

Form ADV Part 3 – Client Relationship Summary

Date: 04/05/2021

Item 1: Introduction

PACIFIC ASSET MANAGEMENT, LLC is an investment adviser registered with the Securities and Exchange Commission offering advisory accounts and services. This document gives you a summary of the types of services and fees we offer. Please visit www.investor.gov/CRS for free, simple tools to research firms and for educational materials about broker-dealers, investment advisers, and investing.

Item 2: Relationships and Services

Questions to ask us: Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

What investment services and advice can you provide me? We offer investment advisory services to retail clients which primarily includes asset management (we review your portfolio, investment strategy, and investments). We customize all services to our clients' individual needs by determining your specific goals, objectives, risk tolerance, time horizon, investment restrictions and other factors that affect the financial advice you receive. We continuously monitor investment accounts to ensure compliance with your stated goals and objectives.

Clients typically engage us on a discretionary basis (we can buy and sell investments in your account without asking you in advance). On occasion we may be engaged solely on a non-discretionary basis (you make the ultimate decision regarding the purchase or sale of investments).

We limit the types of investments that are recommended since not every type of investment vehicle is needed to create an appropriate portfolio. Our minimum account size is \$250,000. Please also see our Form ADV Part 2A ("[Brochure](#)"), specifically Items 4 & 7.

Item 3: Fees, Costs, Conflicts, and Standard of Conduct

Questions to ask us: Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me? What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have? How might your conflicts of interest affect me, and how will you address them?

What fees will I pay? Our fees vary depending on the services you receive. Additionally, the amount of assets in your account affects our advisory fee; the more assets you have in your advisory account, the more you will pay us and thus we have an incentive to increase those assets in order to increase our fee. Fees are paid quarterly, in advance, on or around the fifteenth day of the month for the upcoming quarter. Fees are paid directly to Pacific Asset Management, LLC by Charles Schwab & Co. from your account. You pay our fees even if you do not have any transactions and the advisory fee paid to us generally does not vary based on the type of investments selected. Please also see Items 4, 5, 6, 7 & 8 of our [Brochure](#).

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Third Party Costs: Some investments such as mutual funds or exchange traded funds (ETF) charge management and other operational fees that reduce the value of your investment over time. You may also pay certain transactional fees to a custodian that will hold your assets, which may include transaction fees when we buy and sell investments for your account. **You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.** Please also see our [Brochure](#) for additional details.

Conflicts of Interest: *When we act as your investment adviser we are your fiduciary (we have to act in your best interest and not put our interest ahead of yours).* At the same time, the way we make money creates some conflicts with your interests. For example, if PAM recommends that a client roll over their retirement plan assets into an account to be managed by PAM, such a recommendation creates a conflict of interest if PAM will earn an advisory fee on the rolled over assets. No client is under any obligation to roll over retirement plan assets to an account managed by PAM. You should understand and ask us about these conflicts because they can affect the investment advice we provide you.

How do your financial professionals make money? Our firm and advisers do not receive commissions or any undisclosed fees for being your adviser. Our advisers are compensated on a portion of the total fees received by us and a base salary. This is a conflict of interest because our financial professionals have an incentive to recommend our advisory services to you, and encourage you to increase your assets in your accounts that result in additional compensation to them. Please also see Item 10 of our [Brochure](#) for additional details.

Item 4: Disciplinary History

Questions to ask us: *As a financial professional, do you have any disciplinary history? For what type of conduct?*

Do you or your financial professionals have legal or disciplinary history? No, we do not have any legal and disciplinary events. Visit <https://www.investor.gov/> for a free, simple search tool to research us and our financial professionals.

Item 5: Additional Information

Questions to ask us: *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*

For additional information on our advisory services, see our [Brochure](#) available at <https://adviserinfo.sec.gov/firm/summary/115157> and any individual brochure supplement your representative provides. If you have any questions, need additional up-to-date, or want another copy of this Client Relationship Summary, then please contact us at 253-649-4600.