



## Form ADV Part 2A Firm Brochure

### Tactical Global Management Limited

File No. 801-20601

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This brochure provides information about the qualification and business practices of Tactical Global Management Limited ("TGML" or the "Adviser"). If you have any questions about the contents of this brochure, please contact us at +61 7 3239 2777. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about TGML, including a copy of our Form ADV Part 1, is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

TGML is registered as an investment adviser with the SEC. Such registration does not imply a certain level of skill or training.

## **2 Material Changes**

There have been no material changes made in this update to the brochure.

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## 4 Advisory Business

### 4.1 General Description of Advisory Firm

This brochure relates to the investment advisory services offered by Tactical Global Management Limited ("TGML" or the "Advisor"). TGML is a specialist manager in the areas of currency, rebalancing overlay management and global macro.

TGML is regulated in Australia by the Australian Securities and Investments Commission and has been in business since 1997

TGML's principal owners are as follows:

- Dr Peter Higgs; and
- Mr Stephen Goode.

### 4.2 Description of Advisory Services

TGML offers a range of tailored investment solutions including rebalancing and currency hedging overlays and balance sheet management services. The objective of these is to assist clients in the management of their underlying assets and associated cashflows relative to their strategic benchmark.

TGML is also a leader in the application of global economic and financial market modelling to generate risk adjusted ("alpha") returns for clients.

### 4.3 Availability of Customised Services for Individual Clients

Services for clients are in accordance with mutually agreed upon written investment guidelines and provides continuous supervision of client portfolios. Investment services may be tailored for each client's specific needs and objectives, and clients may impose reasonable restrictions on investing in certain types of securities or types of securities. TGML has established procedures and controls to help ensure compliance with each client's specific investment guidelines.

### 4.4 Assets under Management

As of February 28, 2022, TGML manages, on a discretionary basis, US\$19bn in regulatory assets (\$nil on a non-discretionary basis)

## 5 Fees and Compensation

### 5.1 Advisory Fees and Compensation

The Advisor's fee schedule will vary depending on the type of account and investment strategy and is subject to negotiation with each client. The Advisor deals solely with Qualified Purchasers. Typically, the Advisor's annual investment advisory service fee is calculated as a percentage of the market value of the assets it manages and is billed separately

Clients incur their own brokerage and other transaction costs (see Section 12 Brokerage Practices.)

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

### 6.1 Performance-Based Fees

Currently, the Advisor has no clients that are charged an incentive or performance based fee. If a performance based fee were to apply, the fee would be calculated on the appreciation of a client's assets. As part of the initial acceptance process, clients will work with TGML to determine the fee structure that best suits their needs.

### 6.2 Side-by-Side Management and Conflicts of Interest

This item is not applicable to the Advisor.

## 7 Types of Clients

The Advisor primarily provides investment advisor services to institutional and wholesale clients including:

- Corporations
- Charitable organisations
- Insurance companies
- Pension funds

- Banking institutions.

There is no requirement for a client to maintain a minimum account size. However the minimum size of a client account is dictated by the ability to transact efficiently and effectively for the client in the required lot sizes of the contracts used for implementation.

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

### **8.1 Methods of Analysis and Investment Strategies**

The Advisor utilises different methods of analysis that are tailored for each of the investment strategies it offers its clients. Methods of analysis and strategies include:

- Portfolio optimisation to determine optimal rebalancing and passive currency hedging protocols;
- Proprietary simulation infrastructure, to determine the trade-offs between tracking error, transaction costs and return; and
- Statistical analysis for comparison of investment solutions and determination of asset class proxies.

### **8.2 Material Risks relating to Investment Strategies**

The investment strategies utilised by the Advisor depend on the requirements of the client and the investment guidelines associated with the client's account. Each strategy is subject to material risks. An account may not achieve its objective if the Advisor's expectations regarding particular securities or markets are not met.

The Advisor will disclose the risk factors for a particular strategy to a client.

Set forth below are some of the material risk factors that are often associated with the investment strategies and types of investments relevant to many of the Advisor's clients:

#### **8.2.1 General Market Risk**

Market risk represents the risk of adverse movements in an asset market (including asset prices, volatility, changes in yield curve, implied option volatility or other market variables) for the derivatives or the underlying asset, reference rate or index to which the derivative relates.

#### **8.2.2 Derivatives Risk**

Derivatives, including forward foreign exchange contracts, futures, options and commodity-linked derivatives and swaps, may be riskier than other types of investments because they may be more sensitive to changes in economic and market conditions, and could result in losses that significantly exceed the Fund's original investment. Derivatives also expose the Fund to counterparty risk (the risk that the derivative counterparty will not fulfil its contractual obligations), including the credit risk of the derivative counterparty. Derivatives may not perform as expected, so the Fund may not realise the intended benefits. When used for hedging, the change in value of a derivative may not correlate as expected with the security being hedged. In addition, given their complexity, derivatives expose the Fund to risks of mispricing or improper valuation.

#### **8.2.3 Liquidity Risk**

Liquidity risk exists when a particular position cannot be unwound or the risk that the fund or portfolio will not be able to meet its obligations resulting from its derivatives activities.

#### **8.2.4 Currency Risk**

Currency risk is the risk that foreign currency denominated assets will lose value due to the effect of an adverse exchange rate movement.

#### **8.2.5 Operational Risk**

Operational risk is the risk that deficiencies in the effectiveness and accuracy of the information systems or internal controls will result in a material loss. This risk is associated with human error system failures, and inadequate procedures and internal management controls.

## **9 Disciplinary Information**

### **9.1 Criminal or Civil Proceedings**

The Advisor has no material civil or criminal actions to report.

### **9.2 Administrative Proceedings Before Regulatory Authorities**

The Advisor has no material administrative proceedings before regulatory authorities to report.

### **9.3 Self-Regulatory Organisation ("SRO") Proceedings**

The Advisor has no SRO disciplinary proceedings to report.

## **10 Other Financial Industry Activities and Affiliations**

The Advisor has no other financial industry activities or affiliations to report.

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

### **11.1 Code of Ethics**

TGML has in place a Code of Ethical Conduct pursuant to Rule 204A-1 under the Advisors Act.

The Code sets forth policies and procedures to assist the Access Persons of TGML in complying with their fiduciary duty to the Advisor's clients.

An Access Person is defined as any supervised person of the Firm who (i) has access to non-public information regarding clients' purchase or sale of securities or (ii) is involved in making securities decisions or recommendations to clients or has access to such decisions and recommendations that are not public.

TGML takes the position that all employees and any contractors involved in the day to day business of the Firm are Access Persons.

The Code of Ethics sets out the standards of conduct expected of the Firm's employees and details policies and procedures addressing certain potential conflicts of interest.

A copy of the Code of Ethics will be provided to prospective clients upon request.

Additionally, all TGML employees are subject to the Personal Dealing Policy which imposes certain restrictions on securities transactions in the personal accounts of employees to help avoid conflicts of interest.

### **11.2 Securities in which the Adviser or a Related Person has a Material Financial Interest**

The Advisor does not take principal positions nor does it allow any related person to take a position in securities that would present a material financial interest.

## **12 Brokerage Practices**

### **12.1 Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions**

The Advisor selects brokers for the execution of transactions for client accounts in accordance with its best execution policies and procedures. The list of brokers available for execution of transactions are pre-agreed with the client. In making a decision about best execution, the Advisor considers a number of factors including, but not limited to, the:

- The price at which the Order could be executed;
- The costs that will be payable by the Client as a result of the execution of the Order;
- The size and nature of the Order;
- The speed of execution and settlement of the Order;
- The likelihood that the Order will be executed and settled;
- Financial status, responsibility and solvency of the counterparty;
- Responsiveness of the counterparty;
- The quality and efficiency of the settlement process post execution; and
- Any other consideration that is relevant to the execution of the Order.



#### **12.1.1 Research and Other Soft Dollar Benefits**

The Advisor's primary objective in broker-dealer selection is to comply with its duty to obtain best execution of orders for clients. Best execution does not necessarily mean the lowest commission, but instead involves consideration of a number of factors as noted in point 12.1 above.

Under the Advisor's soft dollar policy, if any services are obtained from brokers they must fall within the safe harbor requirements of Section 28(e) of the Securities Exchange Act 1934.

The Advisor does not currently have any soft dollar arrangements in place.

#### **12.1.2 Brokerage for Client Referrals**

The Advisor does not select broker-dealers in order to receive client referrals. The factors used by the Advisor in selecting broker-dealers in order to execute trades are described in point 1.1 above.

#### **12.1.3 Directed Brokerage**

The Advisor does not recommend, request or require that clients direct transactions through a specified broker-dealer. Clients may direct the Advisor in writing to limit their exposure to particular broker-dealers. In such cases, clients are advised that the Advisor's ability to obtain best price and execution may be diminished. The factors used by the Advisor in selecting broker-dealers in order to execute trades are described in point 12.1 above.

### **12.2 Order Aggregation**

The Advisor aggregates purchase or sale orders of the same security for multiple client accounts where the same order for these clients is to be placed at the same time. Once executed the trades are allocated to each client, via an algorithm, to ensure that each client as closely as possible received the same average execution price.

## **13 Review of Client Accounts**

The Advisor periodically reviews client accounts utilising product-specific review processes and supervisory personnel. Accordingly, account review may differ across various product groups in order to more effectively serve clients.

Each client account is incorporated into the daily operations processes to ensure compliance with the clients' investment objectives and guidelines.

### **13.1 Factors Prompting Review of Client Accounts other than a Periodic Review**

Additional reviews of client accounts may be triggered by client request, compliance monitoring, industry factors, market developments, statutory and regulatory changes and any issues that may have been identified with respect to a client account. These reviews are carried out by the Advisor's supervisory personnel.

### **13.2 Content and Frequency of Account Reports to Clients**

The Advisor regularly provides written reports to clients that are tailored to the type of mandate for each client. At a minimum each client receives a Monthly Performance Report. In addition, the Advisor typically meets with each client at least annually to review investment strategy, performance and administrative matters.

## **14 Client Referrals and Other Compensation**

The Advisor does not compensate any person for client referrals.

## **15 Custody**

The Advisor does not undertake custody of any client assets.

## **16 Investment Discretion**

As described in Item 4, the Advisor does provide discretionary investment management services. Prior to any services being provided an Investment Management Agreement must first be signed. Execution of such agreement authorises the Advisor to supervise and direct the investment and reinvestment of assets in the client's account on the client's behalf and at the client's risk.



The Advisers discretionary authority may be limited by the terms of its written agreement with each client. These limitations might include objective and investment guidelines that the client establishes for the account.

## **17 Voting Client Services**

This item is not applicable due to the nature of the securities traded by the Advisor.

## **18 Financial Information**

### **18.1 Balance Sheet**

Pursuant to SEC instructions, the Advisor is not required to include its balance sheet as part of this Brochure.

### **18.2 Financial Conditions Likely to Impair Ability to Meet Contractual Commitments to Clients**

The Advisor is not subject to any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

### **18.3 Bankruptcy Filings**

The Advisor has not been the subject of a bankruptcy petition at any time during the past ten years.

### **18.4 Order Aggregation**

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