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**Item 1 – Cover Page**

Fuller Asset Management, LLC  
7135 E. Camelback Road, Suite 230  
Scottsdale, AZ 85251  
480-553-6352  
[www.fullerassetmanagement.com](http://www.fullerassetmanagement.com)  
3-21-2011

This Brochure provides information about the qualifications and business practices of Fuller Asset Management, LLC [“Adviser”]. If you have any questions about the contents of this Brochure, please contact us by email ([Lawrence@fullerassetmanagement.com](mailto:Lawrence@fullerassetmanagement.com)) or phone (480-553-6352). 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.

Fuller Asset Management, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information with which you determine to hire or retain an Adviser.

Additional information about Fuller Asset Management, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated 3-21-2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and will provide clients with a summary of those changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’s fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure can be requested by contacting Fletcher Fuller/Managing Member at 480-553-6352 or [Fletcher@fullerassetmanagement.com](mailto:Fletcher@fullerassetmanagement.com). Our Brochure is also available on our web site at [www.fullerassetmanagement.com](http://www.fullerassetmanagement.com), also free of charge.

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#### **Item 4 – Advisory Business**

Fuller Asset Management, LLC (“Adviser”) has been providing investment advisory services since April 2005. The principal owners of the Adviser are Lawrence R. Fuller II/Managing Director, Lawrence R. Fuller/Managing Member and J. Fletcher Fuller/Managing Member.

We provide investment advisory services to our clients on a discretionary and non-discretionary basis. We consider a client’s risk tolerance, time horizon, income needs and financial objectives prior to making any recommendations. In addition, a client will be required to enter into one or more written agreements with the Adviser.

We manage two discretionary composite portfolios that are available to individual and institutional investors on a separate account basis. The Fuller Large Cap Growth portfolio is comprised of individual equities (stocks) with an objective of long-term capital appreciation. The Fuller Global Asset Allocation portfolio is comprised of exchange-traded funds (ETFs) with an objective of long-term capital appreciation.

We will customize an investment portfolio for a client based on specific needs. This service is offered on both a discretionary and non-discretionary basis. Customization involves establishing acceptable ranges of ownership (minimum and maximum) for each asset class that will comprise the portfolio based on a client’s time horizon, risk tolerance and investment objectives. These asset classes may include domestic and international equities (stocks), fixed-income (bonds), commodities, currencies and cash. This information is detailed in a written investment policy statement (IPS) that is signed by both the Advisor and the client.

The types of securities we typically recommend when implementing portfolio recommendations include individual equity securities; corporate, municipal and government debt securities; exchange-traded funds and mutual funds. Additionally, we may advise on or recommend any type of investment that we deem appropriate based on a client’s stated financial objectives. We also provide advice on any type of investment held in a client’s portfolio at the inception of the advisory relationship. Clients may impose restrictions on investing in specific asset classes or types of securities in writing. These restrictions will be stated in the client’s investment policy statement.

The Adviser managed \$18,863,000 in client assets on a non-discretionary basis and \$10,458,000 in client assets on a discretionary basis as of 12-31-2010.

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## Item 5 – Fees and Compensation

We are compensated for investment management or supervisory services based on a client's assets under management. Fees are paid quarterly, in arrears. Fees are due on the first day of the calendar quarter, and are based on the account's market value as of the last business day of the prior calendar quarter. Fees are prorated for accounts opened during the quarter. We request that clients provide us with the authorization to directly debit fees from client accounts in a written agreement with the account custodian. Since fees are payable after services are provided, there are no unearned fees and the client is not due a refund upon early termination of an investment advisory contract. However, the Adviser's fees are prorated to the date of termination.

In its sole discretion, the Adviser may negotiate to charge a lesser management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.)

Our fee for equity and balanced portfolios is set forth in the following fee schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$0 - \$500,000	1.00%
\$500,000 - \$1,000,000	0.90%
\$1,000,000 - \$5,000,000	0.75%
\$5,000,000 and above	0.50%

Our fee for fixed-income portfolios is set forth in the following fee schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$0 - \$1,000,000	0.50%
\$1,000,000 - \$3,000,000	0.35%
\$3,000,000 and above	0.25%

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An advisory client will have a period of five (5) business days from the date of signing the investment advisory agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, either party may terminate the investment advisory agreement with 30 days written or verbal notice.

The Adviser's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to the Adviser's fee, and the Adviser shall not receive any portion of these commissions, fees, and costs.

Advisory clients should also note that fees for comparable services vary and lower fees for comparable services may be available from other sources. Item 12 further describes the factors that the Adviser considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

We do not charge any performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

## **Item 7 – Types of Clients**

We offer investment advisory services to individuals, high net worth individuals, trusts, estates, corporations and other business entities. We require a minimum initial investment of \$100,000 to invest in the Fuller Large Cap Growth portfolio and \$25,000 to invest in the Fuller Global Asset Allocation portfolio. We do not have minimum investment requirements for our customized portfolio management service.

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

We employ both fundamental and technical analysis when formulating investment advice and managing assets. Fundamental analysis involves evaluating individual companies, broad industry groups and the overall economy in an effort to measure the true value of a company's stock compared to the current market value. Technical analysis involves evaluating historical price patterns and trends for individual securities, sectors and market indices in an effort to determine the probability of higher or lower prices.

We implement investment strategies that include long-term purchases (securities held at least a year) and short-term purchases (securities sold within a year). Trading (securities sold within 30 days) is not a part of our core investment strategy, but we may utilize this strategy in certain market environments if our methods of analysis dictate doing so for the purpose of wealth preservation. We do not use margin, short sales or options when implementing our investment strategies.

### **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that a client's financial goals and objectives will be met. Past performance is in no way an indication of future performance.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the client's evaluation of the Adviser or the integrity of the Adviser's management. We have no information applicable to this Item.

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## **Item 10 – Other Financial Industry Activities and Affiliations**

We have not provided information on other financial industry activities and affiliations, because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end fund investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
3. other investment advisor or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading adviser
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships

## **Item 11 – Code of Ethics**

The Adviser has adopted a Code of Ethics for all members and employees (“associated persons”) of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition on rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All associated persons must acknowledge the terms of the Code of Ethics annually, or as amended, and adhere strictly to its guidelines.



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The Adviser's clients or prospective clients can request a copy of the firm's Code of Ethics by contacting Fletcher Fuller at 480-553-6352.

Associated persons can trade for their own accounts in securities which are recommended to and/or purchased for the Adviser's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of associated persons do not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing associated persons to invest for their own accounts. Nonetheless, because the Code of Ethics in some circumstances would permit associated persons to invest in the same securities as clients, there is a possibility that associated persons might benefit from market activity by a client in a security held by an associated person. This presents a conflict of interest.

Therefore, when the Adviser is purchasing or considering for purchase any security on behalf of a client, no associated person may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when the Adviser is selling or considering the sale of any security on behalf of a client, no associated person may effect a transaction in that security prior to the completion of the sale or until the decision has been made not to sell such security. Trading by associated persons is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between the Adviser and its clients.

Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of the Adviser's clients. These securities include: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

## **Item 12 – Brokerage Practices**

The factors we consider when recommending broker-dealers/custodians for client transactions include their respective financial strength, reputation, execution capabilities, pricing and service. Both Fidelity Investments and TD Ameritrade enable us to obtain many mutual funds and a select list of exchange-traded funds (ETFs) without transaction costs, and other securities at nominal transaction costs. The list of funds and securities

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offered without transaction costs, as well as the nominal costs, differ between broker-dealers, and is typically a factor we consider when recommending a broker-dealer to a client. We also consider the ability of a broker-dealer to provide operational services that a client may require as a factor in the reasonableness of the overall cost. The commissions and transaction fees charged by Fidelity and TD Ameritrade may be higher or lower than those charged by other broker-dealers.

TD Ameritrade and Fidelity Investments provide us with certain services at no cost, because our clients maintain assets with these custodians. These services include computer software and systems that allow us to place block trades and monitor client accounts, access to a dedicated trading desk and service team, and the receipt of duplicate client statements and confirmations.

We do not receive client referrals from either broker-dealer or any third party. Client referrals are not a factor we consider when recommending a broker-dealer/custodian.

#### Directed Brokerage

We will recommend that clients investing in the Fuller Global Asset Allocation portfolio direct us to execute transactions through TD Ameritrade. The Adviser has obtained an agreement with this broker-dealer that allows for an asset-based pricing arrangement, whereby there are no transaction costs to buy or sell ETF securities, and the number of transactions per year are unlimited. The Adviser pays the quarterly fee for this pricing arrangement on behalf of the clients that are invested in this discretionary ETF portfolio.

At our discretion a client may direct us in writing to use a particular broker-dealer to execute some or all transactions for that client. In this case, the client will negotiate terms and arrangements for the account with that broker-dealer. This practice may prevent us from aggregating trades with other client accounts, and/or obtaining more favorable net pricing and execution, ultimately costing the client more money.

#### Block Trading

When multiple orders to purchase or sell shares of the same security for several clients are likely to occur at the same time, we combine those orders into what is commonly referred to as a “block trade.” Shares of the security are then distributed to participating accounts typically in proportion to the size of the account, and always in a fair and equitable manner. Each participating account receives the same average price per share for the transaction, and each participating account pays a proportionate share of all transaction costs. Accounts owned by associated persons of the Adviser do participate in block trades.

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### **Item 13 – Review of Accounts**

Lawrence R. Fuller II/Managing Director and J. Fletcher Fuller/Managing Member, both principals of the Adviser, perform reviews of all investment advisory accounts no less than quarterly. Accounts reviews involve monitoring the asset class weightings within a portfolio to affirm consistency with the parameters agreed upon between the client and the Adviser in the written investment policy statement (IPS). If there is not an IPS in effect for a client portfolio, then the review involves affirming that the advisory services provided are consistent with the client's current investment needs and objectives. Additional reviews may also be triggered by a change in the client's financial objective, risk tolerance and/or time horizon.

Clients receive written performance reports from the Adviser on a quarterly basis. The report includes performance for the most recent quarter and since the inception of the relationship, a summary of the asset class weightings and position values, and a billing statement for the quarter just ended. Clients also receive monthly or quarterly statements and trade confirmations from the account custodian. We recommend comparing our performance reports with the statements provided by the custodian to reconcile the information reflected on each statement.

### **Item 14 – Client Referrals and Other Compensation**

The Adviser does not compensate any individual or corporate entity, directly or indirectly, for client referrals. The Adviser does not receive any compensation (monetary, prizes, or gifts) from any individual or corporate entity for providing investment advice or other advisory services to clients.

### **Item 15 – Custody**

It is our policy to deduct advisory fees directly from client accounts through the qualified custodian holding the client's funds and securities. This ability to deduct our fee from a client account causes our firm to exercise limited custody over a client's funds or securities. We do not have physical custody of any funds and/or securities. A client's funds and securities are held with a bank, broker-dealer or other independent qualified custodian. Clients will receive at least quarterly statements from the qualified custodian that holds

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and maintains the investment assets. The account statements from the custodian will indicate the amount of our advisory fee deducted from a client's account(s) each billing period. We will also provide a billing statement with each of the quarterly performance reports we send to clients.

We urge clients to compare our performance reports with the statements from account custodian(s) to reconcile the information reflected on each statement. If you have questions regarding your account statement, or if you did not receive a statement from your custodian, please contact Fletcher Fuller at 480-553-6352.

### **Item 16 – Investment Discretion**

We accept discretionary authority to manage investment portfolios on behalf of our clients following the execution of our Discretionary Investment Advisory Agreement. This agreement grants us the authority to select the identity and amount of securities to be bought and sold without obtaining the consent or approval from the client prior to each transaction.

Discretion is exercised in a manner that is consistent with the stated investment objectives for a particular client account. When selecting securities and determining amounts, we observe the investment guidelines, and any limitations and/or restrictions by the client, as outlined in the client's written Investment Policy Statement. For example, a client may specify a restriction of any transactions in a certain asset class or industry group.

### **Item 17 – Voting Client Securities**

We will vote proxies on behalf of the client, at the client's request, with written authorization. We maintain written policies and procedures to ensure that proxies are voted in the best interest of our clients, and that our vote is not the product of an actual or potential conflict of interest. The Advisor has formed a proxy voting committee ("Committee"), and maintains guidelines ("Proxy Voting Guidelines") that outline general positions as voting either "for" or "against" specific issues. When we receive proxy proposals where the guidelines do not address the issue or otherwise outline our general position as voting on a case-by-case basis, the committee will review the proposal and determine how to vote a proxy in the best interest of our clients.

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We vote proxies for all accounts at the same custodian/broker-dealer on an aggregated basis. However, if a client notifies us in advance, we will vote that client's account on a non-aggregated basis.

We may occasionally be subject to conflicts of interest in the voting of proxies due to business or personal relationships we maintain with persons having an interest in the outcome of certain votes. If we become aware of any potential or actual conflict of interest relating to a particular proxy proposal, we will vote either "for" or "against" such proposal in accordance with the Proxy Voting Guidelines. If the guidelines outline that our voting position is to be determined on a case-by-case basis, or the proposal is not addressed in the guidelines, then the Committee will provide the client with sufficient information regarding the proxy proposal and obtain the client's direction before voting.

Clients may obtain a copy of the Adviser's complete proxy voting policies and procedures upon request. Clients may also obtain information about how we voted proxies on behalf of their account(s). Clients can obtain this information by calling 480-553-6352 or emailing the request to [lawrence@fullerassetmanagement.com](mailto:lawrence@fullerassetmanagement.com).

#### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the Adviser's financial condition. The Adviser has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.