

ADV PART 2A FIRM BROCHURE



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The ADV Part 2, also known as our Firm Brochure, provides information about the qualifications and business practices of Laird Norton Tyee Asset Strategies, LLC. For any questions regarding the content of this Brochure, please contact us at 206-464-5100. The information in this Brochure has not been approved or verified by the Securities and Exchange Commission, or any other state securities authority.

Laird Norton Tyee Asset Strategies, LLC (Laird Norton Tyee Asset Strategies or LNTAS) is an SEC-registered investment adviser.

2. MATERIAL CHANGES SINCE LAST ANNUAL UPDATE TO THIS BROCHURE

In November of 2015, LNWM hired Gino Perrina as Chief Investment Officer. Mr. Perrina is a CFA Charterholder and has a PhD in Finance from Texas Tech and an MBA from Clemson University. Mr. Perrina's prior experience includes BlackRock, Inc., Russell Investments and Microsoft Corporation. There have been no other material changes since the last update to this Brochure.

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4. ADVISORY BUSINESS

Laird Norton Tyee Asset Strategies was first registered with the SEC in 1995 as Tyee Asset Strategies, Inc. The firm was acquired by Laird Norton Trust Company in 2001 and the name was changed to Laird Norton Tyee Asset Strategies, LLC in 2004. Laird Norton Tyee Asset Strategies is wholly owned by Laird Norton Trust Company, a state of Washington trust company. The Trust Company is owned, ultimately, by the Laird Norton Company and its family member shareholders.

Laird Norton Tyee Asset Strategies offers wealth management services to high net worth individuals and families and their related businesses, trusts, foundations and other entities. Our wealth management services include providing investment advice and recommendations

regarding the types of investments that we believe to be appropriate for our clients. We also give advice on estate planning and tax planning and work with our clients' attorneys and accountants to coordinate their investments with their overall estate plan when providing investment advice, we recommend the purchase of various mutual funds and other investment funds and we also recommend hiring third party investment managers when appropriate. We do not manage individual stocks or bonds for our clients, other than by special arrangement under very limited circumstances.

All of our advice is tailored to our clients' individual needs and goals. We work with each client to develop a customized Investment Policy Statement setting out the client's time horizon, risk tolerance and investment targets. We are willing to accept direction from clients regarding specific investments and will hold specific securities in the client's account, if they wish.

As of December 31, 2015, we managed \$1,335,117,883 on a discretionary basis and \$131,212,821 on a non-discretionary basis.

5. FEES AND COMPENSATION

Our fees are based on a percentage of assets held in a client's portfolio. We may agree to charge a fixed or flat fee for a special account, for a project or for a certain period of time.

This is our normal fee schedule based on the market value of a client's portfolio.

<u>MARKET VALUE OF PORTFOLIO</u>	<u>ANNUAL RATE</u>
0 - \$3 million	1.00%
\$3 - \$5 million	.75%
\$5 - \$10 million	.50%
\$10 – 30 million	.25%
Over \$30 million	.15%

Laird Norton Tyee Asset Strategies' standard minimum annual fee is \$30,000. We have the ability to modify these fees upon advance written notice to the client.

The minimum portfolio size for wealth advisory clients is generally \$3,000,000, which corresponds to our minimum annual fee of \$30,000. In addition, Laird Norton Tyee Asset Strategies offers investment services to individuals and families with \$1,000,000 to \$3,000,000 in investable assets. These clients of our Affluent Client Group (ACG) generally do not require the same level of planning and non-investment related wealth management services as do clients with larger portfolios. As a result, the minimum fee for ACG clients is \$10,000. Laird Norton Tyee Asset Strategies may, on occasion, agree to aggregate accounts of related entities or family members to reach the minimum account and fee size. We may also waive or adjust these minimums, agree to a modification of the fee schedule, or agree to exclude certain assets from the fee charged.

Under certain circumstances, we will enter into a fixed-fee arrangement for specific services, such as a single advisory session or non-investment administrative services. In these situations,

we may negotiate fees on a case-by-case basis. Some clients pay a fee that is different from the above fee schedule based on a contract with us from an earlier time that contains a different fee schedule, or because of unique circumstances or the nature of their portfolio. All fees and minimums may be negotiated at the discretion of Laird Norton Tyee Asset Strategies.

TIMING AND PAYMENT OF FEES

Fees are payable monthly in arrears unless a separate arrangement has been made. Fees are based upon the average daily value of the client's investment portfolio during the previous period. For this purpose, a portfolio consists of all accounts for which Laird Norton Tyee Asset Strategies provides investment management services, other than accounts, if any, for which we have agreed to waive fees (sometimes called "courtesy accounts"). Clients should refer to their investment advisory agreement for additional provisions regarding fees. Clients may choose to have fees deducted directly from a custodial account or, alternatively, clients may request to be billed.

FEES FOR THIRD PARTY FINANCIAL PRODUCTS AND SERVICES

In addition to Laird Norton Tyee Asset Strategies' fees, clients pay fees to an investment fund or to a third-party investment manager. Mutual fund fees and expenses are set forth in the applicable fund prospectus. Fees imposed by third party managers are disclosed at the time that clients enter into an investment advisory agreement with the third-party manager, or alternatively, at the time the investment is made on the client's behalf. In limited cases, Laird Norton Tyee Asset Strategies is billed directly, on a client-by-client basis, by the third-party manager for its services. In the majority of cases, the third-party manager fees and expenses are directly billed to and paid by the client. Upon request, Laird Norton Tyee Asset Strategies will provide clients with reports regarding the fees charged in funds or by third-party managers.

Neither the Company nor our employees receive any compensation from the funds in which our clients invest or from any third-party manager chosen to manage a portion of a client's investments.

6. PERFORMANCE FEES AND SIDE BY SIDE MANAGEMENT

Laird Norton Tyee Asset Strategies does not charge any fee based on the performance of clients' accounts. Of course, a fee based on a percentage of the market value of assets will increase or decrease as the market value of those assets changes over time.

7. TYPES OF CLIENTS

Laird Norton Tyee Asset Strategies provides investment advice to high net worth individuals and families and their trusts, estates, charitable organizations, corporations, business entities, foundations and endowments. In certain limited circumstances, for example if a client owns a business, we may also provide investment advice to its pension and profit-sharing plan; however, we do not act as a plan administrator. Currently, we serve families with investments ranging from several hundred thousand dollars to more than \$100,000,000.

8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

In providing services to our clients, Laird Norton Tyee Asset Strategies develops asset allocation strategies focused on risk management through our research of capital markets and macroeconomic trends. We then perform extensive due diligence in selecting and monitoring professional asset managers by researching historical performance metrics as well as analyzing both the firm and its personnel.

FEE-ONLY ADVISORS

Laird Norton Tyee Asset Strategies employs an open-architecture platform, which means we do not sell internally-developed investment products nor do we receive any compensation or commissions from investment managers or funds we select. Since we do not benefit financially from the funds or investment managers used in our clients' accounts, we are free to choose those funds and managers that we believe are most appropriate for our clients. We emphasize managers that focus on risk management and offer diversification by market segment.

ASSET ALLOCATION STRATEGY

Laird Norton Tyee Asset Strategies develops asset allocation strategies for our clients. In doing so, we generate forecasted asset class assumptions for correlation, volatility and returns, using our proprietary, multi-factor model. The model allows us to aggregate information on various market factors and identify relationships between these factors and the asset class returns impacted. The factors we monitor include expectations of interest rates, inflation, GDP growth, currency exchange rates and the like. When appropriate, we incorporate tax considerations for each asset class and develop after-tax return and risk assumptions. From this, we develop strategic target percentages for every asset class in a portfolio for varying different risk profiles and risk metrics such as volatility and downside risk.

Additionally, there are periods of heightened risk or significant market inefficiencies where our analysis leads us to recommend a shorter-term (typically two years or less) shift in our clients' asset allocation strategies. These tactical allocations generally result in an overweight or underweight position within the strategic target rebalancing thresholds, but may include positions outside of strategic targets as well. These allocation decisions are based on a rigorous analysis of economic and capital markets data, and take into account each client's liquidity, risk tolerance and tax sensitivity. There are risks involved in asset allocation strategies in that markets sometimes behave differently than forecasted. These risks are inherent in any investment strategy, and thus are not unusual. However, a well-diversified allocation strategy can help mitigate some of these risks.

TAX AWARE INVESTING

We incorporate pre- and post-tax assumptions into our asset allocation framework and frequently select managers who invest with an eye toward efficient tax management. We thoughtfully place managers and strategies in specific accounts to enhance the tax efficiency of the overall portfolio, for example, by placing investments that tend to generate taxable income or gains within an IRA account. However, not every manager or strategy we recommend will

necessarily be tax efficient, and there is the risk that a client's tax liability will increase due to investment.

DUE DILIGENCE

Laird Norton Tyee Asset Strategies applies a rigorous due diligence program in searching for investment managers. We employ a five step process which includes:

- **Universe Creation** (developing a broad list of manager candidates)
- **Operational Cohesiveness** (confirming the usability of the prospective manager)
- **Regulatory Review** (assessing regulatory infractions or conflicts of interest)
- **Quantitative Screening** (reviewing the risk and return metrics of remaining candidates)
- **Qualitative Analysis** (interviewing manager staff and clients)

Every search must undergo a peer review within the Investment Strategy and Research group before the analysis can be submitted to the Investment Committee for review and possible approval.

Once a manager has been approved for use in client portfolios, this high level of due diligence continues. We conduct quarterly calls, perform ongoing performance reviews, and continue to evaluate the manager against its peers in an effort to confirm that our original thesis regarding the manager is maintained. Many risks associated with investing through third party asset managers can be mitigated through rigorous and thorough due diligence. It is that goal that drives both our initial and ongoing due diligence processes.

ALTERNATIVE INVESTMENTS

In addition to more traditional stock and bond investments, we also offer our clients access to alternative investments including managed futures, hedge funds, private equity, private real estate and natural resources. Although the due diligence process is similar to that described above, it gains complexity in line with the complexity of the strategy or vehicle. For instance, in addition to the steps outlined, we also mandate site visits, background checks, reference interviews and legal reviews of documents for these investments. In the case of managed futures, hedge funds, private equity and private real estate, we typically invest using fund-of-funds vehicles. We believe this approach offers increased investment diversification and enhanced portfolio and risk management systems.

Alternative investments are not suitable for all clients. Clients lacking sufficient liquidity and appropriate risk tolerance or who lack a time horizon long enough for the investment proposition to mature are not good candidates for certain alternative investments. Some investments are not publically traded and only allow redemptions at certain times, while others offer daily liquidity. For these reasons, hedge funds, fund-of-funds, and similar partnership-like investment vehicles should be considered illiquid. Several hedge funds and managed futures funds do offer mutual fund structures, which are traded daily and thus do not suffer the liquidity concerns found in partnership-like investment vehicles. Because of the timing of the tax reporting that may be available from these types of investments, clients invested in these vehicles often need to extend the filing of their tax returns.

PERFORMANCE

The value of investments and the income derived from them can go down as well as up. Future returns are not guaranteed and a loss of principal may occur. All investment performance can be affected by changes in the economy and financial markets and the extent and timing of investor participation in securities markets. The value of an investment fund changes as its asset values go up or down. The timing of an investment will also affect performance. International investments involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles, or from economic and/or political instability in other nations.

9. DISCIPLINARY INFORMATION

A registered investment advisor is required to disclose all legal or disciplinary events that would be material to the evaluation of it as an investment advisor or regarding the integrity of its management. Laird Norton Tyee Asset Strategies has no history of any legal or disciplinary events.

10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Laird Norton Tyee Asset Strategies is wholly owned by Laird Norton Trust Company. Employees perform services for both companies. Employees who provide investment advisory services to Laird Norton Tyee Asset Strategies clients may provide similar services to clients of Laird Norton Trust Company or the beneficiaries of a trust for which the Trust Company serves as trustee. Laird Norton Trust Company serves as custodian only for Trust Company clients' investments. The Trust Company does not act as a qualified custodian for securities managed under investment advisory agreements between Laird Norton Tyee Asset Strategies and its clients. There is a contract between the two companies that allows them to share office space, equipment and other typical business resources. Additional information about Laird Norton Trust Company may be obtained from the State of Washington, Department of Financial Institutions, Division of Banks: www.dfi.wa.gov/banks.

11. CODE OF ETHICS, PARTICIPATION OF INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Laird Norton Tyee Asset Strategies has adopted a Code of Ethics (the "Code"). Our Code reflects our expectations of appropriate ethical conduct by our employees. The Code provides guidance and specific standards of conduct for situations where violations, inadvertent or otherwise, could occur in the conduct of business. Employees must avoid situations where their personal interests conflict with the interests of the company or our clients. The Code describes appropriate conduct surrounding gifts, outside employment, fiduciary appointments, political activities and personal investments and trading activities. In addition, the Code prohibits dishonest and fraudulent acts and reaffirms our commitment to client confidentiality. Every employee is required annually to sign a statement acknowledging that he or she agrees to follow the standards set forth in the Code. A copy of our Code of Ethics is available upon request.

Employees of the Company, from time to time, purchase or sell shares for their own accounts of some of the same publicly traded securities which are held in our clients' accounts. Given the

large size of these Companies and the daily trading volume they experience, we do not believe there is a material risk that employees' personal trades placed at or near the time of client trades would in any way be detrimental to our clients. Our policy prohibits insider trading by any of our employees. The Code is designed to provide that the personal securities transactions, activities, and interests of the employees of Laird Norton Tyee Asset Strategies will not interfere with making decisions in the best interest of our advisory clients. At the same time our Code allows employees to invest for their own accounts.

12. BROKERAGE PRACTICES

We have entered into a contract with Charles Schwab & Co. ("Schwab"), a registered broker-dealer, to act as the primary custodian and broker for clients' securities. If clients wish for Schwab to be their custodian, they will sign a separate contract with Schwab. Schwab provides custody and brokerage services, monthly reporting to clients, and daily electronic reporting to us and our clients (via web based access). Each client maintains one or more separate accounts with Schwab for this purpose, and pays Schwab directly for its custody and brokerage services. The amount of Schwab's fee is included in the contract clients sign with Schwab. We believe our selection of Schwab as custodian and broker is in the best interests of our clients because of the scope, quality and price of Schwab's services. Other custodians may be used at the direction of the client, with our consent.

COMPENSATION

Laird Norton Tyee Asset Strategies is independently owned and operated and not affiliated with Schwab. We do not receive any commissions, fees or other monetary compensation from Schwab. Schwab provides us with free software to access client account data, and access to its institutional trading and custody service, which are typically not available to Schwab retail investors. If Laird Norton Tyee Asset Strategies did not receive some of these types of services from Schwab, it would purchase them elsewhere at additional cost. Because of this, a potential conflict of interest exists. However, Laird Norton Tyee Asset Strategies believes that the overall benefit to its clients from the custody relationship with Schwab outweighs any potential conflict, and clients do not pay any higher commissions or other fees than those that would be charged by another broker dealer under similar circumstances. From time to time, Laird Norton Tyee Asset Strategies utilizes other services offered by Schwab or its subsidiaries at discounted rates when we believe to do so will benefit our clients.

Schwab generally does not charge separately for custody of client assets, but it is compensated by clients through an asset-based fee for trades that are executed through Schwab or that settle into Schwab accounts.

BEST EXECUTION

Laird Norton Tyee Asset Strategies has the discretion to select broker-dealers to be used to process trades in client accounts. We exercise this authority when purchasing and selling mutual fund shares for a client and when acting on client direction to sell securities that are not part of the client's assets managed by third-party investment managers. Third-party managers typically determine the broker-dealers to be used to trade securities in the client accounts they manage. Laird Norton Tyee Asset Strategies generally does not invest client assets in mutual funds subject to a sales charge paid to broker-dealers. When we select a broker-dealer we use

Schwab, but we may also direct that securities trades be executed by a broker-dealer other than Schwab. In all cases, we attempt to obtain best execution for trades in client accounts. We believe best execution includes not only price, but also account access, reporting and related services provided by the custodian. Third-party investment managers making trades on behalf of our clients are responsible for obtaining best execution for those trades.

13. REVIEW OF ACCOUNTS

At least once per calendar year, Client Service teams conduct a review of all assets in each managed client portfolio to evaluate whether they are appropriate, individually and collectively, for the client. This process includes a review of whether the investments are consistent with client objectives, risk tolerance and time horizon, along with other administrative matters. Any exceptions noted in the reviews are escalated to the Compliance Department for resolution.

Quarterly performance reports are prepared and reviewed by Client Service teams before they are delivered to our clients. Laird Norton Tyee Asset Strategies encourages regular client meetings to review these performance reports. Clients also receive an annual written report with tax information and account performance. As frequently as deemed appropriate, usually each year, we meet with clients to review their asset allocation strategy. Formal account reviews may occur more frequently, at a client's request or when we are informed of important changes in a client's circumstances.

In addition, clients receive reports directly from Schwab (and any other custodian used for accounts we manage) at least quarterly or more frequently, which include the securities positions held in the account and the transactions during the period. Clients also receive from their custodian additional reports, trade confirmations and tax information such as 1099s and 5498s. It is often possible to receive these reports electronically. Clients invested in hedge funds or other similar investment vehicles are able to receive financial statements directly from the fund.

14. CLIENT REFERRALS AND OTHER COMPENSATION

Laird Norton Tyee Asset Strategies has the ability to compensate certain non-employee individuals for the referral of clients. These individuals are referred to as "solicitors." As of the date of this Brochure, Laird Norton Tyee Asset Strategies does not utilize any solicitors. In the event that we do so in the future, we will have a written contract with the solicitor that specifies the amount of compensation he or she will receive. This compensation would not affect the fees that any client pays to us. Any clients referred to us by a solicitor are provided with a written disclosure with details of the compensation arrangement between the solicitor and Laird Norton Tyee Asset Strategies before they sign a contract with us.

15. CUSTODY

When clients hire us to provide wealth management services we often take custody of their investment assets. This means that we have the ability to trade in a client account at Schwab or another qualified custodian. In addition, clients regularly give us the authority to transfer cash from one account to another for investment in a different fund or with a different manager. Clients may also give us the authority to transfer cash or securities out of an account at their direction.

A qualified custodian, most often Schwab, will send regular statements, at least quarterly, showing the assets held in an account and all the transactions in the account during the statement period. Clients should carefully review these statements to be certain that they understand them and to be sure the assets and transactions reported are what they expect them to be. Laird Norton Tyee Asset Strategies' performance reports and qualified custodian statements may differ based on accounting procedures, reporting dates, valuation methodologies or timing of certain securities transactions.

16. INVESTMENT DISCRETION

Laird Norton Tyee Asset Strategies usually receives discretionary authority from its clients at the outset of an advisory relationship, as confirmed within the signed Investment Advisory Agreement. The Investment Advisory Agreement clients sign with us generally gives us the discretion to invest in one or more accounts, including accounts managed by sub advisers chosen by us. Discretion means that, without having to obtain prior approval, we will execute investment transactions in a portfolio in order to implement the investment policy we have developed with a client. Investment transactions include executing specific purchase, sale or other securities transactions, and establishing specific investment accounts. Investment discretion does not include the ability to obtain possession of the securities in a portfolio other than to process transactions in those securities, including the movement of securities or cash from one portfolio account to another registered in the client's name.

In all cases, such investment discretion is to be exercised in a manner consistent with the stated investment objectives for a portfolio. When selecting securities and determining amounts for investment we are guided by an Investment Policy Statement and other restrictions and requirements clients have provided to us. At all times, clients retain the authority to provide us with direction regarding investments including limitations regarding types of securities and the timing of transactions.

17. VOTING CLIENT SECURITIES

Proxies for securities in client accounts can be voted by the client, by a third party investment management sub adviser or by Laird Norton Tyee Asset Strategies. To that end, we have engaged ISS, a proxy service vendor, to provide proxy voting and recordkeeping services for clients' publicly traded securities over which we have discretionary management responsibility. In accounts where sub advisers manage individual securities, those sub advisers are responsible for voting the proxies.

Through ISS, Laird Norton Tyee Asset Strategies records all votes, maintains all proxy voting-related records and monitors for the timely submissions of all proxies. We review our Proxy Voting Policy on an annual basis.

If clients wish to vote their own proxies, we will work with them and Schwab to arrange for notice to be provided regarding upcoming votes. At any time, clients may contact their Client Service team to direct a vote on an ad-hoc basis. We will use our best efforts to vote the proxy as directed but instructions received too close to the vote or meeting date may not be able to be fulfilled.

Laird Norton Tyee Asset Strategies recognizes that conflicts of interest exist, or may appear to exist, in certain circumstances in the voting of proxies. We believe that such conflicts of interest concerning public companies, whether perceived or real, are significantly diminished through the proxy voting research and execution provided by ISS.

Clients may request information on how we voted specific proxies in their account. In addition, clients may request a copy of our Proxy Voting Policy by contacting their Client Service team.

18. FINANCIAL INFORMATION

Laird Norton Tyee Asset Strategies, and its parent company, obtain annual audited financial statements from a nationally recognized third-party accounting firm. We are fully able at all times to meet our contractual commitments.