

**Item 1 – Cover Page**

**Part 2A of Form ADV  
Brochure for:**

**LYELL WEALTH MANAGEMENT LP**

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**March 8, 2024**

**This Brochure provides information about the qualifications and business practices of Lyell Wealth Management LP (“Lyell” or the “Firm”). If you have any questions about the contents of this Brochure, please contact the Firm at the address listed above. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Lyell is a registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”). Registration of an investment adviser does not imply any certain level of skill or training.**

**Additional information about Lyell is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 – Material Changes**

Item 2 discusses only material changes to the Brochure since the last annual updating amendment on March 27, 2023.

There have been no material changes since the previous filing.

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## Item 4 – Advisory Business

### A. Description of the Advisory Firm

Lyell Wealth Management LP (“Lyell” or the “Firm”) is a Delaware limited partnership formed in March 2016. The principal owners of Lyell are Jeffrey Berry, Kevin Connell, Matt Bennitt and Nancy Tuck.

### B. Types of Advisory Services

Lyell provides investment advisory and management services to: individuals, high net worth individuals (including their IRAs), pension and profit-sharing plans (including 401ks), and charitable organizations (each, a “Client” and collectively Lyell’s “Clients”). Lyell may in the future provide additional services and/or provide services to other types of clients. Client relationships are governed by a written Investment Management Agreement (the “Agreement”) executed by both Lyell and the Client.

Lyell will, at the direction of the Client, engage in financial planning services which incorporates the Client's other assets, including balance sheet, cash flow, tax and insurance analysis. The Firm will advise on Client's assets not managed by the Firm, as well as potential investment situations presented by the Client for the Firm’s review. From time to time, the Firm also makes available to a Client or introduces a Client to other investment firms that provide services beyond the Firm's capabilities and expertise.

Finally, the Firm publishes investment-related newsletters and produces educational seminars and workshops.

### C. Client Tailored Services and Client Imposed Restrictions

Lyell provides investment advisory services in accordance with the investment objectives of the Client. As part of its investment process, the Firm will develop and maintain an “Investment Policy Statement” on behalf of the Client that reflects the current investment objectives, as such may be amended from time to time. Similarly, Clients may provide to the Firm a list of Excluded Assets, which may be amended at any time upon notice to the Firm.

### D. Wrap Fee Programs

Lyell does not currently participate in wrap fee programs.

### E. Amounts Under Management

Lyell manages the assets of the Clients and has the following assets under management:

As of December 31, 2023, the Firm has \$1,094,270,250 of assets under management on a discretionary basis and \$0 on a non-discretionary basis.

## Item 5 – Fees and Compensation

### A. Fee Schedule

The fees and compensation payable to Lyell are negotiable and may vary among its Clients. However, the range of compensation is generally as follows:

Clients will pay Lyell a quarterly asset-based management fee (the “Management Fee”) equal to a percentage of the Client’s assets under management with the Firm (other than Excluded Assets, as defined in each Client’s Agreement). The below schedule sets for the annual fee percentages:

<b>Assets Under Management</b>	<b>Annual Management Fee</b>
On the first \$2 million	1.0%
On the next \$3mm	0.75%
On the next \$5mm	0.50%
Over \$10mm	0.25%

Client expenses, including the Management Fee may constitute a higher percentage of average net assets than could be found in other investment programs.

### B. Payment of Fees

The Management Fee will be charged quarterly in advance, based on the value of each Client’s account on the last day of the prior quarter. If the Client makes additional capital contributions to the account or withdraws asset from the account, the Management Fee will be prorated accordingly for that quarter.

The Management Fee will be calculated by Lyell and, absent any dispute with respect to the calculation, payable as set forth in the Agreement. The Firm will bill the Client for Management Fees by electronically submitting an invoice to the custodian and will notify the Client of such instruction. Lyell will have the Management Fees deducted directly from the Client’s account(s). The Client authorizes the deduction from the Client’s account for any Management Fees due to Lyell.

### C. Third-Party Fees

Clients shall bear: all trading expenses and the costs of operation and administration of their account(s), including but not limited to, all custodial fees, management fees for private funds, mutual funds (including money market funds) and exchange traded funds charged by their investment advisers, mutual fund expenses such as the costs associated with purchases, exchanges and redemptions, accounting, corporate trustee services, brokerage commissions, clearing fees, borrowing charges, interest on margin and other borrowings, and withholding or transfer taxes incurred in connection with the account as well as the operating expenses of the Client, will be borne by the Client, unless otherwise agreed to.

Please see Item 12 of this Brochure for details regarding brokerage arrangements.

D. Prepayment of Fees

Lyell does not require prepayment of fees. If a Client makes additional capital contributions to the account or withdraws asset from the account, the Management Fee may be prorated accordingly for that quarter.

E. Outside Compensation for the Sale of Securities

Neither Lyell nor its supervised persons accepts compensation for the sale of securities or other investment products outside of its association with Lyell.

**The foregoing discussion in Items 5 represents Lyell's basic compensation arrangements. The management fees described above are structured to comply with Rule 205-3 under the Advisers Act and applicable state laws. Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Investor may vary. Although the Firm believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.**

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

Lyell does not charge performance-based fees.

## **Item 7 – Types of Clients**

Lyell provides investment advice and management to: individuals, high net worth individuals (including their IRAs), pension and profit-sharing plans (including 401ks), and charitable organizations. The Firm may in the future provide the same or similar services to other types of clients.

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

A. Methods of Analysis

Lyell's primary methods of analysis are charting, fundamental, technical, cyclical analysis using financial newspapers and magazines; inspection of corporate activities; research materials prepared by others; corporate rating services; annual reports, prospectuses, filings with the SEC; and company press releases.

B. Investment Strategies

Lyell will construct a customized portfolio for each Client account based on the Investment Policy Statement. Assets of the account will primarily be invested in equity and fixed-income securities, including but not limited to, exchange-listed securities, over-the-counter securities, corporate debt securities, foreign issues (which investments may be made through American Depositary Receipts or exchange traded funds), as well as U.S. government and

municipal securities. In addition, Lyell may make investments in other types of securities or transactions that it deems appropriate for the account, including but not limited to, certificates of deposit; domestic and foreign commercial bank accounts; non-dollar-denominated assets held in foreign custodial accounts; fixed income funds and limited partnerships; investment company securities such as mutual fund shares; options; warrants; interests in partnerships, limited liability companies (LLCs) and funds investing in real estate; private investment funds, private equity funds or venture capital investments; and/or precious metals.

C. Risks of Investments and Strategies Utilized

**Investing in securities involves risk of loss that Clients and Investors should be prepared to bear.**

Investment and trading risk factors may include:

**General Investment and Trading Risks.** Clients may invest in securities and other financial instruments using strategies and investment techniques with significant risk characteristics. The investment program utilizes such investment techniques as option transactions, margin transactions, short sales, forwards, leverage and derivatives trading, the use of which can, in certain circumstances, maximize the adverse impact to which a client may be subject.

**Common Stocks and Equity-Related Securities.** Prices of common stock react to the economic condition company that issued the security, industry and market conditions, and other factors and may fluctuate widely. Investments related to the value of stocks may rise and fall based on an issuer's actual and anticipated earnings, changes in management, the potential for takeovers and acquisitions, and other economic factors. Similarly, the value of other equity-related securities, including preferred stock, warrants and options may also vary widely.

**Small- and Mid-Cap Risks.** Securities of small-cap issuers may present greater risks than those of large-cap issuers. For example, some small- and mid-cap issuers often have limited product lines, markets, or financial resources. They may be subject to high volatility in revenues, expenses and earnings. Their securities may be thinly traded, may be followed by fewer investment research analysts and may be subject to wider price swings and thus may create a greater chance of loss than when investing in securities of larger-cap issuers. The market prices of securities of small- and mid-cap issuers generally are more sensitive to changes in earnings expectations, to corporate developments and to market rumors than are the market prices of large-cap issuers.

**Risks Associated with Investments in Distressed Securities.** A client may invest in "below investment grade" securities and obligations of domestic and non-U.S. issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These securities are likely to be particularly risky investments although they also may offer

the potential for correspondingly high returns. Some of these securities may not be publicly traded, and it therefore may be difficult to obtain information as to the true condition of such issuers. Additionally, in certain periods, there may be little or no liquidity in markets for these securities. Such investments also may be affected adversely by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies.

**Investing in High Yield Securities.** High-yield securities are generally not exchange traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments.

**Commodities and Derivative Investments.** The prices of commodities contracts and derivative instruments, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of commodities, futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of futures, options and swap agreements also depends upon the price of the commodities underlying them. In addition, client assets are also subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties.

**Exchange Traded Funds.** Exchange-traded funds ("ETFs") are a type of index fund bought and sold on a securities exchange. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile and ETFs have management fees that increase their costs. ETFs are also subject to other risks, including: (i) the risk that their prices may not correlate perfectly with changes in the underlying index; and (ii) the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable.

**Investments in Private Funds.** If a client invests in private funds, the client is subject to the risks of the underlying funds' investments and subject to the underlying funds' expenses. There can be no assurance that the other funds will achieve their objectives or avoid substantial losses.

**PIPES and Other Restricted Securities.** In a Private investments in public equity ("PIPE") transaction, the client typically purchases unregistered equity securities of a class of securities that is publicly traded and receives registration rights with respect to the



unregistered securities that it purchases. The securities are not publicly tradable when the client purchases them, however, and they may never become publicly tradable. Restricted securities generally are difficult or impossible to sell at prices comparable to the market prices of similar securities that are publicly traded. It is highly speculative as to whether and when an issuer will be able to register its securities so that they become eligible for trading in public markets.

**Futures, Commodities, and Derivative Investments.** The prices of commodities contracts and derivative instruments, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of commodities, futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of futures, options and swap agreements also depends upon the price of the commodities underlying them. In addition, client assets are also subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties.

**Use of Leverage and Financing.** A client may pledge its securities in order to borrow additional funds for investment or consumption purposes. Any event which adversely affects the value of an investment by the client would be magnified to the extent the client is leveraged. The cumulative effect of the use of leverage by a client in a market that moves adversely to the client's investments could result in a substantial loss that would be greater than if the client were not leveraged.

**Hedging Transactions.** While a client may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the client than if it had not engaged in any such hedging transactions. For a variety of reasons, Lyell may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent a client from achieving the intended hedge or expose the client to risk of loss.

**Derivatives and Hedging.** Derivatives are financial instruments or arrangements in which the risk and return are related to changes in the value of other assets, reference rates or indices. A client's ability to profit or avoid risk through investment or trading in derivatives will depend on Lyell's ability to anticipate changes in the underlying assets, reference rates or indices.

**Short Selling.** Short selling involves selling securities which are not owned and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the client of buying those securities to cover the short position. There can be no assurance that the

securities necessary to cover a short position are available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

**Forward Trading.** Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. Disruptions can occur in any market due to unusually high trading volume, political intervention or other factors. Market illiquidity or disruption could result in major losses.

**Limited Diversification.** Investments may be primarily focused geographically in North American countries. Furthermore, broad diversification of investments in number or by industry or geography is not a primary investment of Lyell. This limited diversity could expose clients to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those investments.

**Non-U.S. Securities.** Investments in securities of non-U.S. issuers pose a range of potential risks which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, political or social instability, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding securities of non-U.S. issuers, and non-U.S. issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. issuers.

**Emerging Markets.** In addition to the risks associated with investments outside of the United States, investments in emerging markets (i.e., the developing countries) may involve additional risks. Emerging markets generally are not as efficient as those in developed countries. In some cases, a market for the security may not exist locally, and transactions will need to be made on a neighboring exchange. Volume and liquidity levels in emerging markets are lower than in developed countries. When seeking to sell emerging market securities, little or no market may exist for the securities. In addition, issuers based in emerging markets are not generally subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in developed countries, thereby potentially increasing the risk of fraud or other deceptive practices.

**Illiquid Investments.** Certain Client securities and other assets in the portfolio may be subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable, and a client may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale.

**Counterparty Risk.** Transactions may be affected in “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and

regulatory oversight as are members of “exchange-based” markets. This exposes clients to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing clients to suffer a loss.

**Residential Mortgage-Backed Securities.** The loans underlying residential mortgage-backed securities (“RMBS”) have had in many cases higher default rates than those loans that meet government underwriting requirements. RMBS may be backed by subprime mortgage loans. Due to the higher delinquency rates and losses associated with subprime mortgage loans, the performance of an RMBS could be correspondingly adversely affected.

**Asset-Backed Securities.** The underlying assets and loans for asset-backed securities (“ABS”), those that are backed by consumer debt, are subject to prepayments that shorten the securities’ weighted average life and may lower their returns. If the credit support or enhancement is exhausted, losses or delays in payment may result if the required payments of principal and interest are not made. The value of these securities also may change because of changes in the market’s perception of the creditworthiness of the servicing agent for the pool, the originator of the pool, or the financial institution providing the credit support or enhancement.

**Commercial Mortgage-Backed Securities.** Commercial Mortgage-Backed Securities (“CMBS”) issued or guaranteed by the U.S. Government, its agencies or instrumentalities, or private issuers such as banks, insurance companies, and savings and loans are often subject to more rapid repayment than their stated maturity dates would indicate as a result of principal prepayments on the underlying loans. This can result in significantly greater price and yield volatility than with traditional fixed-income securities. During periods of declining interest rates, prepayments can be expected to accelerate which will shorten these securities’ weighted average life and may lower their return. Conversely, in a rising interest rate environment, a declining prepayment rate will extend the weighted average life of these securities which generally would cause their values to fluctuate more widely in response to changes in interest rates.

More information about the Clients’ investments and the associated risk factors is available in the Governing Documents.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of every risk involved in an investment with Lyell. Prospective Investors and Clients should read the entire Brochure as well the Governing Documents, Agreement other materials that may be provided by Lyell and consult with their own advisers prior to engaging Lyell’s services.**

## **Item 9 – Disciplinary Information**

Lyell and its management persons have not been a party to any legal or disciplinary events that would be material to a client's or prospective client's evaluation of its investment advisory business or the integrity of its management.

## **Item 10 – Other Financial Industry Activities and Affiliations**

### **A. Registration as a Broker-Dealer or Broker-Dealer Representative**

Neither Lyell nor its management persons are registered as a broker-dealer or broker-dealer representative.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Adviser**

Neither Lyell nor its management persons are registered as futures commission merchant, commodity pool operator, or a commodity trading adviser.

### **C. Relationships Material to this Advisory Business and Possible Conflicts of Interest**

There are no other relationships or arrangements that are material to this advisory business.

### **D. Selection of Other Advisors or Managers**

Lyell may select other advisors or third-party managers for Clients based upon their investment objectives, guidelines and/or restrictions. These arrangements may include, without limitation:

- Investment advice or management provided through a sub-advisory agreement;
- Recommendations or referrals to other advisors or managers; and/or
- Review or selection of private investment funds.

Typically, fees of other advisors or managers will be in addition to Lyell's Management Fee and any expenses relating to a Client's account with Lyell. See Item 5.C, above for information regarding third-party expenses.

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

### **A. Code of Ethics**

Lyell has adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The Code governs the activities of each member, officer, director and employee of Lyell (collectively, "Employees"). Lyell holds its Employees to a high standard of integrity and business practices that reflects its fiduciary duty to the Client. In serving its Client, Lyell strives to avoid conflicts of interest or the appearance of conflicts of interest in connection with the personal trading activities of its

Employees and Client securities transactions. When persons covered by the Code engage in personal securities transactions, they must adhere to the following general principles as well as to the Code's specific provisions: (a) at all times the interests of Client must be paramount; (b) personal transactions must be conducted consistent with the Code in manner that avoids any actual or potential conflict of interest; and (c) no inappropriate advantage should be taken of any position of trust and responsibility. Employees covered by the Code have certain trading restrictions and reporting obligations of their personal securities transactions. Each Employee is provided with a copy of the Code and must annually certify that they have received it and have complied with its provisions. In addition, any Employee who becomes aware of any potential violation of the Code is obligated to report the potential violation to the Chief Compliance Officer.

Lyell will provide a copy of its Code of Ethics to Clients and prospective Clients upon request. Such a request may be made by submitting a written request to the Firm at the address on the cover page to this Brochure.

**B. Recommendations Involving Material Financial Interests**

Neither Lyell nor its related persons recommends to Clients, or buys or sells for Client accounts, securities in which the Firm or a related person has a material financial interest.

**C. Investing Personal Money in the Same Securities as Clients**

Lyell's policies and procedures prohibit its Employees and related persons from trading ahead of Clients in the same instruments that Lyell buys or sells for Client accounts. However, there may be circumstances in which the Firm, its Employees and/or related persons have holdings in the same instruments that the Firm buys or sells for Client accounts, and it or they may own securities, or options on securities, of issuers whose securities are subsequently bought for Client accounts because of Lyell's recommendations regarding a particular security. Lyell's policy as to such transactions is that neither Lyell nor any of its Employees or related persons are to benefit from price movements that may be caused by transactions for Client accounts or otherwise Lyell addresses this conflict by requiring Employees to sign and adhere to Lyell's Code of Ethics and to report personal securities holdings and transactions to Lyell.

**D. Trading Securities At/Around the Same Time as Clients' Securities**

As discussed above, from time to time, Lyell, its Employees, or related persons of Lyell may buy or sell securities for themselves that Lyell also recommends to the Client. The Firm will always document any transactions that could be construed as conflicts of interest and will always transact Client business before the business of its Employees and/or related persons when similar securities are being bought or sold.

## Item 12 – Brokerage Practices

### A. Factors Used to Select or Recommending Broker-Dealers

Lyell will always have discretion as to the placement of brokerage (and accordingly, the commission rates paid). In selecting brokers to effect portfolio transactions, Lyell considers such factors as price, quality of execution, expertise in particular markets, the ability of the brokers to effect the transactions, the brokers' facilities, reliability, reputation, experience, financial responsibility in particular markets, familiarity both with investment practices generally and techniques employed by clients and certain brokerage or research services ("soft dollar items") provided by such brokers and clearing and settlement capabilities. The Firm is subject at all times to principles of best execution, in accordance with the Firm's policies and procedures. In selecting broker/dealers to execute transactions, the Lyell need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. The Firm believes that the broker-dealers that it recommends provide competitive transaction and custody costs, helping clients to eliminate or control costs and optimize the custodial structure to the benefit of account holders. When possible, the Firm seeks to pre-negotiate preferred terms for its clients providing clients with the benefits associated with the economy of scale and custodial knowledge of the Firm.

Certain brokers utilized by Lyell may provide general assistance to Lyell, including, but not limited to technical support, consulting services, and consulting services related to staffing needs. In selecting a broker, the Firm may consider the broker's general assistance and consulting services. To the extent the Firm would otherwise be obligated to pay for such assistance, it has a conflict of interest in considering those services when selecting a broker.

#### 1. Research and Other Soft Dollar Benefits

Lyell currently does not anticipate receiving research or other products or service other than execution from a broker-dealer or third-party in connection with Client securities transactions ("soft dollar benefits"). However, in the future, the Firm shall have the right if, in good faith, it considers it to be in the best interest of the Client and consistent with the Firm's obligations to do so, to enter into "soft dollar" arrangements with one or more broker-dealers. All "soft dollar" arrangements will fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act, as that safe harbor is currently interpreted by the Securities and Exchange Commission. If in the future the Firm obtains "soft-dollar" benefits, this Brochure will be appropriately amended.

#### 2. Brokerage for Client Referrals

Lyell does not consider, in selecting or recommending broker-dealers, client referrals from a broker-dealer. The Firm may receive referrals in the future and if it does it will appropriately amend this Brochure.

#### 3. Directed Brokerage

Lyell does not accept directed brokerage arrangements. Securities transactions are executed by brokers selected by the Firm in its discretion and without the consent of the Clients.

**B. Aggregating Trading for Multiple Client Accounts**

Lyell may (but is not required to) combine orders on behalf of one Client account with orders for other Client accounts for which it or its principals have trading authority, or in which it or its principals have an economic interest. When it does, Lyell will generally allocate the securities or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants. Lyell believes combining orders in this way will, over time, be advantageous to all participants. However, the average price could be less advantageous to a Client than if that Client had been the only account effecting the transaction or had completed its transaction before the other participants. Because of the Firm's relationship to the Clients it manages by virtue of its position as an investment manager, there may be circumstances in which transactions for those entities may not, under certain laws, regulations and internal policies, be combined with those of some of the Firm's and its affiliates' other Clients, which may result in less advantageous execution for those Clients.

Lyell may place orders for the same security for different Clients at different times and in different relative amounts due to differences in investment objectives, cash availability, size of order and practicability of participating in "block" transactions. The level of participation by different Clients in the same security may also be dependent upon other factors relating to the suitability of the security for the particular Client.

In addition, the Firm and/or its related persons or Clients may buy or sell specific securities for its or their own account that are not deemed appropriate for Client accounts at the time, based on personal investment considerations that differ from the considerations on which decisions as to investments in client accounts are made. Where execution opportunities for a particular security are limited, the Firm attempts in good faith to allocate such opportunities among Clients in a manner that, over time, is equitable to all clients.

### **Item 13 – Review of Accounts**

**A. Frequency and Nature of Periodic Review and Who Makes Those Reviews**

Lyell reviews positions in Client accounts on a continuous basis and will notify the Client promptly of any errors or any trade which it believes was not executed in accordance with its instructions which cannot be promptly resolved. The portfolio manager assigned to the particular Client conducts these reviews, including at least one Managing Director. The Chief Compliance Officer conducts review and testing in accordance with the Firm's policies and procedures.

**B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may take place more frequently if triggered by economic, market, or political conditions.

C. Content and Frequency of Regular Reports

Lyell will furnish each Client with written quarterly reports, which shall include: (i) a summary of all transactions that occurred during the quarter, including deposits and withdrawals; (ii) a summary of all assets held in the account, including cost and current market value; (iii) a presentation of the account asset allocation; and (iv) a computation of the account's investment return for the quarter and since inception. Clients may elect to receive such reports and other communications electronically by executing the consent form attached to the Agreement.

**Item 14 – Client Referrals and Other Compensation**

A. Economic Benefits Provided by Third Parties

Lyell does not receive any economic benefit, directly or indirectly from any third party for advice rendered to the Client.

B. Compensation to Non-Advisory Personnel for Client Referrals

Currently, neither Lyell nor its related persons directly or indirectly compensate any person who is not advisory personnel for Client referrals. If in the future the Firm enters into such arrangements, this Brochure will be appropriately amended.

**Item 15 – Custody**

Lyell does not take custody of Client assets. Client assets are held at a qualified custodian. Upon opening an account with a qualified custodian on a Client's behalf, the Firm promptly notifies the Client in writing of the qualified custodian's contact information. Clients receive at least quarterly account statements directly from their custodians, listing account balance(s), transaction history and any fee debits or other fees taken out of the account. Clients are encouraged to compare the account statements received from the qualified custodian to the quarterly reports sent by the Firm.

Lyell offers certain services to its Clients that are considered to be taking custody indirectly. Lyell has standing letters of authorization ("SLOAs") to conduct the following, but not limited to:

- Signing on client's behalf for wire transfers;
- Initiating transfers of client assets for activities such as transfers of funds within client accounts;
- Initiating tax payments for clients;
- Making other payments, including accounting and legal expenses, for clients.



For such activities, Lyell is subject to the Custody Rule and is required by the rule to enter into a written agreement with an independent public accountant to examine those assets on a surprise basis every year, among other things. However, in accordance to the SEC, advisers need not conduct a surprise examination under the following circumstances:

1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
2. The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
4. The client has the ability to terminate or change the instruction to the client's qualified custodian.
5. The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
6. The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Lyell has established procedures to comply with the requirements above; thus, it does not currently engage an independent public accountant to conduct a surprise examination. If in the future the Firm does not meet the requirements as set forth above, this Brochure will be appropriately amended.

### **Item 16 – Investment Discretion**

Clients are managed on a fully discretionary basis to invest and trade the assets in a broad range of investments, to be selected at Lyell's sole discretion, with no specific limitations as to type, amount, concentration, or leverage. Further, Lyell may enter into any type of investment transaction and employ any investment methodology or strategy it deems appropriate to achieve a particular Client's investment objectives. Pursuant to the Agreement between each Client and the Firm, the Client designates the Firm as its attorney-in-fact to execute, certify, acknowledge, file, record and swear to all instruments, agreements and documents necessary or advisable to carrying out its investment activities. The Firm generally does not accept Client restrictions on its discretionary authority to act on Clients' behalf.

### **Item 17 – Voting Client Securities**

The Agreement authorizes Lyell to vote proxies on behalf of Clients. Lyell has adopted proxy voting policies and procedures in accordance with Rule 206(4)-6 of the Investment Advisers Act of 1940, as amended. The policies require the Firm to vote proxies received in a manner consistent with the best interests of the Client.

The policies also require Lyell to vote proxies in a prudent and diligent manner intended to enhance the economic value of the assets of the Clients. However, the policies permit the Firm to abstain from voting proxies in the event that the Clients' economic interest in the matter being voted upon is limited relative to the Clients' overall portfolio or the impact of the Clients' vote will not have an effect on its outcome or on the Clients' economic interests.

Although many proxy proposals can be voted in accordance with Lyell's proxy voting guidelines, some proposals will require special consideration, and Lyell will make a decision on a case-by-case basis in these situations, including proposals to: eliminate director mandatory retirement policies; rotate annual meeting locations and dates; grant options and stock to management and directors; and indemnify directors and/or officers.

Where a proxy proposal raises a material conflict between Lyell's interests and the interests of the Clients, the Firm will seek to resolve the conflict in the best interest of the Clients.

Clients may obtain a copy of Lyell's complete proxy voting policies and procedures upon request. Clients may also obtain information from the Firm about how the Firm voted any proxies on behalf of their account(s).

### **Item 18 – Financial Information**

Lyell has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy petition.

A. Balance Sheet

Lyell does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this Brochure.

B. Financial Condition

Lyell has discretionary authority over the Client's assets. At this time, neither the Firm nor its management persons have any financial conditions that are likely to reasonably impair its ability to meet contractual commitments to Clients.

C. Bankruptcy Petitions in Previous Years

Lyell has not been the subject of a bankruptcy petition in the last ten years.

**Item 19 – Requirements for State-Registered Advisers**

Not applicable.