

Form ADV Part 2A

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This brochure provides information about the qualifications and business practices of T. A. McKay & Co., Inc. If you have any questions about the contents of this brochure, please contact us at 212-315-1875. 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 T. A. McKay & Co., Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

The registration of T. A. McKay & Co., Inc. as an investment adviser does not imply a certain level of skill or training.

Item 2 – Material Changes

If you are amending your *brochure* for your annual update and it contains material changes from your last annual update, identify and discuss those changes on the cover page of the *brochure* or on the page immediately following the cover page, or as a separate document accompanying the *brochure*. You must state clearly that you are discussing only material changes since the last annual update of your *brochure*, and you must provide the date of the last annual update of your *brochure*.

T. A. McKay & Co. (“TAMCO”) updated Part 2A of Form ADV in March 2016 in connection with its annual updating requirement. This March 2017 annual update to Part 2A of Form ADV reflects a substantial re-formatting of TAMCO’s submission on Part 2A to better align its brochure with the Form ADV Part 2A Instructions and re-writing of certain Information, particularly as set forth in paragraph B of Item 4-Advisory Business and in Item 8—Method of Analysis, Investment Strategies, and Risk of Loss. TAMCO recommends that clients and prospective investors read the entire document.

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Item 4 – Advisory Business

A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).

T.A. McKay & Co., Inc. (“TAMCO”) manages two investment funds (the “Funds”) focused on distressed credit obligations generally in situations involving market capitalizations that are often under \$500 million. The Funds have been in existence for over twenty-five years and currently have \$182 million of assets under management. Simplon Partners LP, for US residents only, is in liquidation and is not making new investments or accepting additional subscriptions. Simplon International Limited is for offshore residents only. Generally the strategy has been, and remains, for Simplon International, to acquire bonds, bank debt or trade claims at a discount to face value and hold them until a Chapter 11 plan of reorganization (or other financial restructuring) can be completed, to deleverage the balance sheet of an otherwise healthy business. The focus is on acquiring the most senior claims in a company’s capital structure in order to limit downside risk. The reorganization process often takes over a year, so that realized gains are generally long-term.

Prior to commencement of liquidation of Simplon Partners, TAMCO managed Simplon Partners and Simplon International such that the two portfolios were as similar as practicable in terms of holdings and percentage allocations.

The Funds do not seek control positions in any of their investments but, when needed, the principals may serve on creditors’ committees or corporate boards.

The Funds never use leverage of any type; and they do not borrow securities or engage in short sales of securities. The Funds do not invest in financial derivative products. Nor do the Funds engage in hedging strategies or high frequency trading. The Funds also do not invest in real estate.

Principal Ownership. TAMCO has been in business for more than 25 years. Thomas A. McKay is the sole owner.

Prior to forming TAMCO, Mr. McKay worked for three years at S.B. Lewis & Co., a private investment firm in New York City, where he managed a portfolio of investments in bankruptcies, liquidations and other special situations. Prior to joining S.B. Lewis & Co., Mr. McKay was the Treasurer of Anglo Energy Limited (subsequently named “Nabors Industries”), an oil service company that was reorganized under Chapter 11 of the United States Bankruptcy Code in 1986. His experience in this position included preparing a business plan for the company, drafting the terms of the reorganization plan, negotiating with creditors, arranging for the sale of assets, attending board meetings and serving as a witness in court. This experience gave Mr. McKay an understanding of the bankruptcy reorganization process in the United States and a knowledge of the leading crisis managers, investment bankers and

lawyers typically involved in such proceedings. Before joining Anglo Energy, Mr. McKay was a credit officer at J.P. Morgan & Co., where he was responsible for making secured loans to independent ship owners in Europe and the United States. Mr. McKay is a graduate of Harvard Business School and Princeton University and served for three years in the United States Navy as an officer. Mr. McKay was born in 1947

Biographical information concerning TAMCO personnel is available online at: <http://www.tamckay.com/teamBiographies.html>

B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.

TAMCO'S investment objective for Simplon International is to realize significant capital appreciation through investments in public and private obligations of selected financially troubled enterprises, almost always domiciled in the United States. Simplon International invests in the securities of companies that are engaging in extraordinary transactions such as reorganizations under the bankruptcy laws (or other insolvency laws), liquidations, recapitalizations, and restructurings.

Simplon International takes passive positions and holds them until the conclusion of the bankruptcy proceeding or until such time as TAMCO deems appropriate.

Generally speaking, half of Simplon International's investment portfolio is invested in publicly traded securities and the remainder of the investment portfolio is invested in private obligations. Positions do not as a matter of course exceed 20% of the portfolio (whether at cost or market value), and investments in a single industry do not exceed 40% of the portfolio.

In addition to the restrictions noted in Item 4.A. above, Simplon International observes the following restrictions in its investment activity, unless modified in writing by the Board of Directors on a case by case basis:

(a) It generally does not invest in equity securities, unless such securities fall within a plan of reorganization;

(b) Except in unusual circumstances it will not purchase more than 25% of the debt securities of a single issuer;

(d) It will not invest in United States Real Property interests (as defined in United States income tax regulations) or in any other securities the sale or other disposition of which would subject it to United States income taxation, or in securities the principal return from which is expected to be in the form of dividends;

(e) It will not make any investment which would or may cause it to be considered a partner in

a United States partnership.

As noted above, Simplon Partners L.P. is in the process of liquidation. It therefore is not accepting new subscriptions and is not making new investments. As of the date of this filing, the bulk of its assets have been liquidated and returned to the investors in Simplon Partners, leaving investments valued, as of December 31, 2016, at \$12.6 million in Simplon Partners. The remaining investments will be liquidated as and when opportunities arise. The proceeds will be distributed to the investors in Simplon Partners as and when such liquidations occur. TAMCO is receiving no fees of any kind in the context of the liquidation of Simplon Partners L.P.

C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of *clients*. Explain whether *clients* may impose restrictions on investing in certain securities or types of securities.

TAMCO does not tailor its investment advice to the individual investors in the funds it manages. Accordingly, it does not accept material investment restrictions sought by investors in the funds.

D. If you participate in *wrap fee programs* by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.

TAMCO does not participate in “wrap fee programs.”

E. If you manage *client* assets, disclose the amount of *client* assets you manage on a *discretionary basis* and the amount of *client* assets you manage on a non-*discretionary basis*. Disclose the date “as of” which you calculated the amounts.

As noted above under Item 4, as of December 31, 2016, the Funds has \$182 million of assets under management, all of which is managed by TAMCO, subject only to the objectives and policies outlined above in Items 4.A. and B.

Item 5 – Fees and Compensation

A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

Simplon International pays TAMCO an annual management fee and a performance fee (if applicable) on an annual basis. The management fee amounts to 1% per annum of Simplon International’s Net Asset Value. The management fee is paid quarterly in advance and calculated on the basis of Simplon International’s Net Asset Value at the beginning of each calendar quarter. TAMCO is entitled to be paid a performance fee equal to 20% of annual profits above a 5% cumulative, compound preferred return to

investors. In other words, unless and until investors receive a 5% compound return on their investment, no performance fee is due and payable. Simplon International is also charged an annual administration fee of 0.1% by its administrator, Fidinam (Monte Carlo) SAM. During the period Simplon Partners L.P. is in liquidation, it is not subject to any management or performance fees.

B. Describe whether you deduct fees from *clients'* assets or bill *clients* for fees incurred. If *clients* may select either method, disclose this fact. Explain how often you bill *clients* or deduct your fees.

The management fee of 1%, and the administrative fee of 0.1%, are paid quarterly in advance, calculated on the basis of Simplon International's Net Asset Value at the beginning of each calendar quarter, and are deducted from its assets.

The performance fee is drawn from the fund's assets at the beginning of the year succeeding each year in which the fund's performance is sufficient for TAMCO to earn a performance fee.

During its liquidation, Simplon Partners has not been and will not be charged for management or performance fees.

C. Describe any other types of fees or expenses *clients* may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that *clients* will incur brokerage and other transaction costs, and direct *clients* to the section(s) of your *brochure* that discuss brokerage.

Auditing and transaction-related legal fees are passed on to investors. Brokerage fees become part of each investment's cost basis. For further discussion concerning brokerage, see Items 12 and 13 below.

D. If your *clients* either may or must pay your fees in advance, disclose this fact. Explain how a *client* may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

Investors in Simplon International may redeem their shares only on June 30th and December 31st on sixty days' notice. On those dates, any pre-paid quarterly fees will have been entirely amortized. Accordingly there is no occasion for a refund of a pre-paid fee.

E. If you or any of your *supervised persons* accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.

1. Explain that this practice presents a conflict of interest and gives you or your *supervised persons* an incentive to recommend investment products based on the compensation received, rather than on a *client's* needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to *clients*. If you primarily recommend mutual funds, disclose whether you will recommend "no-load" funds.

2. Explain that *clients* have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.
3. If more than 50% of your revenue from advisory *clients* results from commissions and other compensation for the sale of investment products you recommend to your *clients*, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.
4. If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.

Neither TAMCO nor its employees receive, directly or indirectly, any compensation from the sale of securities or investments that are purchased or sold for either of the Funds. TAMCO is compensated, as described above, exclusively through the stated management fee and performance compensation agreed upon in the governing documents of the respective Funds. Accordingly, TAMCO believes that it does not have any conflicts of interest regarding the receipt of additional compensation relating to the Funds.

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

If you or any of your *supervised persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your *supervised persons* manage both accounts that are charged a *performance-based fee* and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your *supervised persons* face by managing these accounts at the same time, including that you or your *supervised persons* have an incentive to favor accounts for which you or your *supervised persons* receive a *performance-based fee*, and describe generally how you address these conflicts.

As a general matter, TAMCO recognizes that performance based fee arrangements may create an incentive for an investment adviser to recommend investments that may be riskier, more speculative, or potentially more profitable than those which might be recommended under a different fee arrangement. TAMCO seeks to manage potential conflicts of interests in good faith, and subject to the provisions of the governing documents of the Funds, and is guided by its fiduciary duties to each of the Funds and their investors, as well as by its Code of Ethics and Compliance Manual.

TAMCO currently manages Simplon International, all of whose investors pay a management fee annually and a performance fee when and if earned. All of these investors hold undivided interests in the same portfolio. TAMCO is also managing the liquidation of Simplon Partners—it will receive no fees during or in connection with the liquidation. Simplon Partners' investors also hold undivided interests in the same portfolio.

Item 7 – Types of Clients

Describe the types of *clients* to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

Investors in Simplon International are large sophisticated institutional investors. Investors in Simplon Partners, which is in liquidation, include individuals and family offices. The minimum amount for a new investor in Simplon International is \$1 million.

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

A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that *clients* should be prepared to bear.

Investment Objectives. The objective of Simplon International is to realize significant capital gains through investments in the private obligations and public securities of selected financially troubled enterprises, primarily in the United States. Simplon International often invests in the securities of companies that are engaging in extraordinary transactions such as reorganizations under the bankruptcy laws and other insolvency laws, liquidations, recapitalizations, restructurings and similar transactions or proceedings.

Simplon International will generally only take passive positions and will hold them until the conclusion of the bankruptcy proceeding or until such time as TAMCO deems appropriate.

Bankruptcy Opportunities. TAMCO manages the Funds' investment portfolios so as to engage in a form of value investing where creditor claims against a corporation involved in bankruptcy or similar proceedings are purchased at a discount to the expected value of these claims when the debtor emerges from bankruptcy or other proceedings. TAMCO believes that, in appropriate situations, the spread between the price paid to acquire such claims and the value of the reorganization distributions ultimately made to creditors may provide an above-average rate of return for investors who can wait (usually one to three years) to be paid and can accept that these investments may not generate cash interest or dividends during the holding period.

Strategy. The Funds' portfolios may include equities, registered bonds and private claims, such as trade claims, bank loans and other private obligations. The Funds do not invest for the purposes of seeking control or participating in the management of any company, although, in appropriate circumstances, TAMCO may seek representation on behalf of the Funds on creditors' committees.

The Funds may acquire loans from banks, insurance companies or other financial institutions or claims held by trade or other creditors. Such loans generally sell at a discount to the publicly-traded

securities of the same obligor. Because such investments are not registered and no public market for them exists, they are typically illiquid.

TAMCO seeks profit opportunities for the funds arising from inefficiencies in the market where considerable analysis may be required to evaluate such obligations and institutional research coverage and market making activities are limited. In such circumstances, a differential may exist between the fundamental values of such obligations and their current market prices.

Selection and Valuation of Investments. Investment opportunities are identified using a variety of sources: articles in the financial press concerning troubled companies; filings in bankruptcy proceedings; and contacts with financial institutions, accountants, attorneys, and brokers.

TAMCO employs a valuation technique based upon discounted cash flow analysis combined with risk assessment. An assessment is made of future cash flows and a value is determined for the business. The liabilities of the troubled company are scheduled on the basis of legal priority. These factors are then weighed to estimate what distributions are likely to be made to each class of creditors, as well as the length of time required to reach an agreement given the dynamics of the reorganization process. This analysis and assessment is then used to determine, in TAMCO's judgment, an appropriate discount rate. Finally, TAMCO calculates an estimated present value of each class of creditor claims.

Throughout the process, complex valuation issues must be addressed, for example, the estimated value of particular assets held by the troubled company, and the estimated market value of securities that in TAMCO's opinion are likely to be distributed in the reorganization. The foregoing analysis often includes consideration and estimation of which of the component businesses of the troubled company will be retained or sold or liquidated, and what adjustments to such company's capital structure are, in TAMCO's view, likely to result. In its analyses and assessments TAMCO utilizes information the companies provide pursuant to their disclosure obligations under the U.S. securities laws and pursuant to disclosure required in bankruptcy proceedings.

A. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

The investment strategy and method of analysis TAMCO follows for the Funds, including TAMCO's judgmental determinations about estimated future values, and the timing of liquidation of investments, among other considerations, involves numerous risks. Among other risks, investors should recognize that the distressed market is typically volatile and often illiquid. Investors should be prepared to lose all or a

substantial part of their investment. Additionally investments in distressed securities involve risks that may not apply to other investment types, and returns may not correlate with broader market returns. Other risks to investors include reliance on TAMCO and potential liquidity related limitations on the redemption of investments.

Investments in the Funds will involve risks not necessarily associated with other investment opportunities. TAMCO employs for the Funds a variety of investment strategies primarily involving companies experiencing significant financial and business difficulties, which inherently carry a high degree of risk.

High Risk Investments. The Funds invest in business enterprises that are financially troubled, in many cases requiring filing for protection from their creditors. It is likely that each investment will take a considerable amount of time to mature and it is possible that the final settlement may result in a loss of capital, perhaps to the full extent of the Funds' entire investment.

Reliance on Corporate Management and Financial Reporting. TAMCO relies on the financial information made available by the issuers in which the Funds invest. TAMCO typically does not independently verify the financial information disseminated by the issuers in which the Funds may invest and is dependent upon the integrity of both the management of these issuers and the financial reporting process in general. Corporate mismanagement, fraud and accounting irregularities relating to the issuers of investments held by the Funds may result in material losses.

Lack of Liquidity. The Funds will sometimes invest in unregistered obligations and securities for which there may be a limited market, or on occasion none at all. These investments may require a substantial period of time before they become liquid. If forced to sell, the Funds may only be able to dispose of these investments, if at all, at a substantial discount to actual value.

Dependence on Mr. McKay. Investors are prohibited from taking an active role in the management of the Funds. All decisions with respect to the management and conduct of the business for the Funds will be made by Mr. McKay, in his capacity as the President of TAMCO. Investors in the Funds must be willing to rely on his abilities.

Competition. There are a number of investment professionals, brokers and fund managers with investment objectives and strategies similar to the Funds'. Also, there can be no assurance that at any given moment a sufficient number of attractively priced investment opportunities will be available for investing the Funds' capital.

Redemption Risks; Non-transferability of Partnership Interests. Investments in Simplon International are redeemable semi-annually on June 30 and December 31 on 60 days' notice. In the event a substantial number of investors seek to redeem their holdings on the same date, it might not be possible to honor redemption requests without delay. Thus, investors should understand that they may be required to hold their investment until the liquidation and dissolution of the fund.

Interests in Simplon Partners L.P. generally cannot be transferred without the consent of the General Partner. As noted above, the Partnership is currently in process of liquidation.

Valuation of Assets. TAMCO values the Funds' investments at the latest transaction price, or if there has not been a recent transaction, midway between the bid and asked prices or, if there are no bid and asked prices, in TAMCO's good faith judgment. TAMCO is not required to have such valuations independently determined.

Potential for Conflicts of interests. Inasmuch as TAMCO manages two substantially identical funds, but only has an investment in the U.S. fund, TAMCO may find itself in potential conflict of interest situations. Despite the above, TAMCO will endeavor to achieve equitable treatment for each of the funds it manages or controls and to avoid or minimize the conflict of interest with respect thereto. TAMCO and its employees will be free to trade securities, for their own accounts provided that such other activities shall not interfere with the performance of its obligations and duties to the Funds. For information concerning personal securities trading and investing by TAMCO staff members, see Item 11 below.

Other Performance Risks. Set forth below is a graph chart reflecting the performance of the funds from 1990 to the yearend of 2016, as compared to three indexes, to wit: the Dow Jones Industrial Average; the Citigroup High Yield Index; and the Altman NYU Defaulted Securities Index.

	Simplon	Dow Jones	Difference	Citigroup High Yield Index	Difference	Altman-NYU Defaulted Securities Index	Difference
1 Year	19.1%	13.4%	5.7%	15.3%	3.8%	80.2%	-61.0%
3 Years	-4.1%	6.0%	-10.1%	3.5%	-7.5%	-1.8%	-2.3%
5 Years	1.1%	10.1%	-9.0%	7.0%	-6.0%	4.2%	-3.1%
10 Years	3.9%	4.7%	-0.8%	7.1%	-3.1%	1.4%	2.5%
Since Inception	10.0%	7.5%	2.5%	8.7%	1.4%	6.2%	3.9%

The Funds' performance could be materially adversely affected by instability in the U.S. or global financial markets, or changes in market, economic, political or regulatory conditions, as well as by other factors outside TAMCO's control.

Certain of the investments made by the Funds are affected by outcomes determined in bankruptcy proceedings which are litigated proceedings whose outcomes are sometimes difficult to predict.

Certain of the Funds' investments are in high yield or distressed bonds or loan participations that are non-investment grade or not rated by a credit agency, and are subject to a greater degree of credit risk than would apply to investment grade debt issuances.

TAMCO's strategy involves intensive initial and ongoing research. As a corollary of this in depth research, the number of investments in the Funds' portfolios at any given time is smaller than at many other funds. Typically the Funds hold 12 to 18 different positions, which may provide less diversification than at other funds that invest in a broader cross-section of investments.

Valuation of the Funds' investment portfolios, which will affect performance results, may involve judgmental determinations, particularly regarding thinly traded or untraded securities. Valuing securities for which reliable market quotations are not available involves uncertainties and the resulting values may differ from those that would have been determined in an actively traded market and may differ from the prices at which such securities are ultimately sold.

The Funds' performance is dependent on the skill and judgment of TAMCO's staff and thus is subject to risks inherent to all investment decisions, including the adequacy and reliability of the available information, the quality of TAMCO's analysis, the quality of its judgmental determinations concerning estimated future value, and the risks of unforeseen (or unforeseeable) developments in business conditions, competition, markets, or regulations affecting investee companies.

In addition to investment strategy and analysis risks, the Funds are subject to information technology risks, or cyber risks. TAMCO's information technology systems may be vulnerable to computer viruses, cyber attacks, computer, software and telecommunications failures, security breaches, power outages, and catastrophic events, which could expose the Funds to interruption and/or loss.

The Funds do not engage in frequent trading, and they generally hold their investments for more than a year.

C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

The bulk of the Funds' investments are in companies that are in some degree of financial distress. These companies often restructure in bankruptcy or in out-of-court transactions. Such proceedings and

transactions tend to be time-consuming and often contentious, and the resulting valuations have a potentially wide variety of outcomes. See discussion above in Items 8 A. and B.

Item 9 – Disciplinary Information

If there are legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Neither the firm nor any of its employees has been subject to any legal or disciplinary events.

Item 10 – Other Financial Industry Activities and Affiliations

A. If you or any of your *management persons* are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

N/A

B. If you or any of your *management persons* are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

N/A

C. Describe any relationship or arrangement that is material to your advisory business or to your *clients* that you or any of your *management persons* have with any *related person* listed below. Identify the *related person* and if the relationship or arrangement creates a material conflict of interest with *clients*, describe the nature of the conflict and how you address it.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
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)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships.

Neither TAMCO nor any of its management persons has any relationships with any related person described above in C.1-11.

D. If you recommend or select other investment advisers for your *clients* and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

TAMCO has no such relationships.

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

A. If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any *client* or prospective *client* upon request.

TAMCO maintains a Code of Business Conduct and Ethics that each employee must acknowledge in writing annually having received and read. It contains provisions requiring all personnel to take responsibility for ensuring that the firm conducts its business with the highest level of ethical standards and in keeping with its fiduciary duties. It contains provisions requiring all personnel to comply with all laws applicable to the firm's business including U.S. securities laws; to avoid conflicts of interests or acting in any manner adverse to the interests of the Funds, and when in doubt to seek advice of the Chief Compliance Officer; to avoid misuse or abuse of confidential or material non-public information; to restrict their personal trading in securities to issues not contained in the portfolio of Simplon Partners L.P.; to report any violations of the Code to the Chief Compliance Officer; and to report to the Chief Compliance officer in detail and on a regular basis all their securities holdings and trades.

The firm will furnish upon request a copy of its Code of Business Conduct and Ethics to any investor or prospective investor in any fund managed by the firm.

B. If you or a *related person* recommends to *clients*, or buys or sells for *client* accounts, securities in which you or a *related person* has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

See further discussion in Item 11.C. below.

Examples: (1) You or a *related person*, as principal, buys securities from (or sells securities to) your *clients*; (2) you or a *related person* acts as general partner in a partnership in which you solicit *client* investments; or (3) you or a *related person* acts as an investment adviser to an investment company that you recommend to *clients*.

None of the above examples is applicable to TAMCO's business. Neither TAMCO nor its staff members is ever a counterparty to either of the Funds or to any of the Fund's investors. While TAMCO is a general partner in Simplon Partners L.P., it is not an investor in that Fund and its role as general partner is fully disclosed.

B. If you or a *related person* invests in the same securities (or related securities, *e.g.*, warrants, options or futures) that you or a *related person* recommends to *clients*, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.

As noted above, prior to commencement of liquidation of Simplon Partners, TAMCO managed Simplon Partners and Simplon International with the objective that the two funds co-invested in as many

investments as practicable and to the extent practicable in the same proportionate amounts of their total investment funds. TAMCO is the general partner of Simplon Partners, but not an investor therein. Certain staff members of TAMCO, including Mr. McKay, are investors, as limited partners, in Simplon Partners.

Trading by TAMCO personnel for their own accounts is subject to reporting and monitoring in order to protect the interests of TAMCO and the Funds and their investors. With respect to the Partnership, it has long been the policy of TAMCO, consistent with the terms of the Partnership's offering to investors, that neither TAMCO nor its staff would invest personally in any obligations or securities that were in, or eligible to become a part of, the Partnership's investment portfolio. In view of the ongoing liquidation of the Partnership, in which all limited partners, including staff members of TAMCO who are limited partners, have already received substantial cash redemptions, TAMCO has changed this policy to permit its staff to trade in securities issues that are not contained within the Partnership's portfolio.

TAMCO's personnel are not prohibited under Simplon International's organizational documents from trading in securities contained in its portfolio. Moreover, as U.S. persons, TAMCO's personnel are not permitted to invest in Simplon International. However, by reason of the change in policy referred to above occasioned by the liquidation of Simplon Partners, TAMCO's staff may buy or sell securities contained in the portfolio of Simplon International if such securities are not contained in the portfolio of Simplon Partners.

Potential conflicts of interests are addressed by regular monitoring of personal securities trading by TAMCO staff members and by prohibitions contained in TAMCO's compliance manual, which is read and signed annually by each member of TAMCO's staff. TAMCO's compliance manual requires that trading and investing in securities by TAMCO's personnel must always be conducted in compliance with applicable laws and regulations and with the principles set forth in the manual, including, without limitation avoiding conflicts of interests with the Funds, not taking any positions adverse to the interests of the Funds, acting in accordance with fiduciary duties, and not trading while in possession of material non-public information.

TAMCO may potentially manage other funds with investment objectives and strategies similar to the funds. On July 16, 2001, T.A. McKay & Co., Inc. was retained as investment manager for Simplon International Limited, a Cayman Islands company organized to permit offshore investors to participate in an investment program which has the same strategy and investment objectives as the Partnership. TAMCO currently manages only Simplon International and the Partnership, which is in process of liquidation.

C. If you or a *related person* recommends securities to *clients*, or buys or sells securities for *client* accounts, at or about the same time that you or a *related person* buys or sells the same securities for your own (or the *related person's* own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

See discussion in A. – C. above.

Item 12 – Brokerage Practices

A. Describe the factors that you consider in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (e.g., commissions).

Selection of brokers is based on best execution.

1. Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with *client* securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create.

TAMCO has no “soft dollar” arrangements of any sort. While all of the brokers TAMCO uses provide proprietary research from time to time, selection of brokers is always based on best execution.

a. Explain that when you use *client* brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.

TAMCO does not receive any research that is linked to the commission dollars paid. Moreover, TAMCO performs its own independent research with regard to every investment.

b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your *clients'* interest in receiving most favorable execution.

TAMCO has no incentive to select any broker over another, and makes the choice of brokers solely on the basis of best execution.

c. If you may cause *clients* to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.

Not applicable.

d. Disclose whether you use soft dollar benefits to service all of your *clients'* accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to *client* accounts proportionately to the soft dollar credits the accounts generate.

TAMCO receives no soft dollar benefits.

e. Describe the types of products and services you or any of your *related persons* acquired with *client* brokerage commissions (or markups or markdowns) within your last fiscal year.

None.

f. Explain the procedures you used during your last fiscal year to direct *client* transactions to a particular broker-dealer in return for soft dollar benefits you received.

Not applicable.

2. Brokerage for *Client* Referrals. If you consider, in selecting or recommending broker-dealers, whether you or a *related person* receives *client* referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.

Not applicable.

a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving *client* referrals, rather than on your *clients'* interest in receiving most favorable execution.

Not applicable.

b. Explain the procedures you used during your last fiscal year to direct *client* transactions to a particular broker-dealer in return for *client* referrals.

Not applicable.

3. Directed Brokerage.

a. If you routinely recommend, request or require that a *client* direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their *clients* to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of *client* transactions, and that this practice may cost *clients* more money.

N/A

b. If you permit a *client* to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of *client* transactions. Explain that directing brokerage may cost *clients* more money. For example, in a directed brokerage account, the *client* may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the *client* may receive less favorable prices.

N/A

B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various *client* accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to *clients* of not aggregating.

N/A

Item 13 – Review of Accounts

A. Indicate whether you periodically review *client* accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the *supervised persons* who conduct the review.

TAMCO reviews the Fund's portfolio investments on a virtually daily basis and provides performance/valuation reports to clients (i.e., fund investors) on a monthly and quarterly basis. There are no individual holdings separate from each client's interest in the fund.

B. If you review *client* accounts on other than a periodic basis, describe the factors that trigger a review.

See item 13. A. above.

C. Describe the content and indicate the frequency of regular reports you provide to *clients* regarding their accounts. State whether these reports are written.

See item 13. A. above. The monthly and quarterly reports are in writing and they show costs of each investment in each fund as well as the firm's current valuation of each investment.

Item 14 – Client Referrals and other Compensation

A. If someone who is not a *client* provides an economic benefit to you for providing investment advice or other advisory services to your *clients*, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

N/A

B. If you or a *related person* directly or indirectly compensates any *person* who is not your *supervised person* for *client* referrals, describe the arrangement and the compensation.

N/A

Item 15 – Custody

If you have *custody* of *client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your *clients*, explain that *clients* will receive account statements from the broker-dealer, bank or other qualified custodian and that *clients* should carefully review those statements. If your *clients* also receive account statements from you, your explanation must include a statement urging *clients* to compare the account statements they receive from the qualified custodian with those they receive from you.

Morgan Stanley provides custody services for both Funds. Because TAMCO could potentially have access to Fund assets, TAMCO complies with Rule 206(4)-2 of the Investment Advisers Act of 1940. Accordingly, the Funds' annual audits are conducted by an independent audit firm registered with, and subject to regular inspection as of the commencement of the engagement period and as of each calendar year-end by, the Public Company Accounting Oversight Board. Also, TAMCO distributes each Fund's

annual certified audit report to each investor, within 120 days of year-end. Also, the Chief Financial Officer reviews the Funds' trading and holdings on a monthly basis and their monthly reports from Morgan Stanley and confirms his findings by email to the Chief Compliance Officer.

Also, TAMCO's ongoing fund, Simplon International, employs an administrator, who also reviews the monthly statements issued by Morgan Stanley, also as to transactions and holdings. The Simplon International administrator sends each of the Fund's investors monthly statements reflecting each of the Fund's investment positions and assets. While TAMCO historically followed the practice of sending monthly statements to the limited partners in Simplon Partners, since commencement of the liquidation of that Fund, TAMCO sends the limited partners quarterly statements reflecting the Fund's positions and assets.

All investors in the Funds may access the Morgan Stanley custodial statements directly, upon request.

Item 16 – Investment Discretion

If you accept *discretionary authority* to manage securities accounts on behalf of *clients*, disclose this fact and describe any limitations *clients* may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

TAMCO manages the Fund portfolios on a discretionary basis. TAMCO does not manage any assets individually on behalf of any of the investors in the Funds.

Item 17 – Voting Client Securities

A. If you have, or will accept, authority to vote *client* securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your *clients* can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your *clients* with respect to voting their securities. Describe how *clients* may obtain information from you about how you voted their securities. Explain to *clients* that they may obtain a copy of your proxy voting policies and procedures upon request.

While the Firm does not manage individual client accounts, but rather manages the Funds, in which investors have undivided interests, the Firm's policy is to exercise a voice on behalf of the Funds, who are the shareholders, through proxy voting in a manner consistent with the requirements of 17 CFR § 275.206(4)-6.

The Firm's policy concerning proxy voting requires it to vote proxies solely in the interests of the Funds. (However, a substantial portion of the securities of the Funds are fixed income securities that normally would not provide the opportunity to vote such fixed income securities, absent some unusual circumstances.) In connection with any voting of any of the Funds' securities, the Firm's policy requires that conflicts of interest, if any, must be resolved in a way that will most benefit the Funds. The Firm's

Chief Compliance Officer, and the Firm's outside counsel as appropriate, are to be consulted concerning any such conflicts of interests. Since the quality and depth of management is a primary factor considered when investing in a company, the Firm tends to regard the Funds' interests as being served by giving substantial weight to the recommendation of management on any issue. However, the Firm will consider each issue on its own merits, and the position of a company's management will not be supported in any situation where it is found not to be in the best interests of the Funds.

Clients may obtain information concerning past proxy votes and concerning TAMCO's policies and procedures concerning proxy voting by emailing Malone Ma at Malone@tamackay.com.

B. If you do not have authority to vote *client* securities, disclose this fact. Explain whether *clients* will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) *clients* can contact you with questions about a particular solicitation.

TAMCO votes all voting securities held by the Funds. Since clients hold only undivided interests in the Funds and thus do not have voting rights in any of the Funds' investments, TAMCO casts the proxy votes, as noted above, according to its determinations as to the best interests of the Funds.

Item 18 – Financial Information

A. If you require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, include a balance sheet for your most recent fiscal year.

1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.

2. Show parenthetically the market or fair value of securities included at cost.

3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X.

Not applicable.

B. If you have *discretionary authority* or *custody* of *client* funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to *clients*.

TAMCO is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to Clients.

C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.

TAMCO has not been the subject of a bankruptcy petition at any time since inception.