of Core Asset Management Company. From 1979 to 1986, Mr. Mayberry practiced law at the New York firm of Cravath, Swaine & Moore.

Disciplinary Information

There are no legal or disciplinary events to report.

Other Business Activities

Mr. Mayberry is managing member of Core LLC, a commodity pool operator and manager a private investment fund. Core Asset Management Company is the 97% owner of Core LLC. The private fund pays fees to Core Asset Management Company for Core LLC’s management of the fund.

Additional Compensation

Mr. Mayberry receives no compensation for advisory services, except from Core Asset Management Company.

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PO Box 1629
Sausalito, CA 94966

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Margo Dillon Leardini
(415) 332 2000
MLEardini@coreasset.com
www.coreasset.com

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Additional information about Margo Dillon Leardini is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

Margo Dillon Leardini (“Ms. Leardini”) was born on July 27, 1973. She is a graduate of St. Mary’s College, Notre Dame, Indiana (B.A., 1995). Since 2005, Ms. Leardini has been responsible for client services and administration at Core Asset Management Company.

Disciplinary Information

There are no legal or disciplinary events to report.

Other Business Activities

There are no other business activities to report

Additional Compensation

Ms. Leardini receives no compensation for advisory services, except from Core Asset Management Company.

Supervision

John N. Mayberry, President of Core Asset Management Company, supervises Ms. Leardini’s advice to clients. Mr. Mayberry’s telephone number is (415) 332 2000.

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March 31, 2011

**John A. Forlines III, Senior Advisor
(415) 332 2000
JForlines@coreasset.com
www.coreasset.com**

This brochure provides information about John A. Forlines III that supplements the Core Asset Management Company brochure. Please contact Core Asset Management Company if you did not receive the brochure for Core Asset Management Company or if you have any questions about the content of this supplement.

Additional information about John A. Forlines III is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

John A. Forlines III (“Mr. Forlines”) was born in 1955. He is a graduate of Duke University (B.A., 1977) and of Duke University School of Law (J.D., 1982). Mr. Forlines serves as Senior Advisor to Core Asset Management Company. He is the Chairman and Chief Investment Officer of J.A. Forlines, LLC, a registered investment adviser, since its founding in 2009. John served as the Co-Chair of the Investment Committee of Core Asset Management Company from 2005 to May 2009 and as President from 2007 to May 2009.

Disciplinary Information

There are no legal or disciplinary events to report.

Other Business Activities

Mr. Forlines is the principal officer of J.A. Forlines, LLC, which provides investment advice. This is his primary business activity; his advisory work with Core Asset Management Company is a secondary activity.

Additional Compensation

Other than agreed contractual payments, annual bonuses or regular bonuses, Mr. Forlines does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Core Asset Management Company.

Supervision

John N. Mayberry, President of Core Asset Management Company, supervises Mr. Forlines’s advice to clients. Mr. Mayberry’s telephone number is (415) 332 2000.