

## Form ADV Part 3: Customer Relationship Summary – June 24, 2020

Lyrical Asset Management LP is registered as an investment adviser with the Securities and Exchange Commission. Investment advisers and broker-dealers offer different services under differing compensation structures and it is important for you to understand the differences between them. Educational materials about broker-dealers, investment advisers, and investing in general are available, along with free and simple tools to research firms and financial professionals, at [www.investor.gov/CRS](http://www.investor.gov/CRS).

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

We offer investment advisory services to retail investors through our discretionary management of separately managed accounts and commingled funds. Investments are limited to publicly-traded equity securities and cash equivalents. In our U.S. Value Equity strategies, we invest in U.S. listed equity securities. In our International Value Equity strategy, we invest in non-U.S. developed markets listed equity securities. In our Global Value Equity strategy, we invest in U.S. listed and other developed markets listed equity securities. Our discretionary authority enables us to make all investment decisions for these accounts. We also participate in model delivery programs under which we provide a model portfolio to the sponsors of those programs and we do not exercise discretion over accounts. We do not offer financial planning and we do not typically customize our services to particular clients' circumstances. We impose minimum investment amounts to access our services. Account minimums are negotiable.

**Monitoring:** As part of our standard services, accounts are reviewed daily by our Director – Operations & Trading under the guidance of the respective portfolio managers for each strategy.

Additional information about the services we offer can be found under Item 4 of our Form ADV Part 2A Brochure.

### Conversation Starters

- *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 fees will I pay?

**Principal Fees and Costs.** We charge quarterly asset-based fees and, for some clients, annual performance-based fees where performance is measured relative to an appropriate index.

To the extent Lyrical charges a client solely asset-based fees, we do not believe that investors are subject to a risk that Lyrical will favor accounts on the basis of fee choice because Lyrical allocates investments in publicly-traded equities in relative proportions based on factors other than fee choice.

The more assets there are in your account, the more you will pay in fees, and we therefore have an incentive to encourage you to increase the assets in your account.

**Other Fees and Costs:** You will be subject to fees and costs charged by others, including brokerage and custody fees. Investors in commingled accounts are also subject to audit, legal and administrative fees, and other fund-related expenses. 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.

Additional information about the fees we charge can be found under Item 5 of our Form ADV Part 2A Brochure.

### Conversation Starter

- *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?*

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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?

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When we act as your investment adviser, 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. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here is an example to help you understand what this means.

While we seek to mitigate this risk, the fact that we manage various portfolios for many clients means that only a portion of our efforts can specifically relate to your account.

Additional information about potential conflicts of interest can be found under Items 10 and 12 of our Form ADV Part 2A Brochure.

### Conversation Starter

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

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How do your financial professionals make money?

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Our financial professionals are compensated through cash payments and non-cash benefits and, in the case of our Managing Partners, their ownership interests. Compensation is a function of individual contribution to firm performance which depends on the amount of assets we manage and our investment performance. While we seek to align our interests with those of our investors, there is a conflict of interest in that we are paid more as the assets we manage increase, whereas our managing a greater amount of assets reduces the speed with which we can enter and exit investments.

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

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No. A free and simple search tool is available to help research financial professionals, including us, at [www.investor.gov/CRS](http://www.investor.gov/CRS).

### Conversation Starters

- *As a financial professional, do you have any disciplinary history?*
- *Who is my primary contact person?*
- *Is he or she a representative of an investment advisor or broker-dealer?*
- *Who can I talk to if I have concerns about how this person is treating me?*

Additional information about us and the services we provide can be found in our Form ADV Part 2A Brochure, available for free online by searching our firm's name or CRD number (148267) at: [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov) or by contacting us at:



**Form ADV**

**Part 2A Brochure**

**March 30, 2022**

**Lyrical Asset Management LP**

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**Lyricalam.com**

This brochure provides information about the qualifications and business practices of Lyrical Asset Management LP (Lyrical, we or us). If you have any questions about the contents of this brochure, please contact us at (212) 415-6600 or [ir@lyricalpartners.com](mailto:ir@lyricalpartners.com). 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.

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

Our registration as an investment adviser does not imply a certain level of skill or training.

## **Item 2 - Material Changes**

We last revised our brochure on Part II of Form ADV on October 12, 2021.

In Item 4 we reflect our updated assets under management.

In Item 8 we include a force majeure risk factor.

Other changes are immaterial.

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#### **Item 4 – Advisory Business**

Lyrical is a Delaware limited partnership founded in 2008 by Andrew Wellington and Jeffrey Keswin who are the principal and only owners of Lyrical. Lyrical is the investment adviser/manager for separately managed accounts, and the following commingled funds (the Funds and, together with the separately managed accounts, the Accounts): Lyrical U.S. Value Equity Fund (ticker: LYRIX), Lyrical Value Funds (Lux), Lyrical Long-Only Partners LP (Long-Only LP), Lyrical Long-Only Partners II LP, Lyrical International Value Equity Fund (ticker: LYRWX) and U.S. Value ETF (ticker: USVT)(the ETF).

As of March 29, 2022, Lyrical managed \$8,081 million on a discretionary basis with an additional \$710 million of assets under model portfolio delivery programs.

Lyrical directs and manages the investment and reinvestment of the Accounts' assets and provides reports to investors. Investments are limited to publicly-traded equity securities and cash equivalents. In our U.S. Value Equity strategies, we invest in U.S. listed equity securities. In our International Value Equity strategy, we invest in non-U.S. developed markets listed equity securities. In our Global Value Equity strategy and Global Impact Value Equity Strategy (GIVES), we invest in U.S. listed and other developed markets listed equity securities. Separately managed account clients may impose restrictions on investing in certain securities or types of securities; investors in the Funds may not impose such restrictions.

We participate in model delivery programs under which we provide a model portfolio to the sponsors of those programs and we do not exercise discretion over accounts. Except where we are able to control and monitor the timing of trades, we update these model portfolios only after completion of trading for our discretionary accounts.

#### **Item 5 – Fees and Compensation**

Our standard fee structure for our generally equally weighted portfolios (EQ Portfolios) consists of an asset-based fee and a performance-based fee, each detailed below.

We manage market capitalization scaled portfolios (CS Portfolios) for which our standard fee structure consists of an asset-based fee, detailed below, and no performance-based fee.

We offer International Value Equity strategy, Global Value Equity strategy and GIVES separately managed accounts. We charge a standard quarterly asset-based fee with respect to these accounts; for International Value Equity and Global Value equity, that fee equals  $\frac{1}{4}$  of 0.75% per annum of the value of each account, and for GIVES that fee equals  $\frac{1}{4}$  of 0.90% per annum of the value of each account.

LYRIX pays Lyrical a fee of 0.85% per annum and LYRIX's total expenses are capped at 1.05% per annum for its institutional class, plus an additional 0.25% per annum distribution fee payable with respect to its investor class. LYRWX pays Lyrical a fee of 0.85% per annum and LYRWX's total expenses are capped at 1.05% per annum for its institutional class, plus an additional 0.25% per annum distribution fee payable with respect to its investor class.

The ETF pays Lyrical a fee of 0.45% per annum and the ETF's total expenses are capped at 0.49% per annum.

### Asset-Based Fee

We charge a standard quarterly asset-based fee with respect to EQ Portfolios, including Long-Only LP, equal to  $\frac{1}{4}$  of 0.75% of the value of each account.

We charge a standard quarterly asset-based fee with respect to CS Portfolios equal to  $\frac{1}{4}$  of 0.75% per annum of the value of each account.

Asset-based fees generally are charged in advance. Upon termination of an account we return to the client any amount paid for the balance of the quarter in which the termination occurs, on a pro rata basis. We also charge a prorated asset-based fee on contributions made following the beginning of a quarter.

### Performance-Based Fee

We charge a standard performance-based fee with respect to EQ Portfolios, including Long-Only LP, equal to 20% of the amount by which the value of each account as of December 31 of each year exceeds the amount the account would be worth if it instead were invested in the S&P500® Index (with dividends reinvested) since the last time a performance-based fee was paid. Separate account clients may select another appropriate index, such as the S&P 500® Value Index, to be used for the purpose of determining performance-based fees.

Certain CS Portfolio, International Value Equity, Global Equity and GIVES accounts are charged a performance-based fee in exchange for a lower asset-based fee.

Clients are billed quarterly for asset-based fees and annually for any performance-based fee or allocation. Each client's custodian remits payment to us, at the client's direction. Fees are negotiable.

Investors in the Accounts will bear not only Lyrical's fees, but also other fees and expenses of the Accounts such as brokerage commissions and any custody fees. Item 12 below discusses brokerage practices. In addition, investors in the Funds bear audit, legal and administrative fees, and other fund related expenses.

Lyrical's investment management agreements with its clients generally provide that the client will indemnify, and not hold liable, Lyrical and its affiliates for certain expenses, losses and claims that may arise in connection with the performance of its duties (including management of the client's investments and execution of investment trades), provided that such persons' conduct has not breached the applicable standards of conduct (i.e., the relevant actions were, in general, taken in good faith and did not involve willful misconduct, gross negligence, a violation of federal or state securities laws or criminal wrongdoing). In the opinion of the SEC, an agreement to waive or indemnify against certain liabilities under the federal securities laws may be against public policy and therefore may be unenforceable.

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

Lyrical charges performance-based fees to certain of its funds and other clients. To the extent Lyrical charges a client solely asset-based fees, we do not believe that investors are subject to a risk that Lyrical will favor accounts on the basis of fee choice because Lyrical allocates investments in publicly traded equities in relative proportions based on factors other than fee class.

## **Item 7 – Types of Clients**

We provide advisory services to high-net-worth individuals, institutional investors, investment companies and UCITS funds. We impose a minimum investment of \$2.5 million to invest in Long-Only LP or to open a CS, International, Global or GIVES account. Lyrical Long-Only II LP was established for a group of investors and is not open to other investors. These account minimums are negotiable. Note also that LYRIX and LYRWX each impose a lower minimum of \$100,000 for their institutional class and \$2,500 for their investor class. There is no minimum investment in the ETF and the ETF is broadly available for purchase through securities accounts.

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

We employ a value approach to investing. We believe that a portfolio of companies with low valuations relative to their long-term normalized earnings power will outperform the overall market over time. Furthermore, unlike some traditional value investors who are willing to own any business at the right price, our philosophy is to invest only in businesses that we believe are of high quality (except that the ETF is based solely on value).

For our U.S. Value equity strategies (other than the ETF, discussed below), we start with a universe of the top 1,000 stocks traded in the U.S. (roughly \$5.0 billion market cap); for our International Value Equity strategy we start with a universe of the top 1,500 stocks traded in developed, non-U.S. markets (roughly \$2.0 billion market cap). Our Global Value Equity strategy uses both universes. We then use a proprietary screen to generate investment candidates. The screen can trace its origins back to 1996 and has been implemented in its current form since 2001. The screen estimates a fair price for each stock in the universe applying a normalized multiple to an estimate of five year forward normalized earnings, calculated by taking the historical earnings trend line of a company and consensus estimates for future earnings and statistically extrapolating forward five years. The screen is run monthly, and sometimes more often if stock prices are changing rapidly. All data for the screen are downloaded from FactSet. While the screen is subject to various errors and biases, we believe it is a proven, systematic approach to identify potential investment ideas.

Following the initial screen, each portfolio candidate/stock idea goes through an extensive fundamental research process. The research process has two objectives. The first is to develop an in-depth understanding of the business, including: drivers of growth and profitability, position relative to competitors and competitive advantages, position and leverage with customers and suppliers, historical and potential business threats and opportunities, and management style, objectives, and incentives. This process includes financial statement analysis, study of competitors, customers and suppliers, discussions with company management, review of past



earnings calls and investor presentations, and some use of sell-side research. The second research objective is to understand the investment controversy surrounding the stock, i.e. the reason why the stock is currently valued as it is. We are looking to determine if the factors depressing the value of the stock are temporary or permanent. We seek to make that determination by applying our in-depth understanding of the business and, as necessary, performing additional analysis specific to each investment controversy.

At the conclusion of our research/due diligence, investment ideas that are deemed attractive are considered for inclusion in the portfolio. These are companies where we believe the investment controversy to be temporary, where the underlying business has sufficient quality and durability, and where the discount in the stock price is large enough to compensate for the risks of the investment.

For GIVES accounts we additionally pursue a sustainable investment objective, investing in companies whose core business, in our opinion, aims to generate social and/or environmental change alongside a financial return. This means that we only invest in companies that have a clearly stated and significant commitment and contribution to at least one of the United Nations Principles for Responsible Investment sustainability goals. We determine a company's qualification on this basis by reviewing publicly available information and information we request of each company.

The ETF selects the cheapest quintile (200 stocks) from the top 1,000 stocks traded in the U.S. based on one year forward price-earnings ratios, applying equal weights and rebalancing quarterly.

### Risk Factors

We do not attempt to time the markets or focus on weightings relative to any index. Accordingly, client returns are expected, at certain times, to significantly diverge from those of market indices.

Investing in securities involves a risk of loss that investors must be prepared to bear. Because the Accounts invest primarily in publicly-traded equity securities, Lyrical believes their primary risk of loss is associated with securities selection and broad market movements, and wide and sudden fluctuations in market value can occur.

Equity holdings of the International Value Equity strategy and the non-U.S. equity holdings of the Global Value Equity strategy and GIVES involve risks and considerations not typically associated with investing in U.S. companies. The performance of foreign markets does not necessarily track U.S. markets. Foreign investments may be affected favorably or unfavorably by changes in currency rates and exchange control regulations. There may be less publicly available information about a foreign company than about a U.S. company, and foreign companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those applicable to U.S. companies. Foreign securities often trade with less frequency and volume than domestic securities and therefore may exhibit less liquidity and greater price volatility than securities of U.S. companies. There may be less governmental supervision of securities markets, brokers and issuers of securities than in the U.S. Changes in foreign exchange rates will affect the value of those securities, which are denominated or quoted in currencies other than the U.S. dollar.

Therefore, for foreign securities which are denominated or quoted in currencies other than the U.S. dollar, there is a risk that the value of such security will decrease due to changes in the relative value of the U.S. dollar and the securities' underlying foreign currency. Additional costs associated with an investment in foreign securities may include higher custodial fees than those applicable to domestic custodial arrangements, generally higher commission rates on foreign portfolio transactions, and transaction costs of foreign currency conversions. Investments in foreign securities may also be subject to other risks different from those affecting U.S. investments, including local political or economic developments, expropriation or nationalization of assets, restrictions on foreign investment and repatriation of capital, imposition of withholding taxes on dividend or interest payments, currency blockage (which would prevent cash from being brought back to the U.S.), limits on proxy voting and difficulty in enforcing legal rights outside the U.S. Currency exchange rates and regulations may cause fluctuation in the value of foreign securities. In addition, foreign securities and dividends and interest payable on those securities may be subject to foreign taxes, including taxes withheld from payments on those securities.

While we believe the sustainability objective we pursue for GIVES accounts is consistent with achieving our objectives for performance and risk, GIVES accounts are necessarily more concentrated than our Global Value Equity strategy accounts. As well, by pursuing GIVES's sustainability objective clients will not gain exposure to certain companies that might offer better investment returns.

The ETF is a passive strategy, meaning that it is driven by its stated methodology and does not incorporate the fundamental analysis we employ for our other U.S. Value equity strategies.

*Force Majeure.* Lyrical and its clients may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including a portfolio company or service provider) to perform its obligations until it is able to remedy the force majeure event. These risks could, among other effects, adversely impact the cash flows available from a portfolio investment, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost to a portfolio company or a client of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure can have a permanently adverse effect on a portfolio company. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which we invest.

## **Item 9 – Disciplinary Information**

Lyrical and Lyrical's employees have not been involved in any legal or disciplinary events in the past ten years (and, to the best of our knowledge and belief, in years preceding that ten-year

period) that would be material to a client's evaluation of our advisory business or the integrity of our management.

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

Lyrical has a material business relationship with Lyrical Partners, L.P. (Lyrical Partners). Lyrical Partners manages investment funds including funds of funds and a private equity fund. Lyrical and Lyrical Partners have overlapping, but not identical, ownership. Lyrical Partners provides Lyrical offices, computers, telecommunications, and other facilities necessary to operate Lyrical's business, and Lyrical Partners' staff provides Lyrical general business, marketing, administrative and compliance services. Lyrical Partners allocates certain costs to Lyrical, which are borne by Lyrical and not by the Accounts.

We do not believe that our relationship with Lyrical Partners causes a conflict of interest with our clients because the respective investment processes of Lyrical and Lyrical Partners are separate.

Lyrical-Antheus Management, LP (Antheus), which provides investment management services with respect to real estate related investments, is deemed commonly controlled with us, given Mr. Keswin's ownership interest in that firm. We do not believe that such common ownership causes a conflict of interest with our clients because Antheus operates out of separate offices, with separate operating staff and operations from us.

Lytical Ventures LLC (Lytical), which provides investment management services with respect to venture capital investments, is deemed commonly controlled with us, given Mr. Keswin's ownership interest in that firm. We do not believe that such common ownership causes a conflict of interest with our clients because the respective investment processes of Lyrical and Lytical are separate.

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

To avoid potential conflicts of interest involving personal trades, Lyrical has adopted a Code of Ethics (Code). The core principles set forth in the Code are:

- We must at all times place the interests of our Accounts first.
- All personal securities transactions must be conducted in a manner consistent with the Code and avoid any actual or potential conflicts of interest or any abuse of an employee's position of trust and responsibility.
- Employees must not take any inappropriate advantage of their positions at the firm.
- Information concerning the identity of securities and financial circumstances of the Accounts and their investors must be kept confidential.
- Independence in the investment decision-making process must be maintained at all times.

Lyrical and its principals, partners, officers, employees, affiliates and other related parties may transact in their personal accounts in mutual funds, ETFs, ETNs, stocks, bonds and securities that are not traded publicly including privately held companies, hedge funds, venture capital funds and commodity pools. Lyrical requires certain personal securities transactions, specifically those related to equity securities which may also be traded by or are held at the time by the Accounts and transactions in private placements and initial public offerings, to be subject to pre-clearance by our Chief Compliance Officer. This preclearance process includes an assessment of whether such transactions pose any actual or potential conflicts of interest with respect to transactions executed by Lyrical for the Accounts.

A copy of Lyrical's Code shall be provided to any client or prospective client upon request.

While it is not contemplated that Lyrical would buy securities from or sell securities to any client, it is possible that Lyrical Partners or any of the funds it manages would buy securities from or sell securities to one of its clients. Any such transactions would be subject to prior approval by Lyrical Partners' Chief Compliance Officer consistent with Lyrical Partners' compliance manual.

Employees of, and investment funds managed by, Lyrical and/or Lyrical Partners invest from time to time in funds and managed accounts managed by Lyrical or Lyrical Partners. Lyrical will abide by trade allocation practices included in its compliance manual aimed at assuring fair allocation of investments between Accounts, including any Accounts of its employees or affiliates. Similarly, Lyrical Partners allocates investments between eligible funds in a fair and appropriate fashion as determined in accordance with its compliance manual.

Lyrical and Lyrical Partners have an indirect economic stake in each of the respective managed accounts and funds they manage which provide for compensation based upon performance.

## **Item 12 – Brokerage Practices**

We consider the following factors in selecting broker-dealers for client transactions and determining the reasonableness of their compensation:

- Quality of execution - accurate and timely execution, clearance and error/dispute resolution
- Reputation, financial strength and stability
- Block trading and block positioning capabilities
- Willingness to execute difficult transactions
- Willingness and ability to commit capital
- Ongoing reliability
- Desired timing of the transaction and size of trade

- Confidentiality of trading activity
- Market intelligence regarding trading activity

We need not solicit competitive bids and do not have an obligation to seek the lowest available commission cost. Accordingly, in any transaction or series of transactions, our clients may pay commissions to a broker in an amount greater than the amount another broker might charge.

In selecting brokers, Lyrical also considers any proprietary and third-party investment research provided. Accounts do not pay higher commission rates to brokers that provide research benefits, and Lyrical holds these brokers to the same best execution standard as brokers who do not provide any investment research. We do not have any “soft dollar” arrangements.

Subject to seeking best execution, we may also consider other relationships as factors in the selection of broker-dealers. For example, brokers to our clients have in the past, and may in the future, refer investors to Lyrical or engage in other transactions with us. Provision of services, including client referrals, could provide us with an incentive to select the respective broker-dealer for client transactions without regard to best execution. We will, however, provide compensation that we consider to be arm's length in any case in which such services have material value and will endeavor not to allocate brokerage transactions to a provider of such services as compensation for client referrals or other services or otherwise in violation of our duties to our clients. In the past fiscal year we did not direct client transactions to a particular broker-dealer in return for client referrals.

We permit clients to direct us to a particular broker-dealer, subject to our ability to obtain best execution. Directed brokerage may cost clients more money. For instance, the client may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

To the extent Accounts are custodied at the same broker-dealer, trades for such Accounts are typically aggregated and allocated among the Accounts in a manner intended to cause the holdings of the related security to be proportional to their Account values, subject to any special parameters for a client. To the extent that orders are not aggregated across all Accounts it is possible that different Accounts will experience different transaction prices. We communicate orders across multiple broker-dealers in a manner aimed at fairness among Accounts over time.

### **Item 13 – Review of Accounts**

Accounts are reviewed daily by our Director – Operations & Trading under the guidance of the respective portfolio managers for each strategy. We provide monthly written reports to investors in separately managed accounts setting forth account balances, performance of the account and relevant benchmarks, and fees. On a quarterly basis we provide written commentary.

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

Lyrical has entered into solicitation agreements under which it compensates third parties for certain client referrals. Investments by such referred clients in any Account will be subject to Lyrical's standard terms and conditions and will not be subject to any incremental fees or allocations payable to Lyrical or any affiliate as a result of such solicitation agreements. We may also receive client referrals from brokers providing services to our clients, as discussed in Item 12 above.

### **Item 15 – Custody**

All client assets are held in custody by broker/dealers or banks unaffiliated with Lyrical. Clients are urged to compare any statements provided to them by their custodian to statements provided by Lyrical.

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

Lyrical has been granted discretionary authority to manage the Accounts of its clients pursuant to the written investment management agreements entered into with such clients. Clients may negotiate restrictions such as prohibiting or limiting investment in specific securities or industries.

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

Lyrical's investment management agreements with its clients grant us the authority to cast all proxy votes. Lyrical has adopted a proxy voting policy, as required by the Advisers Act. The policy provides that we will act in the best interests of our Accounts in determining whether and how to vote on any proxy voting matter. The Firm has hired Broadridge Financial Solutions Inc. to help implement these policies and procedures. Broadridge's default is to follow the recommendations of Glass Lewis. The Firm can override any such recommendation.

Lyrical's Portfolio Managers and Chief Compliance Officer will consult with each other concerning the best method to resolve any actual or apparent conflict between the interests of Lyrical and its Accounts in a manner that affords priority to the interests of the Accounts taken as a whole.

Clients may negotiate terms in their investment management agreements that provide for the retention or delegation of voting rights in accordance with their circumstances.

Clients may obtain a copy of the policy and information on how Lyrical voted client securities upon request.

**Item 18 – Financial Information**

We do not believe that there are any financial conditions reasonably likely to impair our ability to meet our contractual commitments to our clients.

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

Not applicable.