

**Item 1 – Cover Page**

**Part 2A of Form ADV  
Brochure for:**

**22NW, LP**

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**March 14, 2018**

**This Brochure provides information about the qualifications and business practices of 22NW, LP (“22NW” or the “Firm”). If you have any questions about the contents of this Brochure, please contact the Firm at the address listed above. 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.**

**22NW is a registered investment adviser with the SEC. Registration of an investment adviser does not imply any certain level of skill or training.**

**Additional information about 22NW is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 – Material Changes**

This Brochure was prepared for 22NW's initial registration with the SEC.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes.

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## Item 4 – Advisory Business

### A. Description of the Advisory Firm

22NW, LP (22NW or the “Firm”), a Delaware limited partnership, was formed on February 27, 2015. Aron English is the founder and Portfolio Manager of 22NW.

### B. Types of Advisory Services

22NW serves as general partner and investment adviser to a private investment fund (the “Fund” or “Client”). 22NW may decide in the future to sponsor or manage additional private investment funds (collectively with the Fund, the “Clients”).

Pursuant to each Fund’s private placement memorandum, limited partnership agreement, and subscription documents (“Constituent Documents”), 22NW seeks to provide Investors in its Fund long term returns by applying its investment process which involves a bottom-up analysis run through proprietary software, sourcing, and research ability.

The Fund is offering limited partnership interests (“Interests”) to certain qualified investors as described in response to Item 7, below (such investors are referred to herein as “Investors”)

### C. Client Tailored Services and Client Imposed Restrictions

Advisory services are tailored to achieve the Clients’ investment objectives. 22NW has the authority to select which and how many securities and other instruments to buy or sell without consultation with the Fund or its Investors

### D. Wrap Fee Programs

22NW does not participate in wrap fee programs.

### E. Amounts Under Management

22NW manages the assets of the Client and has the following assets under management:

Discretionary Amounts:	Non-Discretionary Amounts:	Date Calculated:
\$175,243,566	\$0	December 31, 2017

## Item 5 – Fees and Compensation

### A. Fee Schedule

The fees and compensation payable to 22NW are negotiable. The range of compensation is generally as follows:

#### 1. Management Fee

With respect to the Fund, 22NW typically receives a quarterly asset-based management fee calculated as a percentage of each Investor's capital account, payable quarterly in advance. The management fee is generally 1.5%.

#### 2. Performance-based Fees

From the Fund, 22NW generally receives a performance allocation equal to a percentage of the net income allocated to each Investor for the year, but only to the extent net income allocated to that Investor exceeds any cumulative losses that were allocated to that Investor for earlier periods and that have not been recovered (a "high water mark"). This performance allocation is generally equal to 17.5% of the net increase in the value of the Investor's account and is typically made at the end of each calendar year.

The performance allocation will only be charged to accounts of those Investors who are "qualified clients" as defined in Rule 205-3 of the Investment Advisers Act of 1940, as amended ("Advisers Act") in accordance with applicable state law.

#### 4. Fee Comparison

Client expenses, including the management fee and any performance-based fees may constitute a higher percentage of average net assets than could be found in other investment programs.

### B. Payment of Fees

Management fees, performance-based fees, and third-party fees (discussed below) are deducted from Client assets. Management fees, which are paid in advance, are withdrawn at the beginning of the quarter. Performance-based fees are determined as of the last business day of the calendar year and as of any date on which an Investor makes a withdrawal or receives a distribution from such Investor's capital account.

### C. Third-Party Fees

Clients shall pay such costs and expenses as 22NW shall reasonably determine to be necessary, appropriate, advisable or convenient to carry on its business and realize its objective, including but not limited to: (i) management fees; (ii) all general investment expenses (i.e., expenses which 22NW reasonably determines to be directly related to the investment of the Client's assets); (iii) all administrative, legal, accounting, auditing, record-keeping, tax form preparation, compliance and consulting costs and expenses; (iv) fees, costs and expenses of third-party service providers that provide such services; and, (v) any extraordinary expenses, among other expenses.

22NW's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the Clients. Such charges, fees and commissions are exclusive of and in addition to the Firm's management fee, and the Firm shall not receive any portion of these commissions, fees, and costs.

Please see Item 12 of this Brochure regarding brokerage.

D. Prepayment of Fees

22NW generally requires Fund Investors wishing to withdraw amounts from their capital accounts upon 90 days written notice for the last business day of a quarter. In the event that the Firm does permit an off-cycle withdrawal, any prepaid fees (such as management fees) will not be refunded for the partial quarter. Any applicable performance-based fees will be calculated at the time of withdrawal or closure, and deducted from the proceeds.

E. Outside Compensation for the Sale of Securities

Neither 22NW nor its supervised persons accept compensation for the sale of securities or other investment products outside of its association with 22NW.

**The foregoing discussion in Items 5 represents 22NW's basic compensation arrangements. The management fees and incentive allocations described above are structured to comply with Rule 205-3 under the Advisers Act and applicable state laws. Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Investor may vary. Although the Firm believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.**

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

As discussed in Item 5.A., 22NW generally receives a performance allocation equal to a percentage of the net income allocated to each Investor for the year with respect to its Funds. Due to the Fund's structure, the Firm allocates investment opportunities to the Fund, and not to individual Investor accounts. Therefore, there are no potential conflicts of interest related to the side-by-side management.

Performance-based compensation may provide a possible incentive for 22NW to make riskier or more speculative investments on behalf of a Client than it might make otherwise. Notwithstanding this potential incentive, the Firm will evaluate investments in a manner that it considers to be in the best interest of its Clients, given those Clients' investment objectives, investment strategies, suitability of the investment, and risk profile.

## **Item 7 – Types of Clients**

22NW provides investment advice and management to pooled investment vehicles (other than investment companies).

22NW may in the future provide the same or similar services to other privately placed investment funds.

The Firm intends to restrict the number of Investors in the Funds and will offer Interests only through non-public transactions in order to maintain their exclusion from “investment company” status under the Investment Company Act of 1940, as amended (the “Investment Company Act”).

Prospective Investors in the Funds must meet eligibility criteria, and are subject to certain withdrawal requirements and limitations. Prospective Investors are encouraged to thoroughly review a Fund’s Constituent Documents, which set forth all of the terms in detail. Though the Clients generally pursue the same strategy, offering terms may differ.

*The Funds.* Each Investor generally must be an “accredited investor” (as defined in Regulation D under the Securities Act of 1933), or a “qualified purchaser” (as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended), as applicable, and must meet other criteria as specified in the Constituent Documents. The minimum initial investment is \$5,000,000, and the minimum additional investment is \$5,000,000 subject to waiver at the discretion of 22NW.

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

### **A. Methods of Analysis**

22NW’s primary methods of research are a bottom-up fundamental analysis based on competitor, supplier, and customer diligence, utilizing financial models, outsourced labor for data collection and a robust LinkedIn data analysis.

### **B. Investment Strategies**

The Fund’s investment strategy is currently focused on opportunities in the North American equity markets, but the Fund may in the future make investments in international markets and across the capital structure. The Fund may also purchase securities on margin, engage in “short-selling”, trade in publicly traded and over-the-counter options, invest in debt instruments and engage in “hedging” and other investment techniques.

The Fund will build and manage its portfolio from a bottom-up perspective based on the opportunity set identified by the Firm’s proprietary trading software, and will adjust gross and net exposure accordingly. The Fund’s investment strategy can be characterized as time arbitrage mean reversion, i.e., holding small positions over a multi-year period based on the

Fund's predicted outcomes of capitalism. The Fund focuses on wide price divergence from value opportunities, particularly on the short side.

The Fund will target a portfolio composition of 100 long positions and 150 short positions. In general, The Fund's strategy is to remain diversified, and the Fund will pursue small position sizing accordingly.

C. Risks of Investments and Strategies Utilized

**Investing in securities involves risk of loss that Clients and Investors should be prepared to bear.**

Investment and trading risk factors may include:

**General Investment and Trading Risks.** Clients may invest in securities and other financial instruments using strategies and investment techniques with significant risk characteristics. The investment program utilizes such investment techniques as option transactions, margin transactions, short sales, forwards, leverage and derivatives trading, the use of which can, in certain circumstances, maximize the adverse impact to which a client may be subject.

**Limited Operating History; Past Performance; Reliance on Key Personnel.** The Fund is a recently formed entity, and 22NW and the General Partner has a limited operating history. Past performance of 22NW, the General Partner or their affiliates, employees or representatives or any other person is not indicative of future results of the Fund and no assurance can be given that the Fund's investment objectives will be achieved or that investors in the Fund will receive a return of any of their investment. The Fund, the General Partner and 22NW expect to rely heavily on its investment team's experience, and should any of them become incapacitated or in some way cease to participate in the Fund, the Fund's performance could be adversely affected.

**Risk of Loss of Capital.** The performance of securities in which the Fund invests, and therefore the value of the Fund, will be subject to many factors over which the Fund may have limited or no control. The possibility of loss of Fund capital, including the complete loss of capital, will exist, and prospective investors should not subscribe for Interests unless they can bear the consequences of such loss.

**Common Stocks and Equity-Related Securities.** Prices of common stock react to the economic conditions of the company that issued the security, industry and market conditions, and other factors and may fluctuate widely. Investments related to the value of stocks may rise and fall based on an issuer's actual and anticipated earnings, changes in management, the potential for takeovers and acquisitions, and other economic factors. Similarly, the value of other equity-related securities, including preferred stock, warrants and options may also vary widely.

**Small- and Mid-Cap Risks.** Securities of small-cap issuers may present greater risks than those of large-cap issuers. For example, some small- and mid-cap issuers often have limited product lines, markets, or financial resources. They may be subject to high volatility in



revenues, expenses and earnings. Their securities may be thinly traded, may be followed by fewer investment research analysts and may be subject to wider price swings and thus may create a greater chance of loss than when investing in securities of larger-cap issuers. The market prices of securities of small- and mid-cap issuers generally are more sensitive to changes in earnings expectations, to corporate developments and to market rumors than are the market prices of large-cap issuers.

**Risks Associated with Investments in Distressed Securities.** A client may invest in “below investment grade” securities and obligations of domestic and non-U.S. issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These securities are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Some of these securities may not be publicly traded, and it therefore may be difficult to obtain information as to the true condition of such issuers. Additionally, in certain periods, there may be little or no liquidity in markets for these securities. Such investments also may be affected adversely by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court’s power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies’ securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies.

**Investing in High Yield Securities.** High-yield securities are generally not exchange traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer’s inability to meet timely interest and principal payments.

**Commodities and Derivative Investments.** The prices of commodities contracts and derivative instruments, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of commodities, futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of futures, options and swap agreements also depends upon the price of the commodities underlying them. In addition, client assets are also subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties.

**Credit Default Swaps.** A credit default swap is a contract between two parties which transfers the risk of loss if a company fails to pay principal or interest on time or files for bankruptcy. Swap transactions dependent upon credit events are priced incorporating many variables including the pricing and volatility of the common stock, potential loss upon default

and the shape of the U.S. Treasury Market curve, among other factors. As such, there are many factors upon which market participants may have divergent views.

**Convertible Securities.** The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the investment value of convertible securities. The conversion value of a convertible security is determined by the market price of the underlying common stock. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security is called for redemption, a client will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third-party. Any of these actions could have an adverse effect on the client's ability to achieve its investment objective.

**Exchange Traded Funds.** Exchange-traded funds ("ETFs") are a type of index fund bought and sold on a securities exchange. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile and ETFs have management fees that increase their costs. ETFs are also subject to other risks, including: (i) the risk that their prices may not correlate perfectly with changes in the underlying index; and (ii) the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable.

**Futures, Commodities, and Derivative Investments.** The prices of commodities contracts and derivative instruments, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of commodities, futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of futures, options and swap agreements also depends upon the price of the commodities underlying them. In addition, client assets are also subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties.

**Highly Volatile Markets.** The prices of financial instruments can be highly volatile. Price movements of forward and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Clients are also subject to the risk of failure of any of the exchanges on which their positions trade or of its clearinghouses.

**Use of Leverage and Financing.** A client may pledge its securities in order to borrow additional funds for investment purposes. Any event which adversely affects the value of an investment by the client would be magnified to the extent the client is leveraged. The cumulative effect of the use of leverage by a client in a market that moves adversely to the client's investments could result in a substantial loss that would be greater than if the client were not leveraged.

**Hedging Transactions.** While a client may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the client than if it had not engaged in any such hedging transactions. For a variety of reasons, 22NW may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent a client from achieving the intended hedge or expose the client to risk of loss.

**Derivatives and Hedging.** Derivatives are financial instruments or arrangements in which the risk and return are related to changes in the value of other assets, reference rates or indices. A client's ability to profit or avoid risk through investment or trading in derivatives will depend on the Firm's ability to anticipate changes in the underlying assets, reference rates or indices.

**Short Selling.** Short selling involves selling securities which are not owned and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the client of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position are available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

**Limited Diversification.** Investments may be primarily focused geographically in North American countries. Furthermore, broad diversification of investments in number or by industry or geography is not a primary investment of 22NW. This limited diversity could expose clients to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those investments.

**Illiquid Investments.** Securities and other assets, may be subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable, and a client may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale.

**Counterparty Risk.** Transactions may be affected in "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and

regulatory oversight as are members of “exchange-based” markets. This exposes clients to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing clients to suffer a loss.

More information about the Clients’ investments and the associated risk factors is available in the Constituent Documents.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of every risk involved in an investment with 22NW. Prospective Investors and Clients should read the entire Brochure as well the Constituent Documents, Agreement other materials that may be provided by the Firm and consult with their own advisers prior to engaging the Firm’s services.**

### **Item 9 – Disciplinary Information**

22NW and its management persons have not been a party to any legal or disciplinary events that would be material to a client’s or prospective client’s evaluation of its investment advisory business or the integrity of its management.

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

A. Registration as a Broker-Dealer or Broker-Dealer Representative

Neither 22NW nor its management persons are registered as a broker-dealer or broker-dealer representative.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Adviser

Neither 22NW nor its management persons are registered as futures commission merchant, commodity pool operator, or a commodity trading adviser.

C. Relationships Material to this Advisory Business and Possible Conflicts of Interest

There are no other relationships or arrangements that are material to this advisory business.

D. Selection of Other Advisors or Managers

22NW does not utilize nor select other advisors or third-party managers. All assets are managed by the Firm.

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

### **A. Code of Ethics**

22NW has adopted a Code of Ethics (the “Code”) pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The Code governs the activities of each officer, director and employee of 22NW (collectively, “Employees”). 22NW holds its Employees to a high standard of integrity and business practices that reflects its fiduciary duty to the Client. In serving its Client, 22NW strives to avoid conflicts of interest or the appearance of conflicts of interest in connection with the personal trading activities of its Employees and Client securities transactions. When persons covered by the Code engage in personal securities transactions, they must adhere to the following general principles as well as to the Code’s specific provisions: (a) at all times the interests of Client must be paramount; (b) personal transactions must be conducted consistent with the Code in manner that avoids any actual or potential conflict of interest; and (c) no inappropriate advantage should be taken of any position of trust and responsibility. Employees covered by the Code have certain trading restrictions and reporting obligations of their personal securities transactions. Each Employee is provided with a copy of the Code and must annually certify that they have received it and have complied with its provisions. In addition, any Employee who becomes aware of any potential violation of the Code is obligated to report the potential violation to the Chief Compliance Officer.

22NW will provide a copy of its Code to Investors and prospective Investors upon request. Such a request may be made by submitting a written request to the Firm at the address on the cover page to this Brochure.

### **B. Recommendations Involving Material Financial Interests**

Neither 22NW nor its related persons recommend to Clients, or buys or sells for Client accounts, securities in which the Firm or a related person has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

22NW’s policies and procedures prohibit its Employees and related persons from trading ahead of Clients in the same instruments that 22NW buys or sells for Client accounts. However, there may be circumstances in which the Firm, its Employees and/or related persons have holdings in the same instruments that the Firm buys or sells for Client accounts, and it or they may own securities, or options on securities, of issuers whose securities are subsequently bought for Client accounts because of the Firm’s recommendations regarding a particular security. The Firm’s policy as to such transactions is that neither the Firm nor any of its Employees or related persons are to benefit from price movements that may be caused by transactions for Client accounts. The Firm addresses this conflict by requiring Employees to sign and adhere to the Firm’ Code and to report personal securities holdings and transactions to the Firm.

D. Trading Securities At/Around the Same Time as Clients' Securities

As discussed above, from time to time, 22NW, its Employees, or related persons of 22NW may buy or sell securities for themselves that 22NW also recommends to the Client. The Firm will always document any transactions that could be construed as conflicts of interest and will always transact Client business before the business of its Employees and/or related persons when similar securities are being bought or sold.

## **Item 12 – Brokerage Practices**

A. Factors Used to Select or Recommending Broker-Dealers

22NW will always have discretion as to the placement of brokerage (and accordingly, the commission rates paid). In selecting brokers to effect portfolio transactions, the Firm considers such factors as price, quality of execution, expertise in particular markets, the ability of the brokers to effect the transactions, the brokers' facilities, reliability, reputation, experience, financial responsibility in particular markets, familiarity both with investment practices generally and techniques employed by clients and certain brokerage or research services ("soft dollar items") provided by such brokers and clearing and settlement capabilities. The Firm subject at all times to principles of best execution, in accordance with the Firm's policies and procedures. In selecting broker/dealers to execute transactions, the Firm need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. The Firm believes that the broker-dealers that it recommends provide competitive transaction and custody costs, helping clients to eliminate or control costs and optimize the custodial structure to the benefit of account holders. When possible, the Firm seeks to pre-negotiate preferred terms for its clients providing clients with the benefits associated with the economy of scale and custodial knowledge of the Firm.

Certain brokers utilized by 22NW may provide general assistance to 22NW, including, but not limited to technical support, consulting services, and consulting services related to staffing needs. In selecting a broker, the Firm may consider the broker's general assistance and consulting services. To the extent the Firm would otherwise be obligated to pay for such assistance, it has a conflict of interest in considering those services when selecting a broker.

1. Research and Other Soft Dollar Benefits

22NW may effect transactions with broker-dealers who provide research services (collectively, "soft-dollar items") to 22NW that assist 22NW in making investment and trading decisions on behalf of its Clients. The negotiated commissions paid to broker-dealers supplying soft-dollar items may not represent the lowest obtainable commission rates. In any such arrangement, the amount of the commission paid must be reasonable in relation to the value of the brokerage and soft-dollar items provided by the broker-dealer, viewed in terms of either the particular transaction or the Firm's overall responsibilities with respect to its Clients. The Firm intends to comply with the soft-dollar "safe harbor" afforded by Section 28(e) under the Securities Exchange Act of 1934.

When 22NW uses Client brokerage commissions to obtain soft-dollar items, it receives a benefit because it does not have to produce or pay for such soft-dollar items. However, 22NW believes that such soft dollar items may provide the Clients with benefits by supplementing the research and services otherwise available to the Clients. In addition, the research and other benefits resulting from a brokerage relationship benefit all Client accounts or the Firm's operations as a whole, including any Client accounts that direct the Firm to use a broker that does not provide soft dollar benefits.

22NW may have an incentive to select or recommend a broker-dealer based on its interest in receiving the soft-dollar items, rather than on the Client's interest in receiving most favorable execution. The Firm periodically reviews the execution performance of its brokers to ensure that any potential conflicts of interests are resolved.

To the extent that 22NW does engage in such "soft dollar" arrangements, the Client may be charged a brokerage commission in excess of that which another broker might charge for effecting the same transaction if 22NW determines in good faith that such commission is reasonable in relation to the value of the brokerage, research, other services and soft dollar relationships provided by that broker, viewed in terms of either the specific transaction or 22NW's overall responsibilities to the portfolios over which 22NW exercises investment authority.

Soft-dollar items, whether provided directly or indirectly, may be utilized for the benefit of 22NW's and its affiliates' other accounts. Soft-dollar items are not limited to those Clients who may have generated a particular benefit although certain soft dollar allocations are connected to particular clients or groups of clients. Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits. The Firm may receive soft dollar credits based on principal, as well as agency, securities transactions with brokerage firms.

Within the last fiscal year, the Firm used "soft-dollars" to receive broker-dealer research reports, company financial data and economic data.

A broker from which 22NW obtains soft dollar services generally establishes "credits" based on past transactional business (including markups and markdowns on principal transactions), which may be used to pay for specified expenses. In some cases, the process is less formal and a broker simply may suggest a level of future business that would fully compensate the broker for services or products it provides. The Firm monitors the soft dollar services provided to ensure that appropriate transactions are executed with a soft dollar provider.

## **2. Brokerage for Client Referrals**

22NW does not consider, in selecting or recommending broker-dealers, client referrals from a broker-dealer. The Firm may receive referrals in the future and if it does it will appropriately amend this Brochure.

3. Directed Brokerage

22NW does not accept directed brokerage arrangements. Securities transactions are executed by brokers selected by 22NW in its discretion and without the consent of the Clients or Fund Investors. The Firm may enter into directed brokerage arrangements only in its discretion.

B. Aggregating Trading for Multiple Client Accounts

22NW does not currently aggregate trades among Client accounts given the current Client base. If in the future the Firm's client base should change, this Brochure will be appropriately amended.

### **Item 13 – Review of Accounts**

A. Frequency and Nature of Periodic Review and Who Makes Those Reviews

22NW reviews Client accounts on a daily basis to ensure consistency with the Client's strategy and performance objectives. Asset allocation, cash management, market prospects and individual issue prospects are considered. The reviews are conducted by the portfolio manager.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may take place more frequently if triggered by economic, market, or political conditions.

C. Content and Frequency of Regular Reports

Investors in the Funds will generally receive unaudited reports of performance quarterly and will receive audited year-end financial statements annually.

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

A. Economic Benefits Provided by Third Parties

22NW does not receive any economic benefit, directly or indirectly from any third party for advice rendered to the Client.

B. Compensation to Non-Advisory Personnel for Client Referrals

Currently, neither 22NW nor its related persons directly or indirectly compensate any person who is not advisory personnel for Client referrals. If in the future the Firm enters into such arrangements, this Brochure will be appropriately amended.



### **Item 15 – Custody**

A rule under the Investment Advisers Act provides that, because 22NW is the general partner of the Fund, it is considered to have “custody” of the Fund’s assets, even though independent custodians (Prime Brokers) actually hold those assets. That rule generally requires investment advisers that have “custody” of Client assets to cause certain account statements detailing holdings and transactions to be sent to Clients, and imposes certain other obligations. However, advisers to investment funds like the Fund need not comply with those requirements if, among other things, the Fund provides Investors with audited financial statements by a specified time each year and those financial statements meet certain requirements. The Firm satisfies those conditions and therefore is not subject to reporting and other obligations.

### **Item 16 – Investment Discretion**

Funds’ Constituent Documents generally authorize 22NW to invest and trade the assets in a broad range of investments, to be selected at 22NW’s sole discretion, with no specific limitations as to type, amount, concentration, or leverage. Further, the Firm may enter into any type of investment transaction and employ any investment methodology or strategy it deems appropriate.

Pursuant to the Funds’ Constituent Documents, each Investor designates 22NW as its attorney-in-fact to execute, certify, acknowledge, file, record and swear to all instruments, agreements and documents necessary or advisable to carrying out the Clients’ business and affairs, including execution of the Clients’ governing documents. An Investor’s execution of a Fund’s subscription agreement constitutes its execution of the Fund’s Constituent Documents and the terms and conditions set forth therein.

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

22NW exercises voting authority over Client proxies and has adopted proxy voting policies and procedures in accordance with Rule 206(4)-6 of the Investment Advisers Act of 1940, as amended. The policies require the Firm to vote proxies received in a manner consistent with the best interests of the Client.

The policies also require 22NW to vote proxies in a prudent and diligent manner intended to enhance the economic value of the assets of the Clients. However, the policies permit the Firm to abstain from voting proxies in the event that the Clients’ economic interest in the matter being voted upon is limited relative to the Clients’ overall portfolio or the impact of the Clients’ vote will not have an effect on its outcome or on the Clients’ economic interests.

Certain of 22NW proxy voting guidelines are summarized below:

- 22NW votes for: uncontested director nominees recommended by management; the election of auditors recommended by management, unless a dispute exists over policies; limiting directors' liability; and eliminating preemptive rights.
- 22NW votes against proposals to: entrench the board or adopt anti-takeover measures; proposals to provide cumulative voting rights; and social issues.

Although many proxy proposals can be voted in accordance with 22NW's proxy voting guidelines, some proposals will require special consideration, and the Firm will make a decision on a case-by-case basis in these situations, including proposals to: eliminate director mandatory retirement policies; rotate annual meeting locations and dates; grant options and stock to management and directors; and indemnify directors and/or officers.

Where a proxy proposal raises a material conflict between 22NW's interests and the interests of the Clients, the Firm will seek to resolve the conflict in the best interest of the Clients.

Investors may obtain a copy of 22NW's complete proxy voting policies and procedures upon request. Investors may also obtain information from the Firm about how the Firm voted any proxies on behalf of the Fund.

## **Item 18 – Financial Information**

22NW 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 petition.

### **A. Balance Sheet**

22NW does not require nor solicit prepayment of more than \$1200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this Brochure.

### **B. Financial Condition**

22NW has discretionary authority over the Client's assets. At this time, neither the Firm nor its management persons have any financial conditions that are likely to reasonably impair its ability to meet contractual commitments to Clients.

### **C. Bankruptcy Petitions in Previous Years**

22NW has not been the subject of a bankruptcy petition in the last ten years.

## **Item 19 – Requirements for State-Registered Advisers**

22NW is registered as an investment adviser with the Securities and Exchange Commission. This item is not applicable.