

ADV Part 2A – Firm Brochure

Fairway Asset Management, LLC

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February 15, 2012

This Brochure provides information about the qualifications and business practices of Fairway Asset Management, LLC. If you have any questions about the contents of this Brochure, please contact us at 402-932-4630 and/or info@fairwayasset.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.

Fairway 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 about which you determine to hire or retain an Adviser.

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

Item 2 – Material Changes

The information below discusses material changes that have occurred since the last annual update of this Brochure. The previous annual update to this Brochure was on March 25, 2011.

Fairway Asset Management, LLC offers a new investment strategy called The Dividend Cash Flow Growth Strategy. The addition of this new investment strategy has eliminated the Small Cap Equity Strategy. Please reference page 5 of this Brochure.

The office address of Bruce A. Gulliver, CFA has been changed to 8835 SW Canyon Lane, Suite 400 Portland, OR 97225. Please reference page 16 of this Brochure

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Item 4 – Advisory Business

Fairway Asset Management, LLC (Fairway Asset Management) is a registered investment advisor providing portfolio management services. The firm is headquartered in Omaha, NE with an additional office location in Portland, OR. The firm was co-founded in 2008 by Rudy M. Thomas (President), Bruce A Gulliver, Ph.D., CFA (Executive Vice President) and Dennis Blackman (Chairman). Our sole purpose is to meet the financial needs of the individuals, families, and institutions that we serve through customized investment portfolios and highly personalized service.

Fairway Asset Management has the capability to separately manage fixed income, equity or balanced portfolios for the benefit of its clients. Fairway utilizes individual equities and fixed income securities in their portfolios. Rudy M. Thomas and Bruce A. Gulliver, CFA are responsible for strategically selecting the securities to achieve the goals of each individual, family or institution. Fairway Asset Management allows clients to identify individual security restrictions, or other requests they may have for their accounts. Fairway Asset Management recommends that clients utilize Morgan Stanley Smith Barney as their account custodian; however, clients may choose an approved custodian of their choice. Clients have full disclosure, transparency and access to their assets. Fairway Asset Management does not participate in wrap fee programs. As of December 31, 2011, Fairway Asset Management managed \$66 million of client assets on a discretionary basis.

Fairway believes that successful money management requires a clear understanding of changing economic conditions and the relative impact on investment results. Our economic insights are coupled with the discipline of asset allocation, strong stock selection skills and a timely sell discipline. We utilize individual securities in portfolios to achieve portfolio goals. In addition, Fairway does offer investment advice outside of individual securities. With regard to existing holdings of potential clients, Fairway will determine if the holdings are appropriate to hold within the account. Situations also occur when clients inquire about types of investments outside of Fairway Asset Management's recommendations. Fairway will offer an opinion on these types of investments if justified.

Item 5 – Fees and Compensation

The specific manner of management fee billing by Fairway Asset Management is established in a client's written agreement with Fairway Asset Management. Fairway Asset Management will bill its fees in arrears on a monthly basis. The management fee is calculated by applying the stated fee to the end of month portfolio market value and dividing by 1/12. Established in the client's written agreement is an authorization for Fairway Asset Management to directly debit fees from client accounts held by the

custodian; however, clients may also elect to be billed directly for fees. In some instances, some account holdings may have to be sold in order to pay the management fees. Fairway Asset Management shall prorate fees from the first trade that securities are traded for an opening contribution or transfer of funds into any new account. Fairway Asset Management shall not prorate fees for each additional contribution and withdrawal made during the applicable month. Fairway Asset Management shall prorate fees for accounts initiated or terminated during the month. Upon termination of any account, any earned, unpaid fees will be due and payable.

Fee Schedule

Fees taken monthly based on month end market value of portfolio:

<u>Balanced Portfolios and all Equity Portfolios:</u>	<u>Fee</u>
Up to \$1,000,000	1.0%
Next \$4,000,000	0.75%
In excess of \$5,000,000	0.50%
 <u>All Fixed Income Portfolio</u>	
Up to \$1,000,000	0.60%
Next \$4,000,000	0.50%
In excess of \$5,000,000	0.40%

Fairway Asset Management'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 such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund 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 Fairway Asset Management's fee, and Fairway Asset Management shall not receive any portion of these commissions, fees, and costs. Fairway Asset Management reserves the right to negotiate fees where appropriate. The money manager or client may terminate the contract with 30 days' written notice. A termination fee of .10% will be charged to the client before the final distribution.

Fairway Insurance Services, LLC is an insurance agency operating since December of 2008 and is owned 100% by Fairway Asset Management Holdings, LLC. Investment advisors of Fairway Asset Management that are also representatives of Fairway Insurance Services have the ability to receive compensation for selling insurance products through Fairway Insurance Services. Clients who do seek to purchase insurance products from Fairway Insurance Services should understand that the normal insurance commissions to be earned

also creates an incentive to make those recommendations and, thereby, an inherent risk for a conflict of interest.

Item 12 further describes the factors that Fairway Asset Management 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

Fairway Asset Management does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Fairway Asset Management provides portfolio management services to individuals, high net worth individuals, charitable organizations and corporations. Fairway Asset Management maintains a minimum account size of \$500,000 for clients, which can be subject to negotiation.

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

Fairway Asset Management offers customized investment solutions for portfolios by utilizing individual equities and fixed-income securities to accommodate each client's specific goals, income needs and risk tolerance. Fairway incorporates a top-down discipline and a fundamental approach to money management. This approach begins with a macroeconomic analysis that emphasizes the U.S. domestic outlook, political environment, and international events that may impact economic trends. Our analysis acts as the basis of our investment process. This analysis and economic forecast helps us determine:

- Asset allocation
- Equity representation in the sector and industry
- Fixed-income quality and maturity

Fairway offers four portfolio strategies that can be customized to accommodate each client's specific goals and risk tolerance:

1. Large Cap Equity Strategy
2. Dividend Cash Flow Growth Strategy
3. Fixed-Income Strategy – Taxable and/or Tax-Free Bonds
4. Balanced Strategy – Fixed Income and Equities

EQUITY PORTFOLIOS

Large Cap Equity Strategy

The Large Cap Equity Portfolio caters to investors desiring less volatility and consistent long term returns. Fairway Asset Management uses proprietary metrics and years of research experience to select 20-30 individual stocks. This portfolio combines both growth and value stocks that have a market cap generally in excess of \$6 billion and at times may include some stocks from the Dividend Cash Flow Growth Strategy (which may be less than \$6 billion in market cap). The combination of growth and value stocks provides a more consistent return over different market cycles. This strategy allows investors a reasonable dividend yield from value stocks while retaining the upside potential from growth stocks.

Fairway utilizes proprietary research as the primary means to identify stocks to be bought, held or sold for portfolio. The basis of this research is the overall ratings of stocks using both growth and value parameters. Bruce A. Gulliver, CFA develops the forensic financial ratings that Fairway Asset Management utilizes to identify fundamental performance of existing companies in the portfolio and potential buys. These forensic financial ratings are produced weekly using proprietary software that replicates typical analysis of financial analysts using the financial statements to determine performance.

This process utilizes nearly 50 measured variables from the three financial statements and produce overall ratings that guide decisions for buys and sells. Each stock receives an overall rating and a measurement of each of the following dimensions: earnings quality, cash flow quality, balance sheet quality, operating efficiency and valuation.

Additionally, Fairway will follow company news, analyst reports from Morgan Stanley Smith Barney and other news and research services in monitoring stocks held in portfolios.

Our investment process for large cap equities consists of five steps:

1. Assess the macroeconomic outlook to make sector selections
2. Screen for market cap and trading volume to identify large cap stocks
3. Utilize forensic financial ratings to exclude companies with low ratings based on earnings quality, cash flow quality, operating efficiency and balance sheet quality
4. Rank companies based on earnings, sales, cash-flow growth rates (historical and projected) and value characteristics
5. Review news, financial reports and other sources to determine competitive positioning of the company

Investing in common stocks involves significant risk of loss and one should be prepared to bear this loss. A concentration of 20-30 companies in a portfolio may risk a higher volatility than more diversified portfolios.

Dividend Cash Flow Growth Strategy

The Dividend Cash Flow Growth Portfolio caters to investors desiring increasing cash flow from their portfolio over time and lower volatility than the S&P 500 stocks. Fairway uses proprietary metrics and years of research experience to select 20-30 individual stocks. This portfolio combines both growth and value stocks that have a market cap generally in excess of \$1 billion. The combination of high yield and increasing dividend stocks should provide an increasing amount of cash flow over different market cycles. The goal of this strategy is to build an equity portfolio that will produce dividend yields that are higher than the general market by purchasing companies that have the potential to increase dividends during the next several years.

Fairway utilizes proprietary research as the primary means to identify stocks to be bought, held or sold for the portfolio. The basis of this research is the forensic financial analysis used in all our portfolios (see Large Cap Equity Strategy description) plus separate analytics on cash flow and dividend sustainability and overall ratings of stocks using both growth and value parameters. Bruce A. Gulliver, CFA, portfolio manager, developed both the forensic financial ratings and the dividend growth analytics utilized by Fairway.

Additionally, Fairway will follow company news, analyst reports from Morgan Stanley Smith Barney and other news and research services in monitoring stocks held in portfolios.

Our investment process for dividend growth equities consists of five steps:

1. Screen for market cap over \$1 billion and trading volume greater than 40,000 shares per day to identify stock universe.
2. Utilize forensic financial ratings to exclude companies with low ratings based on earnings quality, cash flow quality, operating efficiency and balance sheet quality
3. Use proprietary analytics to determine key dividend metrics including: yield, change in dividend over time, free cash flow and others.
4. Rate companies based on either current yield or dividend growth measures to determine buys and sells.
5. Review news, financial reports and other sources to determine company policies regarding dividends and use of cash flow.

Investing in common stocks involves significant risk of loss and one should be prepared to bear this loss. Investors should be prepared to accept the concentration risk caused by owning 20-30 companies in a portfolio which may cause higher volatility. Reductions in dividend payments by a significant numbers of equities in the portfolio could have a negative impact.

FIXED-INCOME STRATEGY

The goal of the Fixed-Income Strategy is to seek an above-average return for this asset class through active economic, yield curve and sector analysis. Fairway Asset Management also considers each client's goals, risk tolerance and income needs.

The fixed-income portion of the portfolio also incorporates the economic analysis in the selection of individual bond holdings. The economic forecast is the primary factor in the eventual determination of quality and maturity aspects within this asset class. Fairway Asset Management utilizes the same principals in both taxable and tax-free bond selections

Our fixed-income discipline is based on our macroeconomic outlook from which we project three major influences to security selection. These three major influences to security selection include interest rate direction, economic strength and economic weaknesses. These three factors are critical in determining the composition of a fixed-income portfolio. The direction of interest rates creates the background for determining an appropriate maturity range. A forecast of declining rates should result in the lengthening of maturity schedules to capture higher yields for an extended period of time. Conversely, a forecast of rising rates should result in a relatively short maturity schedule in order to reinvest at higher yields in the future. The strength of the economy dictates which sector of fixed-income is most appropriate. The perception of a strong or weak economy creates the opportunity to select between quality sectors of fixed-income alternatives. A weak economic forecast would dictate that our investment concentration should be in the safety of treasury and government agency securities. A growing economic environment however, would suggest some diversification into "investment grade" corporate bonds. The investment in corporate securities would allow additional income, due to higher yields, with acceptable risk because of a stronger economy.

For individual investors with tax considerations, a municipal bond portfolio might be the appropriate option. Quality and maturity considerations would still apply, as in taxable portfolios. Fairway Asset Management continuously evaluates the dynamic relationship between maturity and sector selection.

Execution of the trading function is also a critical component in the managing of a fixed-income strategy. Matching the right broker/dealer and their capabilities to the type of transaction being executed can decrease trading costs while at the same time improving returns.

Our philosophy and discipline involves the major elements of fixed income management, which are maturity range, sector representation and execution. Each of these aspects is unique, but must be blended to create an appropriate portfolio that meets the client's objectives and performance expectations.

Fairway Asset Management bases its selection of fixed-income securities upon projections of interest rate direction, as well as economic strength and weaknesses. If those

projections prove inaccurate, they expose the portfolios to risk. Additionally, the potential of risk in corporate bonds may occur if there are fundamental changes to a specific company. In terms of municipal bonds, clients should be aware that economic impact may affect certain geographic areas more than others.

BALANCED STRATEGY

The Balanced Strategy offers asset allocation between various investment alternatives. We use primarily individual equities and fixed-income securities. We will use money market funds only as a short-term vehicle when other alternatives are not as attractive or during periods of asset shifts.

This portfolio provides for an appropriate balance between asset classes based on a combination of economic forecasts and individual client goals. Portfolios are generally fully invested with limited use of short-term alternatives. Individual income needs are considered in the asset allocation decision for each portfolio. There is a continual monitoring of the securities held in the portfolio in order to achieve the appropriate weightings for each asset class.

As discussed earlier in Item 8, Fairway Asset Management's macroeconomic analysis is based upon the U.S. domestic outlook, political environment, and international events that may impact economic trends. This analysis and economic forecast helps us determine:

- Asset allocation
- Equity representation in the sector and industry
- Fixed-income quality and maturity

Fairway Asset Management utilizes the same research methods and investment process as stated earlier in the Large Cap Strategy. The fixed-income portion of this strategy follows the same methods of analysis and strategy of the Fixed-Income Strategy discussed above.

Portfolios are subject to risk in the event that our economic forecast is not accurate.

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 your evaluation of Fairway Asset Management or the integrity of Fairway Asset Management's management. Fairway Asset Management has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

The principal business of Fairway Asset Management does involve other financial industry activities and affiliations that provide other services than investment advice.

Fairway Insurance Services, LLC is an insurance agency operating since December of 2008 and is owned 100% by Fairway Asset Management Holdings, LLC. Investment advisors of Fairway Asset Management that are also representatives of Fairway Insurance Services have the ability to receive compensation for selling insurance products through Fairway Insurance Services. Clients who do seek to purchase insurance products from Fairway Insurance Services should understand that the normal insurance commissions to be earned also creates an incentive to make those recommendations and, thereby, an inherent risk for a conflict of interest.

Dennis Blackman is a co-founder of Fairway Asset Management, LLC. He is a Certified Public Accountant that owns and operates Blackman & Associates. He does not engage in providing investment advisory services to clients. Employees of Blackman and Associates may refer clients to Fairway Asset Management; however, there is not an incentive for such referrals and therefore a conflict of interest does not exist.

Item 11 – Code of Ethics

All Fairway Asset Management employees must agree to be bound by the CFA Code of Ethics for Professional Conduct (the “Code”). The Code places the integrity of the profession and interest of the clients over the interests of the company, its employees, and managers. The Code requires the company, its employees and managers, to act with integrity, competence and respect and requires a commitment to maintain and improve professional competence. In its most general terms, the Code imposes a duty of loyalty, fairness and good faith towards company clients. All access persons at Fairway Asset Management must acknowledge the terms of the Code of Ethics annually, or as amended. Fairway Asset Management’s clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Jaime Luebke.

Neither Fairway Asset Management, nor any of our employees, recommends to clients that they buy or sell securities or investment products in which we have a direct material financial interest.

Employees of Fairway Asset Management and any individual in the employee’s household are subject to the firm’s Personal Trading Policy which requires all applicable individuals to provide a list of all personal accounts within ten 10 days of hire and on a continuing quarterly basis. Employees and other accounts subject to Fairway’s Personal Trading Policy

are also required to submit quarterly statements of all transactions involving reportable securities to Fairway Asset Management's Chief Compliance Officer (CCO). Reportable securities include any securities except publicly traded open-end mutual fund or money market fund unaffiliated with Fairway Asset Management and a fixed income security issued by any governmental agency or quasi-governmental agency.

Fairway Asset Management discourages employees from trading their own accounts consistently in ways that replicate trades done for clients unless the account is managed by Fairway Asset Management. It is understood that employees may have existing securities at the time of employment and may acquire during employment that would include some of the holdings of Fairway Asset Management clients. In order to reduce conflicts of interest, employees give first priority to company clients on purchases and sales prior to any trading on proprietary accounts. The trading of all securities by employees for their own or related party accounts must obtain approval in advance by the CCO with the exception of publicly traded open-end mutual funds, money market funds unaffiliated with Fairway Asset Management and fixed income securities issued by any governmental agency or quasi-governmental agency. In addition, stock dividends, cash dividends, spinoffs, reorganizations and gifts of stock to charitable organizations shall not require prior approval. The CCO will maintain a Restricted List that will include stocks that are planned for purchase for clients in the next three trading days or are restricted for other reasons including limits on aggregate position size for the company. All securities trades are subject to the Restricted List and a one-day trading restriction for purchases and sales until the next business day following the transaction for the client when in the same direction as the client trade (ie; buy following a buy) and two business days following the transaction for the client when in the opposite direction as the client trade (ie, sell following a buy). Fairway Asset Management prohibits employees from front running stocks and may not purchase in advance of a planned purchase or sale for the client for a proprietary account on the basis of the Restricted List maintained by the CCO. Personal trading for the accounts of the CCO is subject to the same restrictions and limitations and will require pre-approval by the President of Fairway Asset Management.

Item 12 – Brokerage Practices

Fairway Asset Management has discretionary authority in determining securities held and quantity thereof and the broker dealer to be used and to negotiate brokerage rates to be paid. The selection of brokers to be used is based on the capabilities in each asset class with no economic benefit to Fairway Asset Management. In addition to price and execution, consideration is given to the range of services offered, including some of the following: block trading capability, experience, financial condition, research services, use of automation, administrative ability, ability to provide market information on individual securities, floor trading capability and any other issues deemed important. When a client does not have a relationship with a bank or broker-dealer of their own, we recommend them to open an account at Morgan Stanley Smith Barney. Commission rates at Morgan

Stanley Smith Barney are \$0.05 per share. When a client designates a broker-dealer other than one suggested by Fairway Asset Management, higher costs will likely result.

Fairway Asset Management will not pursue soft dollar arrangements permitted under the safe harbor provision established by Section 28(e) of the Exchange Act of 1934 and will not benefit directly from transaction costs. Fairway Asset Management does not pay for any products, research or services from the firms it trades with, nor are these items factors in determining the executing broker. Our sole focus when selecting an executing broker for clients with a custodian is best execution. We do not use client brokerage commissions for the purpose to obtain research or other services. Some firms we trade with will make general economic or company specific information available, regardless of commissions paid. While Fairway Asset Management may receive this information, it is not dependent upon commission rates paid. Bruce Gulliver utilizes proprietary research as the primary means to identify stocks to be bought, held or sold for portfolios. A more detailed description of this research method is in "Item 8: Methods of Analysis, Investment Strategies and Risk of Loss" above.

Fairway Asset Management does not consider referrals when we select an executing broker for clients. Fairway Asset Management recommends clients that do not have a custodial relationship to custody their account with Morgan Stanley Smith Barney. We do not receive compensation from Morgan Stanley Smith Barney for accounts our clients open with them. We may not be able to achieve the most favorable execution of client transactions for accounts with a broker custodian which may cost clients money and limit our ability to maximize our clients' wealth. Morgan Stanley Smith Barney is our recommended broker for clients without a bank custodian relationship because of the low commission structure, effective trade execution platform and the ability to aggregate client trades, which leads to a decrease in potential dispersion of returns among accounts.

In terms of equity securities, Fairway Asset Management can choose to utilize block trading when it serves the needs for best execution and fair dealing with clients. Each client participating in a block trade will receive the average per share price for the block trade on that particular day. Transaction costs will be shared on a prorated basis. In the event the full amount specified in the block trade is not completed during the trading day, a prorated allocation will be made of shares and transaction costs to accounts. If for some reason trades are executed on a per account basis rather than aggregated, there are no higher transactional costs to the client; however, there is an increase in potential dispersion of returns among accounts. Fixed income securities are purchased through approved brokers. The execution of fixed income securities are similar to equities in that they are block traded when it serves the needs for best execution and fair dealing with clients. Each client participating in a block trade receives the average per share price for the block trade on that particular day. A prorated allocation will be made for transaction costs.

Fairway Asset Management has the ability to execute all equity trades in house and occasionally trade errors may occur. Once it appears that a trading error occurs, Fairway Asset Management reports the trading error to the custodian. Fairway Asset Management

has the ability correct the trade or have the custodian execute the correction. Once the correction has been made, if the correction results in a loss to the client, then Fairway Asset Management is responsible for covering the loss. If there is a profit on the correction, then the profit is netted against any other errors Fairway Asset Management might have for the quarter. If the net amount at the end of the quarter is still a profit, the funds are then donated to charity.

Item 13 – Review of Accounts

The monitoring of all portfolios occurs on a daily basis for news. Bruce A. Gulliver, CFA systematically reviews equities weekly using a proprietary rating process. The President and Compliance Officer review all accounts twice a month to determine if the asset mix is appropriate and is consistent with client needs and current economic and market conditions.

Custodians deliver statements at least quarterly to clients. The statements provide a summary of current assets and any trading or transactional activity that occurs during the reporting period. In addition to the custodial statement, Fairway Asset Management provides a Statement of Management Fees notice to the client on a monthly basis.

Item 14 – Client Referrals and Other Compensation

This is not applicable at this time.

Item 15 – Custody

Fairway Asset Management has authority to debit fees directly from client accounts. For this reason only, we are deemed to have custody of client funds. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Fairway Asset Management sends a monthly statement of management fees as described in Item 13 on the previous page. Fairway Asset Management urges you to carefully review such statements and compare such official custodial records to the statements that we may provide to you. Our

statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Fairway Asset Management receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. Prior to assuming discretionary authority, Fairway Asset Management presents clients with a Discretionary Management Fee Agreement. By signing the agreement, clients grant Fairway Asset Management discretionary investment authority over their account. In all cases, however, exercising such discretion is to be in a manner consistent with the stated investment objectives for the particular client account. Fairway Asset Management utilizes an Investment Questionnaire to determine client investment objectives. The Investment Questionnaire provides us information to assess client suitability for our discretionary investment management services. In addition to the Investment Questionnaire, Fairway Asset Management assesses suitability through conversations with prospective clients.

When determining asset allocation and selecting securities, Fairway Asset Management observes the investment objective, limitations and restrictions of the clients for which it advises. Clients have the ability to direct Fairway Asset Management to purchase and hold securities that are not on the firm's buy list. The client will sign a letter of instruction directing the firm to do so.

Item 17 – Voting Client Securities

Fairway Asset Management has the authority to vote client securities. The company will consider all factors of each proxy issue and make a vote consistent with the goals favoring the financial results for clients of Fairway Asset Management. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interest of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders. Proxy votes will generally be cast against proposals having the opposite effect. Clients do not have the ability to direct Fairway Asset Management how to vote proxies.

Upon request, clients may obtain a copy of each proxy statement that the company receives regarding a client's securities, a record of each vote cast by the Fairway Asset Management on behalf of a client, a copy of any document created by Fairway Asset Management that was material in making a decision on how to vote proxies on a client's behalf or that

articulates the basis for that decision. Clients may obtain a copy of Fairway Asset Management's complete proxy voting policies and procedures upon request.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Fairway Asset Management's financial condition. Fairway Asset Management 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.

ADV Part 2B – Brochure Supplement

Rudy M. Thomas, President

Fairway Asset Management, LLC

17445 Arbor St., Suite 200
Omaha, NE 68130

402-932-4630
February 15, 2012

This Brochure Supplement provides information about Rudy M. Thomas that supplements the Fairway Asset Management, LLC Brochure. You should have received a copy of that Brochure. Please contact Jaime Luebbe if you did not receive Fairway Asset Management's Brochure or if you have any questions about the contents of this supplement.

N Additional information about Rudy M. Thomas is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

Rudy M. Thomas was born in 1949. Mr. Thomas graduated in 1972 from Hastings College with a degree in Economics. He has been President of Fairway Asset Management, LLC since he co-founded the firm in 2008.

Prior to co-founding Fairway Asset Management, LLC, Mr. Thomas was the Chief Investment Officer of Great Western Bank and Great Western Bancorporation from July of 2002 until June of 2008. In this position, Mr. Thomas was responsible for the economic analysis regarding banking operations for the six-state holding company. He also oversaw all investment activity within the bank investment portfolio, trust company, and agency investment accounts.

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Item 4- Other Business Activities

Rudy M. Thomas is not engaged in any investment-related businesses outside of Fairway Asset Management, LLC, nor does he have any applications pending to register with a broker-dealer or other investment firm. Mr. Thomas does not receive any commissions, bonuses or other compensation based on the sale of securities or other investment products.

Rudy M. Thomas does not engage in any other business that provides a substantial source of his income or consumes a substantial portion of his time.

Item 5- Additional Compensation

Rudy M. Thomas does not receive any additional compensation beyond his salary.

Item 6 - Supervision

Rudy M. Thomas is President of Fairway Asset Management, LLC. Mr. Thomas's phone number is (402) 932-4632. Mr. Thomas and Bruce A. Gulliver, CFA coordinate investment advice provided to clients. Ultimately, Mr. Thomas is responsible for supervision of the individuals providing investment advice to clients. Given the small number of clients and employees at Fairway Asset Management, this is done on an individual client basis.

ADV Part 2B – Brochure Supplement

Bruce A. Gulliver, Ph.D., CFA

Executive Vice President

Fairway Asset Management, LLC

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(503) 228-8560

February 15, 2012

This Brochure Supplement provides information about Bruce A. Gulliver, CFA that supplements the Fairway Asset Management, LLC Brochure. You should have received a copy of that Brochure. Please contact Jaime Luebbe if you did not receive Fairway Asset Management's Brochure or if you have any questions about the contents of this supplement.

Additional information about Bruce A. Gulliver, CFA is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

Bruce A. Gulliver, CFA was born in 1948. Mr. Gulliver graduated Magna Cum Laude in 1970 from Hastings College with a degree in economics and business. He earned his MBE from Claremont Graduate School in 1974 and also earned his Ph.D. in Business Economics from Claremont Graduate School in 1978. He has been Head of Equity Research and Executive Vice President of Fairway Asset Management, LLC since he co-founded the firm in 2008.

Prior to co-founding Fairway Asset Management, LLC, Mr. Gulliver founded and managed Jefferson Research and Management in 1989. Jefferson is an institutional research and investment management firm that provides valuable research to asset managers across the country. Jefferson has provided research to more than 60 asset management clients including major mutual funds and hedge funds. Mr. Gulliver continues to manage Jefferson Research and Management in addition to his responsibilities at Fairway Asset Management.

Mr. Gulliver earned the Chartered Financial Analyst (CFA) designation in 1990. The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. There are currently more than 90,000 CFA charter holders working in 135 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

High Ethical Standards

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charter holders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

Global Recognition

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charter holders—often making the charter a prerequisite for employment. Additionally, regulatory bodies in 19 countries recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

Comprehensive and Current Knowledge

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA charter, visit www.cfainstitute.org.

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Item 4- Other Business Activities

Jefferson Research and Management ("Jefferson") is a research firm that was founded by Bruce Gulliver in 1989 and was formerly a Registered Investment Advisor with the State of Oregon until 2008. Bruce acts as President of Jefferson Research and Management. The firm provided research to over 75 institutional investors over its history and Bruce developed a set of proprietary ratings based on concepts of forensic financial analysis known as the Torpedo Alert. Beginning in 1990, Bruce managed account portfolios in both large cap (growth and value) and small cap strategies. The research component of Jefferson's business is separate from Fairway Asset Management. Bruce incorporates some of the research findings from Jefferson when managing Fairway Asset Management portfolio strategies.

Item 5- Additional Compensation

Bruce A. Gulliver, CFA does not receive any additional compensation beyond his salary.

Item 6 - Supervision

Bruce A. Gulliver, CFA is Head of Equity Research and Executive Vice President of Fairway Asset Management, LLC. Mr. Gulliver's phone number is (503) 228-8560. Mr. Gulliver and Rudy M. Thomas coordinate investment advice provided to clients. Given the small number of clients and employees at Fairway Asset Management, this is done on an individual client basis.

ADV Part 2B – Brochure Supplement

Jaime M. Luebbe
Chief Compliance Officer

Fairway Asset Management, LLC

17445 Arbor St., Suite 200
Omaha, NE 68130

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February 15, 2012

This Brochure Supplement provides information about Jaime M. Luebbe that supplements the Fairway Asset Management, LLC Brochure. You should have received a copy of that Brochure. Please contact Jaime Luebbe if you did not receive Fairway Asset Management's Brochure or if you have any questions about the contents of this supplement.

Additional information about Jaime M. Luebbe is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

Jaime M. Luebbe was born in 1976. Ms. Luebbe graduated in 1998 from Peru State College with a degree in Sports Management. She has been the Chief Compliance Officer of Fairway Asset Management, LLC since 2008.

Prior to joining Fairway Asset Management, LLC, Ms. Luebbe was a registered investment representative for the Great Western Investment Center and assisted in the development of Great Western Bank's Investment Management division as an associate. As a registered representative, she gained experience in helping clients develop and implement financial plans utilizing various investment products. Her work with the investment management division introduced her to the money management business and the trading of equities and fixed-income securities. In this position, Ms. Luebbe assisted the Chief Investment Officer of Great Western Bank in overseeing all investment activity within the bank investment portfolio, trust company and agency investment accounts including research, trading administration and other back office responsibilities.

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Item 4- Other Business Activities

Jaime M. Luebbe is a representative of Fairway Insurance Services, LLC, an insurance agency operating since December of 2008 and is owned 100% by Fairway Asset Management Holdings, LLC. Ms. Luebbe is an investment advisor of Fairway Asset Management and has the ability to receive compensation for selling insurance products through Fairway Insurance Services. Clients who do seek to purchase insurance products from Fairway Insurance Services should understand that the normal insurance commissions to be earned also creates an incentive to make those recommendations and, thereby, an inherent risk for a conflict of interest.

Jaime M. Luebbe does not engage in any other business that provides a substantial source of her income or consumes a substantial portion of her time.

Item 5- Additional Compensation

Jaime M. Luebbe does not receive any additional compensation beyond her salary.

Item 6 - Supervision

Rudy M. Thomas is President of Fairway Asset Management, LLC. Mr. Thomas's phone number is (402) 932-4632. Mr. Thomas and Bruce A. Gulliver, CFA coordinate investment advice provided to clients. Ultimately, Mr. Thomas is responsible for supervision of the individuals providing investment advice to clients. Given the small number of clients and employees at Fairway Asset Management, this is done on an individual client basis.