

**FIRST LIGHT ASSET MANAGEMENT, LLC**  
**FORM CRS/FORM ADV PART 3 – CUSTOMER RELATIONSHIP SUMMARY**

June 30, 2020

## ITEM 1 | INTRODUCTION

First Light Asset Management, LLC is registered with the Securities and Exchange Commission (SEC) as an investment adviser. Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

## ITEM 2 | RELATIONSHIP AND SERVICES

### What investment services and advice can you provide me?

- We offer investment advisory services to retail and institutional investors through separately managed accounts with a limited menu of proprietary investment products.
- We manage accounts on a **discretionary** basis, meaning we will buy and sell investments in your account without asking you in advance.
- Our investment products include a limited selection of investments in health care companies. Other firms could provide advice on a wider range of investment options, some of which might have lower costs.
- Some advisory accounts will require you to sign two contracts, one with your financial advisor and one with us. These arrangements are often referred to as a **wrap fee** program.
- A wrap fee program could impose additional investment or transaction limitations that a non-wrap fee account would not have. Your financial advisor can provide details about the program and how the account operates.

**For Additional Information.** Please see our Form ADV, Part 2A brochure (“Brochure”), Items 4 and 7 available at [www.firstlightam.com](http://www.firstlightam.com) for additional information on our relationships, fees and services.

**Conversation Starters.** Ask your financial professional:

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments for my account?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

## ITEM 3 | FEES, COSTS, CONFLICTS AND STANDARDS OF CONDUCT

### What fees will I pay?

- If you open an advisory account with us, you will pay an ongoing **asset-based fee** on a quarterly basis based on the value of the cash and investments in your advisory account. The amount we are paid generally does not vary based on the type of investment we select on your behalf.
- If you have a wrap fee account, the fees associated with that program will likely include most transaction costs and fees to the broker-dealer or bank that holds your assets (called **custody**) and therefore are higher than a typical asset-based fee. Although transaction fees are usually included in the wrap program fee, sometimes you will pay an additional transaction fee for any investment outside the program. Wrap fee clients should consult with their financial advisors for specific details regarding the fees they will pay. We do not sponsor wrap fee programs.
- Generally, for accounts not part of a wrap fee program, you will pay a transaction fee when we buy and sell an investment for you. You also will pay fees to a broker-dealer or bank that will hold your assets.
- Because we charge fees based on a percentage of assets under management, the more assets in your account, the more you will pay in fees. Accordingly, we may have an incentive to encourage you to increase the assets in your account that we manage.
- Asset-based fees may cost more than a transaction-based fee, but you may prefer an asset-based fee if you want continued advice or someone to make investment decisions for you. You may prefer a



wrap fee program if you prefer the certainty of a quarterly fee regardless of the number of your transactions.

- Asset-based fees will be deducted from your account, thus reducing its value. 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.

**For Additional Information.** Please see Item 5 in our Brochure available at [www.firstlightam.com](http://www.firstlightam.com) for additional information regarding fees and costs.

**Conversation Starters.** Ask your financial professional:

- 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?**

- When we act as your **investment adviser**, we have to act in your best interest and not put our interests ahead of yours.
- Our interests may conflict with your interests. We must eliminate these conflicts or explain them in a way you can understand, so you can decide whether or not you are comfortable with them.
- The way we make money inherently creates some conflicts with your interests. You should understand and ask us about these conflicts as they affect the recommendations we provide you. Here is an example to help you understand what this means.
  - We provide investment services to many different clients, including two private funds. Each client has unique investment goals and, therefore, it is possible that not every client will have the same stocks in their accounts, depending on their objectives.
  - Some accounts pay us a higher fee, which could give us an incentive to pay more attention and give better investments to those accounts.

- Our employees are allowed to buy or sell the same stocks our clients hold, though we have procedures in place to monitor and keep any related conflicts in check.

**For Additional Information.** Please see Items 6 and 8 in our Brochure available at [www.firstlightam.com](http://www.firstlightam.com) for additional information related to our legal obligations, how our firm makes money and our conflicts of interest.

**Conversation Starters.** Ask your financial professional:

- How might your conflicts of interest affect me and how will you address them?

**How do your financial professionals make money?**

- Some external financial professionals are compensated by a solicitor's fee. This fee is based on the revenue the firm earns from the financial professional's referrals. Clients subject to a solicitor's fee are always notified in writing.
- Our internal financial professionals are compensated by salary and/or profit-sharing.

## ITEM 4 | DISCIPLINARY HISTORY

**Do your financial professionals have legal or disciplinary history?**

No. Visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

**Conversation Starters.** Ask your financial professional:

- As a financial professional, do you have any disciplinary history? For what type of conduct?

## ITEM 5 | ADDITIONAL INFORMATION

**For additional information about our services, please see our Brochure. If you would like up-to-date information or a copy of this disclosure, please call (952) 831-6500 or visit [www.firstlightam.com](http://www.firstlightam.com).**

**Conversation Starters.** Ask your financial professional:

- 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?