

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

# Tandem Global Management, LP

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This Brochure provides information about the qualifications and business practices of Tandem Global Management, LP. If you have any questions about the contents of this Brochure, please contact us at (646-867-7300) or at [info@tandemglobalpartners.com](mailto:info@tandemglobalpartners.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.

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

**Item 2 - Material Changes**

*Not applicable.*

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#### **Item 4 - Advisory Business**

##### Who We Are

Tandem Global Management, LP (“we”, “us”, the “Company”, or “Tandem”) is a Delaware limited partnership that was formed in July 2007. Its principals are Kevin Murphy, Joseph Petri, and James Tammaro.

##### Type of Services Offered

We offer discretionary investment management services, as described in the Private Placement Memorandums or other governing documents subscribed to by our clients in the following private investment funds (collectively, the “Funds”): (i) Tandem Global Emerging Markets Fund, LP (the “EM Domestic Fund”); (ii) Tandem Global Emerging Markets Fund (Cayman), Ltd. (the “EM Offshore Fund”); (iii) Tandem Global Emerging Markets Unit Trust (the “EM Unit Trust”, and, together with the EM Domestic Fund and the EM Offshore Fund, the “EM Feeder Funds”); (iv) Tandem Global Emerging Markets Fixed Income Unit Trust (the “EM Fixed Income Unit Trust”); (v) Tandem Global Emerging Markets Master Fund, Ltd., a private investment fund through which the EM Feeder Funds invest (the “EM Master Fund,” and collectively with the EM Feeder Funds and the EM Fixed Income Unit Trust, the “EM Funds”); (vi) Tandem Global Credit Opportunity Fund, LP (the “Credit Domestic Fund”); (vii) Tandem Global Credit Opportunity Fund (Cayman), Ltd. (the “Credit Offshore Fund” and, together with the Credit Domestic Fund, the “Credit Feeder Funds”); and (viii) Tandem Global Credit Opportunity Master Fund, Ltd., a private investment fund through which the Credit Feeder Funds invest (the “Credit Master Fund,” and collectively with the Credit Feeder Funds, the “Credit Funds”).

Each Master Fund has an investment strategy which the portfolio manager has developed and we support with administrative, accounting, distribution, trading, and risk management services. Potential investors in the Funds should review and evaluate each of the strategies and the specific terms of each Fund offering, as set forth in their respective Private Placement Memorandums.

We also offer separately managed accounts on a case-by-case basis.

##### Limitations on Investment Activities

We generally do not permit investors in the Funds to impose limitations on the investment activities described in the offering documents for the Funds. Under certain circumstances, we will contract with a client to adhere to limited risk and/or operating guidelines imposed by the client. We negotiate such arrangements on a case by case basis. (See Item 16 “Investment Discretion.”)

##### Wrap Fee Programs

We do not participate in wrap fee programs.

##### Assets Under Management

As of December 31, 2011, we managed approximately \$105,731,988 on a discretionary basis and \$0 on a non-discretionary basis.

## **Item 5 - Fees and Compensation**

### *Our Clients*

Generally, our clients are our Funds. The constituent clients of our Funds are all “qualified purchasers” (as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “1940 Act”) and this brochure is delivered to the Funds and existing and potential clients of the Funds.)

### *Fees*

For the Funds, the fund administrator deducts our management fees from client accounts monthly in advance. Generally, we or through our affiliates receive performance-based fees or disproportionate allocations of income from the Funds on an annual basis in arrears and upon redemptions by investors in the private investment funds we manage.

### *Fees and Expenses Paid by our Clients*

Generally, the Funds bear all trading-related expenses and expenses related to their operation, administration and management, including, without limitation, our fees, trade-related research expenses (including research-related travel); legal fees; filing fees and expenses; Director’s fees and out-of-pocket expenses; accounting, audit, and tax preparation expenses; interest expenses (including interest due to repurchase agreements and borrowing by the Fund); custody fees, bank charges, brokerage commissions (including options trades), spreads, mark-ups on securities, swaps and forwards, short dividends, currency hedging costs, and administrator’s fees, investment expenses (*e.g.*, expenses which are reasonably determined to be related to the investment of the Funds’ assets), and as the case may be, other similar expenses related to the Funds and all extraordinary expenses.

### *How Fees are Paid*

As noted above, the administrator deducts our management fees from the Funds monthly in advance. Management fees are not refundable if the advisory contract with a Fund is cancelled prior to the end of a payment period. The cancellation would be considered a redemption and would be performed by our administrator. Generally, the administrator deducts from the client accounts performance-based fees or disproportionate allocations of income, if any, on an annual basis in arrears and upon redemptions by investors in the private investment funds we manage.

### *Compensation for Sale of Securities*

Neither we nor any related person accepts compensation for the sale of securities or other investment products.

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

We or our affiliates receive annual performance-based fees or allocations of income from the Funds, which are based on a percentage of the capital appreciation of client assets (and subject to a high

water mark). The terms of the performance-based fees and allocations we receive may differ among the Funds we manage.

The administrator (“Administrator”) for our Funds is one of the leading independent administrators of middle and back office services, integrated risk reporting and portfolio analytics for hedge funds. The Administrator reconciles its accounting records to the prime broker, custodian and counterparty records. Once reconciliations are completed, accruals for fees and expenses are calculated and incorporated into the Net Asset Value of each of the Funds. Investor allocations are then performed. The entire package is sent to Tandem for review and approval. Any deviation from such valuations must be in accordance with our documented Valuation Policy.

## **Item 7 - Types of Clients**

We primarily provide investment management services to clients who are private investment funds (either through a fund vehicle or a separately managed account). Investors in such private investment funds are generally high net worth individuals and institutional investors that qualify as “accredited investors” (as defined in Rule 501 under the Securities Act of 1933, as amended) and “qualified purchasers” (as defined under the 1940 Act). Investors in all Funds generally must invest a minimum of \$1,000,000, subject to the discretion of Tandem Global Management, LP, the Funds’ investment manager (the “Investment Manager”) to accept lesser amounts. The minimum investment for a separately managed account is \$50,000,000 subject to the Investment Manager’s discretion to accept lesser amounts.

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

### *Methods of Analysis and Investment Strategies*

#### **Investment Objective**

The Funds’ investment objective is to generate consistently high risk-adjusted returns through a value perspective, employing a balanced, disciplined research process. We currently actively manage credit- and currency-based strategies, as well as more narrowly focused strategies developed by working with our clients.

The Emerging Markets portfolio is liquid and comprised primarily of interest rates, foreign exchange and sovereign credits in emerging markets countries where attractive risk/return opportunities exist. Starting from a global macro perspective, the team considers country and market fundamentals and cyclicalities in selecting, allocating and selling positions within the portfolio.

The Credit Fund portfolio is comprised of global credits with an emphasis on US and European investment grade, high yield, CDS, and stressed/distressed debt. The team employs a top-down approach with strong individual credit research—primarily fundamental within a broad macro and technical framework.

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

*Certain Risks Associated with Methods of Analysis and Investment Strategies*

The Confidential Private Placement Memorandum for each Fund which is offered to investors has a detailed list of risks applicable to that Fund and its strategy and execution. Each investor should carefully review and understand those risks before investing. The following is a general discussion of various types of risks present in our Funds.

**Market and Investment Risk**

In addition to the risks associated with the Funds' trading strategies, the risks associated with an investment in the Funds include the below.

Highly Volatile Markets. The prices of the instruments traded by the Funds have been subject to periods of excessive volatility in the past, and such periods can be expected to continue. Price movements are influenced by many unpredictable factors, such as market sentiment, inflation rates, interest rate movements and general economic and political conditions. In addition, governments from time to time intervene, directly and through regulation, in certain markets, particularly those in currencies, financial instrument futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Funds also are subject to the risk of the failure of any of the exchanges on which their positions trade or of their clearinghouses.

Stagnant Markets. Although volatility is one indication of market risk, some of the investment strategies employed by the Company rely for their profitability on market volatility contributing to the mispricings which they are designed to identify. In periods of trendless, stagnant markets and/or deflation, alternative investment strategies have materially diminished prospects for profitability.

Lack of Liquidity. The markets for many of the instruments traded by the Funds may have limited liquidity. Lack of liquidity can make it economically infeasible for us to recognize profits on open positions or to close out open positions against which the market is moving. Illiquidity can also disconnect market values from the historical pricing indicators used in our investment analysis, as the fewer transactions that take place, the greater the risk of market values not reflecting fair value.

Market Disruptions. The Funds may incur material losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships (on which we base a number of its positions) become materially distorted. The financing available to the Funds from banks, dealers and other counterparties is likely to be restricted in disrupted markets. Market disruptions caused by unexpected political, military and terrorist events may from time to time cause dramatic losses for the Funds, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

A financial exchange may from time to time suspend or limit trading. Such a suspension could render it impossible for the Funds to liquidate their positions and thereby expose them to losses. There is also no assurance that non-exchange markets will remain liquid enough for the Funds to close out positions.

**Institutional Risk.** The institutions, including brokerage firms, counterparties and banks with which the Funds may trade or invest, may default or encounter financial difficulties that impair the operational capabilities or the capital position of the Funds.

**Non-U.S. Investments.** The Funds may invest in securities of foreign corporations and foreign countries. Investing in the securities of companies and governments of foreign countries involves certain considerations not usually associated with investing in securities of United States companies or the United States Government, including political and economic considerations, such as greater risks of expropriation, nationalization and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict the Funds' investment opportunities. In addition, accounting and financial reporting standards that prevail in foreign countries may not be as high as United States standards and, consequently, less information is available to investors in companies located in foreign countries than is available to investors in companies located in the United States. There is also less regulation, generally, of the securities markets in foreign countries than there is in the United States.

**Currency.** A portion of the Funds' assets may be invested by the Funds in debt and equity securities denominated in various currencies and in other financial instruments, the price of which is determined with reference to such currencies. The Funds' assets, however are valued in U.S. dollars. To the extent unhedged, the value of the Funds' net assets will fluctuate with U.S. dollar exchange rates as well as with price changes of the investments in the various local markets and currencies. Forward currency contracts and options may be utilized by the Funds to hedge against currency fluctuations, but the Funds are not required to hedge and there can be no assurance that such hedging transactions, even if undertaken, would be effective.

## **Strategy Risk**

**Investment and Trading Risks in General.** All investments made by the Funds risk the loss of capital. The Funds may use such investment techniques as margin transactions, short sales, option transactions and forward and futures contracts, which practices can, in certain circumstances, maximize the adverse impact to which the Funds may be subject. No guarantee or representation is made that the Funds' programs will be successful, and investment results may vary substantially over time.

**Trading can be Leveraged.** The Funds may borrow funds from brokerage firms, banks and other available sources in order to be able to increase the amount available for investments by the Funds. In addition, the Funds may in effect borrow funds through entering into repurchase agreements, and may purchase or sell options, forwards and other derivative instruments. The amount of borrowings which the Funds may have outstanding at any time may be large in relation to their capital. Consequently, the level of interest rates, generally, and the rates at which the Funds can borrow, in particular, will affect the operating results of the Funds, and thus affect investors in the Funds. Leverage has the effect of magnifying both profits and losses compared with unleveraged positions.

**Short-term borrowings by the Funds could result in certain additional risks to the Funds.** In the event that the securities pledged to brokers to secure a Fund's margin accounts decline in value, the Fund could be subject to a "margin call" pursuant to which the Fund would either have to

deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of a Fund's assets, the Fund might not be able to liquidate assets quickly enough to pay off its margin debt and the Funds may therefore also suffer additional significant losses as a result of its default.

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. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Funds due to unusually high or low trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading to less than that which the Funds would otherwise recommend, to the possible detriment of the Funds. Market illiquidity or disruption could result in major losses to the Funds.

Spread Trading Risks. The Funds' trading operations may involve spreads between two or more instruments (*i.e.*, equity securities and debt securities convertible into such equity securities), such as the use of inter- and intra-company capital structure arbitrage strategies. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur. Such positions do, however, entail a substantial risk that the price differential could change unfavorably.

Interest Rate Risk. The value of the fixed-rate securities in which the Funds invest generally will have an inverse relationship with interest rates. Accordingly, if interest rates rise, the value of such securities may decline. In addition, to the extent that the receivables or loans underlying specific securities are prepayable, the value of such securities may be negatively affected by increasing prepayments, which generally occur when interest rates decline.

Illiquid Securities. A portion of the Funds may consist of securities, loans and other financial instruments which are not actively and widely traded. Consequently, it may be relatively difficult for the Funds to dispose of such investments rapidly and at favorable prices in connection with withdrawal/redemption requests, adverse market developments or other factors. Illiquid securities may also be more difficult to value.

Hedging Instruments. The Funds may enter into swaps, forwards and other negotiated principal transactions and sell securities short for hedging, leveraging or other purposes. Typically, these techniques involve one or more of the following risks: (i) imperfect correlation between the performance and value of the instrument and the value of the securities or other objectives of the Funds, (ii) possible lack of a secondary market for closing out a position in such instrument; (iii) losses resulting from interest rate, spread or other market movements not anticipated by the Funds; (iv) the possible obligation to meet additional margin or other payment requirements, all of which could worsen the position; and (v) default or refusal to perform on the part of the counterparty with which the Funds trade.



Derivative Instruments. The Funds may utilize various derivative instruments, such as warrants, options and convertible securities. The use of derivative instruments involves a variety of material risks, reflecting the often extremely high degree of leverage embedded in such instruments. The derivatives markets are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order either to realize gains or to limit losses. Many derivatives are valued on the basis of dealers' pricing of these instruments. However, the price at which dealers value a particular derivative and the price which the same dealers would actually be willing to pay for such derivative, should a Fund wish or be forced to sell such position, may be materially different. The pricing relationships between derivatives and the underlying instruments on which they are based may not conform to anticipated or historical correlation patterns, resulting in unanticipated losses.

Futures Contracts and Futures Options. The Funds may trade futures and futures options for speculative or hedging purposes. The prices of such contracts are highly volatile. Because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the investor. Commodity exchanges limit fluctuations in futures contract prices during a single day. During a single trading day trades may not be executed at prices beyond the "daily limit." Once the price of a futures contract for a particular commodity has increased or decreased by an amount equal to the daily limit, positions in the commodity can be neither taken nor liquidated unless managers are willing to effect trades at or within the limit.

Short Sales. A short sale involves the sale of a borrowed security in the expectation of purchasing the same security (or a security exchangeable therefor) at a later date at a lower price. To make delivery to the buyer, a short seller must borrow the security, and is obligated to return the security to the lender, which is accomplished by a later purchase of the security. When the short seller makes a short sale in the United States, it must leave the proceeds thereof with the broker and it must also deposit with the broker an amount of cash or U.S. Government or other securities sufficient under current margin regulations to collateralize its obligation to replace the borrowed securities that have been sold. If short sales are effected on a foreign exchange, local law will govern such transactions. A short sale involves the risk of a theoretically unlimited increase in the market price of the security. Furthermore, if the short seller has sold short the securities offered in an exchange offer or merger and has purchased the securities of the target company, it is exposed to the risk that, if the transaction is not consummated, it may suffer losses with respect to its long and its short positions.

High Yield Securities. The Funds may invest in "high yield" bonds and preferred securities which are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower rating categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

Material Risks Involved in a Particular Type of Security.

The clients are the Funds. Investments in the Funds are subject to all of the risks described above in Item 8.B. For more detailed discussion of the risks inherent in each of our Funds, please see the Funds' respective Private Placement Memoranda.

**Item 9 - Disciplinary Information**

There are no legal or disciplinary events, whether civil, criminal or administrative in nature, affecting our business or any of our principals.

**Item 10 - Other Financial Industry Activities and Affiliations**

Registration as a Broker-Dealer or as a Registered Representative of a Broker-Dealer

Two of our Partners are registered representatives. James Tammaro is a registered representative through Pickwick Capital Markets, LLC, a registered broker dealer. Kevin Murphy was a registered Representative at Creation Capital LLC, which has recently closed. Both of these employees will join one of our affiliates, TGP Securities, Inc., upon the approval of its pending Broker-Dealer application.

*Other Registrations.*

Neither we nor our principals are registered or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor or as an associated person of the foregoing entities.

Material Relationships

1. **broker-dealer, municipal securities dealer, or government securities dealer or broker**

*Not applicable.*

2. **investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)**

We and our related persons manage a number of pooled investment vehicles which may be deemed to be our related persons. These vehicles include the Funds.

3. **other investment adviser or financial planner**

*Not applicable.*

4. **futures commission merchant, commodity pool operator, or commodity trading advisor**

We may, from time to time, trade commodities when in line with the Funds' investment objectives. No material conflicts of interest with our clients are expected to arise from any relationship we may have with a commodity pool operator or commodity trading advisor.

**5. banking or thrift institution**

*Not applicable.*

**6. accountant or accounting firm**

*Not applicable.*

**7. lawyer or law firm**

*Not applicable.*

**8. insurance company or agency**

*Not applicable.*

**9. pension consultant**

*Not applicable.*

**10. real estate broker or dealer**

*Not applicable.*

**11. sponsor or syndicator of limited partnerships.**

*Not applicable.*

*Recommendation or Selection of Other Investment Advisers*

We do not recommend or select other investment advisers for our clients.

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

*Code of Ethics*

We have adopted a Code of Ethics (the "Code of Ethics") which is designed to ensure that we conduct our business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, we recognize that we have a fiduciary duty to the investors in the Funds and other accounts we manage, and that all of our employees must conduct their business on our behalf in a manner that enables us to fulfill this fiduciary duty. In this regard, we have developed policies and procedures in our Code of Ethics that are premised on fundamental principles of openness, integrity, honesty and trust. In addition, among other things, our Code of Ethics governs all personal securities transactions by our employees, our

policies with respect to gifts and entertainment, compliance with applicable federal securities laws, the manner in which violations of our Code of Ethics are to be reported, and certain other outside activities of our employees. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Our principals and other management persons have significant personal investments in the Funds. In addition, we and our affiliates receive performance-based fees and allocations from the Funds.

We strongly discourage our employees from engaging in any short-term trading, or trading on margin, trading commodities, futures, derivatives or other volatile securities or financial instruments.

### *Personal Trading*

When investment advisory personnel invest for their own accounts, conflicts of interest may arise between the client's and the employee's interests. The conflicts may include taking an investment opportunity from the client for an employee's own portfolio, using an employee's advisory position to take advantage of available investments, or front-running, which may be an employee trading before making client transactions, thereby taking advantage of information or using client portfolio assets to have an effect on the market which is used to the employee's benefit.

Tandem's policy does allow employees to maintain personal securities accounts provided any such personal investing by the employee or any immediate family or household member is consistent with our fiduciary duty to our clients. Certain employees, if requested by our Compliance Committee, must report all such accounts to us and provide copies of all confirmations or reports of transactions on a regular basis to the Compliance Committee. Each of Tandem's employees designated by the Compliance Committee who have access to our investment decisions is required to submit to the Compliance Committee an initial list of securities holdings held in his or her personal accounts. This list is supplemented quarterly with a list of executed transactions for the quarter that must be submitted within 30 days following the end of the quarter. Annually, each of these employees is also required to submit an updated list of securities holdings held in his or her personal account(s) within 30 days following the end of the year. The Compliance Committee reviews each employee's list of securities holdings to determine if such employee trading poses any conflicts with a client's interests (for example, front-running a recommendation). Compliance with this requirement is monitored by the Compliance Committee. Employees that fail to submit the required documentation may be subject to disciplinary action, including, but not limited to, termination.

### *Participation or Interest in Client Transactions*

We do not, and our employees are not permitted to, purchase or sell securities for a client's account at or about the same time that we, or any related person, purchases or sells the same security.

## Item 12 - Brokerage Practices

### Selection of Broker-Dealers

From time to time, we may select broker-dealers for client transactions. However, any broker-dealer selected for client transactions are not a related party. We do not receive research or other products or services in connection with client securities transactions.

### Brokerage for Client Referrals

We do not consider the prospect of receiving client referrals when selecting or recommending broker-dealers for client securities transactions. All prime brokers provide a capital introduction service which we may use.

### Directed Brokerage

We do not recommend, request or require that a client direct us to execute transactions through a specified broker-dealer.

### Aggregation of Orders

Orders for securities being placed by us directly (and through Portfolio Managers) at the same time for the accounts of two or more clients will be “batched” or placed as an aggregated order for execution, unless there is a good reason not to batch the orders. This practice may enable the Firm to seek more favorable executions and net prices for the combined order. If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating clients in accordance with the initial amounts ordered by each client. However, the pro rata allocation may be adjusted to avoid having odd amounts of shares held or to avoid deviations from any predetermined minimum/maximum holdings limits established for any client.

Each client that participates in a batched order must do so at the average price for all the transactions and must share in commissions or other transaction costs on a pro rata basis. If an order is to be allocated in a different manner, a written explanation of the change must be provided to, and approved by, our Chief Legal Officer no later than the business day following the execution of the trade. Payments and securities for aggregated orders should be clearly identified on the clients’ records and to the broker-dealers or other intermediaries handling the transactions by the appropriate names and account numbers of the participating clients. Although our policy on adjusting pro rata allocations could disadvantage one or more clients in any particular trade, we intend to monitor adjustments to pro rata allocations to ensure that no one client is consistently disadvantaged. We believe that this policy will be fair to all clients over time.

**Item 13 - Review of Accounts**

Tandem continuously monitors client accounts to ensure that they are being managed in a manner consistent with the client's investment objective and any investment guidelines. We have adopted the following procedures to implement our policy and to monitor compliance therewith:

**Investment Guidelines:** We have formed a Risk Committee that is responsible for conducting risk analysis and providing risk management services with respect to the investment portfolio of the Funds. This group is involved in establishing appropriate investment guidelines for each Fund and monitoring their compliance with the applicable investment guidelines. The review is designed to systematically assess the fact that Tandem has met all regulatory and contractual obligations related to each Fund.

**Performance:** Tandem's senior management communicates regularly with members of the trading, operations and risk management teams to review the status of client portfolios. The members of the operations and risk management teams prepare monthly reports showing performance of the clients' portfolios.

We furnish investors in the Funds with periodic written unaudited performance reports on a monthly basis. The unaudited performance reports include detailed information on interest rate, credit, foreign exchange, and other risk exposure; VaR and worst loss simulations for the portfolio; country attribution on a monthly and annual basis; and other performance analyses. On an annual basis, investors receive a copy of the relevant Fund's annual audited financial statements and, where applicable, a statement of taxable income (form K-1). Upon request and at our discretion, we may provide certain investors access to more frequent and/or more detailed information regarding the Funds' securities positions, performance, finances, and management and/or other information about the Funds, possibly enabling such investors to better assess the prospects and performance of the Funds.

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

We currently engage third party marketers to refer clients to us. We compensate these third parties for client referrals in compliance with the terms of Rule 206(4)-3, as of the Investment Advisors Act of 1940, as amended, and any corresponding state securities laws or requirements that may apply and implement an appropriate policy with respect to such activities.

**Item 15 – Custody**

We do have custody of client funds and securities. The qualified custodian, either directly or through the administrator, sends quarterly or more frequent statements directly to the clients and the investors which should be carefully reviewed by the recipients.

**Item 16 - Investment Discretion**

We have discretionary authority with respect to the Funds. The investors in the Funds generally may not place any limits on our authority beyond the limitations set forth in the offering and governing documents of such Funds.

**Item 17 - Voting Client Securities**

To the extent that we manage the assets of a client, we have the authority to vote proxies for the securities in the accounts we manage. Accordingly, we ordinarily will not vote proxies. Should we determine that it is beneficial to vote proxies for securities held in a client's account, we will use the following procedures:

All proxies will be voted, with the exceptions listed below:

1. If a client account no longer holds the security, we will not vote a proxy, as voting would not add value to the client's account; and
2. If a proxy is received after a client has terminated our services, we will not vote the proxy but will forward it directly to the client.

In determining how to vote individual proxies, the Chief Operating Officer shall consult with the research team and agree on the manner in which proxies on particular matters should be voted for each client, taking into account the best interests of that client and our Proxy Voting Guidelines. When the Fund's or separate account's client has provided proxy voting guidelines to us, those guidelines must be followed, unless it is determined that a different vote would add more value to the client's holdings of the security in question. A written explanation of the reasons for a deviation from the Fund's or separate account's client proxy voting guidelines must be placed in the client's file. The Chief Operating Officer or his designate shall make and keep a written record of how all proxies have been voted on behalf of clients.

**Item 18 - Financial Information**

*Not applicable.*

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

*Not applicable.*