

Kole Asset Management, Inc.

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This brochure provides information about the qualifications and business practices of Kole Asset Management, Inc. If you have any questions about the contents of this brochure, please contact us at the telephone number and/or e-mail address above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.

Kole Asset Management, Inc. is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The verbal and written communications of an investment adviser provide you with information you need to determine whether to hire or retain the advisor.

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

Kole Asset Management, Inc.

The last annual updating amendment was dated January 24, 2012.

In federal registration request dated January 24, 2012, the following was updated:

- Item 19 was removed.
- Item 5 was revised to remove the performance based fee to 6% without a hurdle, as follows:

When profits for the current period exceed the unrecouped net losses for prior periods, we will receive an incentive allocation of 6% of the profits generated.

- Item 15 was revised to show that we will follow the federal procedures that come with having custody of our fund's assets, as follows:

In order to comply with the regulatory requirements, we provide all investors in the Fund with audited financials. The audited financial statements are sent to investors within 180 days of the Fund's fiscal year-end.

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ITEM 4: ADVISORY BUSINESS

Who we Are

Kole Asset Management, Inc. (referred to as “we,” “our,” “us,” or “KAM”) has been registered as an investment advisor since April 1997. Our principal owner and officer is Sheri Kole.

Services We Offer

We provide investment services to Mountain Avenue Partners, L.P., an investment limited partnership (referred to as the “Fund” or “MAP”). In addition, we manage assets for clients who are not invested in the Fund (referred to as “you” or “client”).

KAM manages a fund of funds of hedge funds which is a multi-manager, multi-strategy investment partnership. We also invest in diversified portfolios of mutual funds for some clients. In addition, KAM invests in private equity and hedge funds for a very small group of clients.

Mountain Avenue Partners, L.P.

KAM acts as an investment adviser to the Fund, which invests in other private investment partnerships, managed accounts, investment companies and other vehicles. Sheri L. Kole and KAM both act as general partners of the Fund. MAP is a multi-manager, multi-strategy fund of hedge funds. MAP invests with managers who focus on non-traditional equity strategies such as long/short, event driven and distressed securities. PNC Bank N.A. is the custodian of the Partnership.

For the Fund, our investments are tailored to comply with the investment guidelines disclosed in the offering materials for the Fund. Each potential investor in the Fund receives a complete set of offering materials prior to investing in the Fund.

Diversified Portfolio Allocation

KAM constructs globally diversified portfolios of mutual funds consisting of multiple managers and multiple strategies based on the objective of the individual client. These services are tailored to the individual needs of the clients based on their objectives, risk tolerance level, time frame, and tax situation.

KAM will determine the allocation and strategies and select the managers with which MAP and mutual fund portfolios will invest.

Consulting Services

Activities may include manager evaluation, analysis, research and monitoring.

Assets Under Management

As of December 31, 2011, we have \$139 million in discretionary and \$192,000 in non-discretionary assets under management.

ITEM 5: FEES AND COMPENSATION

Compensation for Services

Mountain Avenue Partners, L.P.

We receive both an asset-based fee and an incentive allocation. The asset-based fee is 1% per year, billed in quarterly installments. This fee is billed quarterly in arrears, based on the value of the assets under management as of the last day of the calendar quarter.

The incentive allocation is calculated as of December 31 each year. When profits for the current period exceed the unrecouped net losses for prior periods, we will receive an incentive allocation of 6% of the profits generated. If you withdraw capital from the Fund, the incentive allocation for the amount withdrawn will be calculated as of the withdrawal date.

In order to pay an incentive allocation you must meet certain requirements. Effective September 19, 2011, typically, you must meet one of the following criteria:

- You have a net worth (or together with your spouse have a net worth) of at least \$2 million.
- You have at least \$1,000,000 invested with us.

Investors with initial contributions prior to September 19, 2011, may continue to rely on the exemption available at the time of initial investment. The subscription documents for the Fund provide additional qualifications standards. All incentive allocations will be made in a manner that complies with Rule 205-3 of the Investment Advisers Act of 1940, as amended from time to time.

Incentive fee arrangements could create an incentive for us to make investments that are riskier or more speculative than would be the case in the absence of the arrangement. In some circumstances, we may receive increased compensation as a result of unrealized appreciation as well as realized gains.

We will not accept investors into the Fund who are not qualified to pay an incentive allocation.

Investors in the Fund are required to invest for a period of one year before making any withdrawals. After the one year, investors may make withdrawals as of December 31 of any year by providing 95 days written notice.

Diversified Portfolio Allocation

Fees for this service are generally 1% per year of the assets under management, paid in quarterly installments. These fees are billed at the end of each quarter, based on the assets under management as of the last day of the calendar quarter. Fees could be negotiable at some future point, dependent on a large single account size.

You may end our advisory relationship by providing 30 days written notice. We will prorate the advisory fees earned through the termination date and send you an invoice for the advisory fees due.

For these accounts, we require that you provide authorization for us to deduct our fees directly from your investment account. Important information about the deduction of management fees:

- You must provide authorization for us to deduct fees by initialing the appropriate section of our investment management agreement.
- You will receive a detailed invoice each quarter which outlines our fees and how they are calculated at the same time we request payment from the custodian.
- You will receive a statement from your custodian which shows your holdings.
- You are responsible for reviewing the accuracy of the fees being billed, as the custodian will not do so.

Consulting Services

Consulting services are provided for an hourly fee of up to \$450, or for a fixed fee based on an estimate of the time needed to complete the project. The fees are dependent on the complexity, frequency of meetings, etc. Out-of-pocket expenses, such as travel, may be additional. You will receive an invoice upon completion of the consulting engagement that is payable upon receipt. You may pay for consulting services by check or wire transfer.

You may cancel our consulting agreement at any time by providing written notice. Upon cancellation, we will present you with an invoice for time spent. This invoice is payable upon receipt.

Other Costs Involved

In addition to our advisory fees shown above, expenses associated with making investments on behalf of clients will also be incurred. These fees may include:

- mutual fund loads (if applicable). These charges are paid to brokers as a form of commission.
- management fees for ETFs and mutual funds. These are fees charged by the managers of the ETF or mutual fund and are a portion of the expenses of the ETF or mutual fund.
- brokerage costs and transaction fees for any securities or fixed income trades. These are generally charged by your custodian and/or executing broker.
- investments in private partnerships and assets placed with third party advisors are subject to the standard management and/or performance fees charged by the managers of those investments.
- for investors in the Fund, there is an allocation of up to 20 basis points of the assets for research expenses, audit and accounting expenses, and legal and regulatory costs.

Additional information about brokerage costs and services is provided in “Item 12: Brokerage Practices.”

We believe the fees mentioned above are competitive; however you may be able to obtain similar services from other sources at a lower price.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We receive an incentive fee for management of the Fund, and asset-based fees for the management of individual accounts. The Fund is invested in other pooled investment vehicles; individual account assets are primarily managed directly by KAM. Therefore there is no conflict of interest in these relationships.

ITEM 7: TYPES OF CLIENTS

We provide investment advice to the Fund, which is a pooled investment vehicle. Diversified Portfolio Allocation clients are typically individuals and trusts.

Generally investors in the Fund are required to maintain a minimum of \$500,000 invested with the Fund. We require a minimum investment commitment of \$2,000,000 to manage assets in the Diversified Portfolio Allocation strategy. These minimums may be waived at our sole discretion.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

When constructing diversified portfolios of mutual funds, we consider the client's objectives, risk tolerance level, time horizon and tax situation. An asset allocation policy is developed for each client. Mutual funds are selected based on both quantitative research and qualitative judgment. Diversification is a key component in constructing the portfolio. Monitoring is a crucial, ongoing activity after the portfolio has been constructed.

When constructing the fund of funds, the objective is a fund with lower volatility than the equity markets through diversification and use of shorting strategies and other non-traditional strategies. Manager characteristics include entrepreneurial and experienced in executing their strategy. Manager strategies include the less efficient sectors of the capital markets and situations that are "off the radar" of mainstream investors due to complexity, controversy or small size. The fund is diversified by strategy and number of managers. Manager results have low correlation to each other and with equity markets. Both quantitative analysis and qualitative judgments are used to select managers.

For diversified portfolios of mutual funds, Mountain Avenue Partners and the portfolios of private equity and hedge funds, the material risks are the risks of the global equity and bond markets. There is volatility in all investing and any exposure to especially the equity markets brings increased volatility. There is no unusual risks for these portfolios as they are diversified and constructed to be long-term in nature. There is very little trading once the portfolios have been constructed.

All investments involve different degrees of risk. You should be aware of your risk tolerance level and financial situations at all times. We cannot guarantee the successful performance of an investment and we are expressly prohibited from guaranteeing accounts against losses arising from market conditions.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of the investment advisor and each investment advisor representative providing investment advice to you. We have no information of this type to report.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

We serve as the general partner and investment advisor to the Fund. We do not expect to be engaged to advise investors as to the appropriateness of investing in the Fund, and we will not receive any compensation for doing so, or for selling interests in the Fund.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

We have adopted a set of enforceable guidelines (Code of Ethics), which describes unacceptable conduct by KAM and our associated persons. Summarized, this Code of Ethics prohibits us from:

- placing our interests before yours,
- using non public information gathered when providing services to you for our own gains, or
- engaging in any act, practice or course of business that is, or might be considered, fraudulent, deceptive, manipulative, or in violation of any applicable law, rule or regulation of a governmental agency.

Please contact us if you would like to receive a full copy of this Code of Ethics.

Personal Trading for Associated Persons

We may buy or sell some of same securities for you that we already hold in our personal account. We may also buy for our personal account some of the same securities that you already hold in your account. Our associated persons may also invest directly in the Fund. It is our policy not to permit our associated persons (or their immediate relatives) to trade in a way that takes advantage of price movements caused by your transactions.

We may restrict trading for a particular security for our accounts or those of our associated person if there is a pending trade in that security in a client account. Trades for our accounts (and those of our associated persons) will be after client trades have been completed. We may receive a better or worse price than that received by the client.

All persons associated with us are required to report all personal securities transactions to us quarterly.

We are the general partner of, and investment advisor to, the Fund. We do not expect to be engaged to advise investors as to the appropriateness of investing in the Fund, and we will not receive any compensation for doing so, or for selling interests in the Fund.

ITEM 12: BROKERAGE PRACTICES

The Custodian and Brokers We Use

KAM participates in the institutional advisor program (the “Program”) offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA (“TD Ameritrade “). TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the Program. Please see Item 14: Client Referral sand Other Compensation” for additional information.

We require that our clients use TD Ameritrade as the qualified custodian. We are independently owned and operated and are not affiliated with TD Ameritrade. TD Ameritrade will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we will require that you use TD Ameritrade as custodian/broker, you will decide whether to do so and will open your account with TD Ameritrade by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. If you do not wish to place your assets with TD Ameritrade, then we cannot manage your account. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor.

How We Select Brokers/Custodians

We seek to select a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Availability of other products and services that benefit us, as discussed below

Aggregation of Orders

The nature of our investments does not lend itself to aggregating client trades. Each client has their own asset allocation and an aggregate trade would not work. In addition, KAM manages a relatively small number of accounts. All trades are done per individual client's situation.

Soft Dollars

“Soft dollars” are typically generated when an investment advisor enters into an agreement with an executing broker to receive a portion of the commissions generated by the advisor’s client trades. The soft dollars are allocated to the investment advisor and can then be used to purchase items or services. The investment advisor has a fiduciary duty to its clients to obtain best execution, on an overall basis, for any securities transactions.

We do not use soft dollars as described above. The SEC recently changed the wording of certain questions on the Form ADV and has indirectly changed the definition of soft dollars. Due to the new wording, the receipt of goods and/or services from a third party in connection with providing advice to clients could be seen as “soft dollars.” The additional services we receive from TD Ameritrade, as disclosed in Item 14 below, would fall under this description of soft dollars.

ITEM 13: REVIEW OF ACCOUNTS

Sheri Kole, President, reviews each client’s current asset allocation versus the target to determine if a change is needed. These reviews are performed on a quarterly basis, with more frequent reviews when markets are particularly volatile.

Investors in the Fund receive quarterly capital account balance reports and a quarterly letter. In addition, annually a K-1 is sent as well as the Fund’s audited financial statements.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

As disclosed in “Item 12: Brokerage Practices,” we participate in TD Ameritrade’s institutional customer program and we may require that clients use TD Ameritrade for custody and brokerage services. There is no direct link between our participation in the program and the investment advice it gives to you, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount):

- receipt of duplicate client statements and confirmations;
- research related products and tools;
- consulting services;
- access to a trading desk serving investment advisor participants;
- access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts);
- the ability to have advisory fees deducted directly from client accounts;
- access to an electronic communications network for client order entry and account information;
- access to mutual funds with no transaction fees and to certain institutional money managers; and
- discounts on compliance, marketing, research, technology, and practice management products or services provided to KAM by third party vendors.

Some of the products and services made available by TD Ameritrade through the program may benefit KAM but may not benefit its client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. The benefits received by KAM or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that our receipt of economic benefits in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Client Referrals

We may also engage solicitors to provide client or investor referrals. We pay these solicitors a portion of the fees we earn for managing the client or investor that was referred. If you are referred by a solicitor, this practice will be disclosed in writing and we will comply with the requirements of Rule 206(4)-3, under the Investment Advisers Act of 1940, as amended, and any similar state rule or statute.

ITEM 15: CUSTODY

As the general partner for the Fund, we have custody of the Fund's assets. In order to comply with the regulatory requirements, we provide all investors in the Fund with audited financials. The audited financial statements are sent to investors within 180 days of the Fund's fiscal year-end.

If you give us authority to deduct our fees directly from your separately managed account, we have custody of those assets. In order to avoid additional regulatory requirements in these cases, we follow the procedures outlined in "Item 5: Fees and Compensation." You will also receive quarterly statements directly from custodian of the account that details all transactions in the account. You will receive account statements directly from TD Ameritrade at least quarterly. They will be sent to the email or postal mailing address you provided to TD Ameritrade. You should carefully review those statements promptly when you receive them. We also urge you to compare the Custodian's account statements to the periodic portfolio reports you will receive from us.

ITEM 16: INVESTMENT DISCRETION

We manage the Fund on a discretionary basis and do not allow for any limitations to be placed on our investment authority. Our investment philosophy is summarized above, and more completely described in the offering materials for the Fund. In order to invest in the Fund, you must:

- Review the offering materials we provide. This Part 2A and the Part 2B for Sheri Kole are included with the offering materials.
- Sign a copy of the limited partnership agreement for the Fund.
- Complete subscription documents for the Fund. These provide information about your qualifications to invest in the Fund.

As one of the conditions of managing a separately managed account, you are required to provide discretionary authority for us to manage your assets. Discretionary authority means that you are giving us

a limited power of attorney to place trades on your behalf. This limited power of attorney does not allow us to withdraw money from your account, other than advisory fees if you agree to give us that authority.

You grant us discretionary authority by completing the following items:

- Sign a contract with us that provides a limited power of attorney for us to place trades on your behalf. Any limitations to the trading authorization will be added to this agreement.
- Provide us with discretionary authority on the new account forms that are submitted to the broker/dealer acting as custodian for your account(s).

Currently there are no clients who have requested restrictions on our discretionary authority.

ITEM 17: VOTING CLIENT SECURITIES

As a matter of policy and as a fiduciary to our clients, we have responsibility for voting proxies for your portfolio securities consistent with your best economic interests. We maintain policies and procedures as to the handling, research, voting and reporting of proxy voting and make appropriate disclosures about our proxy policies and practices. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records. You may provide direction regarding any particular proxy solicitation.

You may provide authorization for us to vote your proxies as described above for your separately managed account(s).

You may elect to retain the authority to vote the proxies yourself. In this case, you will receive proxies and other related paperwork directly from your custodian. Upon request we will provide guidance about voting a specific proxy solicitation.

You may request a copy of our Proxy Policies and Procedures and/or information about how a proxy was voted at any time.

ITEM 18: FINANCIAL INFORMATION

We do not charge or solicit pre-payment of more than \$1,200 in fees per client six months or more in advance. We have never filed for bankruptcy and are not aware of any financial conditions that are reasonably likely to impair our ability to meet our contractual obligations to clients.

BROCHURE SUPPLEMENT ITEM 1: COVER SHEET

Sheri L. Kole

Kole Asset Management, Inc.

2106 Arbor Way
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(732) 805-0005

January 24, 2012

This Brochure Supplement provides information about Sheri L. Kole that supplements the Kole Asset Management, Inc. Brochure. You should have received a copy of that Brochure. Please contact Sheri Kole, President at (732) 805-0005 or skole@koleasset.com if you did not receive Kole Asset Management, Inc.'s Brochure or if you have any questions about the content of this supplement.

Additional information about Sheri L. Kole is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Sheri L. Kole was born in 1958. She attended Northern Illinois University, where she received a BS in Finance in 1980 and a MS in Finance in 1981.

Ms. Kole has been the President of Kole Asset Management, Inc., a registered investment advisor, since February 1997.

Professional Designations

Chartered Financial Analyst (CFA) – 1987

The CFA Charterholder designation is issued by the CFA Institute. In order to receive this designation, a candidate must have either: 1) an undergraduate degree and 4 years of professional experience involving investment decision-making, or 2) 4 years qualified work experience (full time, but not necessarily investment related). Each candidate must complete a self-study program of 250 hours of study for each of the 3 levels. Once a candidate passes each of the three 6-hour exams and meets the appropriate experience requirements the CFA charterholder designation may be used. There are no continuing education requirements.

ITEM 3: DISCIPLINARY INFORMATION

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of each investment advisor representative providing investment advice to you. There is no information of this type to report.

ITEM 4: OTHER BUSINESS ACTIVITIES

Ms. Kole is not involved in any other business activities.

ITEM 5: ADDITIONAL COMPENSATION

Ms. Kole does not receive any economic benefit from any non-client for providing advisory services.

ITEM 6: SUPERVISION

Ms. Kole, President, is the owner and sole person providing investment advice on our behalf. Her telephone number is (732) 805-0005.