

Firm Brochure
(Part 2A of Form ADV)

Vanderbilt Avenue Asset Management, LLC
2 World Financial Center, 36th Floor
New York, NY 10281
Phone (212) 973-2200
Fax (212) 973-2202
www.vaamllc.com

This brochure provides information about the qualifications and business practices of Vanderbilt Avenue Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at: (212) 973-2200, or by email at: cgorham@vaamllc.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.

Vanderbilt Avenue Asset Management, LLC, an investment adviser registered with the U.S. Securities and Exchange Commission. Registration with the U.S. Securities and Exchange Commission as an investment advisor does not imply a certain level of skill or training.

Additional information about Vanderbilt Avenue Asset Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov

March 31, 2011

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (212) 973-2200 or by email at: cgorham@vaamllc.com.

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Advisory Business

Firm Description

Vanderbilt Avenue Asset Management, LLC, ("VAAM") was founded in 2008.

VAAM provides individual discretionary investment management services and investment advisory services to various categories of institutional and individual clients. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

Principal Owners

Our firm is 100% owned by our employees. The principal owner is Emad A. Zikry.

Types of Advisory Services

VAAM provides investment advisory services, also known as asset management services.

As of December 31, 2010, VAAM manages approximately \$580,976,136 in assets for approximately 49 clients. Approximately \$431,377,427 is managed on a discretionary basis, and \$149,598,709 is managed on a non-discretionary basis.

Tailored Relationships

The goals and objectives for each client are documented in an Investment Guideline Statement. Investment Guideline Statements reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

Types of Agreements

The following agreements define the typical client relationships.

Investment Management Agreement

VAAM provides individual discretionary investment management services and investment advisory services to various categories of institutional and individual clients.

VAAM provides continuous advice to its clients, most of which are institutional investors, concerning the investment of assets under the VAAM's supervision or management. Such advice will be given at such times as VAAM determines that investment or reinvestment of such assets is appropriate on the basis of the individual goals of each client and VAAM's assessment of the investment opportunities that are available from time to time.

VAAM's fees will vary with each of its clients depending upon the size of the account and the type of investment supervisory services provided. Higher or lower fees than those shown on the schedules below may be negotiated for particular clients. Also, fees for special services or reports may be negotiated on an individual basis. VAAM's basic annual fee schedules are as follows:

Active International/Global Fixed Income:

- .60% on the first \$10 million
- .40% on the balance

Active Domestic Fixed Income:

- .50% on the first \$10 million
- .40% on the next \$15 million
- .30% on the next \$75 million
- .20% on the next \$100 million
- .15% on the balance

Short Duration Bond Management:

- .40% on the first \$10 million
- .25% on the balance

Immunization or Dedication

- .25% on the first \$10 million
- .20% on the next \$15 million
- .15% on the balance

Domestic Index Bond or Equity Portfolios:

- .08% on the first \$10 million
- .05% on the next \$50 million
- .04% on the balance

Domestic Equity and Balanced Account Management:

- .75% on the first \$10 million
- .60% on the next \$15 million
- .50% on the next \$25 million
- Negotiable above \$50 million

Index Plus Yield Factor:

- .15% on the first \$50 million
- .10% on the next \$50 million
- .05% on the balance

Clients' assets under management or supervision generally will be valued at the end of each calendar month based on statements from the applicable custodians and VAAM's fees generally are expected to be payable quarterly in arrears.

Although the Investment Management Agreement is an ongoing agreement, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying VAAM in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, VAAM will refund any unearned portion of the advance payment.

VAAM may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, VAAM will refund any unearned portion of the advance payment.

Fees and Compensation

Description

VAAM bases its fees on a percentage of assets under management.

Fees are negotiable.

Fee Billing

Investment management fees are billed quarterly, in arrears, meaning that we invoice you after the three-month billing period has ended. Payment in full is expected upon invoice presentation.

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

VAAM does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

Description

VAAM generally provides investment advice to individuals, banks or thrift institutions, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities, or governments and government agencies.

Client relationships vary in scope and length of service.

Account Minimums

The minimum account size is \$10,000,000.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

Security selection is based largely, although not entirely, on fundamental analysis. Economic factors are considered. Technical and cyclical analysis is used to confirm the desirability of choices made on the basis of fundamental analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

VAAM has access to a substantial library containing both current and historical material on companies and subscribes to major journals and periodicals. Publications are obtained from leading investment banks.

Investment Strategies

The investment strategy for a specific client is based upon the objectives stated by the client. The client may change these objectives at any time. Each client executes an Investment Guideline Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

VAAM an investment adviser registered with the U.S. Securities and Exchange Commission.

Affiliations

VAAM does not have any arrangements that are material to its advisory business or its clients.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

The employees of VAAM have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

VAAM and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the VAAM Compliance Manual.

Personal Trading

The Chief Compliance Officer of VAAM is Cort W. Gorham. He reviews all employee trades each quarter. His trades are reviewed by Chief Administrative Officer. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

VAAM does not have any affiliation with product sales firms. The factors considered by VAAM in selecting dealers and brokers include: price

competitiveness; availability of securities to be purchased; execution capability; financial responsibility; compliance and operational responsiveness and the provision of research and/or market information.

Specific custodian recommendations are made to Clients based on their need for such services. VAAM recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

VAAM does not receive fees or commissions from any of these referrals.

Best Execution

In order to ensure best execution and verify that fair market levels are achieved on all trades, portfolio managers are required to obtain at least two competing price quotes, where available, for all proposed trades. Competing bid/offer price quotes are not required for New Issues and Equity securities. An exception are certain clients that have established an independent brokerage account in conjunction with a custodial agreement. Other exceptions based on market practice may include Government/Agency related securities in fast moving markets. In any case, we require an indicative price support (e.g. Bloomberg) which in-turn is attached to the trade ticket.

Soft Dollars

VAAM deploys Capital Institutional Services for Soft Dollar arrangements. Such research products and/or services will typically consist of general fixed income and/or general economic research, systems and administrative costs. It is VAAM's intention to utilize such research and/or services collectively for the benefit of all its client accounts, to the extent possible. There is no assurance that the client may not pay higher commissions in return for research and services obtained.

Order Aggregation

Fixed income securities are not subject to aggregation.

Review of Accounts

Periodic Reviews

The Chief Administrative Officer chairs weekly account review meetings. At these meetings a set of portfolios is examined in detail by the portfolio staff with an eye toward making certain that each area of portfolio risk management and guideline compliance has been met. Any exceptions are noted and assigned to a specific individual for remedy. Account reviews are performed more frequently when market conditions dictate.

Regular Reports

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications.

Client Referrals and Other Compensation

Incoming Referrals

VAAM has been fortunate to receive many client referrals over the years. The referrals came from current clients, attorneys, accountants, and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

VAAM does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Custody

SEC "Custody"

Vanderbilt does not maintain custody for any clients' cash, bank accounts, or securities. Vanderbilt's customers independently select their custodians and inform Vanderbilt of their custodian by separate instruction.

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly.

Reports

Clients are urged to compare the account statements received directly from their custodians to requested report statements provided by VAAM.

Investment Discretion

Discretionary Authority for Trading

VAAM accepts discretionary authority to manage securities accounts on behalf of clients. VAAM has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

The client approves the custodian to be used and the commission rates paid to the custodian. VAAM does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

Trading Authorization

The client signs an authorization agreement with the custodian that grants VAAM discretionary authority to execute the trades on behalf of their account.

Voting Client Securities

Proxy Votes

Unless the client designates otherwise, VAAM votes proxies for securities over which it maintains discretionary authority consistent with its proxy voting policy. A copy of VAAM's proxy voting policy is available upon request.

Financial Information

Financial Condition

VAAM does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because VAAM does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

Business Continuity Plan

General

VAAM has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Information Security Program

Information Security

VAAM maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

VAAM is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.