

## SVB Asset Management Form ADV Part 2A

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This brochure provides information about the qualifications and business practices of SVB Asset Management (“**SAM**”). If you have any questions about the contents of this brochure, please contact us at 866-719-9117 or [atlmoss@svb.com](mailto:atlmoss@svb.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Additional information about SAM also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number known as a CRD number. The CRD number for SAM is 124567.

SAM is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). Registration with the SEC does not in any way constitute an endorsement by the SEC of an investment adviser’s skill or expertise. Moreover, registration does not imply that a registered adviser has achieved a certain level of skill, competency, sophistication, expertise or training in providing advisory services to its clients.

**Item 2****Material Changes**

The material change contained in this brochure since the last annual update of our Form ADV Part 2A, dated as March 31, 2014, is as follows: .

Item 10: Updated to reflect management persons of SVB Asset Management that are affiliated with SVB entities.

### Item 3

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#### Item 4

#### Advisory Business

SVB Asset Management (“**SAM**”) is an investment adviser registered with the SEC under the Advisers Act. We were incorporated in the state of California in April 2002. We began doing business in January 2003 when we registered with the SEC.

We are a wholly-owned subsidiary of Silicon Valley Bank, a California state-chartered bank and a member of the Federal Reserve System (“**SVB**”). SVB is the principal banking subsidiary of SVB Financial Group, a publicly-held bank holding company (“**SVBFG**”).

Our clients are primarily innovation companies in the technology and life science industries, as well as venture capital/private equity firms, many of which invest in our innovation company clients. Our technology clients tend to be in the industries of hardware (semiconductors, communications and electronics) and software and related services. Our life science clients tend to be in the industries of biotechnology and medical devices. Our clients are of various sizes and stages, from early stage to more mature or established companies.

We provide discretionary investment management services for substantially all of our company clients. We manage our clients’ portfolios based on their investment policies, strategies and objectives. The eligible investments SAM purchases are comprised of, but not limited to, government securities, money market instruments, corporate and municipal bonds, and structured and mortgage products, according to the individual investment policy of the client. Depending on our clients’ needs, we offer two primary portfolio investment strategies:

- **Corporate Cash Management Strategy** – Under our Corporate Cash Management Strategy, our emphasis is on a “buy-and-hold” strategy with primary investment objectives of: (i) preserving capital, (ii) maintaining adequate liquidity, and (iii) generating short-term income. Each client portfolio is customized to manage to the client’s overall investment objectives, and we seek to structure investments to fit the client’s operating and/or short-term cash needs. We generally benchmark client investment performance against indices with shorter durations, typically between three and twelve months. Examples of these indices may include the Merrill Lynch Three-Month U.S. Treasury Bill Index, Merrill Lynch Six-Month U.S. Treasury Bill Index and the Merrill Lynch One-Year U.S. Treasury Note Index. We manage most of our client assets under this strategy.
- **Total Return Strategy** (formerly named Strategic Cash Management Strategy) – Some of our clients may have lesser short-term cash needs and may seek a higher total return on their portfolios, while still focusing on capital preservation and liquidity management for their corporate cash. Under our Total Return Strategy, our objective is primarily to seek opportunities to grow the total value of the clients’ portfolios, subject to each client’s investment needs, risk tolerance, and overall objective. Under this strategy, we actively manage client assets to seek longer-term performance above an agreed-upon benchmark, and thus, trading may occur more frequently resulting in higher portfolio turnover rates. We generally benchmark client investment performance against indices with longer durations, although shorter duration indices may also be used, typically one-three years, one-five years or one-seven years. Examples of these indices may include the Merrill Lynch U.S. Corporate and Government Index (1-3 years), the Merrill Lynch U.S. Corporate and Government Index (1-5 years), and the Merrill Lynch U.S. Corporate and Government Index (1-7 years).

We tailor our advisory services for each client based not only on the investment strategies described above, but also on the client’s investment policy and objectives, as well as its liquidity needs. Clients may also

impose restrictions or limitations on the securities in which their assets are invested. For more information about our investment strategies, see Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) below.

From time to time and on a case-by-case basis, in order to meet certain strategic investment objectives of our client, we may invest a client's assets as specifically directed by the client. We manage these assets under the specific instructions of the client. These non-discretionary, or client-directed, arrangements are subject to the acceptance of SAM as determined in SAM's sole discretion.

As of August 31, 2014, SAM managed \$ **\$17,175,749,852** of client assets on a discretionary basis, as well as illiquid client assets with an initial value of \$500,000 on a non-discretionary basis.

## Item 5

## Fees and Compensation

### Fees

#### *Account Fees*

SAM charges our clients account fees based on the value of the discretionary assets under management and on the portfolio investment strategy. The fee schedule for our services is generally as follows:

Total Discretionary Assets Under Management (Under Each Portfolio Investment Strategy)	Applicable Rate* (Per annum)	
	Corporate Cash Management Strategy	Total Return Strategy
Below \$50,000,000.00	0.15%	0.40%
\$50,000,000.00 to \$99,999,999.99	0.12%	0.35%
\$100,000,000.00 to \$149,999,999.99	0.10%	0.30%
\$150,000,000.00 to \$199,999,999.99	0.08%	0.25%
\$200,000,000.00 to \$299,999,999.99	0.06%	
\$300,000,000.00 and over	0.04%	

\* The Applicable Rate is determined based on the total discretionary assets under management in all SAM accounts belonging to the client, *including* balances invested in money market funds or held in cash.

Fees for each portfolio investment strategy are calculated based on the average monthly asset balances under management at the Applicable Rate (noted above), *excluding balances invested in money market funds or held in cash*. The average monthly asset balances under management are determined by averaging the value of the assets held in the account as of the last business day of the prior month and as of the last business day of the month billed. The method of calculation is subject to change.

Fees, as calculated by SAM, are accrued daily and deducted directly from clients' accounts on a monthly basis, and are payable in arrears. We do not collect fees in advance from our clients. Upon termination of any account, any accrued but unpaid account fees through the date of termination of the account will become due and payable.

The fees described above are subject to change and may vary based on specific, separately-negotiated client situations, which may depend on market conditions, client investment objectives and/or investment strategies. SAM may, in its sole discretion, waive or otherwise change its fee structure for certain clients, as determined on a case by case basis.

Fees for non-discretionary, or client-directed, assets, if any, are negotiated with each client on a case by case basis.

SAM does not charge any transaction or transfer-related fees, additional commissions, trading spreads, premiums, or other similar fees. The price or yield of securities acquired by SAM on behalf of clients is the net purchase cost and no additional charges are applied.

### *Custodial and Brokerage Fees*

Assets managed by SAM are held in custody by a third party custodian, and clients may be subject to fees for custodial services charged by such third party custodians.

The primary custodian for our client assets is U.S. Bank. The annual fee typically charged to clients for assets held in custody by U.S. Bank is based on a percentage of the fair value of such assets held.

From time to time, client assets may be held in custody with third party custodians, other than U.S. Bank. Such assets are subject to the custodial fees (including any minimum requirements), as charged by those custodians.

Our clients do not incur any brokerage fees or costs, if any, other than the costs of mark-ups and mark-downs charged by broker-dealers; however, if any such fees and costs were to be charged, they would be the responsibility of the client. For more information, see Item 12 (Brokerage Practices) below.

### Compensation

It is possible that SAM has an incentive to provide greater time and resources, and investment opportunities that may be more favorable or turn out to become more favorable, to larger size clients who may pay a larger fee amount or to clients of the Total Return Strategy who have a higher fee schedule. SAM charges its clients' fees based on assets under management and does not have performance based account fees. SAM supervises trades and portfolio allocations for fairness among client accounts and account performance, and regularly conducts reviews of its trading practices and allocations. For more information on SAM's allocation policy, see Item 12 (Brokerage Practices) below.

SAM receives compensation from certain third party fund distributors or service providers ("**Fund Distributors**") for performing certain services for them with respect to our clients' investments in their affiliated funds. Under these arrangements, SAM will typically receive a fee, based on the average daily balance of client assets directed into those funds, in exchange for providing certain services on their behalf to our clients, such as delivering certain communications to our clients about the funds, providing customer identification programs, providing account information, responding to client inquiries and providing other clients services. These services are provided to the Fund Distributors, not to our clients, and fees are paid directly to SAM by the Fund Distributors, not by their affiliated funds or by our clients.

Because SAM charges different levels of fees to clients and receives different levels of compensation from Fund Distributors, SAM may be incentivized to dedicate increased resources and invest in more profitable investment opportunities for clients with respect to which SAM receives higher total compensation. Clients have the ability to purchase these investments at another financial service company and receive potentially higher returns where the financial services company may not have these compensation arrangements.

These compensation arrangements may present certain conflicts of interest, as they may incentivize us to recommend these funds based on the compensation we may potentially earn, instead of on client needs. To address this, SAM routinely reviews the terms, including yields, offered by funds that are subject to a compensation arrangement with us. If we determine that any of these funds do not offer a competitive return or are not aligned with our clients' investment policies or objectives, we will make alternative recommendations to our clients as we deem appropriate.

We currently have compensation arrangements with all of the money market funds we offer, as follows:

- **Funds managed by U.S. Bancorp Asset Management, Inc. (“USB”)** – Depending on the fund, we earn up to 0.15% per annum (based on the average daily balance of the market value of any client assets directed by SAM into USB funds). USB is affiliated with U.S. Bank, our primary custodian.
- **Funds managed by J.P. Morgan Investment Management, Inc. (“JMIM”)** – Depending on the fund, we earn up to 0.15% per annum (based on the average daily balance of the market value of any client assets directed by SAM into JMIM funds).
- **Funds managed by J.P. Morgan Asset Management (Europe) S.à.r.l. (“JPMAME”)** - Depending on the fund, we earn up to 0.25% per annum (based on the average daily balance of the market value of any client assets directed by SAM into JPMAME funds).

The above fees are payable to SAM on a monthly basis in arrears.

## **Item 6 Performance-Based Fees and Side-by-Side Management**

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

## **Item 7 Types of Clients**

Our clients are primarily innovation companies in the technology and life science industries, from early stage to more mature or established companies. Our clients also include venture capital and private equity firms, many of which invest in our innovation company clients. We work closely with our clients’ financial officers to carry out their investment objectives, which are typically focused on capital preservation, liquidity management and achievement of a competitive return.

We generally require a minimum investment balance of \$10 million to open an individual account under the Corporate Cash Management Strategy, and a minimum investment balance of \$20 million to open an individual account under the Total Return Strategy. We may from time to time waive or reduce these minimum requirements at our discretion.

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

### Method of Analysis

SAM employs an experienced and seasoned team, dedicated to portfolio management, credit research and investment analysis. SAM utilizes both top-down and bottom-up portfolio management approaches. The top-down approach involves analysis of macro-economic and market trends by the collective SAM team, consisting of portfolio managers, credit analysts, investment personnel and other senior members of management. The team meets on a regular basis to formulate general asset allocation recommendations and portfolio investment strategy, and to assess market conditions and overall portfolio performance and risks. The bottom-up approach involves ongoing management of each client portfolio against the broader team’s recommendations, yet customized based on the client’s specific objectives, risk tolerance and selected investment strategy.



SAM's investment process includes quantitative and qualitative analysis using SAM and other third party's proprietary systems and methods. SAM may also use widely available public information and economic data to conclude asset allocation and duration targets. Our team researches and analyzes all investments recommended to our clients. Our credit research generally includes, among other things, conducting extensive credit analysis of the issuer and the applicable industry or sector, as well as reviewing financial publications, corporate rating agency reports, prospectuses, certain issuer filings with the SEC or press releases, independent third party research, and other material items that might be relevant. Additionally, investments are subject to ongoing credit surveillance.

### Investment Strategy

Depending on our clients' needs, we offer two primary investment strategies:

- ***Corporate Cash Management Strategy*** – Under our Corporate Cash Management Strategy, our emphasis is on a “buy-and-hold” strategy with primary investment objectives of: (i) preserving capital, (ii) maintaining adequate liquidity, and (iii) generating short-term income. Each client portfolio is customized to manage to the client's overall investment objectives, and we seek to structure investments to fit the client's operating and/or short-term cash needs. We generally benchmark client investment performance against indices with shorter durations, typically between three and twelve months. Examples of these indices may include the Merrill Lynch Three-Month U.S. Treasury Bill Index, Merrill Lynch Six-Month U.S. Treasury Bill Index and the Merrill Lynch One-Year U.S. Treasury Note Index. We manage most of our client assets under this strategy.
- ***Total Return Strategy*** – Some of our clients may have minimal short-term cash needs and may seek to maximize total return on their portfolios, while still focusing on capital preservation, and liquidity management for their corporate cash. Under our Total Return Strategy, our emphasis is primarily to seek opportunities to grow the value of the clients' portfolios, subject to each client's investment needs, risk tolerance, and overall objective. Under this strategy, we actively manage client assets to seek longer-term performance above an agreed-upon benchmark, and thus, trading may occur more frequently resulting in higher portfolio turnover rates. We generally benchmark client investment performance against indices with longer durations, although shorter indices may also be used, typically one-three years, one-five years or one-seven years. Examples of these indices may include the Merrill Lynch U.S. Corporate and Government Index (1-3 years), the Merrill Lynch U.S. Corporate and Government Index (1-5 years), and the Merrill Lynch U.S. Corporate and Government Index (1-7 years).

We manage our clients' portfolios based on their investment policies, which generally include their investment objectives, as well as any investment restrictions or limitations. Additionally, unless specified in the investment policy, we will also consult with our clients to determine their desired benchmark for returns. The benchmark serves as a starting point for us to design an investment portfolio and guides us towards how the portfolio should be managed on a going forward basis.

### Risks

All investments are subject to various risks that are borne by investors. Such risks depend on the type of investment securities, as well as the investment strategy employed. These risks include, but are not limited to, the following:

- *No Assurance of Investment Returns or Principal Preservation.* SAM cannot assure clients that investments will generate any returns or that principal balances will be preserved. Investments in securities (including money market funds) are generally subject to a variety of risks, including interest rate risks, credit risks and general market risks, and therefore, any actual returns that are generated are inherently unpredictable. SAM cannot provide any assurance or guarantee that principal balances will be preserved or that client investments will generate returns that will be commensurate with our clients' expectations, their investment objectives or SAM's investment strategies.
- *Market Risk.* Market events or other external factors, including political, economic and social conditions, may impact the price of a security or a bond.
- *Interest Rate Risk.* The underlying value of the securities, specifically debt securities, may decline as interest rates rise.
- *Credit Risk.* The underlying value of the securities, specifically debt securities, may decline as a result of certain events, such as if the issuer defaults on its obligations in any material manner, or if the issuer's credit rating is materially downgraded.
- *Liquidity Risk.* Clients may not be able to sell the securities in a timely manner or at a desired price, or because of a lack of demand or a lack of market.
- *Price Volatility Risk.* The value of our client portfolios are subject to change based on the pricing of investments.
- *Financial Services Industry Risk.* We invest a significant portion of client assets in the obligations of banks and other financial services companies. As such, these investments are subject to various risks generally associated with the financial services industry, such as credit risk, interest rate risk and industry-related regulatory developments.
- *Money Market Fund Risk.* Although money market funds seek to preserve the value of clients' investment at \$1.00 per share, the share price may fall below \$1.00 as a result of changes in credit quality, issuer default, redemption restrictions or pressures, and other similar events.
- *Asset-backed Securities Investment Risk.* The impairment of the value of the collateral underlying certain asset-backed securities may adversely affect the value of the securities.
- *Prepayment risk and extension risk.* The principal on mortgage-backed securities, other asset-backed securities or any debt security with an embedded call option may be prepaid at any time, which could reduce yield and market value. The rate of prepayments tends to increase as interest rates decline, which could cause the average maturity of the portfolio to shorten. Extension risk may result from a rise in interest rates, which may make mortgage-backed securities, asset-backed securities and other callable debt securities more volatile.
- *Reinvestment Risk.* Future proceeds from investments may have to be reinvested at a potentially lower rate of return.
- *Counterparty Risk.* The counterparties with whom SAM invests or may do business, or to which securities have been entrusted for custodial purposes, may encounter financial and/or operational difficulties which may impact their ability to trade, maintain or otherwise service our clients' security positions.
- *Portfolio Management Risk.* Each client portfolio is subject to management risk, especially actively managed client portfolios under our Total Return Strategy where trading activity typically occurs more frequently than under our Corporate Cash Management Strategy. We may engage in more frequent trading for our Total Return Strategy in order to manage duration, sector, yield curve, and credit quality with the goal of outperforming its stated benchmark. In general, regardless of the investment strategy, all of our clients' portfolios are subject to the risk that SAM will make poor investment decisions, which may have an adverse effect on our clients' investment portfolio performance. In some cases, certain investments may be unavailable, or certain investments may not be selected by SAM or sold prematurely by SAM because of market conditions or for any other reason, when, in retrospect, those investments could have been beneficial to the portfolio.
- *U.S. Government Securities Risk:* Securities such as U.S. Treasury or Ginnie Mae are backed by the full faith and credit of the United States as to timely payment of interest and principal when held to maturity. Notwithstanding the full faith and credit backing, circumstances could arise that may reduce such securities' value. Securities issued or guaranteed by U.S. agencies such as Fannie Mae and Freddie Mac are not backed by the full faith and credit of the U.S. government. No assurance can be given that the U.S. Government will

provide financial support to its agencies if it is not obligated by law to do so. U.S. government securities also remain subject to market risk and interest rate risk.

Client investments may also be subject to other risks specific to certain securities, which are further described in the underlying prospectus or other disclosure statement from the issuer of those securities. Clients should carefully review all available disclosures of any securities.

Additionally, despite SAM's affiliation with SVB, client assets managed by SAM are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency entity or person, and may lose value.

Item 9	Disciplinary Information
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There are no legal or disciplinary events relating to SAM that are required to be disclosed under this Item 9.

## Item 10 Other Financial Industry Activities and Affiliations

## SVB Affiliations

SAM is not registered as a broker-dealer.

SAM is affiliated with SVB Securities, a broker-dealer firm and wholly owned subsidiary of SVB. SVB Securities is a member of the Financial Industry Regulatory Authority (“**FINRA**”). The following management persons of SAM are FINRA-registered representatives through SVB Securities:

- Lauri Moss, President
- Ninh Chung, Head of Investment Strategy and Portfolio Management
- Gary Utschig, Chief Compliance Officer/AML Officer

Certain other SAM employees are also securities-licensed with SVB Securities.

SAM is also affiliated with SVB Wealth Advisory, Inc., an investment adviser registered with the SEC. SAM and SVB Wealth Advisory share the same Chief Compliance Officer/AML Officer, Gary Utschig, and may share certain non-investment operational personnel as well. The types of advisory services and the client mandates that SAM provides and offers are not expected to conflict or overlap materially with SVB Wealth Advisory's services and mandates. Nevertheless, certain inherent conflicts of interest may arise from SAM's affiliation with SVB Wealth Advisory, including conflicting investment strategies that may affect the prices and availability of the securities and other assets in which SAM's clients invest.

SAM is affiliated with certain other entities that may serve as general partners and/or investment advisers of investment funds (“**SVB General Partners**”). The types of advisory services and the client mandates that SAM provides and offers are not expected to conflict or overlap materially with the investment programs of the SVB General Partners. SAM could introduce clients to a SVB General Partner, although any introductions would not be a part of SAM’s discretionary investment advisory services to a client, SAM would

not be compensated for any such introduction and any client that ultimately decided to invest with an SVB General Partner would do so in its own discretion.

In addition, SVB, our parent company, provides a variety of support services to SVB Asset Management including human resources, information technology, facilities and administrative support.

#### Other

SAM utilizes the custodial services of U.S. Bank for client assets. From time to time, a client may request a different custodian, subject to SAM's acceptance at its sole discretion.

SAM and U.S. Bank provide to our clients monthly account statements through an electronic reporting platform provided by a third party provider, Clearwater Analytics, LLC ("**Clearwater**"). In addition, U.S. Bank mails hard copies of statements to SAM clients on a quarterly basis. While SAM is not affiliated with U.S. Bank, the costs associated with the reporting platform by Clearwater are borne in part by U.S. Bank and in part by SAM. Our clients do not currently bear any of the costs for this reporting platform.

We may from time to time invest our clients' assets in certain funds offered by USB, which is affiliated with U.S. Bank. (See Item 4 (Fees and Compensation) above.) We do not believe that our recommendation of USB funds and our cost-sharing arrangement with U.S. Bank for our reporting platform pose a material conflict of interest. We will only recommend USB funds to our clients if we believe these funds offer competitive market yields and if they are aligned with our clients' investment objectives.

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

SAM has established and implemented a Code of Ethics (the "**Code**") pursuant to Rule 204A-1 under the Advisers Act, which applies to all supervised persons, including employees, of SAM ("**Covered Persons**"). The Code sets forth a standard of business conduct expected of all persons covered under the Code, including ethical standards and prohibitions of fraudulent, deceptive or manipulative conduct.

Our Code emphasizes and implements fundamental governing principles SAM personnel must adhere to in the course of their work for SAM, including the duty to act at all times in our clients' best interests and the requirement to avoid any actual or potential conflicts of interest.

Our Code sets forth prohibitions against the use of material non-public information. Covered Persons are prohibited from trading for themselves or others in any security while in possession of material non-public information relating to the issuer of such security, as well as communicating or sharing that information to anyone else. Our Code also covers, among other things, our policies on gifts and entertainment events, actual or potential conflicts of interest, the protection of the confidentiality of client information, and privacy.

Moreover, our Code covers prohibitions on insider trading and restrictions on personal securities transactions of employees. SAM requires Covered Persons to receive prior written approval of certain personal transactions, such as purchasing securities through an initial public offering, a limited offering or private placement. Covered Persons may, from time to time, personally invest in the same or similar securities that are purchased on behalf of clients. We do not believe these personal investments pose any material conflict of interest issues for SAM. Since we purchase for our clients fixed income securities and money market funds that have large issue size and liquidity, we do not feel the purchase for our clients results in market

SAM's policies require that Covered Persons disclose on a routine basis their personal securities holdings. The Compliance Department reviews these holdings for potential conflicts of interest and to ensure that the personal interests of Covered Persons do not interfere with our clients' interests.

### Other Activities of SAM and its Affiliates

Item 12 Brokerage Practices

Portfolio transactions are executed with broker dealers selected by SAM. Broker dealers are selected primarily based on pricing, reputation, integrity, financial strength and stability, efficiency of execution and error resolution, and other factors.

As discussed in Item 5 (Fees and Compensation) above, our clients do not incur any brokerage costs other than, if any, the costs of mark-ups and mark-downs charged by broker-dealers. The price or yield of securities acquired by SAM on behalf of clients is the net purchase cost and no additional charges are applied. We do not permit a client to direct their transactions to be executed by a particular broker-dealer. However, exceptions may be made from time to time, as approved by SAM, and in such cases and as applicable, SAM will explain to the client that that it may not achieve most favorable execution of its transactions and that it may result in more costs to the client. Additionally, we do not select or recommend a particular broker-dealer based on client referrals from that broker-dealer or other third party.

## Aggregation and Allocation of Clients' Orders

SAM may from time to time engage in trade aggregation practices among multiple clients to obtain volume discounts, to obtain more favorable pricing, to achieve trading efficiencies, and/or to obtain some benefit for clients as determined by SAM.

Allocations of aggregated orders are determined at SAM's sole discretion and are based on a variety of factors, including, but not limited to the following:

- Each client's investment policy, objectives, restrictions or other client-provided instructions;
- Each client's particular liquidity needs;
- Any need to rebalance or adjust the investment composition of the portfolio;
- The size and nature of the potential allocation;
- The extent the client's portfolio has been fully invested; and
- The availability of the subject securities.

Allocations are determined in good faith based on the foregoing and done in a manner that is not reasonably expected to result in an improper disadvantage/advantage to one participating client over another. Accordingly, allocations are not made on a pro-rata basis.

Should there be a supply shortage for securities for eligible portfolios, we will allocate the transactions in the manner as described above.

## Item 13 Review of Accounts

Each client account is internally reviewed by a SAM Portfolio Manager or Portfolio Advisor on at least a weekly basis. These periodic reviews may include, among other things, a review of overall performance of investments, a review of asset allocation changes in the portfolio, a determination of actual and expected liquidity needs of the account, a review for upcoming maturities, and/or reinvestment planning. Account reviews may occur more frequently, particularly upon certain events, including changes in client liquidity needs, security offerings in the marketplace and certain market events. Client accounts under our Total Return Strategy may be reviewed on a more frequent basis to ensure the portfolio is consistent with SAM's investment strategy and clients' specific investment needs and objectives.

Clients have access to their monthly written account statements through an electronic reporting platform provided by Clearwater. In addition, U.S. Bank mails hard copies of statements to SAM clients on a quarterly basis.

## Item 14 Client Referrals and Other Compensation

As discussed under “Compensation” under Item 5 (Fees and Compensation) above, SAM may receive fees from certain third party fund distributors or service providers for client assets placed into the affiliated funds of these third parties.

Our firm does not pay referral fees to independent persons or firms for introducing clients to us. However, certain sales personnel of SVB, our parent company, may refer clients to SAM. While our SVB sales

personnel do not receive any direct incentive compensation for SAM referrals, these referrals are among a variety of factors taken into consideration by SVB in awarding incentive compensation to them. Such incentive compensation is not guaranteed, and generally paid on a discretionary basis by SVB.

#### **Item 15**

#### **Custody**

Client assets are held by a third-party qualified custodian. Our primary custodian is U.S. Bank. Client assets are held in custody by U.S. Bank (or other custodian designated by the client) under a separate custody agreement.

Clients have access to monthly written account statements through an electronic reporting platform provided by Clearwater, in addition to hard copies mailed by U.S. Bank. These statements should be carefully reviewed on a regular basis by clients. We urge all clients to compare the account statements from both Clearwater and U.S. Bank. Clients should contact SAM immediately if they believe that there may be an error or discrepancy in their statement.

#### **Item 16**

#### **Investment Discretion**

SAM accepts investment discretionary authority to manage assets on behalf of our clients. This authority is granted to us pursuant to our form discretionary account agreement, which we enter into with each client. Under our agreement, SAM is granted the complete and unlimited discretionary trading authorization on the assets of the client's account, subject to any restrictions or limitations imposed by the client and/or its investment policy. The account agreement may be terminated by either party upon at least five (5) business days' advance notice.

We provide discretionary investment management services to substantially all of our clients. From time to time and on a case-by-case basis, in order to meet certain strategic investment objectives of our client, we may invest a client's assets as specifically directed by the client. These client-directed arrangements are subject to the acceptance of SAM as determined in SAM's sole discretion.

#### **Item 17**

#### **Voting Client Securities**

Under SAM's proxy voting policy, SAM will vote any proxies received by SAM relating to assets held in client accounts, other than certain non-discretionary, or client-directed, assets. Unless otherwise provided, our account agreement provides for the client's delegation of responsibility for voting proxies to SAM. When voting proxies, SAM evaluates and votes proxies in a manner consistent with what we believe is in the client's best interests. SAM considers that it acts in the best interest of clients when the firm votes in a manner that it determines best serves the interest of maximizing shareholder value for all clients. SAM's policy is to vote all proxies received the same way for each client absent qualifying restrictions from a client. While SAM does not solicit direction from its clients with respect to proxy voting, clients may place reasonable restrictions on SAM's voting authority. Further, there may be times when SAM's management determines that refraining from voting a proxy is in a client's best interest, such as when the cost of voting a proxy exceeds the expected benefit to the client.

If we determine that a material conflict of interest exists in voting a proxy, then the matter will be reviewed by

SAM's senior management, including our Chief Compliance Officer, who will determine whether to give the affected clients an opportunity to vote their proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third party voting recommendation.

You may obtain information regarding how SAM voted your proxies, or request a copy of the firm's proxy voting policy. Such requests for information should be directed to the contact listed on the cover page of this brochure.

## **Item 18**

### **Financial Information**

SAM does not solicit prepayment or accept prepayment of fees from its clients.

SAM has not been the subject of a bankruptcy petition at any time during the past ten years.