



## FORM ADV PART 2A: Firm Brochure

### 20 GATES MANAGEMENT LLC

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**March 29, 2024**

This Form ADV Part 2A, the “**Brochure**,” provides information about the qualifications and business practices of 20 Gates Management LLC (“**20 Gates**,” “**we**” or the “**Firm**”). If you have any questions about the content of this Brochure, please contact Raymond Zorovich, 20 Gates’ Chief Compliance Officer (“**CCO**”) by telephone at (212) 295-3790 or by email at [rzorovich@20gates.com](mailto:rzorovich@20gates.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

Registration as an investment adviser does not imply that 20 Gates or any of our principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about 20 Gates is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2: Material changes**

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This amended Brochure does not contain material changes from the annual updating amendment to our Form ADV Part 2A filed on March 31, 2023. The amendments in this Brochure consist of updates to other financial industry activities, risk factors, and other items, which we do not believe are material changes. All previously undefined terms are defined below in the Form ADV itself.

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**Item 4: Advisory Business**

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20 Gates is a Delaware limited liability company which commenced significant operations in September 2010. 20 Gates is owned 100% by 20 Gates Holding LLC, which is in turn owned by the managing members who are all actively involved in the day-to-day operations of the Firm. The following person owns more than 50% of the membership interests of 20 Gates Holding LLC: Hans Bald, President and CEO.

20 Gates offers fee-based advisory and/or sub-advisory services typically to (i) large, sophisticated financial institutions, (ii) asset managers or institutional investors, (iii) proprietary investment vehicles, and (iv) asset-backed commercial paper ("**ABCP**") conduits ("**ABCP Conduit**") (collectively, the "**Clients**").

The Firm's investment advice provided to our Clients and prospective clients will generally focus on fixed income markets across a variety of strategies, sectors and investment duration. In particular, the Firm specializes in asset based lending and securitization (e.g., asset-backed, mortgage backed, commercial mortgage backed securities) arrangements, and to a lesser extent in corporate bonds (both investment grade and lower rated), bank and other loans and certain shorter duration investments (collectively, "**Financial Assets**"). In addition, the Firm specializes in funding such Financial Assets in the ABCP market via the use of ABCP Conduits.

Pursuant to our role as an investment adviser, we assist certain of our Clients with the assessment of new transactions and amendments to existing transactions which may include: analysis of the assets and the structure of the transaction, and due diligence on asset based lending facilities and on the seller in the transaction.

Pursuant to our role in providing administrative and funding services, we assist certain of our Clients in conducting the day-to-day operations of sponsored ABCP Conduits, which may include the issuance of ABCP and ongoing surveillance of both Financial Assets and liabilities. An ABCP Conduit issues ABCP (typically with maturities of less than 270 days) to fund purchases of Financial Assets from various originating sellers. Repayment of interest and principal at maturity on the ABCP will be made from receipt of cash flow from the underlying Financial Assets, from the proceeds of newly issued ABCP, or from full support backstop facilities provided by one or more rated financial institutions. Each Financial Asset funded in an ABCP Conduit is typically structured to be deemed an implied investment grade rating through various forms of asset specific credit enhancement and other protective features. In addition, for each Financial Asset funded in an ABCP Conduit, such asset is either fully supported by a backstop liquidity or other support facility provided by a rated financial institution, or such asset is issued by a rated financial institution and funded with maturity matched ABCP. Currently, 20 Gates sponsors an affiliated ABCP Conduit that provides secured financing typically to large financial institutions or other sellers.

As of March 1, 2024, 20 Gates advised Clients on approximately US\$5.447 billion in regulatory assets under management. Of this amount, approximately \$4.148 billion is discretionary while the remaining \$1.298 billion is non-discretionary, including unfunded commitments.

The following is a general description of the Firm's various advisory business and services offered to Clients and upon which we may be engaged by our Clients on either a discretionary or non-discretionary basis:

**Funding Solutions:** The Firm designs, implements and runs one or more special purpose investment vehicles which acquire portfolios of Financial Assets. At least one of these investment vehicles is under common control with 20 Gates.

**Advisory Services:** 20 Gates provides investment management services to institutional Clients on a discretionary and non-discretionary basis. The Firm also provides a full range of advisory, structuring, management and administrative services for both proprietary and third party programs, including ABCP Conduits, and operates an ABCP Conduit under common control with the Firm. We customize our discretionary advisory services to the particular needs and objectives of each Client.

**Asset-Liability Management Services:** We provide advice on funding strategies, manage liability issuance and maturity profile, complete cash management and bank reconciliations with respective Client's custodians, and other customized reporting.

**Portfolio and Financial Asset Level Services:** The Firm conducts asset investigations and compliance monitoring, seller-servicer diligence, cash flow modelling and stress testing, documentation review, structuring advice, ratings advisory, and private credit assessments.

In its normal course of business for both its non-discretionary and discretionary Clients, 20 Gates will evaluate and negotiate potential transactions pursuant to investment guidelines and credit policies established by such Clients in conjunction with engaging 20 Gates as an adviser.

#### **Item 5: Fees and Compensation**

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The Firm is generally compensated by a Client under one or more of the following fee arrangements, as mutually agreed from time to time, for the services we provide:

1. Fixed percentage fee calculated on the amount of assets covered by an advisory / sub-advisory agreement,
2. A negotiated percentage of the "residual" after debt payments and other expenses of the Client ("**Residual Fee**"), and/or
3. A "Performance-Based" fee calculated on the periodic return a Client earns from investments recommended by 20 Gates (please see Item 6 below).

If a Client pays monthly fixed dollar fees in advance, typically the contract with the Client would contain notice periods before termination that last longer than the periods covered by the advanced fees, so there should not be a need to refund prepaid fees upon termination. Depending on the Client or the Financial Assets, fees may be deducted or billed separately. The timing of fees is mutually agreed between the Firm and each Client.

In addition to the fees paid to our Firm, Clients will typically pay (or reimburse 20 Gates) for the costs and expenses associated with various services performed on behalf of such Client, including outside legal counsel and third party vendor expenses, as part of the evaluation and negotiation of specific transactions, administration and 3<sup>rd</sup> party custodian services, fees to the issuing and paying agent, and expenses related to performing due diligence and evaluation on the Financial Assets.

Under relevant agreements, 20 Gates has the discretion as to when it receives the Residual Fee that it has earned from the ABCP Conduit. Permitting the ABCP Conduit to retain amounts payable to 20 Gates results in the establishment of a payable on the books of the ABCP Conduit, and can result in certain benefits to 20 Gates, such as the possibility of realizing a greater but immaterial return on its capital as compared to capital deployed outside of the ABCP Conduit, and receiving an increase in fees payable to 20 Gates (as a result of an increase in the asset value of the conduit). It also can result in certain benefits to the ABCP Conduit,

such as having ready access to additional capital when needed for investment, operational or other purposes.

See also Item 10.

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

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We charge a performance-based fee to certain of our Clients, and may collect such fee depending upon performance, as agreed with such Client on an individual basis as part of their engagement of the Firm as an adviser.

Performance-based fee arrangements could create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement; however, Clients under such performance-based fee arrangements are typically sophisticated financial institutions.

Different fee arrangements for different Clients could create an incentive to favor higher fee paying Clients over other Clients in the allocation of investment opportunities.

The Firm has adopted policies and procedures to help facilitate that Client accounts are treated fairly and equitably over time with respect to the allocation of investment opportunities. Specifically, the Firm endeavors to make investment decisions and recommendations based on the Client's specific circumstances, such as the Client's investment guidelines and capacity of the Client's account and other relevant factors. If after considering these factors, more than one Client is eligible for the investment, the Firm's allocation policy would apply. This policy requires pro-rata allocations under most circumstances, or if not pro-rata, disclosure to affected Clients and consents, as required.

It is important to note that lower fees for comparable services may be available from other sources.

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**Item 7: Types of Clients**

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Our typical Clients or potential clients generally range from large financial institutions such as commercial banks or specialty finance companies to asset managers, institutional investors, investment companies, or an entity sponsored by a financial institution or specialty finance company. We also provide advisory services to ABCP Conduits and other special purpose vehicles which may either be sponsored by a financial institution or under common control with the Firm; one such ABCP Conduit currently is under common control with the Firm.

**Client Account Minimums**

20 Gates does not have specific minimum Client account sizes. As described in Item 4, 20 Gates generally provides investment advisory services to large financial institutions, primarily in connection with secured lending transactions. Given the institutional nature of our advisory services, the typical account will generally commit at least \$250 million.

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

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20 Gates investment analysis methods include fundamental and quantitative analysis at security, sector, asset class and portfolio levels. The Firm relies on sources of information that may include, but are not limited to: general news media, financial publications and other media, rating agency research and ratings, third party research, prospectus, SEC filings, financial statements, etc. In a variety of instances, 20 Gates may rely on personnel and/or services of its strategic business partners. 20 Gates offers various investment strategies, primarily a secured lending strategy, and where cash management is applicable, a short-term credit strategy.

The various strategies the Firm offers may invest in Financial Assets from a variety of fixed income sectors, maturities and duration, and credit ratings, depending on the investment goals of each Client.

As it relates to advising on funding solutions, we will assist Clients in the day-to-day operations of ABCP Conduits, including the issuance of ABCP, and ongoing surveillance of Financial Assets. This generally involves, where applicable:

- Advise Clients regarding the amount, maturities and discount rates and/or yields consistent with cash flow expectations and current market environment in the ABCP market and consistent with such Client's business purpose and program documents; and
- Advise Clients as to the prompt repayment of maturing ABCP or other pending debt maturities, either from cash collections from the Financial Assets, from the issuance of new ABCP or other debt instruments, or by timely draws on liquidity, credit enhancement or other support facilities provided to an ABCP Conduit by a financial institution.

In addition, we assist our Clients in the assessment of new transactions and amendments to existing transactions which may also include: analysis of the Financial Assets and the structure of such financing transaction, due diligence on the Financial Assets, and due diligence on the seller in the transaction.

**Risk of Loss Factors**

Investing in securities involves risk of loss that prospective clients should be prepared to bear. The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in 20 Gates' operations and advisory business. Prospective clients are urged to consult their professional advisers before deciding to become a Client.

Importantly, additional risks related to ABCP Conduits (including 20 Gates' role related thereto) are described in the offering document of such conduit.

**Risks Specific to Engaging 20 Gates as an Investment Adviser:****Reliance on Management and Key Personnel**

The Firm's success will be dependent on the expertise and performance of the members and its employees. There can be no assurance that the members or employees will continue to be associated with the Firm, as they are under no contractual obligation to remain with the Firm. If key personnel were to leave, we may not be able to find equally desirable replacements and the Firm as a result may be adversely affected.

Financial Assets and ABCP Conduit program Risks may include:

The material risks relating to the significant methods of analysis and investment strategies described above are set forth below:

Credit Risk

Credit risk is the risk that the Financial Assets will suffer losses greater than the credit enhancement of the transaction, or the issuer/borrower will fail to make timely payments of interest or principal, go bankrupt, or that the value of the securities will decline because of a market perception that the issuer/borrower may not make payments on time, and ultimately the principal amount and/or timely interest payments cannot be fully collectible from the obligor. Financial Assets rated below investment-grade are especially more susceptible to this risk.

Interest Rate Risk

Interest rate risk exists because the values of Financial Assets are usually impacted in response to changes in interest rates (if interest rates increase, the value of bonds or other debt obligations generally decrease, and vice versa). Interest rate risk is generally greater for investments with fixed-rate coupons and/or longer maturities. These risks can affect an investment's price volatility and liquidity to varying degrees, depending upon the nature of the instrument. The impact of changes in interest rates on Client investments and the availability of investment opportunities can be varied depending upon a variety of factors, such as the overall impact of interest rates on economic activity, with possible resulting advantages or disadvantages to Client investments and the availability of investment opportunities.

Health of the Banking Industry

Failures of certain U.S. banks and financial challenges experienced by certain foreign banks in recent years have resulted in significant concern regarding the health of other banking institutions (both domestic and foreign) and the ability of such institutions to withstand the economic conditions posed by rapidly increasing interest rates, including a decline in value of securities and loan portfolios. It is unclear if there will be additional bank failures or other financial challenges (including banks in which Clients accounts have invested or provide investment opportunities for Clients).

It is not clear at this time what impact these developments will have on Client investments and the availability of investment opportunities. It is possible that the liquidity and market value of those instruments may be adversely affected. Further, given the speed and complexity of changes to the financial health of the banking industry and specific banks, and the nature of Client investments, it might not be possible or practicable to mitigate these types of risks in whole or in part.

To the extent there is a failure of a bank at which Client assets are maintained, such failure could result in a delay in deploying, receiving and otherwise using assets in Client accounts maintained at that bank, which could have an adverse impact on 20 Gates' ability to engage in recommended transactions for Clients.

See also Credit Risk above, and Asset Based Lending and Securitized Asset Risk and Liquidity Risk below.

Inflation Risk

Recently, inflation rates have increased significantly. Inflation and rapid fluctuations in inflation rates have had in the past, and could in the future have, negative effects on the economies and financial markets, which may in turn adversely affect Client investments and investment opportunities. Increases in inflation can decrease consumer spending and related financing. Governmental efforts to curb inflation often have negative effects on the



level of economic activity. Inflation rates can adversely impact Client investment returns and opportunities.

Asset Based Lending and Securitization Asset Risk

Asset based lending and securitization (including asset-backed, mortgage backed, commercial mortgage backed securities) are debt instruments secured by interests in distinct pools of assets which pay periodic cash flows. The value of these securities will be influenced by the factors affecting the assets underlying such securities, including credit risk, swings in interest rates, changes in default rates, prepayment or deteriorating economic conditions. During periods of declining asset values, mortgage-backed and asset-backed securities may face valuation difficulties, become more volatile and/or illiquid.

Liquidity Risk

Liquidity risk is:

- (i) Under stressful markets, certain assets that are typically liquid may become less liquid or illiquid. This may reduce the expected liquidity and market value of investments. Liquidation under stressful markets may result in a realized principal loss;
- (ii) A Client, which is an ABCP Conduit, is unable to issue new ABCP, which may be due to market disruption or specific issue related to either the ABCP Conduit program or a support provider to the program; and
- (iii) Sufficient proceeds from collections on the Financial Assets and/or drawing committed bank support facilities will not be received quickly enough or in an amount sufficient to provide necessary funds for the timely repayment of maturing ABCP.

Derivatives Risk

The primary risks associated with the use of certain derivatives contracts, which may include interest rate, foreign currency, credit spread and/or credit default hedges to manage potential risks, are (i) market risk (the risk that the market value of the investment will decline), (ii) credit risk (the risk that the counterparty to the transaction will default on its obligations), (iii) liquidity risk (the risk that the instrument will not be readily marketable) and (iv) valuation risk (the risk that because the instrument is thinly traded, it may have only one pricing source). Any of these risks may be significant and may result in the loss of principal, or, in certain cases, the loss of more than the initial investment. In no event will the Firm invest in any derivative instrument unless such investment is consistent with a Client's established investment guidelines.

Borrowing Risk

Borrowing can magnify losses. Money borrowed will be subject to interest costs that may or may not be offset by appreciation of the securities purchased. A Client account also may be subject to other conditions or fees that would increase the cost of borrowing over the stated interest rate. The various costs of borrowing may therefore ultimately exceed the income or potential capital gains from investments made with such leverage.

ABCP Conduit Support Provider and Structural Risk

In the event a support provider supporting the repayment of ABCP fails to provide funds on a timely basis in accordance with its commitment, then the ABCP Conduit likely will not have sufficient funds to pay maturing ABCP when due. In such an event, ABCP investors may not recover their full investment. In addition, risk may arise from a variety of factors including non-payment by an ABCP Conduit support provider. In such a scenario, the ABCP Conduit program might become entangled in a bankruptcy or similar proceeding and, therefore, might be unable to make full and timely payments on its ABCP.

The value of Financial Assets, derivatives and/or hedges used in any of 20 Gates' offered investment strategies may go up or down, in response to factors not within the control of the

Firm. Investors should be aware that their investment is not guaranteed, and understand that there is a risk of loss of value in their investment.

Cybersecurity Risk:

The Firm may face cybersecurity threats to gain unauthorized access to sensitive information, including, without limitation, information regarding the owners, employees, clients or investment activities of the Firm, or to render data or systems unusable, which could result in significant losses. If such events were to materialize, they could lead to losses of sensitive information or capabilities essential to the Firm's operations and could have a material adverse effect on their reputations, financial positions, results of operations, or cash flows, and could lead to financial losses from remedial actions, loss of business, or potential liability, or could lead to the disclosure of the personal information of owners, employees or clients. Cybersecurity attacks are evolving and include, but are not limited to: (i) malicious software, (ii) attempts to gain unauthorized access to data, and (iii) other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. These problems may arise in the Firm's internally developed systems and the systems of third-party service providers. While the Firm cannot ensure absolute protection against cybersecurity threats, the Firm has implemented what it believes to be reasonable policies and procedures designed to prevent such threats and mitigate any damages that may arise.

Business Continuity and Disaster Recovery Risks:

The Firm's business operations may be vulnerable to disruption in the case of catastrophic events such as fires, natural disaster, terrorist attacks or other circumstances resulting in property damage, network interruption and/or prolonged power outages. Although the Firm has implemented, or expect to implement, measures to manage risks relating to these types of events, there can be no assurances that all contingencies can be planned for. These risks of loss can be substantial and could have a material adverse effect on the Firm and its investments.

**Item 9: Disciplinary Information**

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The Firm has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

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

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20 Gates and its affiliates engage in various lines of business, including: (i) arranging for third parties to provide real estate services (e.g., real estate broker price opinions; real property preservation, appraisal, valuation and reconciliation services) to various third parties (certain of which could also be affiliates of counterparties/borrowers to Clients); (ii) acting in an administrative capacity for common law trusts; (iii) making investments that are unrelated to the advisory services provided to Clients; and (iv) providing consulting services, including due diligence and administrative agent functions in connection with financing transactions, to unaffiliated third parties. To the extent these other lines of business intersect with Clients, such as a Client becomes a lender in a financing transaction for which 20 Gates acts as consultant or administrative agent, 20 Gates will provide disclosure of its role in the financing transaction, any compensation it receives and obtain Client consent prior to the consummation of any such transaction. In addition, an affiliate of 20 Gates, as sponsor of the ABCP Conduit, holds all of the equity interests in the ABCP Conduit.

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

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**Code of Ethics Pursuant to Rule 204A-I under the Advisers Act**

We have adopted a Code of Ethics and Employee Investment Policy (collectively, our "**Code**") pursuant to Rule 204A-I under the Advisers Act that establishes various procedures with respect to investment transactions by accounts in which our "access persons" (i.e., persons with knowledge of our investment management activities on behalf of our clients) have a beneficial interest or accounts over which an access person has investment discretion.

Our Code requires our access persons to obtain written pre-approval from our CCO prior to executing certain personal transactions. Our Code also requires all of our access persons to report their securities accounts and covered personal securities transactions to our CCO (subject to exceptions permitted by Rule 204A-I), who reviews the reported accounts and transactions.

Our access persons must also obtain approval from our CCO for outside business activities. The Code requires our employees to report violations of the Code to the CCO or their supervisor and to sign an acknowledgment of receipt of the Code. We will provide a copy of our Code to clients or prospective clients upon request.

**Other Transactions**

From time to time, 20 Gates recommends or causes a Client to invest in a secured lending or other transaction with a borrower/counterparty (or an affiliate thereof) that: (i) has previously entered into or is contemporaneously entering into the same or a similar transaction with another Client; (ii) has business arrangements with affiliates of 20 Gates (please see Item 10 above); (iii) is a Client or an affiliate of a Client; or (iv) has compensated 20 Gates for consulting and administrative services. In addition, 20 Gates might recommend or cause one or more Clients to allocate or reallocate secured lending or other transactions between or among other Clients; purchase such investments from or sell such investments to one or more other Clients; and/or assign secured loan investments to one or more other Clients. Further, 20 Gates might recommend or cause two or more Clients to accept (whether contemporaneously or in a subsequent transaction) the same or same type of collateral from the same or different secured lending counterparties/borrowers. The Clients referenced above include, but is not limited to, the ABCP Conduit in which an affiliate of 20 Gates holds all of the equity interests.

The above transactions and arrangements present actual or potential conflicts of interest, or the appearance of a conflict, which 20 Gates seeks to mitigate through the application of its investment protocols and allocation policies (please see Item 6 for more information); by making appropriate disclosures (including in this Brochure) to affected Clients and, as necessary or appropriate, obtaining their consent; and/or through other means.

**Item 12: Brokerage Practices**

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20 Gates generally does not make or recommend investments in securities listed on national exchanges for Client accounts. However, to some degree, transactions are made through the over-the-counter market through a broker-dealer for Client accounts. If we execute a trade in a security listed on a national exchange or in the over the counter market through a broker-dealer, we would seek "best execution" in light of the circumstances involved with each transaction. In selecting a broker for any transaction, we would consider a number of factors,

including, for example, broker's reputation, net price or spread, financial strength and stability, market access, efficiency of execution and error resolution, and the size of the transaction. We would not be obligated to obtain the lowest commission or mark up or mark down for a Client on any particular transaction.

With respect to the Firm's selection of broker/dealers to execute client transactions, it is important to note that the types of securities the Firm would trade on behalf of Clients are often sold exclusively on an over-the-counter basis and different dealers will generally have different inventories of bonds. In some cases, with respect to a specific fixed-income security, there could be only a single broker/dealer from whom to purchase the security. Therefore, in such situations the Firm will, by necessity, make bond purchases from broker/dealers who have the desired bonds available for purchase or, in the case of sales, with broker/dealers who make a market in the bond.

Furthermore, in the case of sales, the Firm might not sell securities through a competitive bidding process when it believes that such a process will not result in the best price. For instance, in the case of an esoteric security, where a better price would likely be obtained by one broker/dealer working to identify the ultimate purchaser; or if illiquid market conditions make a competitive bid process unlikely to result in acceptable bids.

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**Item 13: Review of Accounts**

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***Review of Accounts***

Given the nature of the investment management services provided by 20 Gates, most Clients related to ABCP conduits typically work with 20 Gates on a daily basis to review accounts and ensure compliance with investment guidelines and 20 Gates' contractual obligations to such Clients. For other Clients, 20 Gates reviews accounts, including positions and cash balances, as agreed to between 20 Gates and the Client, which generally ranges from daily to quarterly.

***Reporting***

20 Gates provides our Clients with periodic written reporting which could be daily, weekly, monthly or quarterly, depending on the requirements of such Client and the frequency of account activity. Client reporting in some cases includes data feeds of portfolio information related to the assets and liabilities, as well as other customized reports, which might be provided to ABCP investors, rating agencies, internal and other bespoke requests of the Client. However, reporting requirements will be agreed upon with each Client on an individual basis as part of the engagement of the Firm. Where applicable and required by such Client, 20 Gates has daily interaction and communication with the Client related to both Financial Assets and the funding of such assets in ABCP Conduits or other funding vehicles.

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

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20 Gates currently does not utilize third party marketers/solicitors for client referrals, but could do so in the future.

**Item 15: Custody**

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For certain Clients, we have or are deemed to have custody of the client's funds or securities. In such cases, the Client (or the investors therein) will receive account statements directly from the qualified custodian, which should be carefully reviewed.

**Item 16: Investment Discretion**

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In connection with certain Clients, 20 Gates accepts discretionary authority to manage the Clients' accounts. Under such circumstances, 20 Gates exercises sole authority to determine the assets bought and sold for each discretionary Client, as well as the amounts thereof (subject to any limitations desired by such Clients), without obtaining specific consent and without limitation on such authority other than the guidelines, limitations and restrictions set forth in the Client's operative agreements, the investment management agreements between the Client and 20 Gates and 20 Gates' own internal policies and procedures.

**Item 17: Voting Client Securities**

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20 Gates does not have and generally will not accept proxy voting authority for Clients. 20 Gates does not anticipate that Clients will hold in their advisory accounts equity securities the issuers of which might solicit proxy votes.

**Item 18: Financial Information**

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Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the Firm's financial condition. 20 Gates 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.