



TETREM CAPITAL MANAGEMENT

Tetrem Capital Management Ltd.

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This Brochure provides information about the qualifications and business practices of Tetrem Capital Management Ltd. [“Tetrem”]. If you have any questions about the contents of this Brochure, please contact us at 1-204-975-2865 or at info@tetrem.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.

Tetrem is a registered investment adviser; however, registration does not imply any level of skill or training.

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

Item 2 – Material Changes

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will also provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

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Item 4 – Advisory Business

Tetrem Capital Management Ltd. ('Tetrem') was founded in 2004 by Daniel Bubis and is a 100% employee owned firm. Tetrem manages, on a discretionary basis, investment portfolios for mutual funds, institutional clients, foundations and endowments, pension plans and individuals.

Tetrem employs a value-oriented investment strategy focused on large capitalization equities. Our investment strategy is driven by a bottom-up, fundamental research process designed to preserve and grow our clients' capital over time. We focus on downside risk and require a sufficient margin of safety in our security selection process as a way to preserve capital. At the same time, we seek out companies that will offer capital appreciation potential, where the misalignment of fundamentals and expectations has created a compelling investment opportunity.

As of September 30, 2015, Tetrem managed approximately \$3.83 billion (US) of client assets on a discretionary basis. Tetrem does not manage any client assets on a non-discretionary basis.

Item 5 – Fees and Compensation

In consideration of the services rendered by Tetrem, clients shall pay or cause to be paid to Tetrem a portfolio management fee, plus any applicable taxes, calculated on a quarterly basis and payable in arrears on the first day of each quarter. The Portfolio Management Fee shall be calculated in accordance with the fee schedule below, based upon the daily average of the Account's net asset value for the preceding calendar quarter, exclusive of applicable brokerage commissions and custodial/administrative fees, which are incurred by the client. Additionally, any clients who are invested in Tetrem's managed funds will pay allowable fund expenses of up to 25 bps.

The fees below are payable on a monthly basis, in arrears, or as otherwise negotiated:

The fee schedule may be amended by Tetrem upon ninety (90) days written notice to a client,

1. Accounts of \$20 million and more

Account Size	Fees
First \$25 million	65 bps
Next \$25 million	55 bps
Next \$50 million	45 bps
Next \$100 million	35 bps
Thereafter	25 bps

2. Accounts below \$20 million

Account Size	Fees	
	Equities	Fixed Income
First \$3 million	100 bps	50 bps
Thereafter	65 bps	30 bps

Pursuant to the standard investment advisory agreement, a client may terminate upon ninety (90) days notice, or pursuant to such other terms as negotiated with a client. Fees for terminated accounts will be charged to the date of termination.

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

Tetrem 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 – Types of Clients

Tetrem manages, on a discretionary basis, investment portfolios for mutual funds, institutional clients, foundations and endowments, pension plans and individuals.

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

Tetrem follows a disciplined investment process that encourages continual vetting of ideas and constant interaction between our investment professionals. Potential investment ideas are typically generated by members of the Portfolio Management Team, with members of the research team performing an initial review. Once the initial review is completed, discussions with the Portfolio Management Team are conducted to decide if the company meets Tetrem's criteria to warrant a full research review. Our Valuation, Mean Reversion, Economic Moat, and Risk (VMER) Framework forms the pillars of this evaluation criteria. If the Portfolio Managers agree that the company sufficiently meets our criteria and appears to be a viable portfolio candidate, further in-depth, fundamental research is then performed on the company, the overall industry, its competitors, etc. Tetrem's research efforts are focused on determining fair value by modeling the company on the basis of normalized earnings and then applying a justified multiple to these earnings. These results are used to establish an identifiable price target that is then reviewed against other valuation metrics such as discounted cash flow, price-to-book, asset values, sum-of-the parts, etc., which are all reviewed on both an absolute and relative basis.

Importantly, other fundamental factors are also researched and analyzed, including, but not limited to, balance sheet strength, liquidity, capital discipline, quality of management, and strategic advantage. The Analyst then develops three scenarios of fair value: a base case, a bull case, and a bear case. All of the research and analysis contributing to the fair value analysis is then reviewed with the Portfolio Management Team in a Stock Picking Meeting, from which probabilities are assigned to each of the three scenarios in order to ultimately determine a fair value for the security. After assigning what we believe is the fair value for the stock, a decision is made whether or not the security should be purchased, and at what price, after factoring in the upside potential, downside potential, and allowing for the sufficient margin of safety Tetrem's Portfolio Management Team requires before approving an investment.

Tetrem's portfolio construction process is completely bottom-up; therefore, benchmark security or sector weights play a limited role in building our portfolio. For that reason, our sector and security weights could look materially different from the benchmark depending on the market environment. However, while Tetrem's process is not benchmark-driven, we are benchmark-aware with regard to established risk constraints that limit sector and security relative over/underweights.

Tetrem's sell discipline has been an instrumental part of our investment process. Stocks may be sold because:

- The upside price appreciation has been achieved and the stock is no longer intrinsically undervalued;
- It is determined that the original investment thesis has changed or will not be achieved within a reasonable investment horizon;
- More attractive relative opportunities are discovered.

Portfolio monitoring for sell decisions is not static, the Portfolio Management Team continually monitors the portfolio for incremental rebalancing opportunities. Portfolio trims and additions to existing positions are regularly implemented, as generally positions are neither initiated nor exited all at once.

Tetrem's Portfolio Management Team monitors risk at both the individual security and overall portfolio level on a daily basis. Individual securities are monitored relative to internally determined probability-weighted-average-price targets (PWAP), thesis achievement, and market moves, all in order to ensure each holding in the portfolio presents compelling upside potential in relation to possible downside risks. The Portfolio Management Team controls risk through the consistent implementation of our investment process and VMER framework, while also referring to risk models and other portfolio monitoring reports from Bloomberg to assist in the risk monitoring process.

Item 9 – 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 Tetrem or the integrity of Tetrem's management. Tetrem has had no legal or disciplinary events.

Item 10 – Other Financial Industry Activities and Affiliations

Tetrem does not have any other financial industry activities or affiliations.

Item 11 – Code of Ethics

Tetrem has comprehensive compliance programs in place to ensure its employees adhere to the CFA Institute's Code of Ethics and Standards of Professional Conduct, the IFIC model Code of Ethics for Personal Investing, and its own internal Policies and Procedures Manual (including fairness and allocation of trades policy), and Code of Ethics for Personal Investing and Business Conduct. Copies of these policies are available to any client or prospective client, upon request.

Tetrem's Code of Ethics for Personal Investing and Business Conduct does not allow for the purchase of individual securities for an employee's own account. There are limited exceptions to this rule and only apply in certain circumstances and with prior approval of Compliance pursuant to the Policy. The Policy also provides for the avoidance of any situation wherein a personal interest conflict or may appear to conflict with the interests of Tetrem's Clients.

A written disclosure outlining any related registrant or issuer is provided to each Client upon becoming a Client of Tetrem.

Tetrem does not buy or sell as principal for itself.

Item 12 – Brokerage Practices

Tetrem's Portfolio Managers and Chief Investment Officer decide which dealers are allocated brokerage business based on the quality of research received, competitive commission costs and their ability to execute trades. Tetrem pays select dealers a gross commission to affect a transaction with the understanding that the dealer will pay themselves a commission and may apply the balance (i.e. soft dollars) towards research and order execution goods and services provided by the dealer or a third party. The research and order execution services include analyses and reports regarding various subject matter relating to investments (including portfolio strategy, economic analysis, and statistic data about capital markets and securities), trading software, market data as well as databases and software that support these goods and services. Dealers and other third parties may provide the same or similar goods and services in the future. The names of such dealers and other third parties are available upon request.

Item 13 – Review of Accounts

Separately managed accounts are reviewed on a daily basis for portfolio strategy and asset allocation purposes. The review is performed by an Analyst. During the review, actual security weights are compared against target weights, and adjustments are made to the portfolio if there are significant variances. Accounts that hold Tetrem's pooled funds are reviewed on a monthly basis for portfolio adherence to asset allocation targets.

Our operations personnel balance transactions for each account as they occur, complete daily cash reconciliations for all accounts with the Custodian and complete position reconciliations for all accounts with the Custodian on a weekly basis.

Item 14 – Client Referrals and Other Compensation

Tetrem does not engage in any referral arrangements.

Item 15 – Custody

Clients receive at least quarterly statements from the broker dealer, bank or other custodian that holds and maintains client's investment assets. Tetrem urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Tetrem receives discretionary authority from the client at the outset of an advisory relationship. Tetrem reviews the client's financial affairs, and based upon the information provided by the client (the "Client Information"), shall gain an understanding of the client's investment profile and the client's objectives. Upon completion of its review of the Client Information, Tetrem shall proceed to implement its investment plan unless the client has otherwise instructed Tetrem in writing.

Tetrem exercises the care and skill expected of a prudent portfolio manager, and exercises its powers and duties in good faith and in accordance with its best judgment.

Item 17 – Voting Client Securities

Clients direct and authorize Tetrem to exercise in its sole discretion, on behalf of the client, any voting rights attached to any of the securities Tetrem is managing. Tetrem will vote in accordance in the best interests of the client and in accordance with Tetrem's Proxy Voting Guidelines, which are available upon request.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Tetrem's financial condition. Tetrem 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.