

**Form ADV Part 2A  
Client Brochure**

Bristol Gate Capital Partners Inc.  
45 St. Clair Avenue West  
Suite 601  
Toronto, Ontario M4V 1K9 Canada  
[www.bristolgate.com](http://www.bristolgate.com)  
Contact: Michael Capombassis, President

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This brochure ("Brochure") provides information about the qualifications and business practices of Bristol Gate Capital Partners Inc. ("Bristol Gate" or the "Firm"), a registered investment advisor. Registration does not imply a certain level of skill or training but only indicates that Bristol Gate has registered its business with state and federal regulatory authorities, including the United States Securities and Exchange Commission ("SEC"). The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

If you have questions about the contents of this Brochure, please contact us at (416) 921 7076 or [info@bristolgate.com](mailto:info@bristolgate.com). Additional information about Bristol Gate is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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### **Item 2 Material Changes**

Bristol Gate previously filed a brochure with the Investment Adviser Registration Depository dated April 28, 2015. The following material information has added since the previous filing:

- The ownership percentages of the Firm's principal owners have been updated for interim changes. *See "Advisory Business."*
- The Firm's performance fee schedule has been updated. *See "Performance-Based Fees and Side-By-Side Management."*
- Investor qualifications for investors in Bristol Gate's U.S. funds has been updated. *See "Types of Clients."*
- The Firm has entered into a new solicitation agreement with E.J. Kohler & Associates, LLC and its solicitation agreement with Cornerstone Asset Management L.P. has been terminated. *See "Client Referrals and Other Compensation."*

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## **Form ADV Part 2 Client Brochure**

### **Item 4 Advisory Business**

#### **i. General Description of the Firm**

Bristol Gate is an advisory firm that manages investment accounts of clients (“Clients”) with securities in segregated accounts or private investment pooled funds. We have been in business since 2006 and have been organized under the laws of the Province of Ontario, Canada. Bristol Gate has been registered as a portfolio manager, exempt market dealer and investment fund manager under the Ontario Securities Commission (“OSC”) since 2006 and by the Autorité des marchés financiers (“AMF”- Canadian Province of Quebec) since 2014. The Firm has also been registered as a portfolio manager and exempt market dealer in the Canadian provinces of British Columbia, Alberta and Manitoba since 2014.

As of the date of this Brochure, Bristol Gate renders advisory services primarily to clients outside of the United States. Accordingly, the description of Bristol Gate’s advisory business contained herein relates primarily to its business outside of the United States. However, consistent with prior SEC precedent, the substantive provisions of the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”) generally will not apply to Bristol Gate’s relationship with its non-U.S. clients, except to the extent otherwise required by applicable law.

We are a privately held company, principally owned by co-founders Gerald (Richard) Hamm and Allan (Peter) Simmie, who hold 47.5% and 38.0% of the Firm’s common shares, respectively.

#### **ii. Summary of Bristol Gate’s Advisory Services**

Bristol Gate specializes in income growth portfolios and has developed and managed strategies holding portfolios of United States equities. It provides this expertise by managing private pooled investment funds for investors and offering its portfolio management services to institutions through separately managed accounts (“SMAs”) and unified managed accounts (“UMAs”). Our investment advice is currently limited to the strategies set forth above.

#### **iii. Client Tailored Services and Investment Restrictions**

Portfolio management services to Clients do not generally allow for Client-directed exceptions to the fundamental mandates we offer. Clients may be able to elect their own custodian and administrative services, subject to the account size being sufficient for Bristol Gate to manage its trading, settlement and reporting operations efficiently. In such instances, these restrictions would be fixed and agreed to prior to the execution of the investment management agreement and trading for the accounts. We do not manage Client’s accounts in securities other than those in our model portfolios and do not normally accept securities as initial or subsequent deposits into a Client’s account.

**iv. Wrap Fee Programs**

Bristol Gate does not sponsor or participate in any wrap fee programs.

**v. Assets Under Management**

As disclosed in Bristol Gate's Form ADV Part 1, Bristol Gate manages over \$652,149,413 in Client assets on a discretionary basis and nil on a non-discretionary basis. This total was calculated using the closing U.S. market prices on April 29, 2016.

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

#### **i. Advisory Fees**

Bristol Gate is compensated for its advisory services by charging an advisory fee based on the net asset value of a Client's account (or the net asset value of a certain class/series in the case of a pooled investment fund), and in some instances, charges a performance fee as described in Item 6 below. The annual base fee for accounts is 1.00% or less, depending on the investment amount or negotiated terms of the account. Bristol Gate does not charge the advisory fee in advance. The fee may be calculated daily or monthly and is normally deducted from a Client's account on a monthly basis as follows: Bristol Gate calculates a daily/monthly advisory fee, which is equal to the annual fee rate (adjusted for the period of calculation) multiplied by the net asset value of the Client's account as of the close of trading on the New York Stock Exchange ("NYSE"). For advisory fees calculated daily, the fee for a calendar month is equal to the total of the daily fees for that month.

Advisory fees and accrued performance fees (see Item 6 below), if any, will be deducted from the Client's account prior to the closing of such account.

Bristol Gate reserves the right, in its sole discretion, to negotiate, reduce or waive the advisory fee for certain Client accounts.

#### **ii. Other Account Fees and Expenses**

Clients will incur certain third-party fees and expenses. For most accounts, such expenses include custodial fees, brokerage costs and certain taxes. In addition, for investors in a private investment fund offered by Bristol Gate, the fund will also incur third-party costs of an independent administrator, an auditor, certain legal and professional fees, fund organizational expenses, regulatory and other filing fees and expenses and other fund operating expenses, as disclosed in the fund's offering documents. Bristol Gate does not charge either individual or pooled accounts additional fees for its services beyond those fees noted above and in Item 6 below (*i.e.*, advisory and performance fees as applicable). No transaction fees are earned by Bristol Gate for pooled fund transactions. Pooled funds may be purchased through independent brokers or agents, who may add additional service fees.

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

#### **i. Performance-Based Fees**

In some instances, Bristol Gate may also be compensated by earning a performance fee based upon the annual net asset value increase of a Client's account (or the annual net asset value increase in a certain class/series of a pooled investment fund) over a specified annual benchmark return or hurdle rate. The annual performance fee range is between 10-15% of the net asset value gain (if any) in excess of a designated benchmark return or hurdle rate. The fee may be calculated daily or monthly and is deducted from the Client's account on an annual basis as follows: Bristol Gate calculates a performance fee, which is equal to the fee rate multiplied by the net asset value change of the Client's account (or certain class/series of a pooled investment fund) as of the close of trading on the NYSE in excess of an annual benchmark or hurdle rate. Performance fees are accrued daily or monthly and paid annually. In some instances, a high-water mark may be considered in the calculation of the performance fee.

Bristol Gate reserves the right, in its sole discretion, to negotiate, reduce or waive the performance fee for certain Client accounts or classes/series of a pooled investment fund.

#### **ii. Potential Conflicts of Interest**

A significant percentage of the appreciation (if any) which would otherwise be allocated to Client accounts may be paid to Bristol Gate. This performance-based compensation is based upon unrealized, as well as realized, gains, and such unrealized gains may never be recognized by the Client. Performance-based compensation may create an incentive for Bristol Gate to make investments that are riskier or more speculative than they might otherwise select.

As noted above, Bristol Gate additionally reserves the right to negotiate, reduce or waive the performance fee for certain Client accounts. This results in a potential conflict of interest, as it could provide Bristol Gate with an incentive to favor the Clients from which Bristol Gate receives substantial performance-based compensation over other Clients by, for example, seeking to allocate more profitable investment opportunities to the accounts for which Bristol Gate receives performance-based compensation (or a higher amount of performance-based compensation). However, Bristol Gate intends to trade highly-liquid, exchange-traded products, and has implemented an equitable allocation methodology in cases where orders for multiple Clients are aggregated (see Item 12 below). In light of these policies, Bristol Gate does not expect to encounter any significant conflicts of interest in the allocation of trading opportunities among Clients.

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### **Item 7 Types of Clients**

Within the United States, Bristol Gate expects to deal with Clients recognized as “accredited investors” (as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended) and “qualified clients” (as defined in Rule 205-3 of the Advisers Act), which may include financial institutions (for which Bristol Gate advises or sub-advises on accounts), pooled investment funds offered to accredited investors, high-net-worth (“HNW”) investors, institutions, corporations, pension funds, trusts and charitable entities. Currently, Bristol Gate’s regulatory assets under management consist primarily of accounts of large financial institutions and the balance is in pooled funds and separately managed accounts predominately serving the HNW segment. All investors in U.S. funds sponsored by Bristol Gate generally must be “accredited investors” and “qualified purchasers,” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “Company Act”), or “knowledgeable employees” as defined in Rule 3c-5 under the Company Act.

The minimum account size for an institutional segregated account (*i.e.*, SMA or UMA, as appropriate) is \$25 million, subject to negotiation. Pooled fund investment minimums are dependent on the jurisdiction of the offering but the minimum for the Bristol Gate US Equity Fund LLC is \$250,000. Clients may withdraw part or all of an account, subject to providing minimal notice to permit the liquidation of securities. There generally is no minimum holding period for fund investors (subject to the terms of the applicable fund’s offering documents), although there may be a fee charged by the fund for redemptions within a one-year period, which is paid to the pooled fund for the benefit of its investors.



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

#### i. Methods of Analysis and Investment Strategies

Bristol Gate has developed a proprietary methodology that seeks to identify stocks which have the highest level (or highest expected level) of dividend growth and construct portfolios with such stocks in an effort to achieve higher levels of total returns. We are an evidence-based asset manager and we carefully analyze data on companies' operations to test our assumptions, using an institutional data base of securities' fundamental data and SAS and MatLab software to support our research.

We do not allocate according to any sector weighting or index requirements. What has resulted is a concentrated U.S. equity portfolio, primarily of large-cap, well-established and consistent dividend payers. A short summary of our methodology is as follows:

##### *BASIC RESEARCH PHASE*

- (1) We develop an econometric model to forecast the next period's dividend growth for the S&P500 stocks.
- (2) We focus on those companies in which we believe predictability to be the strongest, eliminating money center banks, small caps, cyclicals and companies with irregular dividend histories.
- (3) The result is a list of companies ordered by next year's expected dividend growth.

##### *PRODUCTIVE CAPITAL ANALYSIS™ PHASE*

- (4) We analyse in considerable depth the financial and economic fundamentals of each relevant company, understanding as best we can the ability of the company to continue its level of free cash flow generation and its interest in and capability to generate dividend growth. This typically involves reviews of 10-K reports and other material reports on the company and its principal competitors.
- (5) We eliminate companies characterized by potentially declining cash flow growth from market conditions, currency levels, competitive issues and debt market risks.

##### *PORTFOLIO CONSTRUCTION*

- (6) We construct an approximately equally weighted portfolio of 22 stocks, representing those companies that we believe to have the highest potential dividend growth.

##### *PORTFOLIO SUPERVISION*

- (7) On a quarterly basis we re-balance the portfolio to approximately equal weights.
- (8) We monitor each company and systematically reconfirm our dividend growth expectations.
- (9) Companies typically are sold when dividend growth does not meet our prior expectations or there is a material change in the company's fundamentals or competitive position.

## RISK MANAGEMENT

Bristol Gate believes that controlling risk can increase returns, and is committed to managing risk. However, *investing in securities involves risk of loss that a Client should be prepared to bear*. Here are some highlights on how Bristol Gate manages risks in its portfolios:

### **Security Selection**

Best dividend growth stocks in S&P500

- Select only from those segments of the equity markets with growing dividends
- Avoid sectors where risk analysis is problematic, including money center banks, small caps, pure cyclicals
- Select only companies with investment grade debt (if any)
- Avoid companies with long term debt levels that could impair operations in banking and credit crises

### **Portfolio Management**

Evidence is critical

- Lower risk can generate higher returns
- Focus particularly on the maximum drawdown and recovery risk, not standard deviation
- Test every decision rule and portfolio management ideas through simulation modelling – this gives a framework to understand portfolio outcomes
- Quantify risks to permit a solid business judgement
- Cash is held if suitable investments are not available

### **Portfolio Operations**

Implementing a discipline

- All trading operations governed by model portfolios
- Compliance controls on trading system to limit purchases and quantities
- Systematic coverage of stocks and verification of dividend forecasts
- No material leverage. No short-selling. No “financial engineering” tools
- Portfolio risk specifically monitored by a senior officer

## ii. **Certain Risk Factors**

The identification of attractive investment opportunities is difficult and involves a significant degree of uncertainty. Potential clients should consider the following risks before engaging Bristol Gate to manage their assets.

*Equity Securities.* Bristol Gate will trade in equity securities on behalf of the pooled investment funds and Client accounts. Common stock and similar equity securities generally represent the most junior position in an issuer’s capital structure and, as such, generally entitle holders to an interest in the assets of the issuer, if any, remaining after all more senior claims to such assets have been satisfied. Holders of common stock generally are entitled to dividends only if and to the extent declared by the governing body of the issuer out of income or other assets available after making interest, dividend and any other required payments on more senior securities of

the issuer. The value of equity securities may fluctuate in response to specific situations for each company, industry market conditions and general economic environments. The securities of smaller companies may involve more risk and their prices may be subject to more volatility.

*Turnover.* Bristol Gate expects to invest client assets on the basis of long-term market considerations. However, in certain instances, the portfolio turnover rate of investments for clients may be significant, and therefore may incur substantial brokerage commissions, mark-ups and fees that will reduce the client's investment returns.

*Concentration.* At any given time, a Client's assets may be invested in a relatively limited number of issuers or industries, based on Bristol Gate's investment methodology. As a result, a loss in any single position or group of positions could have a material adverse impact on a Client's account.

*Effectiveness of Risk Reduction Techniques.* Bristol Gate intends to employ various risk reduction strategies designed to minimize the risk of its trading positions. A substantial risk remains, nonetheless, that such strategies will not always be possible to implement and when possible will not always be effective in limiting losses. If Bristol Gate analyzes market conditions incorrectly, or employs a risk reduction strategy that does not correlate well with its investments, such risk reduction techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return.

\* \* \*

**Investment in securities and other financial instruments involves certain significant investment risks, including loss of an investor's entire investment. The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with Bristol Gate's investment programs or an investment in any fund or account advised by Bristol Gate. Prospective clients and investors must consult their own advisers before deciding whether to make such an investment. Investors and prospective investors in a pooled investment fund should carefully review the sections on Risk Factors of the offering documents of the applicable fund(s). Such documents are available only to current investors or prospective investors who are eligible to invest in such entities, as determined in the sole discretion of Bristol Gate.**

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### **Item 9 Disciplinary Information**

All registered investment advisers are obligated to disclose any disciplinary event that might be material to any Client or prospective client when evaluating the advisor's services.

Bristol Gate does not have any legal, financial, regulatory or other disciplinary item to report herein. This statement applies to the Firm and every employee of our Firm.

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

As noted under Item 4, Bristol Gate has been registered as a portfolio manager, exempt market dealer and investment fund manager with the Ontario Securities Commission since 2006 and with the the Quebec Autorité des marchés financiers (AMF) since 2014. The Firm has also been registered as a portfolio manager and exempt market dealer with securities commissions in the Canadian provinces of British Columbia, Alberta and Manitoba since 2014. Neither Bristol Gate nor any member of its management has any other financial industry activities or affiliations.

Certain inherent conflicts of interest may arise from the fact that Bristol Gate may carry on substantial investment activities for multiple Clients simultaneously, including pooled investment funds and Client accounts. Bristol Gate may give advice and recommend investments to, or engage in investment transactions for, certain of its Clients which advice or investments may differ from advice given to, or investments made for, other Bristol Gate Clients, even though their investment objectives may be the same or similar.

As described above, Bristol Gate may have a conflict of interest in rendering advice to a particular Client because the financial benefit from managing another Client's assets may be greater, which could provide an incentive to favor such other Client. In addition, Bristol Gate's principals and affiliates may invest and trade for their own accounts, including in securities which are the same as or different or opposite from those traded or held by its Clients. In addition, certain principals and affiliates may seed new strategies being incubated by Bristol Gate. As a result, Bristol Gate's principals and affiliates may from time to time have proprietary investments in securities in which its Clients may take a position, may trade and invest simultaneously with Clients and may take investment positions that are different or opposite from the positions taken by Clients. As a result, conflicts of interest may arise between Bristol Gate's Clients and its principals or affiliates with respect to matters such as the allocation of investment opportunities, purchases and sales of securities in connection with particular trading situations and allocation of personnel, resources and expenses. The records of trading by Bristol Gate's principals and affiliates will not be made available to Clients, except to the extent required by law. However, trading by principals and personnel of Bristol Gate will be subject to Bristol Gate's Code of Ethics, as described in Item 11 below, which seeks to mitigate the conflicts described above. Also, as described in Item 6 above, Bristol Gate believes that conflicts related to new strategies managed by Bristol Gate are mitigated by its methodology for allocating investments among Client accounts, as described below in Item 12.

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

Bristol Gate has adopted a Code of Ethics for all supervised persons of the Firm describing its high standard of business conduct and fiduciary duty to its Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, and personal securities trading procedures, among other things. All supervised persons at Bristol Gate must acknowledge the terms of the Code of Ethics annually, or as amended. Bristol Gate's Code of Ethics is available to all Clients and prospective clients upon request.

In certain circumstances, Bristol Gate may cause a Client account to invest in a pooled investment fund managed by Bristol Gate or an affiliate. Such Client account investments are disclosed in the terms of the relevant Client's managed account agreement and related investment guidelines and do not result in Clients being charged additional or duplicative fees by Bristol Gate or its affiliates.

Except as described in the paragraph above, Bristol Gate does not cause pooled investment funds or Client accounts to effect transactions in which such fund or Client purchases securities from, or sells securities to, Bristol Gate or its principals or affiliates, or in which one of Bristol Gate's affiliates acts as broker for both the pooled investment fund or Client's account and the other party to the transaction.

Bristol Gate anticipates that, in appropriate circumstances, consistent with Clients' investment objectives, it will cause Clients to purchase or sell securities in which Bristol Gate and/or its affiliates, directly or indirectly, have a position or interest as described above in Item 10. Bristol Gate's employees and persons associated with Bristol Gate are required to follow Bristol Gate's Code of Ethics, which includes certain restrictions and qualifications on the ability of Bristol Gate's personnel to trade instruments held by Clients. The Code of Ethics is designed to assure that the personal transactions, activities and interests of the employees of Bristol Gate will not interfere with (i) making decisions in the best interest of advisory Clients and (ii) implementing such decisions while at the same time allowing employees to invest for their own accounts. As described above, the Code of Ethics requires that the interests of Client accounts be placed ahead of those of Bristol Gate employees in their personal trading. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same instruments as Clients, there is a possibility that employees might benefit from market activity by a Client in an instrument held by an employee. Employee trading is regularly monitored under the Code of Ethics in an effort to prevent conflicts of interest between Bristol Gate and its Clients.

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### **Item 12 Brokerage Practices**

Brokerage arrangements for Client accounts and responsibility for the selection of brokers will be determined pursuant to the applicable Client's managed account agreement. Bristol Gate will select the brokers to be utilized by the pooled investment funds, and will have discretion to select different brokers to be used for each transaction and to negotiate the rates and commissions its Clients will pay. Where Bristol Gate is responsible for the selection of brokers for its Clients, it may not adhere to any rigid formulae in making the selection of brokers, but will weigh a combination of criteria consistent with its obligation to seek "best execution" for its Clients. In selecting brokers to execute transactions, Bristol Gate need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Brokers will be selected generally on the basis of best execution, which may be determined by considering, in addition to price and commission rates, other factors including special execution capabilities, clearance, settlement, other transaction charges, block trading and block positioning capabilities, financial strength and stability, efficiency of execution and error resolution, the availability of stock to borrow for short trades, custody, recordkeeping and similar services.

There can be situations in which Bristol Gate allows a Client to direct a brokerage arrangement. In such cases it is probable that we will be unable to secure what we believe is a competitive package of brokerage services or the most favorable execution of such Client's transactions, which could result in the Client paying higher costs or receiving fewer services.

Bristol Gate does not utilize affiliated brokers to effect trades for its Clients. Bristol Gate does not use research or other products or services (other than execution) received from the brokers to Client or fund accounts, and does not engage in any "soft dollar" arrangements. We do not direct brokerage in order to receive Client referrals.

Bristol Gate expects to aggregate orders for Clients with orders for other Client accounts (and/or certain accounts of its principals or employees) in the same security, consistent with Bristol Gate's obligation of best execution. In those cases, all such participants in the transaction will share transaction costs pro rata and receive the average price (net of transaction costs) in the transactions. Although aggregation may operate to the disadvantage of particular clients in a given transaction, such aggregation is intended to promote fairness over the longer term among all accounts or entities involved in the transaction. Bristol Gate will retain records of the transaction (specifying each participating account) and its allocation.

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### **Item 13 Review of Accounts**

We review all pooled investment funds and Customer accounts daily to monitor cash deposits or withdrawals, and use this information to reset the model portfolio weighting for all funds and accounts. Monthly, we review every fund and account in terms of compliance with investment policies. These reviews are conducted by the respective portfolio manager.

Written reports are delivered to Clients on a monthly basis as required. These reports include a statement of portfolio holdings, valuations, and periodic returns. Quarterly, we deliver a written commentary to illuminate the investment decisions during the quarter. Investors in pooled investment funds will additionally receive audited financial statements on an annual basis and such other periodic reports as may be described in the applicable fund's offering documents.



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

With respect to U.S. Clients and potential U.S. clients, Bristol Gate has entered into a marketing and referral agreement with E.J. Kohler & Associates, LLC (“Kohler”) whereby Kohler will assist Bristol Gate in raising capital from institutional investors and investment platforms, and will receive a portion of the advisory fees (and performance fees, if applicable) received by Bristol Gate from investors solicited by Kohler. The details of any referral fee paid to Kohler will be fully disclosed to solicited investors who invest with or become a Client of Bristol Gate.

Subject to the provisions of SEC Rule 206(4)-3 Bristol Gate may enter into additional written agreements with solicitors for referrals in which Bristol Gate may share a portion of its advisory and performance fees earned from U.S. Clients referred by the solicitor.

Bristol Gate currently has no arrangements whereby it receives an economic benefit from any person who is not a Client for providing investment advice or other advisory services to Clients.

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### **Item 15 Custody**

Bristol Gate does not have, and does not intend to take, custody of the funds and securities of the Client accounts. Clients may receive periodic statements from the custodian that holds and maintains the Client's investment assets. Bristol Gate urges each Client to carefully review such statements and compare such official custodial records to any account statements that Bristol Gate may provide such Client. Bristol Gate's statements may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities or other instruments.

In the case of the Bristol Gate US Equity Fund LLC, Bristol Gate is deemed to have custody of the funds and securities of the pooled investment fund, which is maintained at one or more "qualified custodians," as defined under Rule 206(4)-2 of the Advisers Act. A "qualified custodian" generally is a bank or savings association that has deposits insured by the U.S. Federal Deposit Insurance Corporation or an SEC registered broker-dealer. An independent public accountant will audit each such pooled fund on an annual basis, and copies of the audited financial statements will be sent to the investors in such pooled fund, as described above in Item 13.

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### **Item 16 Investment Discretion**

Bristol Gate exercises discretionary authority over the accounts of its Clients. Bristol Gate generally receives discretionary authority from the Client at the outset of an advisory relationship, by means of investment advisory or similar agreements, or, in the case of certain of the pooled investment funds, through the constituent documents of the funds themselves, which grant a power of attorney in favor of Bristol Gate to select the identity and amount of any investments to be bought or sold for the Client. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the applicable Client.

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### **Item 17 Voting Client Securities**

Bristol Gate holds the authority to vote proxies on behalf of the pooled investment funds. In the case of Client accounts, the Client has the choice of voting on all decisions of security holders of the issuers it holds in its portfolio. Alternately, the Client can request that Bristol Gate vote such Client's securities pursuant to such Client's advisory agreement with Bristol Gate in accordance with Bristol Gate's voting policies and procedures.

Pursuant to Bristol Gate's proxy voting procedures, in the event that Bristol Gate has accepted voting authority and receives proxies sent to the pooled investment funds or Client accounts (as appropriate), the applicable portfolio management team will be responsible for casting the proxy, consistent with Bristol Gate's general voting guidelines as provided below:

- (i) vote on all issuers held in pooled investment funds or Client accounts for which the Bristol Gate acts as portfolio manager;
- (ii) vote for the recommended slate of directors;
- (iii) vote for the recommended auditors;
- (iv) vote to accept all financial and operations reports;
- (v) vote against all resolutions which diminish the powers of shareholders;
- (vi) vote for or against any take-over bid depending on the perceived value to the Bristol Gate's Clients; and
- (vii) on all other issues, Bristol Gate shall make its best judgement on the issues of what appears to be in the Client's best interests.

Unless a Client has determined to retain the right to vote on all proxy matters, a Client generally may not direct specific proxy votes for the securities held in its account.

Clients may obtain a copy of Bristol Gate's complete proxy voting policies and procedures and information about how Bristol Gate voted any proxies on behalf of their account(s) by contacting Michael McNeil, Bristol Gate's Chief Operating Officer and Chief Compliance Officer, at (416) 921-7076.

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### **Item 18 Financial Information**

Bristol Gate is required to provide certain financial information or disclosures about its financial condition. Bristol Gate has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to its clients, and has not been the subject of a bankruptcy proceeding.