

## **ITEM 1: COVER PAGE**

### **PACIFIC VIEW ASSET MANAGEMENT, LLC BROCHURE**

#### **PSVG Venture Capital Strategy**

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**This brochure provides information about the qualifications and business practices of Pacific View Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at 415-318-5800 or [info@pacviewam.com](mailto:info@pacviewam.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.**

**Additional information about Pacific View Asset Management, LLC also is available at the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 2: MATERIAL CHANGES**

Pacific View Asset Management, LLC ("*Pacific View*") is updating this brochure as part of its annual Form ADV updating amendment. Pacific View's last update to this brochure was March 2018. There have been no material changes to this brochure since the last update; this brochure has been updated to reflect non-material changes.

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#### **ITEM 4: ADVISORY BUSINESS**

Pacific View Asset Management, LLC ("*Pacific View*"), a Delaware limited liability company, began operations as an investment manager on July 1, 2012. The managing member of Pacific View is Condor Trading, LP, a Delaware limited partnership ("*Condor Trading*"). Pacific View is majority owned by its employees.

Condor Trading is also the parent entity and majority owner of BTIG, LLC, a U.S. registered broker-dealer ("*BTIG*") and the ultimate parent entity of four non-U.S. broker-dealers registered in the United Kingdom, Singapore, Hong Kong, and Australia. BTIG and those other broker-dealers are referred to in this brochure as "*Broker Affiliates*."

Pacific View's business focuses primarily on providing discretionary portfolio management for institutional and high net worth clients, although we may, on an exception basis, provide continuous portfolio management services on a nondiscretionary basis. This Brochure covers our offering of our PSVG Venture Capital Strategy, offered through PVAM Select Venture Growth, LLC (the "Fund"). Pacific View offers additional investment strategies managed by different investment professionals, which are described in separate brochures, and may offer additional strategies in the future. We currently do not participate in any wrap fee programs.

Pacific View does offer separately managed accounts, however such accounts are not offered with respect to its PSVG Venture Capital Strategy.

On January 1, 2017, Pacific View was appointed investment manager and investment adviser for the Fund, which was originally formed and managed by Pharus Capital Management, LLC ("PCM"). The Fund was originally named Pharus Select Venture Growth, LLC. PCM changed its name in January 2017 to "Pacific View Ventures, LLC" ("*PVV*") and remains as the managing member of the Fund. PVV is an affiliate of Pacific View.

The Fund invests in venture-backed companies and has ceased making new investments (except in some cases follow-on investments in companies currently in the Fund's portfolio). The Fund is closed to new investments and Pacific View intends to liquidate the positions when it believes appropriate and pursuant to the objectives specified in the materials by which the Fund offered interests to investors.

As of December 31, 2018, the regulatory assets under discretionary management of the Fund were approximately \$13 million. The PSVG Venture Capital team has no assets under non-discretionary management.

#### **ITEM 5: FEES AND COMPENSATION**

The Fund pays Pacific View a "Management Fee" generally calculated at a rate of either 1.50% or 2.0% *per annum*, depending on the classification of the Fund investor. The Fund pays this fee quarterly in arrears based on the net assets of the Fund at each quarter-end. The Fund pays Pacific View's Management Fee directly from the assets that Pacific View manages.

The Fund will pay all the expenses of its administration and operation, including those for:

- Bookkeeping, accounting, audit, legal and other professional fees and expenses;

- Investment research and due diligence;
- Travel-related expenses;
- Administrator, custodian and other third-party service providers;
- Brokerage commissions and other transaction-related services (see Item 12: Brokerage Practices);
- Interest and fees on any borrowings by the Fund
- Governmental fees and taxes;
- Preparation, duplication and dissemination of offering materials; and
- Various other operating and offering expenses.

Administrative expenses paid by the Fund shall at no time exceed 0.40% of net assets annually. PVV is responsible for any Fund costs or expenses in excess of the annual cap. Pacific View may advance costs described above for the Fund and the Fund must reimburse such advances.

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

PPV, as the Fund's managing member receives a "Carried Interest" on aggregate Fund distributions after Fund investors receive distributions equal to their respective capital contributions. The Carried Interest is equal to 10.0% or 15%, depending on the classification of the Fund investor.

#### **ITEM 7: TYPES OF CLIENTS**

The PSVG Venture Capital Strategy generally provides investment advice to individuals, high net worth, individuals, advisors, investment companies, foundations, charitable organizations, endowments, trusts, estates, and businesses.

Investors are generally required to commit to a minimum capital commitment, but Pacific View may waive this requirement for certain investors.

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

##### **A. Investment Strategies and Methods of Analysis**

The objective of the Fund is to achieve superior risk-adjusted returns by investing in privately held venture-backed companies. The Fund is currently a co-investor alongside top-tier venture capital firms (each a "*Lead Investor*").

Joan Schriger and Brian O'Keefe, (collectively, the "*Managing Partners*"), managing members of PVV have developed a rules-based investment process, designed to complement the analysis done by the Lead Investors. This rules-based process attempts to increase the likelihood of investing in companies displaying certain performance characteristics and a strong likelihood of reaching a successful liquidity event. Similarly, the process attempts to decrease the chances of investing in companies that may not return capital. Some of the investment guidelines seek to ensure investments

made by the Fund are invested in companies that have an operating history, a product or service that has shown initial acceptance in the marketplace (defined by revenues) and that are moving towards producing positive cash flow within the foreseeable future. During normal market conditions, Pacific View will follow this rules-based portfolio construction process to guide the Fund's investment strategy.

## **B. Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. While we attempt to moderate these risks, we cannot assure clients that our investment and trading activities will be successful or that clients will not suffer losses. The following is a summary of some of the principal risks involved in investing in the Fund. It is necessarily incomplete; no summary can describe all risks.

### Investment Risks

*Venture Capital Investing in General.* Venture capital investing involves a high degree of business and financial risk that can result in substantial losses. In order for the Fund's investment program to succeed, the Managing Partners must be able to accurately identify successful business enterprises – a process that is difficult even for those with extensive experience in the venture capital field or a past record of success. An investment in the Fund is highly speculative, involves a high degree of risk and could result in the total loss of the investor's investment. Therefore, no person should commit to invest in the Fund unless he, she, or it can bear such a loss. An investment in the Fund is suitable only for sophisticated investors with other sufficient assets who are capable of making an informed independent decision as to the risks involved in an investment in the Fund.

*Risks of Early-Stage Investments.* The Fund has been established to invest in companies (each a "Portfolio Company" and, collectively, the "Portfolio Companies"), that may require additional rounds of financing before reaching maturity. The Fund anticipates, therefore, that some of its Portfolio Companies will require subsequent "follow on" rounds of financing after the Fund's initial investment. While the Fund expects that it will often be able to obtain contractual rights to participate in subsequent financings by its Portfolio Companies, because the Fund's capital is limited, the Fund may not exercise those rights. A decision by the Fund not to make a follow-on investment in a particular Portfolio Company may materially and adversely affect that company (if, for example, the company requires, but is unable to obtain alternative financing on acceptable terms) or may result in dilution of the Fund's investment (if, e.g., the company obtains financing from investors other than the Fund).

*Risks of Minority Investments.* The Fund expects to hold minority stakes in most, if not all, of its Portfolio Companies (either at the time of the Fund's initial investment, or as result of dilution from subsequent rounds of financing). As is the case with minority holdings in general, where the Fund is a minority investor, its investment will not benefit from the control characteristics of majority stakes, nor the valuation premiums accorded to majority or controlling stakes. The Fund may also invest in Portfolio Companies for which the Fund has no right to appoint a director or otherwise exert significant influence. In such cases, the Fund will be significantly reliant on the existing or future management and board of directors of such companies, which may include representatives of other financial investors with whom the Fund is not affiliated and whose interests may conflict with those of the Fund.

*Instability of Target Companies.* While the Fund seeks to invest in companies that have an operating history, a product or service that has shown initial acceptance in the marketplace (defined by revenues) and that are moving towards producing positive cash flow within the foreseeable future, many of the Portfolio Companies in which the Fund invests may lack technical, marketing, financial and other resources or may be dependent upon the success of one or a small number of products or services or the unique effectiveness of a single manager or small management team. The failure of any one element of such a company's business, such as the loss of a key executive or the failure of a particular product or service, may have a materially adverse impact on such a company. Furthermore, these companies may be more vulnerable to competition and to overall economic conditions than larger, more established entities.

*General Economic and Market Conditions.* The success of the Fund's investments may be adversely affected by global, national, and local economic and market conditions, particularly if those conditions inhibit the ability of companies in which the Fund invests to achieve liquidity by "going public" through the initial public offering (IPO) process or by being acquired by larger companies or financial buyers at attractive valuations.

### Fund Risks

*Reliance on the Managing Partners.* The Fund's success depends on the ability of the Managing Partners to identify promising Portfolio Companies and to make determinations as to whether to participate in additional rounds of financing with respect to a Portfolio Company. The Fund's investment performance could therefore be materially adversely affected if either of the Managing Partners were to die, become ill or disabled, or otherwise cease to be actively involved in the management of the Fund's portfolio.

*Indemnification, etc.* The Fund has an obligation to indemnify PVV and its related persons, including Pacific View (collectively, "Covered Persons") for actions or omissions if such Covered Persons acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Fund. Covered Persons may become active participants in management of certain Portfolio Companies. If any Covered Persons (including any of the Managing Partners), participate in management on behalf of the Fund, the Fund may be exposed to liability if any duties owed by such persons to Portfolio Companies are breached. Additionally, parties could seek damages based on allegations of wrongdoing in the course of exercising such influence and control.

*Size of Fund.* The Fund is currently closed to new investors and is not seeking additional capital commitments. The Fund may be required to forgo otherwise attractive investments and/or may not have the ability to provide the level of capital to Portfolio Companies that they require, which could negatively impact Fund performance.

*Risks of Certain Dispositions of Assets.* In connection with the disposition of an investment in a Portfolio Company, the Fund may be required to make representations about the business and financial affairs of the company typical of those made in connection with the sale of any business. It may also be required to indemnify the purchasers of the Portfolio Company if and to the extent that any such representations turn out to be inaccurate. These arrangements may result in contingent liabilities for the Fund, which might ultimately have to be funded by the investors to the extent permitted under the Partnership Agreement.

*Timing of Gains and Losses.* Most, if not all, of the Fund's investments will be in illiquid securities that the Fund must hold for significant periods before the success, or failure, of the investment becomes

apparent or any gains can be realized. It may take longer for successful investments to realize their potential than for unsuccessful ones to reveal their weaknesses.

*Illiquid Fund Investments.* All of the securities that the Fund expects to acquire will be issued by privately held Portfolio Companies. As a result, there will be no readily available secondary market for the Fund's securities in those companies, and those securities will be subject to strict restrictions on sale and transfer. Accordingly, the Fund may be unable to realize liquidity for such investments (for example, through an IPO or acquisition) for significant periods of time (if at all). Even after a successful IPO, the Fund may be precluded from selling its shares in Portfolio Companies that have gone public for some time (often 6 months after the IPO), during which time the price of the company's securities could decline precipitously.

*Distributions of Assets Other Than Cash.* PVV may cause the Fund to distribute certain of the Fund's investments in securities or other non-cash property in connection with the Fund's dissolution. Any such "in-kind" distributions may result in the receipt by investors of highly illiquid unregistered securities. An investor who receives assets other than cash from the Fund may incur substantial costs and delays in converting those assets to cash.

#### **ITEM 9: DISCIPLINARY INFORMATION**

Pacific View has not been involved in any legal or disciplinary events since its inception that would be material to a client's or investor's evaluation of Pacific View or its personnel.

#### **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

As indicated in ITEM 4: Pacific View's managing member, Condor Trading, is also the ultimate parent entity for the Broker Affiliates. BTIG is registered with the U.S. Securities and Exchange Commission as broker-dealer and is a member of FINRA. BTIG is also registered with the CFTC as an introducing broker and effects futures transactions. The other Broker Affiliates are registered as brokers and/or dealers (or the equivalent) with local regulators in the jurisdictions in which they do business: the United Kingdom, Hong Kong, Singapore, and Australia.

While brokers are typically not used and commissions are not ordinarily paid by the Fund, Pacific View may use the services of BTIG and possibly the other Broker Affiliates to execute transactions in the shares of Portfolio Companies in connection with Portfolio Companies that become publicly traded, in such amounts and at such compensation rates as Pacific View in good faith determines, subject to seeking best execution (as discussed in Item 12 below).

The selection of Broker Affiliates to execute Fund transactions will involve a conflict of interest for Pacific View in that its managing member, Condor Trading, may benefit economically and otherwise from the trading activities directed by Pacific View.

Pacific View will have incentives to, among other things, cause client accounts to (i) use a Broker Affiliate when an unrelated broker or dealer could provide better execution or equivalent execution at a lower cost and (ii) effect more transactions than might otherwise be optimal.

Pacific View's policy is to use Broker Affiliates when it believes doing so will be in the Fund's best interests and in any event only to the extent that, over time, that usage will not compromise overall execution quality and/or inappropriately increase overall trading costs. To implement this policy, Pacific View has established a broker-usage committee consisting of portfolio management



personnel as well as operations and compliance personnel, which evaluates overall broker selection activity, execution quality, and execution costs.

Pacific View does not recommend or select other investment advisers for its clients.

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

We have adopted a Code of Ethics (the “Code”) for the purpose of instructing our personnel in their ethical obligations and to provide rules for their personal securities transactions. We, and our personnel, owe a duty of loyalty, fairness and good faith towards our clients and their investors, and have an obligation to adhere not only to the specific provisions of the Code, but to the general principles that guide the Code.

The Code covers a range of topics that include: 1) general ethical principles, 2) reporting personal securities trading, 3) exceptions to reporting securities trading, 4) reportable securities, 5) initial public offerings and private placements, 6) reporting ethical violations, 7) distribution of the Code, 8) review and enforcement processes, and 9) supervisory procedures.

Our policies seek to ensure that our members, employees and officers (“*Associated Persons*”) do not use their positions with us and their knowledge of client account activities to benefit personally from the short-term market effects of those activities. We have established a policy that, except in certain limited circumstances, our Associated Persons who are privy to information about a client account may not own an interest in or buy or sell for their personal accounts the same securities that may be owned by the client account. Further, Associated Persons of a particular investment team may not buy or sell securities identified on the strategy’s watch list as a potential investment for the client account.

Additionally, all Associated Persons are required to obtain pre-approval from the Compliance Department prior to entering into any personal securities trades, other than trading in mutual funds, ETFs and similar products. The exception allowing trading in mutual funds without obtaining pre-trade approval does not apply to transactions in any registered investment company that is advised or sub-advised by Pacific View. Such transactions require Compliance Department approval before shares can be purchased or sold by Associated Persons. The Compliance Department monitors all employee trading and conducts periodic testing and review of procedures to ensure ongoing compliance by Associated Persons.

A copy of Pacific View’s Code of Ethics is available to all clients and prospective clients upon request.

As noted above in Item 4, Pacific View is under common ownership with several Broker Affiliates. These Broker Affiliates hold, buy and sell for their own accounts, and for the accounts of their brokerage clients, securities which Pacific View may purchase and sell for its investment advisory clients. However, the Broker Affiliates conduct such trading activities independently from, and without any knowledge of, the securities that Pacific View purchases and sells for its advisory clients. Consequently, the fact that the Broker Affiliates buy and sell for themselves, or hold an interest in, securities that Pacific View recommends for its advisory clients does not present a potential conflict of interest for Pacific View.

## **ITEM 12: BROKERAGE PRACTICES**

In transactions for the Fund, brokers are typically not used and commissions are not ordinarily paid. In circumstances where we require the use of a broker, as part of its discretionary management authority, Pacific View will generally decide what brokers, dealers, banks, custodians and other financial institutions and counterparties with or through which to execute client transactions (collectively “*Transacting Parties*”), and how much each client will pay for that execution. This includes discretion to negotiate compensation arrangements and transaction terms with Transacting Parties, including not only commissions for transactions effected on any agency basis, but also markups, markdowns, and other compensation implicit in prices of transactions effected directly with Transacting Parties acting as principal. Some Transacting Parties will provide us with information, services and other products beyond pure transaction execution. Some of those Transacting Parties may be affiliated with Pacific View.

As noted above in Item 4 and Item 12, above, Pacific View is under common ownership with several Broker Affiliates. While the Broker Affiliates are not currently expected to provide broker-dealer or investment banking services to the Fund or its Portfolio Companies, it is possible that they may seek to do so in the future (including in connection with Portfolio Company IPOs or other exit transactions). If that happens, PVV and/or Pacific View may have incentives to cause (or influence) Portfolio Companies to use the services of those Broker Affiliates (particularly because any fees paid to any Broker Affiliate will be in addition to, and will not generally reduce, Management Fees or Carried Interest).

Broker Affiliates may also have relationships with competitors of the Fund (such as investment funds managed by others, or individual or family office “angel” investors) or its Portfolio Companies, as well as vendors or customers of the Portfolio Companies, and those relationships could also create conflicts of interest that could adversely affect the Fund.

## **ITEM 13: REVIEW OF ACCOUNTS**

Periodic reviews of the Fund will be conducted by the Portfolio Managers as well as by Pacific View’s compliance and/or operations personnel. These include Joan Schriger, Brian O’Keefe and Steven Druskin, Chief Operating Officer and Chief Compliance Officer or another designee.

Investors will receive quarterly reports on the Fund.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

The Fund has entered into an agreement with a placement agent (the “*Placement Agent*”) for Fund investor introductions. In certain instances, Fund investors have directed the Fund to pay the Placement Agent a referral fee for their investment in the Fund. This referral fee was deducted from the total capital contribution contributed by the investor to the Fund. In addition, the Fund pays the Placement Agent a portion of the Management Fee and Carried Interest from each such introduced investor.

Pacific View may, out of its own assets, make payments to persons or entities that provide various investor relations and related services to Pacific View.

## **ITEM 15: CUSTODY**

Pursuant to the “Custody Rule” under the Investment Advisers Act of 1940 (the “*Advisers Act*”), Pacific View is considered to have “custody” of the Fund’s assets, even though an independent custodian actually holds those assets. The Custody Rule generally requires investment advisers that have custody of their clients’ assets to cause certain account statements detailing holdings and transactions to be sent to clients and impose certain other obligations, including an annual surprise audit. However, advisers to investment funds like the Fund need not comply with those requirements if, among other things, the Fund provides investors with audited financial statements by a specified time each year and those financial statements meet certain requirements. Pacific View intends to satisfy those conditions and therefore will not be subject to the Custody Rule reporting and other obligations.

If the Fund is not able to meet the timing requirements to distribute its financials, Pacific View will consider alternative custody compliance options, which may include conducting surprise audits.

## **ITEM 16: INVESTMENT DISCRETION**

### **Discretionary Authority and Limitations**

Pacific View performs investment management services primarily on a discretionary basis, although we may, as an exception, agree to manage certain accounts on a nondiscretionary basis.

### **Limited Power of Attorney**

By becoming an investor in the Fund, each investor has granted PVV a limited power of attorney and has designated PVV as its attorney-in-fact to exercise full discretionary authority with respect to all transactions involving the Fund and to execute any and all agreements, instruments, documents and certificates, including amendments thereto or modifications thereof, necessary to effectuate, implement or carry out the intent of the Fund. In turn, PVV has caused the Fund to engage Pacific View as the investment adviser to the Fund.

## **ITEM 17: VOTING CLIENT SECURITIES**

The Fund invests in private companies and only has voting rights to the extent that the shares it holds contain voting rights. To the extent that a Portfolio Company’s shares held by the Fund have voting rights and in the event a matter comes to a vote of a Portfolio Company’s shareholders, including the Fund, we will vote in a manner we consider consistent with the best economic interests of the Fund.

Clients may obtain a copy of Pacific View’s proxy voting policy by submitting a written request to [compliance@pacviewam.com](mailto:compliance@pacviewam.com)

## **ITEM 18: FINANCIAL INFORMATION**

Pacific View does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. Pacific View does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients, and has not been the subject of a bankruptcy proceeding.