

**Robertson Stephens Asset Management, LLC**  
Firm Brochure  
(Form ADV Part 2A)

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**This brochure provides information about the qualifications and business practices of Robertson Stephens Asset Management LLC ("RSAM"). If you have any questions about the contents of this brochure please contact us at (415) 500-6810. 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.**

**RSAM is registered with the Securities and Exchange Commission as an investment advisor. Registration does not imply any level of skill or training.**

**Additional information about RSAM also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 – Material Changes**

This brochure is dated July 15, 2013 and is our first brochure. In the future, this section, Item 2-Material Changes, will summarize material changes that have been made to our brochure since the date of our last brochure.

## **Item 3 – Table of Contents**

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## **Item 4 – Advisory Business**

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Robertson Stephens Asset Management LLC ("RSAM") is an independent, newly formed investment advisory firm with an ownership structure that is outlined on the Form ADV, Part 1. RSAM is a direct subsidiary of Robertson Stephens Partners LLC, the parent company.

RSAM's advisory services are made available to clients primarily through individuals associated with RSAM as investment advisor representatives ("IARs"). For more information about the IAR providing advisory services, clients should refer to the Form ADV Part 2B ("Brochure Supplement") for the IAR. The Brochure Supplement is a separate document that is provided by the IAR along with this Brochure at or prior to the time a client engages the IAR. If client did not receive a Brochure Supplement for the IAR, the client should contact the IAR or RSAM at 415-500-6810.

RSAM offers asset management services through investment advisory programs, referred to as Managed Accounts and Advisor Managed Accounts.

RSAM utilizes the services of Charles Schwab & Co., Inc and/or LPL Financial ("Custodian(s)") who provide brokerage, clearing, and custody services for advisory accounts offered by RSAM. The Custodian(s) are qualified broker/dealers registered with the Financial Industry Regulatory Authority ("FINRA") and investment advisors ("SEC").

### **Managed Account Platform**

In our Managed Account Platform, RSAM, through its IARs, and its Custodian(s), makes available to clients the investment advisory services of third party portfolio management firms ("Portfolio Managers"). The IAR assists the client to determine the client's investment objectives and risk/return preferences, to identify any investment restrictions on the management of the account, and to select an investment strategy and Portfolio Manager. The IAR provides the client with ongoing advice and monitoring relating to the Portfolio Manager's services and serves as the point of contact between the client and the Portfolio Manager with regards to changes in the client's investment objective, financial situation and investment restrictions. The IAR may have discretionary authority in some instances to change the Portfolio Manager on the client's account, which is detailed in the client agreement.

### **Advisor Managed Account Platform**

In our Advisor Managed Account Platform, RSAM, through its IARs, provides discretionary and non-discretionary ongoing investment advice and management on assets in the client's account. IARs provide advice on the purchase and sale of various types of investments, such as mutual funds, exchange-traded funds ("ETFs"), variable annuity subaccounts, real estate investment trusts ("REITs"), equities, and fixed income securities. IARs provide advice that is tailored to the individual needs of the client based on the investment objective chosen by the client. Clients may impose restrictions on investing in certain securities or groups of securities by indicating in the Account Application.

### **Assets Under Management**

As of July 15, 2013 the Advisor managed client assets approximately totaling \$0 on a discretionary basis and \$0 on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

The services of RSAM are priced below:

In both the Managed Account Platform and the Advisor Managed Account Platform, clients pay RSAM an advisory fee for advisory services. Fees are charged quarterly and in arrears. There will be additional fees that are charged by the Custodian(s) and the Portfolio Manager that are detailed in separate fees disclosures from the Custodian(s) and Portfolio Manager, typically the client agreement. Advisor charges management fees based on a standard fee schedule, generally ranging from 1.5% to 0.3% of the value of the Client's portfolio, per annum, with a minimum annual fee of \$37,500. The Account Fee is typically a straight percentage based on the value of all assets in the account, including cash holdings. The total Account Fee charged is shared between RSAM, the IAR, Custodian(s), and the Portfolio Manager.

Additional fees may be charged by the Custodian(s) for custody and clearing services and are outlined in separate fee disclosure from the Custodian(s).

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

This Item is not applicable. RSAM and its IARs do not accept performance-based fees.

## **Item 7 – Types of Clients**

RSAM's advisory services are available for individuals, individual retirement accounts ("IRAs"), banks and thrift institutions, pension and profit sharing plans, including plans subject to Employee Retirement Income Security Act of 1974 ("ERISA"), trusts, estates, charitable organizations, corporations and other business entities.

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

Each IAR managing an Advisor Managed Account chooses his/her own research methods, investment strategy and management philosophy. It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable. The IAR has access to various research reports, including those provided by external research departments to which he/she may refer in determining which securities to purchase or sell.

In Advisor Managed Account, IARs can recommend many different types of securities, including but not limited to, mutual funds, unit investment trusts ("UITs"), closed end funds, ETFs, variable annuity subaccounts, equities, fixed income securities, options, hedge funds, managed futures, and structured products. Investing in securities involves the risk of loss that clients should be prepared to bear. Described below are some particular risks associated with some types of investments available in the program.

- *Alternative Strategy Mutual Funds.* Certain mutual funds available in the program invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be suitable for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of

derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry.

- *Closed-End Funds*. Client should be aware that closed-end funds available within the program may not be readily marketable. In an effort to provide investor liquidity, the funds may offer to repurchase a certain percentage of shares at net asset value on a periodic basis. Thus, clients may be unable to liquidate all or a portion of their shares in these types of funds.
- *Exchange-Traded Funds (ETFs)*. ETFs are typically investment companies that are legally classified as open end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company.
- *Exchange-Traded Notes (ETNs)*. An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets, for example, commodity futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. Some of the more common risks of an ETN are as follows. The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer's ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer's credit rating is downgraded. The index or asset class for performance replication in an ETN may or may not be concentrated in a specific sector, asset class or country and may therefore carry specific risks.
- *Leveraged and Inverse ETFs, ETNs and Mutual Funds*. Leveraged ETFs, ETNs and mutual funds, sometimes labeled "ultra" or "2x" for example, are designed to provide a multiple of the underlying index's return, typically on a daily basis. Inverse products are designed to provide the opposite of the return of the underlying index, typically on a daily basis. These products are different from and can be riskier than traditional ETFs, ETNs and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors. This is referred to as tracking error. Continual re-setting of returns within the product may add to the underlying costs and increase the tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions are magnified over time. Because of these distortions, these products

should be actively monitored, as frequently as daily, and are generally not appropriate as an intermediate or long-term holding. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs, ETNs and mutual funds.

- *Options.* Certain types of option trading are permitted in order to generate income or hedge a security held in the program account; namely, the selling (writing) of covered call options or the purchasing of put options on a security held in the program account. Client should be aware that the use of options involves additional risks. The risks of covered call writing include the potential for the market to rise sharply. In such case, the security may be called away and the program account will no longer hold the security. The risk of buying long puts is limited to the loss of the premium paid for the purchase of the put if the option is not exercised or otherwise sold by the program account.
- *Structured Products.* Structured products are securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. The creditworthiness of the issuer does not affect or enhance the likely performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer's ability to pay. In addition, the trading price of the security in the secondary market, if there is one, may be adversely impacted if the issuer's credit rating is downgraded. Some structured products offer full protection of the principal invested, others offer only partial or no protection. Investors may be sacrificing a higher yield to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. An investor in a structured product never has a claim on the underlying investment, whether a security, zero coupon bond, or option. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as ordinary income even though payment is not received until maturity). Structured CDs that are insured by the FDIC are subject to applicable FDIC limits.
- *High-Yield Debt.* High-yield debt is issued by companies or municipalities that do not qualify for "investment grade" ratings by one or more rating agencies. The below investment grade designation is based on the rating agency's opinion of an issuer that it has a greater risk to repay both principal and interest and a greater risk of default than those issuers rated investment grade. High yield debt carries greater risk than investment grade debt. There is the risk that the potential deterioration of an issuer's financial health and subsequent downgrade in its rating will result in a decline in market value or default. Because of the potential inability of an issuer to make interest and principal payments, an investor may receive back less than originally invested. There is also the risk that the bond's market value will decline as interest rates rise and that an investor will not be able to liquidate a bond before maturity.
- *Hedge Funds, Managed Futures and REITs.* Hedge funds, managed futures funds and

REITs are available for purchase in the program by clients meeting certain qualification standards. Investing in these securities involves additional risks including, but not limited to, the risk of investment loss due to the use of leveraging and other speculative investment practices and the lack of liquidity and performance volatility. In addition, these securities may not be required to provide periodic pricing or valuation information to investors and may involve complex tax structures and delays in distributing important tax information. Client should be aware that these securities may not be liquid as there is no secondary trading market available. At the absolute discretion of the issuer of the security, there may be certain repurchase offers made from time to time. However, there is no guarantee that client will be able to redeem the security during the repurchase offer. Funds of hedge funds are pooled investments in several hedge funds. Expenses in funds of hedge funds tend to be significantly higher than most mutual funds. Because it invests in a number of private hedge funds, a fund of funds also bears part of the fees and expenses of those underlying hedge funds as well.

- *Variable Annuities.* If client purchases a variable annuity that is part of the program, client will receive a prospectus and should rely solely on the disclosure contained in the prospectus with respect to the terms and conditions of the variable annuity. Client should also be aware that certain riders purchased with a variable annuity may limit the investment options and the ability to manage the subaccounts.
- *Margin Accounts.* Client should be aware that margin borrowing involves additional risks. Margin borrowing will result in increased gain if the value of the securities in the account go up, but will result in increased losses if the value of the securities in the account goes down. The Custodian(s), acting as the client's creditor, will have the authority to liquidate all or part of the account to repay any portion of the margin loan, even if the timing would be disadvantageous to the client. For performance illustration purposes, the margin interest charge will be treated as a withdrawal and will, therefore, not negatively impact the performance figures reflected on the quarterly advisory reports.

It is important to remember that any investment decisions made based on RSAM's advisory services, as with any investment decisions, involves the risk of loss including loss of the original principal that clients should be prepared to bear. It is also important to keep in mind that there is no specific approach to investing that guarantees success or positive returns.

## **Item 9 – Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to the client's evaluation of RSAM's advisory business or integrity of RSAM's management. RSAM has no information applicable to this item.

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

LPL Holdings Inc., the parent company of LPL Financial, has an ownership interest of no more than 20% in the parent company of RSAM, Robertson Stephens LLC.

LPL Financial is a broker/dealer registered with FINRA, an investment advisor and transfer agent

registered with the SEC and as a futures commission merchant with the Commodity Futures Trading Commission. In addition, LPL Financial is qualified to sell insurance products in all 50 states.

A member of the Board of RSAM's parent company is also an executive officer of LPL Financial and such individual may spend 75% or more of the individual's time focusing on the activities of LPL Financial. Certain IARs of RSAM may be registered representatives of LPL Financial and provide brokerage services on behalf of LPL Financial.

### **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

RSAM has adopted a code of ethics that includes guidelines regarding personal securities transactions of its employees and IARs. The code of ethics permits RSAM employees and IARs to invest for their own personal accounts in the same securities that RSAM and IARs purchase for clients in program accounts. This presents a conflict of interest because trading by an employee or IAR in a personal securities account in the same security on or about the same time as trading by a client can disadvantage the client. This practice is often referred to as front-running. RSAM addresses this conflict of interest by requiring in its code of ethics that RSAM employees and IARs report certain personal securities transactions and holdings to RSAM. RSAM has procedures to review personal trading accounts for front-running. In addition, employees in RSAM's Research Department are required to obtain pre-clearance prior to purchasing certain securities for a personal account. Employees and IARs are also required to obtain pre-approval for investments in private placements and initial public offerings. A copy of the code of ethics is available to clients or prospective clients upon request.

Client should understand that RSAM and IAR may perform advisory services for various other clients, and that RSAM and IAR may give advice or take actions for those other clients that differ from the advice given to the client. The timing or nature of any action taken for the account may also be different.

IARs may purchase or sell for their own accounts securities that are recommended to clients.

RSAM does not engage in principal transactions.

### **Item 12 – Brokerage Practices**

RSAM does not maintain custody of client assets on which RSAM advises although RSAM may be deemed to have custody of the client's assets if the client gives RSAM authority to withdraw assets from the client's account (*see Item 15 Custody, below*). The client's assets must be maintained in an account at the Custodian(s). The Custodian(s) will hold the client's assets in a brokerage account and buy and sell securities when RSAM instructs the Custodian(s) to.

RSAM seeks to select a custodian/broker who will hold the client's assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. RSAM considers a wide range of factors, including, among others, these:



- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- Capability to execute, clear and settle trades (buy and sell securities for the client's account)
- Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of investment products made available (stocks, bonds, mutual funds, Exchange traded funds (ETFs), etc.)
- Availability of investment research and tools that assist RSAM in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- Reputation, financial strength and stability of the provider
- Availability of other products and services that benefit RSAM and the client

RSAM has not entered into any soft dollar arrangements.

### **Item 13 – Review of Accounts**

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IARs will review Client's financial situation at least annually. RSAM customizes each account and analysis for the particular client based on the client's stated goals and financial situation. During these meetings, IARs will review the client's goals, investment plan, and investment performance, as applicable.

IARs will also attempt to conduct quarterly meetings should clients so desire. The focus of the quarterly meeting is to review the performance of the account, stated goals, and restrictions. The IAR will provide support to the client directly.

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

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The IAR providing services receives compensation from RSAM. This compensation indirectly includes a portion of the advisory fee and also may include other compensation, such as salaries, bonuses, awards or other things of value offered by RSAM to the IAR. In particular, RSAM pays its IARs bonuses in different ways, for example, payments based on production. RSAM pays IARs this compensation based on the IAR's overall business production and/or on the amount of assets serviced in RSAM advisory relationships. The amount of this compensation may be more than what the IAR would receive if the client participated in other RSAM programs, or programs of other investment advisors. Therefore, the IAR may have a financial incentive to recommend the customized advisory service over other programs and services.

### **Item 15 – Custody**

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Under government regulations, RSAM is deemed to have custody of the client's assets if the client authorizes RSAM to instruct the Custodian(s) to deduct RSAM's advisory fees directly from the client's account. The Custodian(s) maintains actual custody of the client's assets. The client will

receive account statements directly from the Custodian(s) at least quarterly. The statements will be sent to the email or postal mailing address provided by the client to the Custodian(s). The client should carefully review those statements promptly when the client receives them. RSAM also urges the client to compare the Custodian(s) account statements to the periodic account statements/portfolio reports the client will receive from RSAM.

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

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In the Managed Account Platform, the Portfolio Manager selected by the client provides ongoing discretionary investment advice regarding the investment and reinvestment of account assets in accordance with the investment objective, restrictions and guidelines set forth in the Account Application. The Portfolio Manager independently determines whether to accept the client account based on the content of the Account Application, and whatever other factors the Portfolio Manager deems appropriate. The Portfolio Manager has the sole authority to determine the securities to be purchased, sold or exchanged and which portion, if any, of the assets shall be held uninvested. The Portfolio Manager has discretion to invest among a broad variety of security types, including equities, fixed income securities, options, mutual funds and exchange-traded ETFs. RSAM, the Custodian(s) and IAR do not play a role in the selection of particular securities to be purchased or sold. A Portfolio Manager may hire one or more sub-advisors to manage all or a portion of a client's account. The Portfolio Manager is responsible for voting proxies with respect to issuers held in a Managed Account Platform account, unless a client directs otherwise in writing. The IAR may have discretionary authority in some instances to change the Portfolio Manager on the client's account, which is detailed in the client agreement.

In Advisor Managed Account Program, the IAR provides advisory services on either a discretionary or non-discretionary basis for the purchase and sale of mutual funds, UITs, closed-end funds, ETFs, and variable annuity subaccounts. The IAR provides advisory services on a non-discretionary basis for all other types of securities approved by RSAM and available to purchase through the Custodian(s) for investment in the account. In some cases, the client may provide discretionary authorization to the IAR for equities, fixed income securities and options. Alternatively, the client may elect that the IAR manage the account on a non-discretionary basis, so that the client directs the purchase and sale of securities in the account. The client authorizes the IAR to have discretion by executing the Account Agreement and Application.

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

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RSAM does not accept authority to vote client securities in connection with any of the services described in this Brochure.

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

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Investment advisors are required in this Item to provide certain information or disclosures about its financial condition. RSAM has no financial commitment that impairs its ability to meet contractual or fiduciary commitments to clients.

## **Additional Firm Disclosures (Business Continuity & Information Security)**

### **Business Continuity**

RSAM has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

### **Disasters**

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

### **Alternate Locations**

Alternate locations are identified to support on-going operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

### **Summary of Business Continuity Plan**

A summary of the business continuity plan is available upon request from the Chief Compliance Officer.

### **Information Security Program**

RSAM maintains an information security program to reduce the risk that the client's personal and confidential information may be breached.