

Tandem Investment Advisors, Inc.

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This Brochure provides information about the qualifications and business practices of Tandem Investment Advisors, Inc. [“TANDEM”]. If you have any questions about the contents of this Brochure, please contact us at (843) 720-3413 or by email at information@tandemadvisors.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

TANDEM is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training.

Additional information about TANDEM also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010 the Securities and Exchange Commission (SEC) adopted amendments to Part 2 of Form ADV and related rules that will substantially improve the quality of disclosure advisers provide to their clients. These changes require that advisers provide new and prospective clients with narrative "brochures" organized in a consistent, uniform manner that include plain English disclosures of the adviser's business practices, fees, conflicts of interest, and disciplinary information. Advisers also must provide "brochure supplements" to clients that contain information about the advisory employees that will provide advisory services to that client.

This Brochure, dated March 26, 2012, is prepared in accordance with the SEC's new rules and requirements. As such, this document is materially different in content from our previous brochure and includes certain information not required of our previous brochure. We encourage a close examination of this document in its entirety.

In future versions of this Brochure, this Item will discuss only specific material changes made to the Brochure since the last update. Our previous brochure was last updated on March 29, 2011 on the date of our annual update. We will always provide the date of the last update in this item.

Previously we have offered to provide or delivered information about our qualifications and business practices to clients at least annually. Pursuant to new SEC rules, we will now provide at a minimum a summary of any material changes to this and future Brochures within 120 days of the end of our business' fiscal year (December). We may further provide other ongoing disclosure information about material changes as necessary.

Clients may request our latest Brochure at any time without cost. To do so, please contact John B. Carew, President and Chief Compliance Officer, via phone at (843) 720-3413 or by email to jcarew@tandemadvisors.com. You may also locate our Bruchure on our website at www.tandemadvisors.com.

Additional information about TANDEM also is available on the SEC's website at www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with TANDEM who are registered, or are required to be so, as investment adviser representatives of TANDEM.

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Item 4 - Advisory Business

TANDEM was founded in 1990 by John B. Carew, who is the majority shareholder. Remaining TANDEM shares are owned by employees, family and friends.

TANDEM's only business is providing portfolio management services on a discretionary basis (see Item 16 below for information about Discretion) to individuals, retirement plans, trusts, estates, corporations, endowments and foundations. Such services are generally provided on a fee for service basis. Such fees are agreed to in advance and set forth in each client agreement (additional information about TANDEM's fees can be found in Item 5 below). As of March 26, 2012, TANDEM managed approximately \$102.4 million in client assets across 263 accounts.

TANDEM's portfolio management services are for the management of equity and balanced portfolios. The type of portfolio is selected by each client and set forth in each client agreement. Such portfolios may include exchange-listed and over-the-counter equity securities of domestic and foreign issuers, corporate, municipal and U.S. government debt, cash equivalents and mutual fund shares. All portfolios are managed exclusively on a separate account basis. TANDEM manages no pooled investments such as mutual funds, hedge funds or common trust funds. TANDEM does not consider any of its services to be financial planning, asset allocation or general financial advice.

For equity portfolios, TANDEM has 4 fundamental criteria each security must meet for inclusion in a portfolio:

- Consistent earnings growth over a period of time.
- Consistent dividend growth over a period of time, if dividends are paid.
- Uniqueness, dominance or competitive advantage.
- Consistency in management.

Clients may choose from 4 styles of equity portfolios:

Large Cap Core: Investing principally in equity securities and equity-related instruments that meet TANDEM's fundamental criteria and pay dividends. The primary objective of this style is growth of principal with less volatility. The secondary objective of this style is growth of income over time.

Equity: Investing principally in equity securities and equity-related instruments that meet TANDEM's fundamental criteria. Dividends are not required. The primary objective of this style is growth of principal with less volatility. Capital gains consequences will not be considered. This style is ideally suited for tax-exempt entities and retirement accounts.

Taxable Equity: Investing principally in equity securities and equity-related instruments that meet TANDEM's fundamental criteria. Dividends are not required. The primary objective of this style is growth of principal with less volatility.

Mid Cap Core: Identical in process and objectives to the Equity style, limiting TANDEM's universe of potential stocks principally to the Russell Mid Cap Index.

For balanced portfolios, the equity portion will typically employ TANDEM's Large Cap Core strategy (although the client may designate one of TANDEM's other equity styles in the client agreement). The fixed income portion will typically be invested in U.S. Treasury obligations and will seek, in this order, Preservation of Capital, Liquidity and Current Income. Municipal securities may be substituted for U.S. Treasury obligations at the client's request. TANDEM may also substitute corporate debt instruments at its discretion.

Clients with specific needs or concerns including, but not limited to, current income, tax considerations and avoidance of specific securities or types of securities may designate such issues in the client agreement with the understanding that one of the strategies defined above will be employed while accommodating client needs.

TANDEM offers its portfolio management services both directly and indirectly to clients. Clients may hire TANDEM directly without the partnership of an independent financial advisor or clients may hire TANDEM through the recommendation of an independent financial advisor. For those clients that hire us directly without the partnership of an independent financial advisor, TANDEM may recommend a custodian but does not require that the client choose a custodian of our recommendation. For those clients that hire us through the recommendation of an independent financial advisor, the financial advisor's firm typically provides custody services. TANDEM generally offers its services to clients of financial advisors through a dual contract, where clients sign both a custodial agreement with the financial advisor's firm and TANDEM's client agreement. TANDEM also participates in certain WRAP FEE programs. In such programs, the custodian charges clients only one fee and a previously agreed upon portion of that fee is then paid to TANDEM as portfolio manager. TANDEM treats its Wrap Fee clients, direct clients and other clients referred by independent financial advisors exactly the same.

Item 5 - Fees and Compensation

Fee arrangements are established in the client's written agreement with TANDEM. Fees are payable quarterly in advance at a rate of one quarter of the estimated annual fee based on the closing value of the client's account for the previous quarter. Unless otherwise directed by the client, TANDEM bills the custodian for all management fees and the custodian deducts the fees from the client's account and pays TANDEM. Initial fees are pro-rated for the portion of the quarter remaining based on the inception date and value of the client's account under TANDEM's management. Initial fees are also payable in advance. Regular quarterly fees charged are reflected in the quarterly statement provided to each client by TANDEM and the custodian. Initial fees are reflected in the custodian statement for the period billed. If the advisory relationship is terminated during any quarter, the pre-paid fees will be refunded with respect to the portion of the quarter remaining. The relationship is terminable at any time by either party. If TANDEM terminates the relationship, written notice will be given by U.S. mail. If the client terminates the relationship, TANDEM will comply and provide prompt written confirmation of this termination by mail.

For clients that hire TANDEM directly without the assistance or partnership of an independent financial advisor, the following annual fee schedule applies:

1.00% annually on the first \$2 million of assets under TANDEM's management.

Fees are negotiable for amounts over \$2 million.

Minimum account size is \$500,000.

For clients that come to TANDEM indirectly through the recommendation of an independent financial advisor or Wrap Program, TANDEM generally charges fees for its management services according to this schedule:

1.00% on the first \$500,000 in assets under management

0.75% on the next \$500,000 in assets under management

0.60% on the next \$1,000,000 in assets under management

0.50% on assets under management exceeding \$2,000,000.
Minimum account size is \$100,000.

Certain exceptions to account minimums may be made as follows: if one or more accounts of less than the stated minimum are closely related, the stated minimum may be waived for individual accounts if the asset value of the accounts together exceeds the stated minimum; if additional funding or accounts can be reasonably anticipated, the minimum amount may be waived; if an account with less than the stated minimum is referred to TANDEM by an existing client, the minimum amount may be waived.

Fee structures vary among financial advisory and custodian firms that may recommend TANDEM or offer WRAP services including TANDEM. Further, TANDEM's role differs in indirect relationships from its role in direct relationships. In a direct relationship, TANDEM is the main client contact. In indirect relationships, TANDEM's role can often be limited to that of pure portfolio manager as the independent financial adviser is responsible for relationship management with the client. As a result, TANDEM recognizes that not all relationships are identical and therefore reserves the right to negotiate both fees and minimum account sizes. For all indirect client relationships, TANDEM receives no direct or indirect compensation other than its contractually agreed upon management fees. Further, TANDEM's relationship is with the client in any dual contract relationship, and the client receives quarterly reports directly from TANDEM.

TANDEM's fees are exclusive of custodian fees, brokerage commissions, transaction fees and other related costs and expenses that may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, or third party managers such as management fees, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, foreign tax withholding, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to TANDEM's fee, and TANDEM shall not receive any portion of these commissions, fees and costs. TANDEM does use certain client commissions to pay for research and other services. For a complete discussion about such services received, potential conflicts of interest and factors that TANDEM considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions), see Item 12 - Broker Practices.

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

TANDEM does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 - Type of Clients

TANDEM presently provides portfolio management services to individuals, retirement plans, trusts, estates, corporations, endowments and foundations (as described in Item 4 above).

TANDEM does not limit the types of clients it serves to those listed above but does not serve any other type at this time.

A thorough discussion of the minimum account size TANDEM requires may be found in Item 5 above. Generally speaking, TANDEM requires a minimum account size of \$500,000 for accounts of clients hiring us directly and \$100,000 for accounts hiring us through the recommendation of an independent financial advisor or WRAP Program.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Investing in securities involves risk of loss that *clients* should be prepared to bear. Risk broadly defined is the possibility that an investor may lose some or all of his/her investment, or that the investment may not increase in value. Specific risks include (but are not limited to): market risk (the possibility that an investment will decline in value); credit risk (the possibility that the issuer of an investment may not live up to its financial obligations); inflation risk (the possibility that the value of a long-term asset may not grow enough to keep up with inflation); reinvestment risk (the possibility that interest rates will fall as an investment matures); liquidity risk (the possibility that an investment cannot be liquidated in a timely manner at a reasonable price); national, international, and political risk (the possibility that a government will suddenly change its policies or experience events such as wars, embargos, coups, and the appointments of individuals with unfavorable economic policies can impact the financial markets); economic risk (the risk that the economy will suffer a downturn that affects financial markets); industry risk (the risk that a specific industry will suffer a downturn); tax risk (the risk that high taxes will make investments less profitable for both businesses and investors).

TANDEM offers a range of investment strategies to clients: Large Cap Core, Equity, Taxable Equity, Mid Cap Core and Balanced . Each is defined later in this Item.

Regardless of strategy, TANDEM seeks to minimize risk and provide superior returns over the long run. Both results are equally important to our portfolio management approach. TANDEM measures risk as the volatility of portfolio returns. We believe minimizing volatility reduces risk.

For equity portfolios and the equity portion of a balanced portfolio, TANDEM relies upon its proprietary semi-quantitative process called TVM. This process is designed and managed by us to seek companies that possess the following characteristics:

- Consistent earnings growth over a period of time.
- Consistent dividend growth over a period of time, if dividends are paid.
- Uniqueness, dominance or competitive advantage.
- Consistency in management

Companies possessing these traits can perform well regardless of economic or stock market conditions, thereby reducing return volatility. TVM then seeks to identify which of these companies are mispriced by the stock market. Much of this process is quantitative, meaning it is computer model driven. However, before any purchase or sale in a portfolio is made, the Investment Committee, made up of TANDEM's 3 portfolio managers, compares the results of the process with fundamental research and decides whether to take action. Thus, we view this as a semi-quantitative process.

For all equity strategies, TVM ranks all companies that meet our criteria set forth above as either buy, accumulate, hold or sell. Our buy, hold and sell disciplines are as follows:

BUY DISCIPLINE

- After TVM identifies a stock for purchase and the Investment Committee approves, the security must be bought.
- Technical analysis determines the entry point.
- Tandem does not presume to know *the* best entry point. Therefore, buys are typically incremental.
- Tandem does not impose arbitrary limits on the weighting a holding in a portfolio may attain. Rather, buying ceases at the Composite level when a stock reaches 3% of the Composite. Individual portfolios may see buying beyond the 3% level to match Composite holdings.
- INVESTMENT COMMITTEE AS ULTIMATE ARBITOR: The TVM process is designed to remove the human element until the final decision is made. The Investment Committee has the duty to overrule any buy signal given when it believes that market conditions warrant such action. A meeting of the Investment Committee requires that at least two portfolio managers be present.

HOLD DISCIPLINE

- Every stock held in the portfolio is regularly subjected to the TVM process and reviewed as ranking changes demand.
- Tandem considers its Hold Discipline to be "Buy and be Vigilant".
- As rankings change, appropriate action is prescribed by Tandem's Buy and Sell disciplines.

SELL DISCIPLINE

- TVM SALES: If a portfolio company has been held for at least one year and is ranked SELL by TVM, 25% of the position must be sold in every quarter it remains so ranked. TVM sales cease when the company is reduced to 1.50% of a portfolio. If a portfolio company has been held for less than one year but is ranked a SELL by TVM, a fundamental review is undertaken and the investment committee decides what, if any, action should be taken. There is no mandatory transaction prescribed for this situation.
- FUNDAMENTAL SALES: Fundamentals of all portfolio holdings are constantly monitored. If a stock fundamentally deteriorates, or becomes something not contemplated at time of purchase, the position must be liquidated.
- SIGNIFICANT PRICE MOVEMENT: For any portfolio company that has experienced significant price appreciation, a protective stop below its recent high price must be implemented for 25% of the position. Significant price appreciation is determined by a member of the investment committee, and must have the majority vote to move forward with the stop. For any portfolio company that experiences 20% underperformance relative to the S&P 500, a fundamental review is undertaken and the investment committee decides what, if any, action should be taken. There is no mandatory transaction prescribed for this situation.
- IMPLEMENTATION OF SALES: Any time a portfolio company is designated for sale, the investment committee determines, using all available methods of analysis, a reasonable expectation of exit price, and uses protective stops under that price in case the price of the stock falls. When the situation permits in the opinion of the investment committee, incremental sales are most desirable.
- INVESTMENT COMMITTEE AS ULTIMATE ARBITOR: The TVM process is designed to remove the human element until the final decision is made. The Investment Committee has the duty to overrule any sell signal given when it believes that market conditions warrant such action. A meeting of the Investment Committee requires that at least two portfolio managers be present.

Clients of TANDEM should expect to own from 25 - 45 securities in an equity portfolio. A portfolio containing so few securities is considered concentrated and may pose risks that a more broadly diversified portfolio does not. Individual stocks may have a more significant impact on a portfolio's performance when fewer stocks are owned in larger concentrations. Concentrated portfolios are also less likely to behave exactly as the stock market behaves because they represent a smaller sample than a broad market index. Further, the TVM process tends to identify companies that have underperformed the broader market. It is possible this underperformance could continue for some time. Lastly, TANDEM does not allocate according to industry. Therefore, specific industries may be over- or under-represented within portfolios relative to the broader market as a result of the TVM process. Such industry allocation may produce results different from the broader market.

Each equity strategy that TANDEM offers to clients utilizes the TVM process. The equity strategies are defined as follows:

Large Cap Core: Investing principally in equity securities and equity-related instruments that meet TANDEM's fundamental criteria and pay dividends. The primary objective of this style is growth of principal with less volatility. The secondary objective of this style is growth of income over time. This strategy was introduced in 1991.

Equity: Investing principally in equity securities and equity-related instruments that meet TANDEM's fundamental criteria. Dividends are not required. The primary objective of this style is growth of principal with less volatility. Capital gains consequences will not be considered. This style is ideally suited for tax-exempt entities and retirement accounts. This strategy was introduced in 1992 and redefined to exclude taxable accounts in 2007.

Taxable Equity: Investing principally in equity securities and equity-related instruments that meet TANDEM's fundamental criteria. Dividends are not required. The primary objective of this style is growth of principal with less volatility. This strategy was introduced in 1992 and redefined to exclude non-taxable accounts in 2007.

Mid Cap Core: Identical in process and objectives to the Equity style, limiting TANDEM's universe of potential stocks principally to the Russell Mid Cap Index. This strategy was introduced in 2010.

Balanced: Invests in both fixed income securities and equity securities. The primary objective of this account is preservation of principal. Secondary objectives are current income and capital appreciation. This strategy was introduced in 1992.

The fixed income portion of balanced accounts or any fixed income portfolio we may manage is typically invested in U.S. Treasury obligations (we may use municipal bonds for taxable accounts when so directed by the client and we sometimes use corporate bonds and government agency bonds or debt instruments). Our fixed income portfolios seek, in this order, preservation of capital, liquidity and current income.

TANDEM's client portfolios have typically experienced a low rate of turnover (trading activity). When possible, we utilize block trades to secure the best price at the time of trade for the maximum number of client accounts. Excessive or high-volume trading can have adverse consequences for investment portfolios as a result of increased trading costs or taxation.

Item 9 - Disciplinary Information

As a registered investment adviser, TANDEM is required to disclose any legal or disciplinary events that would be material to your evaluation of TANDEM or the integrity of TANDEM's management. TANDEM has no information that is applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Registered investment advisers are required to disclose all material facts regarding any activities or industry affiliations that would be material to your evaluation of TANDEM or the integrity of TANDEM's management or that might place TANDEM in conflict with its clients' best interests. Such activities or affiliations include (but are not limited to): having management persons affiliated with a broker-dealer or registered as a broker-dealer representative; having management persons registered as a futures commission merchant, commodity pool operator or a commodity trading advisor; any relationship material to TANDEM's business or to our clients that TANDEM or its management persons may have with an entity such as an investment company (including a mutual fund or hedge fund), another investment adviser or financial planner, a banking institution or other affiliations with financial services providers; any referral arrangements where TANDEM or its management persons may receive compensation. TANDEM has no relationships or arrangements applicable to this Item.

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

TANDEM maintains a Code of Ethics to ensure the highest standard of business conduct that every employee of TANDEM must read, acknowledge and adhere to at all times. An outline of the Applicant's Code of Ethics is as follows:

- In General
- Reporting Personal Securities Transactions
- Unethical Trading Practices
- Misuse of Material Inside Information
- Other Conduct
- Review and Further Actions
- Books and Records

A complete account of TANDEM's Code of Ethics will be provided to any client or prospective client upon request by contacting John Carew, TANDEM's Chief Compliance Officer, at (843) 720-3413 or jcarew@tandemadvisors.com.

TANDEM or its representatives may trade for their own account in securities that are also bought, held or sold for TANDEM's clients. TANDEM maintains regularly updated files of all securities transactions involving the firm, its representatives and employees. This file is reviewed by TANDEM's Chief Compliance Officer. If the possibility of a conflict of interest occurs, the client's interest would prevail. Further, all TANDEM employees are required to regularly report to TANDEM's Chief Compliance Officer a list of all investments and all investment transactions in order to ensure there is no conflict of interest between TANDEM or its employees and TANDEM's clients regarding securities transactions.

It is TANDEM's policy that the firm or its employees will not buy from or sell to clients any securities directly. Occasionally, trading errors in which TANDEM inadvertently buys or sells the wrong security or an incorrect amount of the correct security for a client may occur. In such instances, any profit is to be assigned to the client's account whenever possible and any loss is to be incurred by TANDEM. A complete trading error log is maintained by TANDEM and is

available for inspection by any client or prospective upon request by contacting John Carew, TANDEM's Chief Compliance Officer, at (843) 720-3413 or jcarew@tandemadvisors.com.

Item 12 – Brokerage Practices

For clients using the services of a custodian that permits the use of outside or unaffiliated brokers, TANDEM has discretionary authority to determine, without obtaining the prior consent of the client, the brokers through whom, or commission rates at which, transactions for clients are executed. Such discretionary authority is subject to any limitations imposed by the power of attorney granted by the client and set forth in the client agreement. On behalf of these accounts, TANDEM has the authority to direct trades to any broker, as well as the authority to block trade in order to negotiate more favorable commission rates for its clients. From time to time, brokerage firms impose a minimum commission charge which cannot be negotiated. For clients with directed brokerage accounts, TANDEM does not have the authority to negotiate commissions or to block trade with accounts that custody assets at a different brokerage firm or custodian. For clients participating in wrap accounts, TANDEM does have the authority to block trade for any accounts held at the brokerage firm participating in such accounts.

Tandem deals with highly qualified brokers who charge competitive commission rates. The overall reasonableness of brokerage commission paid is determined based upon the quality of execution of the services performed and of the research or trading services provided. In appropriate circumstances, TANDEM pays brokerage commission in excess of that which another broker may have charged for effecting the same transaction in recognition of the quality and reliability of execution of brokerage services and the research or trading services provided.

Such research services include fundamental and technical analysis and research with respect to particular industries, individual companies, as well as general analysis of the economy and capital markets. Trading services include current and reliable quotations of security prices, timely or instant execution of transactions and prompt reporting of executions. TANDEM uses research and trading services furnished by brokerage firms through whom TANDEM effects securities transactions relating to general matters with respect to the securities markets, the economy, particular industries, individual issues, and similar topics having broad applications to clients' accounts. TANDEM utilizes such services for the benefit of all its clients, including clients whose securities transactions are not affected by the brokerage firm providing such services.

Certain brokerage firms or dealers used by TANDEM provide us certain research and statistical services of the kind contemplated by Section 28(e) of the Securities Exchange Act of 1934; services which would otherwise be available to TANDEM for cash payment. As a result of receiving such services TANDEM, therefore, has an incentive to continue to use such brokerage firms and dealers to effect transactions for accounts as long as such brokerage firms and dealers continue to provide services to TANDEM.

TANDEM from time to time uses commission dollars paid to brokerage firms (soft dollars) as payment for research services, including, but not limited to, stock quotes, securities pricing, earnings, dividend and other fundamental data, historical fundamental data and data analysis tools, investment publications and on-line research services. In addition, TANDEM uses such soft dollar commissions to pay for and maintain portfolio management and accounting software systems. In the past, TANDEM has used soft dollars to pay for bundled telephone and internet services and satellite reception, as these are mediums over which certain research and services

are delivered. TANDEM may similarly pay for these services again in the future. All services described above benefit all of TANDEM's clients, including those whose securities transactions are not affected by the commissions used to pay for such services. TANDEM acknowledges that certain services and research materials provide some benefit to TANDEM beyond serving its clients. However, we consider these services necessary to provide the best possible service to our existing clients. As a matter of practice, we furnish rather than offer Form ADV, Part 2 annually to clients.

TANDEM's reliance upon soft dollars to pay for services we might not otherwise afford is a potential conflict of interest for clients that come to us directly. It is possible that we could find lower commission rates or perhaps better execution if we were not reliant upon soft dollars. It has been our experience in the past, given our limited trading activity, that many brokers do not value our business and would not be willing to sustain a relationship with us at further reduced commissions. At present, TANDEM has negotiated a commission rate of \$0.06/share. While we may or may not overpay on a per trade basis, we believe that the annual commission amounts we generate would make it difficult to trade at lower rates. Further, we believe that the services afforded by our clients' commissions benefit those clients more than if we paid lower commissions but could not afford to utilize the services our largest competitors enjoy.

TANDEM does not recommend broker/dealers to clients in exchange for referrals, nor do we suggest that clients use directed brokerage relationships. For clients that come to us through the introduction or recommendation of an independent financial adviser or WRAP Program, there are generally no commissions associated with these accounts. For clients that hire us directly without a relationship with a financial advisor, we recommend that they use UMB Bank as custodian, but we do not require this. Accounts held at UMB Bank may benefit from block trading at reduced commissions. However, those commission dollars may be used to pay soft dollar expenses.

Item 13 – Review of Accounts

Each client account is reviewed on a regular basis rather than as suggested by certain events. Reviews are conducted in light of the account's objectives and policies of the investment committee on an as needed basis. All reviews are conducted by the President. Investment Policy decisions are made by the Investment Committee, which consists of John B. Carew (President, Chief Compliance Officer and Portfolio Manager), C. Allen Ouzts and William L. Little, Jr (Portfolio Managers). The committee meets weekly at a minimum. Policy decisions made by the committee are reviewed and approved by the President. Implementation of policy decisions is carried out by the portfolio managers under the supervision of the President. Clients are provided with quarterly reports. The valuations used in the quarterly reports are accompanied by letters of general market review and assessment. Within a quarter, verbal or written contact with a client will be determined by general market activities as they influence the need for additional communication with the client.

Item 14 – Client Referrals and Other Compensation

TANDEM enjoys a marketing relationship with Palmetto Advisory (a non-affiliated registered investment advisor) and its principal, Derrick Grava (a non-affiliated registered investment adviser representative). In certain instances, Palmetto and/or Mr. Grava may refer clients or

financial advisors seeking portfolio management services to us. In exchange for such referrals, TANDEM compensates Palmetto and/or Mr. Grava with a percentage of the management fee we charge the client(s) referred by Palmetto and/or Mr. Grava. In all such circumstances, the client is provided a letter of full disclosure of the nature of the relationship between TANDEM and Palmetto and/or Mr. Grava and the form of any compensation between the parties. In no instance will this fee-sharing arrangement increase the fee paid by the client relative to a direct relationship between TANDEM and the client. The client must acknowledge this relationship in writing with his signature for any sharing of management fees or any other form of direct or indirect compensation to occur.

Item 15 – Custody

TANDEM is authorized only to enter purchase and sale orders and to deduct management fees from TANDEM managed accounts held at qualified custodians. It is for this latter reason that TANDEM may be considered to have custody of client accounts. TANDEM may not open accounts on clients' behalves and will not serve as trustee of client accounts. Clients receive at least quarterly account statements directly from the broker/dealer, bank or other qualified custodian that holds a client's investment assets. Clients should carefully review these statements. TANDEM also provides a statement of account quarterly to our clients. We urge clients to compare the account statements they receive from TANDEM and their qualified custodian.

Item 16 – Investment Discretion

TANDEM usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought and sold. Such authority is described in the client agreement executed by TANDEM clients. In all cases, discretion is to be exercised in a manner consistent with the investment objectives stated in the client contract for the particular client account. An investment account will not be established until TANDEM has received a fully executed client agreement.

Item 17 – Voting *Client* Securities

TANDEM, in exercising its discretionary authority over assets under management, votes proxies for its clients unless directed otherwise by the client. In exercising its fiduciary obligations in the best interest of its clients, TANDEM adheres to the following policy:

Tandem Investment Advisors, Inc. will vote all proxies on behalf of its clients in accordance with the recommendations of the directors of the company for which the vote applies.

Further, from time to time, material conflicts between TANDEM's interest and the best interest of the client may arise. It is TANDEM's fiduciary duty to inform each client of any such conflict before voting the proxy in question, and to receive the client's permission to cast the vote. TANDEM removes this potential for conflict by adhering to the pre-determined policy stated above.

TANDEM will furnish annually to its clients a description of its proxy voting policies and procedures, and will make copies available at any time to clients and perspective clients upon request.

TANDEM will maintain records of all votes and proxy statements (through the SEC's EDGAR system), as well as any material information used to reach a voting decision, for a period of not less than five years. All records will be made available to clients upon request. A client may obtain records of how TANDEM voted on the client's behalf by submitting a formal written request to the following: Proxy Voting, Tandem Investment Advisors, Inc., 145 King Street, Suite 227, Charleston, SC 29401. TANDEM will retrieve the requested information and provide it to the client in a timely fashion.

TANDEM's proxy voting policy is subject to ongoing review, and may be revised as appropriate. If any such revision is made, TANDEM will fully disclose all changes to clients immediately, and before any votes occur under the revised policy statement.

Item 18 – Financial Information

Registered investment advisers are required in this Item to disclose any financial information or condition reasonably likely to impair their ability to meet contractual commitments to clients. TANDEM 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 proceeding.

John B. Carew
Tandem Investment Advisors, Inc.
145 King Street, Suite 227
Charleston, SC 29401
(843) 720-3413

March 26, 2012

Supplement to Form ADV, Part 2

This brochure supplement provides information about John B. Carew that supplements the Tandem Investment Advisors, Inc. Brochure. You should have received a copy of that brochure. Please contact John B. Carew, Tandem's Chief Compliance Officer, if you did not receive Tandem Investment Advisors, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about John B. Carew is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

Supervised Person:	John B. Carew
Date of Birth:	June 24, 1962
Education:	University of Virginia, B.A. in Economics, 1983
Business Experience:	1990 – Present: Tandem Investment Advisors, Inc. President, Portfolio Manager and Chief Compliance Officer

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Other Business Activities

Registered investment advisers are required to disclose all material facts regarding any outside business activities that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Additional Compensation

Registered investment advisers are required to disclose all material facts regarding any additional economic benefits provided by external individuals or organizations and received that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Supervision

John B. Carew is President and Chief Compliance Officer of Tandem Investment Advisors, Inc., and therefore is not subject to normal hierarchical supervision. However, all Tandem portfolio managers take direction from the Investment Committee, which sets forth guidelines for overall portfolio strategy. Implementation of portfolio strategy in client accounts is monitored regularly by the Investment Committee. In addition to this regular review and as a member of Tandem's Investment Committee, Mr. Carew is supervised by the other Investment Committee members, C. Allen Ouzts and William L. Little, Jr., both of whom can be reached at (843) 720-3413.

Charles Allen Ouzts
Tandem Investment Advisors, Inc.
145 King Street, Suite 227
Charleston, SC 29401
(843) 720-3413

March 26, 2012

Supplement to Form ADV, Part 2

This brochure supplement provides information about Charles Allen Ouzts that supplements the Tandem Investment Advisors, Inc. Brochure. You should have received a copy of that brochure. Please contact John B. Carew, Tandem's Chief Compliance Officer, if you did not receive Tandem Investment Advisors, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Charles Allen Ouzts is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

Supervised Person:	C. Allen Ouzts
Date of Birth:	June 21, 1961
Education:	University of Georgia, B.S. in Agricultural Economics, 1986
Business Experience:	1997 – Present: Tandem Investment Advisors, Inc. Portfolio Manager

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Other Business Activities

Registered investment advisers are required to disclose all material facts regarding any outside business activities that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Additional Compensation

Registered investment advisers are required to disclose all material facts regarding any additional economic benefits provided by external individuals or organizations and received that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Supervision

All Tandem portfolio managers take direction from the Investment Committee, which sets forth guidelines for overall portfolio strategy. Implementation of portfolio strategy in client accounts is monitored regularly by the Investment Committee. In addition to this regular review and as a member of Tandem's Investment Committee, Mr. Ouzts is supervised by the other Investment Committee members, John B. Carew and William L. Little, Jr., both of whom can be reached at (843) 720-3413. In addition, Mr. Ouzts is directly supervised by John B. Carew, President and Chief Compliance Officer of Tandem, who can be reached at (843) 720-3413.

William L. Little, Jr.
Tandem Investment Advisors, Inc.
145 King Street, Suite 227
Charleston, SC 29401
(843) 720-3413

March 26, 2012

Supplement to Form ADV, Part 2

This brochure supplement provides information about William L. Little, Jr. that supplements the Tandem Investment Advisors, Inc. Brochure. You should have received a copy of that brochure. Please contact John B. Carew, Tandem's Chief Compliance Officer, if you did not receive Tandem Investment Advisors, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about William L. Little, Jr. is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

Supervised Person:	William L. Little, Jr., CFA®
Date of Birth:	March 13, 1982
Education:	College of Charleston, B.A. in Business Administration, 2004
Business Experience:	2004 – 2005: Amerprise Financial, Financial Advisor
	2005 – 2006: McGuire, Tapscott, Hyden & Associates, Associate Financial Advisor
	2006 – 2009: Tandem Investment Advisors, Inc. Portfolio Manager
	2009 – Present: Tandem Investment Advisors, Inc. Vice President and Portfolio Manager

Professional Designations: CFA® obtained 2010

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.

There are currently more than 90,000 CFA charterholders working in 134 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

High Ethical Standards

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

Global Recognition

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter

demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 22 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

Comprehensive and Current Knowledge

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA charter, visit www.cfainstitute.org.

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

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Registered investment advisers are required to disclose all material facts regarding any outside business activities that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Additional Compensation

Registered investment advisers are required to disclose all material facts regarding any additional economic benefits provided by external individuals or organizations and received that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Supervision

All Tandem portfolio managers take direction from the Investment Committee, which sets forth guidelines for overall portfolio strategy. Implementation of portfolio strategy in client accounts is monitored regularly by the Investment Committee. In addition to this regular review and as a member of Tandem's Investment Committee, Mr. Little is supervised by the other Investment Committee members, John B. Carew and C. Allen Ouzts, both of whom can be reached at (843) 720-3413. In addition, Mr. Little is directly supervised by John B. Carew, President and Chief Compliance Officer of Tandem, who can be reached at (843) 720-3413.