

20 GATES MANAGEMENT LLC

30 Irving Place
New York, NY 10003

March 30, 2012

This Form ADV Part 2A, a/k/a 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 Josh Borg, 20 Gates’ Chief Compliance Officer (“**CCO**”) by telephone at (212) 295-3784 or by email at jborg@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 of 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 also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material changes

This amended Brochure is being filed pursuant to the SEC's "Transition Rule" that requires every investment adviser that was registered with the SEC as of January 1, 2012 to file an amended Form ADV Part 1 and Form Part 2A no later than March 30, 2012. Since we initially filed for registration on June 16, 2011, this is our first annual update.

The following is a brief summary of the material changes we have made since we first filed our form ADV on June 16, 2011 including the changes made in this annual updating amendment filing made on March 30, 2012 and changes made in an interim amendment filing made on December 2, 2011. All previously undefined terms are defined below in the Form ADV itself.

This amended ADV Part 2A reflects (a) the recent ownership change of 20 Gates Management LLC to become a 100% owned subsidiary of 20 Gates Holding LLC. 20 Gates Holding LLC is owned by the managing members as reflected in Schedule B of our ADV Part 1; and (b) effective November 1, 2011, 20 Gates Holding LLC, the parent to 20 Gates, acquired a 20% interest in Morningside Securities LLC ("**MSS**"), a registered broker-dealer, a FINRA member firm, SIPC. 20 Gates Holding LLC has agreed to acquire a 100% interest in MSS and is awaiting approval from FINRA to consummate the acquisition in full.

Our business has grown from one Client, and, in Item 4, we discuss the additional types of Clients we now advise. In Item 5, we discuss the additional types of fees we charge since we first launched our business. We also discuss conflicts of interest due to our Firm becoming under common control with MSS, a registered broker-dealer. We have expanded our discussion in Item 6 of conflicts of interest related to managing Client accounts with different fee structures. We have added material risks to Item 8. In Item 11, we have added disclosure regarding the fact that we now have certain conflicts of interest due to the fact that we manage Client accounts related to the Firm and that we may engage in principal transactions between Related Clients and unrelated Client accounts and between Related Persons and Client accounts. In addition, we disclose in Item 11 that the Firm and or Related Persons may trade in the same securities as Clients and how the conflicts of interest created by such transaction are addressed. We have added additional disclosure regarding our process for obtaining best execution in Item 12. We have revised our discussion of reports issued to Clients in Item 13. We have disclosed in Item 15 that we are deemed to have custody of two Client accounts and that we comply with the Advisers Act "Custody Rule." In Item 16, we have amended our disclosure to state that we have discretion over certain Client accounts. In Item 17, we have added disclosure on how we address material conflicts of interest in voting proxies.

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Item 4: Advisory Business

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 persons own more than 50% of the membership interests of 20 Gates Holding LLC: Hans Bald, President and CEO.

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

Pursuant to our role as Adviser, we assist 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, due diligence on asset-backed lending facilities, securities or other financial assets (collectively, "**Financial Assets**"), and due diligence on the seller in the transaction. In addition, we will assist our Clients in 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.

As of February 29, 2012, 20 Gates advised Clients on approximately US\$20.88 billion in assets. Of this amount, \$212.5 million is discretionary and \$20.67 billion is non-discretionary (including unfunded commitments).

The Firm's investment advice is generally limited to asset based lending and securitization, and funding such Financial Assets in the ABCP market.

The following is a general description of the Firm's advisory business and services offered to Clients:

Funding Solutions: The Firm designs, implements and runs a variety of special purpose investment vehicles which acquire portfolios of **Financial Assets**.

Administrative Services: The Firm provides a full range of advisory, structuring, management and administrative services for third party programs, including, ABCP Conduits, and operates its own Investment Subsidiaries to assist with client funding solutions. An ABCP Conduit issues ABCP (typically with maturities of less than 270 days) to fund purchases of Financial Assets from various originating sellers. Payment of interest and principal repayment 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, each Financial Asset is fully supported by a backstop liquidity facility provided by a rated financial institution. Currently, 20 Gates sponsors and owns a subsidiary ABCP Conduit that provides secured financing typically to large, financial institutions or other sellers.

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

Portfolio and Transaction 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, including Investment Subsidiaries, 20 Gates will evaluate and negotiate potential transactions and/or referrals pursuant to investment guidelines and credit policies established by such Clients in conjunction with 20 Gates.

Item 5: Fees and Compensation

The Firm may be 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. A negotiated standard fixed dollar fee regardless of size of assets covered by the advisory / sub-advisory agreement,
2. Fixed percentage fee calculated on the amount of assets covered by the advisory / sub-advisory agreement,
3. A negotiated percentage of the “residual” after debt payments and other expenses of the Client (“**Residual Fee**”), and/or
4. A “**Performance-Based**” fee calculated on the periodic return a Client earns from investments recommended by 20 Gates (please see Item 6 below).

A Client may pay monthly fixed dollar fees in advance, but typically such contracts 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.

In addition to the fees paid to our Firm, Clients may pay costs and expenses (or reimburse 20 Gates) associated with various services performed by 20 Gates on behalf of such Client, including evaluation and negotiation of specific transactions, administration and 3rd party custodian services, fees to the issuing and paying agent, external legal counsel, and expenses related to performing due diligence and evaluation on the Financial Assets.

Effective November 1, 2011, 20 Gates Holding LLC, the parent to 20 Gates, acquired a 20% interest in Morningside Securities, LLC (“**MSS**”), a registered broker-dealer, a FINRA member firm, SIPC. 20 Gates Holding LLC has agreed to acquire a 100% interest in MSS and is awaiting approval from FINRA to consummate the acquisition in full.

Certain employees of the Firm are also registered representatives of MSS. At times, such employees of the Firm, acting in their capacity as registered representatives of MSS, may act as a registered representative on transactions where Clients participate in such transactions. In addition, MSS may act as broker on trades with Clients. Such transactions may be deemed agency-cross transactions under the Investment Advisers Act of 1940 (the “**Advisers Act**”). An agency-cross transaction (“**Agency-Cross Transactions**”) occurs when an investment adviser or its related persons acting either as a registered broker-dealer or through an affiliated broker-dealer executes for a fee a transaction between an advised Client and a customer of the broker-dealer. Agency-Cross Transactions raise conflicts of interest because 20 Gates, its employees and/or MSS may have an incentive to recommend Agency-Cross Transactions because of the commissions they may receive from such transactions rather than on what is in the best interests of the Clients. The Firm addresses these conflicts of interest by describing to Clients participating in such transactions the manner in which such transactions will be priced and by requiring Client consent to such transaction prior to engaging in such transactions.

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

We collect a performance-based fee from certain of the Clients.

Performance-based fee arrangements may 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 arrangements are sophisticated financial entities who are advised by 20 Gates on a non-discretionary basis.

Different fee arrangements for different customers could create an incentive to favor higher fee paying clients over other Clients in the allocation of investment opportunities. Nonetheless, the Firm does not believe such a conflict is present with respect to its business because generally the Clients eligible to pay higher fees and/or have broader investment guidelines, are the only Client accounts to whom the Firm is contractually obligated to bring investment ideas directly or indirectly. With respect to lower fee paying accounts, the Firm is hired to provide advice on funding solutions being independently considered by such Clients, but may not be responsible for providing specific investment ideas to such Clients. Therefore, the Firm does not have an incentive to favor higher fee paying accounts over lower fee paying accounts with respect to specific investment ideas because typically, they have each hired the Firm for different investment mandates. Where there are different fee structures among Client accounts that have hired 20 Gates for similar investment mandates, the Firm has procedures to help facilitate that all such accounts are treated fairly. Specifically, the Firm allocates investment ideas based on legitimate investment management reasons such as the investment guidelines and capacity of the various Client accounts and other factors such as whether the investors in such Client accounts will approve the proposed full support backstop facilities associated with such investments.

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

Item 7: Types of Clients

Our typical Clients or potential clients are large financial institutions, such as a large commercial bank or specialty finance company, 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 be sponsored by such financial institutions or wholly owned subsidiaries of the Firm.

Client Account Minimums

The minimum Client account is generally \$10 million. We may waive the minimum requirement for any Client account or raise it in the future.

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

As stated above, 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. Clients have an established framework that typically is followed when assessing Financial Assets for acquisition by an ABCP Conduit or other funding entity that includes the following:

Type of Assets and Asset Characteristics (Generally)

- Financial Assets are structured inclusive of various forms of credit enhancement to attain an implied investment grade rating;
- Financial Assets in which a security interest can be perfected;
- Obligor's/seller's Financial Assets are located in the United States or other countries as approved by the Client (or consistent with investment guidelines); and
- Financial Assets denominated in US dollars or currency of another country approved by the Client (or consistent with investment guidelines).

Credit Policies and Process

- Sellers are generally investment grade or seller must demonstrate stable or improving financial condition;
- Review legal risks associated with the seller and the Financial Assets;
- Review the historical performance of the seller's Financial Assets; and
- Review the background and experience of the seller.

Use of External Counsel

- On our Client's behalf, we will generally retain external legal counsel to review each transaction.

Monitoring and Surveillance

- Monitoring the performance of the Financial Assets in the Client accounts relative to transaction borrowing bases, performance triggers and other relevant collateral information; and
- Providing information on the status of the program and its funding commitments to investors, rating agencies, and liquidity and credit support providers as appropriate.

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.

Risks Specific to Engaging 20 Gates as a Sub-Advisor or AdvisorLimited Operating History

Although we have significant investment experience in the ABCP and asset-backed securitization markets, the Firm is a recently-formed entity and has limited operating history upon which prospective clients can evaluate our performance. Accordingly, becoming a client of the Firm entails a significant degree of risk.

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.

ABCP Program and Financial Asset RisksCredit Risk

Credit risk is the risk that the Financial Assets acquired by a Client will suffer losses greater than the credit enhancement of the transaction and ultimately principal amount cannot be fully collectible from the obligor.

Liquidity Risk

Liquidity risk is:

- (i) The Client is unable to issue new ABCP, which may be due to market disruption or program specific issue, and
- (ii) 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.

Structural Risk

Structural risk refers mainly to the risk that an ABCP program might become entangled in a bankruptcy or similar proceeding and, therefore, might be unable to make full and timely payments on its ABCP.

Item 9: Disciplinary Information

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

As disclosed above in Item 5, effective November 1, 2011, 20 Gates Holding LLC, the parent to 20 Gates, acquired a 20% interest in MSS, a registered broker-dealer, a FINRA member firm, SIPC. 20 Gates Holding LLC has agreed to acquire a 100% interest in MSS and is awaiting approval from FINRA to consummate the acquisition in full.

See Item 5 above for conflicts of interest related to the Firm's relationship with MSS.

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

Code of Ethics Pursuant to Rule 204A-1 of the Advisers Act

We have adopted a Code of Ethics and Employee Investment Policy (collectively, our "**Code**") pursuant to rule 204A-1 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. We will provide our Code to clients upon request.

Our Code requires our access persons, including members of their immediate households, 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 all securities holdings and personal transactions to our CCO (subject to exceptions permitted by rule 204A-1), who reviews and monitors the reported holdings and transactions to assure compliance with our Code's requirements. We require all of our access persons to instruct their brokers to send duplicate copies of brokerage statements to our CCO.

In addition, our access persons may not acquire securities for their own account in an initial public offering or other limited offering without the approval of our CCO. Our access persons must also obtain pre-approval from our CCO before engaging in any outside business activities. The Code requires our employees to promptly report any violations of the Code to the CCO or their supervisor and to sign an acknowledgment of receipt of the Code.

Certain Clients will be considered Related Persons of the Firm based on the Firm's equity ownership in such Client ("**Related Clients**"), which will typically be Investment Subsidiaries of the Firm. Related Clients may at times purchase or sell securities to other Client accounts. In addition, employees of the Firm ("**Related Persons**") may at times purchase or sell securities to Client accounts. Such transactions may be deemed principal transactions for purposes of the Advisers Act. The Firm faces various conflicts of interest when it or its Related Persons engage in principal transactions with Client accounts including but not limited to the fact that that Firm or Related Person may have an incentive to 1) price securities in principal trades in a manner that advantages the Related Client or Related Person 2) sell unwanted securities from Related Clients or Related Person accounts to Client accounts or 3) cause Related Clients or Related Persons to purchase desirable securities from Client accounts. To address these conflicts of interest, the Firm will obtain consent to principal transactions from Client accounts involved in principal transactions prior to engaging in such transactions or allowing Related Persons to engage in such transactions. Such consent will describe the manner in which the security will be priced.

In addition Related Client accounts may invest in the same securities as other Client accounts. However, generally this does not present a conflict of interest because the Firm is only hired to make investment recommendations for Related Clients and not other Clients. With respect to other Clients, the Firm is hired to provide advice on funding solutions being independently considered by such Clients but not to suggest investment ideas to such Clients.

Related Persons may also invest in the same security as Client accounts and Related Client accounts. Such transactions by Related Persons may create conflicts of interest because the

Related Person may among other things have an incentive to (i) allocate the best investment ideas to the Related Person instead of to Clients; (ii) allocate a greater percentage of an investment idea to the Related Person than to the Clients; (iii) to trade investment ideas for Related Person accounts ahead of Clients; (iv) to give more advantageous investment terms to Related Persons than to Clients and (v) take other actions which favor the Related Person. The Firm addresses these conflicts of interest by requiring preclearance of the CCO prior to allowing a Related Person to trade in a security held or being considered to be held by a Related Person. The CCO needs to determine that such trading by the Related Person will not disadvantage Clients before approving the trade by the Related Person.

Item 12: Brokerage Practices

20 Gates does not generally exercise discretion with respect to Clients. In addition, as an adviser to Clients that participate in the ABCP markets, we do not generally make investments in securities listed on national exchanges, however, to some degree, transactions may be made through the over the counter market through a brokers-dealer.

When 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. Since the Firm often may desire a specific fixed-income security, there may be only a single broker from whom to purchase the security. Therefore, in such situations the Firm will, by necessity, make bond purchases from dealers who have the desired bonds available for purchase or, in the case of sales, with dealers who make a market in the bond

Furthermore, in the case of sales, the Firm may 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 dealer working to identify the ultimate purchaser; or if illiquid market conditions make a competitive bid process unlikely to result in acceptable bids.

Item 13: Review of Accounts

Review of Accounts

Client accounts, whether sub-advised or advised by 20 Gates, are reviewed on at least a monthly basis to assure conformity with investment objectives and guidelines established by and for the benefit of each Client, as well as to compile the necessary data to generate required reporting to both Clients and other parties as necessary, including rating agencies which may rate the payment obligations of a Client.

Reporting

20 Gates provides our Clients with periodic reporting which could be daily, weekly, monthly or quarterly, depending on the requirements of such Client and the frequency of account activity. Typical Client reporting may include data feeds of portfolio information related to the assets and liabilities, as well as other customized reports which may 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 may have 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.

Item 14: Client Referrals and Other Compensation

20 Gates currently does not utilize a third party marketer/solicitor for client referrals.

Item 15: Custody

The amended and revised Rule 206(4)-2 of the Advisers Act sets forth extensive requirements regarding possession or custody of client funds or securities. The Rule requires advisers that have custody of client securities or funds to implement a set of controls designed to protect those client assets from being lost, misused, misappropriated or subject to financial reverses.

Advisers with custody of client funds and securities must maintain them with “Qualified Custodians.” Qualified Custodians under the amended rule include banks and savings associations and registered broker-dealers.

20 Gates will not have physical custody of any Client assets. Account assets are held with broker-dealers or banks that are deemed Qualified Custodians. 20 Gates is deemed to have Custody of two client accounts for purposes of Advisers Act “Custody Rule.” Such Client accounts are subject to annual audits conducted by an independent accounting firm that is registered with and subject to review by the Public Company Account Oversight Board. All investors in such Client accounts will be provided with audited financial statements for such account prepared in accordance with U.S. generally accepted accounting principles (GAAP) within 120 days of the end of such Client’s fiscal year.

Item 16: Investment Discretion

In connection with certain Clients, 20 Gates accepts discretionary authority to manage the Clients’ accounts, either through the Client’s organization documents or investment management agreement with the Client. Under such circumstances, 20 Gates may exercise sole authority to determine the assets bought and sold for each Client, as well as the amounts thereof, 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

20 Gates does not anticipate owning on behalf of any Client any equity securities granting it, or its clients, the right to vote proxies. However, in the unlikely event that the Firm is required to vote a proxy for certain investments or if 20 Gates is required to vote on a corporate action regarding a portfolio holding for an Client, the Firm will ensure that all matters are voted in the best interest of the Client.

In the event 20 Gates believes that it may have a conflict of interest in voting a particular client proxy it will form an *ad hoc* committee of at least three members of senior management of 20 Gates to determine how to vote the proxy in the best interests of the Clients.

Upon request, 20 Gates will provide an investor with information on how the proxies/corporate actions were voted and the proxy voting policy of the Firm.

Item 18: Financial Information

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.