



Part 2A of Form ADV:  
FIRM BROCHURE

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This brochure provides information about the qualifications and business practices of Gotham Asset Management, LLC (the "Firm", "Gotham", or "we"). If you have any questions about the contents of this brochure, please contact us at [info@gotham.com](mailto:info@gotham.com) or (212) 319-4100. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

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

Being a "registered investment adviser" or describing ourselves as being "registered" does not imply a certain level of skill or training. This brochure is not an offering or solicitation of interests in funds managed by Gotham or our affiliates.

## **Item 2 – Material Changes**

This brochure, dated March 20, 2020, is our annual amendment and replaces the brochure dated March 26, 2019, which was our last annual amendment. There are no material changes to report.

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## **Item 4 – Advisory Business**

Gotham is a Delaware limited liability company that was formed in 2008. The Firm is a value-oriented equity investment management firm managing long/short and long-only investment portfolios primarily for private funds, mutual funds and managed accounts. The Firm is owned by Gotham Asset Management Holdings, LP, which is principally owned and controlled by Joel Greenblatt and Robert Goldstein, our Co-Chief Investment Officers and Managing Principals (the "Co-CIOs" or the "Managing Principals"). Gotham is the successor to the investment advisory business of Gotham Capital, which was formed by Joel Greenblatt in 1985. Mr. Goldstein joined Gotham Capital in 1989.

We act as the investment manager to private funds (the "Private Funds"), mutual funds (the "Mutual Funds") and separately managed accounts (the "Managed Accounts") that generally invest in publicly traded equity securities and equity-related securities. We are also a sub-adviser to a long/short mutual fund (the "Sub-Advised Fund" and together with the Private Funds and Mutual Funds, the "Funds"), which also invests in publicly traded equities and equity-related securities. The Funds and Managed Accounts are collectively referred to in this document as "Clients."

We believe that while individual stocks gravitate toward fair value over longer periods of time, they frequently trade at significant deviations from fair value. We generally take long positions in securities that we believe to be undervalued and short positions in securities that we believe to be overvalued, subject to each portfolio's risk constraints.

Private Fund investments are managed in accordance with the investment objectives and strategies set forth in each Private Fund's offering memorandum (or other governing documents) and such investments are not tailored to the individual needs of any particular Private Fund investor. Mutual Fund investments are managed in accordance with each fund's investment objective and strategies as set forth in the applicable Mutual Fund's prospectus and are not tailored to the individualized needs of any particular investor in the Mutual Fund. Managed Accounts are managed in accordance with the investor's chosen strategy, which investors have a limited ability to tailor, including limiting investments in certain securities. There can be no assurance that the investment objectives of the Funds or Managed Accounts will be achieved and investment results may vary substantially.

Throughout this brochure, we disclose a number of conflicts of interest. We encourage investors and potential investors to review our policies and procedures and inquire directly with us about such conflicts. In addition, conflicts of interest and specific risks related to an investment in the Funds are described in the offering materials of each Fund.

As of December 31, 2019, we had approximately \$7,894,246,932 in regulatory assets under management (as defined by the SEC) all of which is managed on a discretionary basis.

For a further discussion of these and related items, see Item 7 (Types of Clients), Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) and Item 10 (Other Financial Industry Activities and Affiliations).

## **Item 5 – Fees and Compensation**

### **Fee Schedules**

Our compensation depends on the manner in which we provide advisory services. We are compensated through various combinations of a percentage of assets under management and/or performance-based compensation. A brief summary of our fees is provided below. Investors should refer to the applicable offering documents and/or management agreement for a complete understanding of the fees and expenses applicable to them. Certain investors (including partners, members and employees of the Firm and its affiliates) are subject to terms and conditions that are different and/or more favorable with respect to various matters, including lower fees. Any such fee reductions or waivers are determined by the Firm on a case-by-case basis.

### ***Private Funds***

Management fees for Private Funds generally range from 1% to 2% annually of Client assets under management and are calculated monthly or quarterly in advance and paid monthly. Certain Private Funds have an option to not pay a management fee and instead are only subject to performance compensation as described below. Investments in Private Funds that are initiated or terminated during a calendar quarter are generally charged a prorated management fee. For certain Private Funds, if an investor withdraws an investment prior to the initial twelve (12) month period of the date of the investment the investor may be charged the management fee for the remaining portion of the initial twelve (12) month period, although we have generally waived this fee. We deduct management fees either directly or by instructing the Private Fund's administrator to pay such fees. Fees may be negotiated in certain circumstances and may be different than as stated herein.

Fees may also include a performance fee or allocation ranging from 10% to 30%, which may be paid to us or to affiliates that serve as the general partners of the Private Funds. Performance compensation may be based on absolute or benchmark relative returns and may be subject to high water marks. Performance fees or allocations are generally charged or allocated on December 31 of each year or, if earlier, if an investment is withdrawn.

Certain Private Funds offer a "1 or 30" option, which in the case of substantial capital appreciation is designed to cap total compensation (management fees plus incentive allocations) at 30% of an investment's gains. The incentive compensation for these Private Funds is subject to a hurdle or benchmark.

We either deduct the performance fee or allocation from a Private Fund directly or instruct an affiliate or the Private Fund's administrator to pay or allocate such compensation. We may waive, reduce or calculate differently the management fees or performance fees or allocations for certain investors in the Private Funds.

The Private Funds bear all expenses incidental to their operations and business, including organizational, investment and operating expenses. Certain of the Private Funds are structured in a master-feeder structure, where there is a domestic entity and/or an offshore entity in which investors invest (each a "Feeder Fund"). The Feeder Funds then generally invest all of their investable assets in a master fund (each a "Master Fund"). For master-feeder structures, each Feeder also bears its *pro rata* share of the costs and expenses of the Master Fund, including its organizational, investment and operating expenses.

With respect to Private Funds that are structured as master-feeders, in practice, all or substantially all of the operating expenses relating to the Feeders are aggregated and paid for at the Master Fund level and, accordingly, each of the Feeders bears its *pro rata* share of such expenses (other than taxes) at the Master Fund level even though particular expenses may be attributable solely to one of the Feeder Funds in that master-feeder structure. For example, Cayman Islands filing fees and legal expenses for the offshore Feeder Fund and Delaware filing fees and legal expenses for the domestic Feeder Funds are generally aggregated at the Master Fund level and allocated *pro rata*.

Organizational expenses include, but are not limited to, formation expenses (including filing fees) and the preparation of operating agreements and offering memoranda (including related legal expenses). Organizational expenses, for accounting purposes, are generally amortized for up to a 60-month period.

Investment expenses (whether or not such investments are consummated) include, but are not limited to, expenses related to investing and holding capital and investments, such as brokerage commissions, ticket charges, expenses related to short sales (including dividend expense and stock loan fees), trade execution, trading platforms, clearing and settlement charges, custodial fees, bank service fees, interest expense, proxy voting support expenses, and extraordinary expenses. For more detail on brokerage costs, please see Item 12 (Brokerage Practices).

Operating expenses include, but are not limited to, third-party professional and service fees (such as fees to the administrator, auditors and outside counsel, including for assistance with regulatory filings such as the Foreign Account Tax Compliance Act ("FATCA"), Common Reporting Standards ("CRS") and expenses related to compliance with applicable anti-money laundering rules and regulations, legal and regulatory expenses of the Private Funds (such as regulatory filings (including Form PF), preparation or updating of offering documents and operating and investor agreements, expenses related to the offering and selling of interests (including any "blue

sky" filing fees), accounting expenses, auditing and tax preparation expenses, taxes, premiums for directors' and officers' liability insurance (if any) and indemnification expenses and fees.

Certain Private Funds purchase exchange-traded funds ("ETFs", each an "ETF"), including to manage capital flows and to increase or decrease market exposure while securities are being purchased or sold. When ETFs are used, an investor, in effect, pays two advisory fees with respect to the amount of assets so invested (*i.e.*, ETF's fees and expenses and that portion of our management fee attributable to such assets).

Fees and expenses for each Private Fund are described in each Private Fund's offering memorandum (or similar document).

### ***Managed Accounts***

Advisory fees for the Managed Accounts are based upon a percentage of assets under management and vary depending upon the nature of the portfolio to be managed. Managed accounts are subject to investment management agreements which include payment terms. Managed Account advisory fees generally range from 0.50% to 2% annually of the Managed Account assets under management, calculated and billed quarterly in advance, unless otherwise agreed with an investor. Certain Managed Accounts pay no management fee and instead pay only a performance fee as described below. Depending on the characteristics of the account, fees are generally negotiable and may be different than what is stated herein. Managed Account fees and expenses are described in the investment management agreement.

Managed Accounts initiated or terminated during a calendar quarter generally are charged a prorated advisory fee. Accordingly, if a Managed Account is terminated during a quarter in which a management fee has been charged in advance, then the account generally will receive a refund for the remaining portion of the quarter. For certain Managed Accounts, if the investor withdraws an investment in the initial 12 months of the investment, the investor may be charged the management fee for the remaining portion of the initial 12 month period, although we have generally waived this fee.

In addition, our investors in Managed Accounts may agree upon performance fees, which generally range from 10% to 30%. Performance fees may be based on absolute or benchmark-relative returns and may be subject to high water marks.

Performance fees are generally charged either on December 31 of each year or, if earlier, when the investor terminates its investment. The investment management agreement sets forth the timing of payment of any fees. We bill Managed Account investors (or their agents) for applicable fees.

The Managed Accounts are also subject to expenses related to investment activity, including, but not limited to, expenses related to investing and holding capital and investments, such as

brokerage commissions, ticket charges, expenses related to short sales (including dividend expense and stock loan fees), taxes, trade execution, trading platforms, clearing and settlement charges, custodial fees, bank service fees, interest expense, proxy voting support services, wire transfers and extraordinary expenses. For more detail on brokerage costs, please see Item 12 (Brokerage Practices). Any additional expenses are set forth in the applicable investment management agreement.

Managed Accounts may invest in ETFs, including to manage capital flows and to increase or decrease market exposure while securities are being purchased or sold. When ETFs are used, a Managed Account, in effect, pays two advisory fees with respect to the amount of assets so invested (*i.e.*, ETF's fees and expenses and that portion of our compensation attributable to such assets).

### ***Mutual Funds***

Gotham currently provides advisory services to investment companies registered with the SEC pursuant to the Investment Company Act of 1940 (the "Investment Company Act"), commonly known as mutual funds. Each Mutual Fund is a series of FundVantage Trust (the "Trust"), a Delaware Trust.

Except as described below, each Mutual Fund pays us advisory fees at an annual rate, ranging from 0.50% to 2% of the Mutual Fund's net assets, computed and accrued daily. Mutual Fund fees are computed by the administrator of the Mutual Funds and paid by the administrator to us monthly in arrears. Investors in a Mutual Fund bear their proportionate share of such Mutual Fund's fees and expenses, including their *pro rata* share of the advisory fees. Certain Gotham Mutual Funds invest in other Gotham Mutual Funds and do not charge an advisory fee on those assets that are invested in these underlying funds. We are also paid a management fee in the range stated above for managing the Sub-Advised Fund, which is computed and accrued daily and paid monthly in arrears. No performance fees are charged for the Mutual Funds or the Sub-Advised Fund.

The Mutual Funds are subject to expenses related to investment activity, including, but not limited to, expenses related to investing and holding capital and investments, such as brokerage commissions, ticket charges, expenses related to short sales (including dividend expense and stock loan fees), trade execution, clearing and settlement charges, custodial fees, bank service fees, interest expense and extraordinary expenses. For more detail on brokerage costs, please see Item 12 (Brokerage Practices).

Each Mutual Fund also pays other expenses, including, but not limited to, the following (or each Mutual Fund's share of the following): filing fees and expenses related to registration and qualification of the Trust and each Mutual Fund's shares under federal and/or state securities laws; fees and salaries of the Trust's directors and officers; taxes and governmental fees; cost of any liability and other insurance; costs and expenses arising out of a liability of or claim for



damages asserted against the Trust or the Mutual Fund for violation of any law; legal, accounting and auditing expenses, including legal fees for the independent trustees; costs of administrative, transfer agent, custodial and other agents; expenses of preparing, printing and sending prospectuses and other shareholder communications such as reports to shareholders and proxy materials; extraordinary expenses; and the costs of independent pricing services. The Mutual Funds also pay sub-accounting fees and servicing expenses to brokerage firms. Investor share classes are also subject to fees in accordance with Rule 12b-1 of the Investment Company Act.

Currently, we limit the amount of certain expenses that can be charged to each Mutual Fund. Such expense limitation agreements (and the duration that such limitations will remain in effect) are described in the applicable Mutual Fund prospectus.

Cash balances may be swept into money market funds that are sponsored by the Mutual Fund's custodian or broker-dealer. ETFs are used by the Mutual Funds, including to manage capital flows and to increase or decrease market exposure while securities are being purchased or sold. As discussed above, when ETFs are used, an investor, in effect, pays two advisory fees with respect to the amount of assets so invested.

Information concerning the Mutual Funds, including a description of the services provided by management and the fees charged for those services, is contained in each Mutual Fund's prospectus. An electronic copy of each Mutual Fund's prospectus can be found on the SEC's website.

### ***Sub-Advised Fund***

We are paid a management fee based on a percentage of assets that we manage.

### ***Other Compensation***

We do not accept, and none of our principals, members, managers, directors, officers and employees (collectively, "*supervised persons*") accept, any compensation for the sale of securities or other investment products.

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

For certain Private Funds and Managed Accounts, we enter into performance fee or allocation arrangements. We structure any performance fees and allocations subject to applicable federal rules and in accordance with the available exemptions granted under those rules.

We simultaneously manage multiple types of portfolios including the Private Funds, Managed Accounts, Mutual Funds and the Sub-Advised Fund, some of which have the same or a similar investment process and/or strategy (*i.e.*, side-by-side management). The simultaneous management of these different portfolios, some of which are charged a performance fee or allocation as well as management fees based on assets under management, and some of which

are charged a flat management fee without a performance fee or allocation, may create an incentive for the Manager to direct the best investment ideas to, or to allocate or sequence trades in favor of clients that pay or allocate the highest performance compensation. Performance fees and allocations also create an incentive for us to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement, especially when there are "loss carryforward" situations for some, but not all, Clients.

Side-by-side management of portfolios with differing fees creates the risk of preferential treatment of a portfolio or a group of portfolios. To address this conflict, we exercise due care to ensure that investment opportunities are allocated fairly over time among all suitable portfolios, regardless of their fee structure. We have implemented procedures (certain of which are described in Item 12) built on the general principle of treating all Clients fairly over time. Client trade opportunities are generally determined by our investment strategies as well as the Client's investment objectives and any specified restrictions. Trades for Clients are generally aggregated and allocated *pro rata* as described in Item 12.

## **Item 7 – Types of Clients**

Our Clients consist of the Funds as well as the Managed Accounts. The underlying investors in the Funds and the owners of the Managed Accounts include charitable organizations, pension plans, universities, corporations, governmental entities, trusts, financial advisors and their clients, other investment vehicles, and individuals (including certain supervised persons).

Our investment minimums vary according to product and strategy. The minimum investment required to invest in a Private Fund is described in each Private Fund's offering memorandum. Generally, our Managed Account minimum is approximately \$50,000,000, except for certain international strategies where the minimum is \$25,000,000. The minimum investment required by the Mutual Funds is described in each Mutual Fund's prospectus and is generally \$250,000 for institutional class shares and \$2,500 for investor class shares. We have waived (and expect in the future to waive) the minimum investment for certain investors in our discretion.

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

Gotham is a value-oriented asset management firm specializing in equity strategies. Our value investing principles utilize a fundamental research process developed by our Co-CIOs, Joel Greenblatt and Robert Goldstein.

The Co-CIOs believe that while individual stocks gravitate toward fair value over longer periods of time, they frequently trade at significant deviations from fair value, for various reasons such as emotion, analytical errors, and the inability of many large institutional investors to tolerate short-term underperformance. Further, as markets have become more institutionalized, investor time horizons seem to have shortened. We believe that capital allocations follow recent

performance (both good and bad) and therefore portfolio managers "need" to do well now. We believe this institutionalized effect has been growing over the last several decades. This causes certain companies to be systematically avoided even if they are attractively priced, generate substantial free cash flows and earn high returns on capital. We seek to capitalize on these market inefficiencies by employing a systematic bottom-up approach to identify companies that appear to be undervalued or overvalued on both an absolute and relative basis.

In order to take advantage of these inefficiencies, the Co-CIOs, together with the analyst team, evaluate companies according to the Firm's analytical framework. Long portfolios are generally constructed from the most undervalued stocks, while short portfolios are generally composed of the most overvalued stocks based on the Firm's assessment of value, subject to pre-specified risk and diversification constraints.

In valuing securities traded in the United States, our research process consists of:

- Researching and analyzing each company in its coverage universe according to a methodology that emphasizes fundamentals such as recurring earnings cash flows, capital efficiency, capital structure and valuation;
- Identifying and excluding companies that do not conform to the Firm's valuation methodology or companies judged by the Firm to have questionable financial reporting;
- Updating the analysis for earning releases, annual (Form 10-K) and quarterly (Form 10-Q) reports and other corporate filings; and
- Recording the analysis in a centralized database enabling the Firm to compare companies and identify longs and shorts based on our assessment of value.

These portfolios are adjusted (generally daily) to manage exposure levels, risk metrics, and specific position sizes according to the characteristics of each strategy.

With respect to international strategies, we currently manage two long-only strategies. Securities for both strategies are based on Gotham's fundamental valuation methodology and also take into consideration factors such as liquidity, allocations among regions and industry concentrations.

One of our Mutual Funds takes into account Environmental, Social and Governance ("ESG") criteria in selecting its investments. The Firm utilizes Sustainalytics' ESG research, which uses a two-pronged approach to evaluating companies with respect to ESG: (1) Risk Rating; and (2) Controversy Risk. The Risk Rating is designed to understand the most material ESG risks, such as carbon emissions, effluents, human rights, and business ethics. Companies are assessed annually by Sustainalytics based on annual corporate filings, disclosures and other sources. With regard to the Controversy Risk, companies are monitored on an ongoing basis for any controversy pertaining to ESG. The Fund will generally not invest in companies that have over a

certain ESG Risk Rating or Controversy score at the time of investment. For more information please see the prospectus. We may change the ESG Research provider and Sustainalytics may change their methodology from time to time.

The long/short and long-only investment strategies we manage differ from one another in a number of ways, including, but not limited to, differences in targeted gross and net exposure, concentration/diversification levels, U.S.-only vs. international geographic focus, the number of positions, the market capitalization spectrum making up the strategy's universe, risk constraints and tax sensitivity. Accordingly, certain Clients will have the same (or contrary) positions in the same security. In addition, the Mutual Funds are subject to restrictions under the Investment Company Act of 1940. Due to these and other differences and constraints the performance and characteristics of the strategies will differ.

There can be no assurance that the objectives associated with any of our investment strategies will be met. Our results may vary substantially over time. We may, at any time, add, remove or modify any of the strategies we employ and this includes any of the significant investment strategies discussed above. **Investing in securities involves the risk of loss of some or all of an investment. Clients and underlying investors should be prepared to bear that risk.**

Before subscribing for an interest in any of the Private Funds, investors should carefully consider various risk factors and potential conflicts of interest, as well as suitability requirements, restrictions on transfer and withdrawal of fund interests and various legal, tax and other considerations, which are discussed in each Private Fund's offering memorandum. Investors who are subject to income tax should be aware that an investment in a Private Fund structured as a partnership or limited liability company may create taxable income and/or tax liabilities, with no cash distributions available to pay such liabilities. Similarly, before investing in a Mutual Fund or Sub-Advised Fund, an investor should carefully consider the investment objectives, risks, charges and expenses and should carefully consider the information found in the applicable prospectus or offering document.

### **Risks associated with our strategies**

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in all of our investment vehicles. These risk factors include only those risks we believe to be material and relate to particular significant investment strategies or methods of analysis employed by us. Not all risks apply to all investment vehicles.

No Assurance of Investment Return - The tasks of identifying and evaluating investment opportunities, managing such investments and realizing an attractive return are difficult. There is no assurance that the Firm will be able to invest capital on attractive terms, generate returns for its Clients or preserve Client capital. The profitability of the investment programs depends to a great extent upon correctly assessing the future course of the price movements of securities. There can be no assurance that the Firm will be able to accurately predict these price movements.

There is always a significant degree of market risk, as described below. The performance of any investment is subject to numerous factors which are not within the Firm's control. Such factors include a wide range of economic, political, competitive and other conditions that may affect investments in general or in specific industries or companies.

Equity Risk – The portfolios invest in equity and equity-related securities. These securities represent an equity (ownership) interest in a company or other entity and are subject to greater fluctuations in market value than other asset classes as a result of such factors as a company's business performance, investor perceptions, stock market trends and general economic conditions. The rights of equity holders are subordinate to all other claims on a company's assets, including debt holders and preferred stockholders. Equity ownership risks the loss of all or a substantial portion of the investment.

Market Risk – Our portfolios are subject to market risk—the risk that securities markets and individual securities will increase or decrease in value. Market risk applies to every market and every security. Security prices may fluctuate widely over short or extended periods in response to market or economic news and conditions, and securities markets also tend to move in cycles. If there is a general decline in the securities markets, it is possible that investments may lose value notwithstanding the individual performance results of the company in which the portfolio invests. Conversely, when markets are generally increasing, a portfolio's short position may increase in value, again notwithstanding the individual performance of the company which the portfolio shorts. The magnitude of up and down price or market fluctuations over time is sometimes referred to as "volatility," which can be significant. In addition, different asset classes and geographic markets may experience periods of significant correlation with each other. As a result of this correlation, the securities and markets in which we invest may experience volatility due to market, economic, political or social events and conditions that may not readily appear to directly relate to such securities, the securities' issuers or the markets in which they trade.

Value Investing Risk – We generally buy securities we believe are undervalued. Investing in "value" stocks presents the risk that the stocks may never reach what we believe are their full market value, either because the market fails to recognize what we consider to be the company's true business value, because we misjudge that value, or because we sell the security before such value is recognized by the market. In addition, value stocks may fall out of favor with investors and underperform growth stocks during given periods. Conversely for our long/short strategies, we short securities we believe are overvalued. This presents the risk that a stock's value may not decrease to what we believe is its true market value because the market fails to recognize what we consider to be its true market value, because we misjudge that value or because we are required to purchase the security before our investment thesis could be realized.

Database Errors – Our strategies rely on proprietary databases and third-party data sources. Data entries made by our internal team of financial analysts or provided by third parties may contain errors, as may the database system used to store such data. Any errors in the underlying data

sources, data entry or database may result in a portfolio acquiring or selling investments based on incorrect information. When data proves to be incorrect, misleading, flawed or incomplete, any decisions made in reliance thereon expose our Clients to potential risks. For example, by relying on such data we may be induced to buy or sell certain investments we would not have if the data was correct. As a result, a Client could incur losses or miss out on gains on such investments before the errors are identified and corrected. One or more of such errors would generally not constitute a trade error or be subject to reimbursement under our policies.

Systems Risk – We rely extensively on computer programs and systems to implement and monitor our investment strategies. The development, implementation and maintenance of these systems is complex and involves substantial research and modeling (which is then generally translated into computer code and manual and automated processes) and the retrieval, filtering, processing, translation and analysis of large amounts of financial and other corporate data. As a result, there is a risk of human or technological errors affecting the portfolio construction process and order origination, including errors in programming (*e.g.*, "bugs" and classic coding errors), modeling, design, translational errors and compatibility issues with data sets and among systems.

Similarly, with regard to trading and other systems or equipment that the Firm utilizes, any or all of the following events may occur: (i) failures or interruptions in access to or the operations of such systems or equipment; (ii) loss of functionality; (iii) corruption; (iv) compromises in security; (v) loss of power; and (vi) other situations that adversely affect such systems or equipment. Despite the fact that the Firm tests and evaluates its systems there can be no guarantee that such defects or issues will be identified in time to avoid a material adverse effect on our Clients. For example, such failures could cause the Firm to be induced to buy or sell certain investments it would not have if the failure had not occurred. One or more of such errors would generally not constitute a trade error or be subject to reimbursement under our policies.

Cybersecurity Risk – As part of its business, the Firm processes, stores and transmits large amounts of electronic information, including information relating to the transactions of its Clients and personally identifiable information of the investors. Similarly, service providers to the Firm and its Clients, especially administrators, may process, store and transmit such information. The Firm has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time.

Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Firm may be susceptible to compromise, leading to a breach of the Firm's network. The Firm's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services

provided by the Firm to investors may also be susceptible to compromise. Breach of the Firm's information systems may cause information relating to the transactions of the Clients and personally identifiable information of the investors to be lost or improperly accessed, used or disclosed.

The service providers to the Firm and its Clients are subject to the same electronic information security threats as the Firm. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Clients and personally identifiable information of the investors may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of the Firm's proprietary information may cause the Firm or its clients to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the portfolios.

Accuracy of Public Information Risk – We select investments, in part, on the basis of information and data filed by issuers with various government regulators or made publicly available by the issuers or through publicly available sources other than the issuers. Although we evaluate this information and data, we are not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information may not be available.

Portfolio Turnover Risk – Many of our portfolios are generally rebalanced daily to take into account new market information which leads to relatively high turnover. Frequent trading of securities generally leads to higher brokerage costs.

Key Personnel Risk – The effectiveness of our strategies is largely dependent upon the continued services of Joel Greenblatt and Robert Goldstein, who serve as the Co-CIOs. Messrs. Greenblatt and Goldstein are ultimately responsible for all of our investment strategies, and do not focus exclusively on any particular strategy. The loss of the services of either or both of Mr. Greenblatt or Mr. Goldstein could have a material adverse effect on our ability to implement our strategies.

Small- and Mid-Capitalization Companies Risk – Certain portfolios have positions in small and mid-capitalization companies. Investments in small- and mid-capitalization companies may be riskier than investments in larger, "blue-chip" companies. The securities of smaller companies may trade less frequently and in smaller volumes, and as a result, may be less liquid than securities of larger companies. In addition, smaller companies may be more vulnerable to economic, market and industry changes. As a result, share price changes may be more sudden or erratic than the prices of other equity securities, especially over the short-term. Because smaller companies may have limited product lines, markets or financial resources, or may depend on a

few key employees, they may be more susceptible to particular economic events or competitive factors than large-capitalization companies.

Securities Lending Risk – Certain portfolios lend securities. The risks in lending portfolio securities, as with other extensions of credit, consist of possible delay in recovery of the securities and possible loss of rights in the collateral should the borrower fail financially, including possible impairment of a portfolio's ability to vote the securities on loan. If a loan is collateralized by cash, the portfolio typically invests the cash collateral for its own account and pays a fee to the borrower that normally represents a portion of the portfolio's earnings on the collateral. Because the portfolios generally invest collateral in investments in accordance with their investment objective, the securities lending transactions will result in investment leverage. The portfolios bear the risk that the value of investments made with collateral may decline.

Derivatives and Swaps – Certain portfolios invest in complex derivative and swap instruments which seek to modify or replace the investment performance of particular securities, commodities, currencies, interest rates, indices or markets on a leveraged or unleveraged basis. These instruments generally have counterparty risk. Derivatives also may have very high leverage embedded in them which could substantially magnify market movements and result in losses greater than the amount of the investment.

The prices of all derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts 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 U.S. and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and, together with other factors, may cause all such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. Clients are also subject to the risk of the failure of any of the exchanges on which any positions trade or of clearinghouses. Counterparties typically charge fees for swaps. As a result, a Client's return from such instrument will be net of such costs and expenses and any will reduce the Client's return.

ETF Risk – An investment in an exchange-traded fund ("ETF") is an investment in another investment company and therefore, the investors will indirectly bear its proportionate share of any fees and expenses of the ETFs in which the Firm causes its Clients to invest. ETFs are also subject to the following risks: (i) the market price of an ETF's shares may trade above or below net asset value; (ii) there may be an inactive trading market for an ETF; (iii) trading of an ETF's shares may be halted, delisted, or suspended on the listing exchange; and (iv) the ETF may fail to achieve close correlation with the index that it tracks.



Operational Risk – Operational risks arise from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or other similar disruption in our operations and may cause us to suffer financial loss, the disruption of our business, liability to Clients or third parties, regulatory intervention, or reputational damage. We rely heavily on our financial, accounting and other data processing systems. The ability of our systems to accommodate an increasing volume of transactions could also constrain our ability to properly manage a Client's portfolio.

Account Type Risk; Information Rights – The terms and conditions applicable to the Private Funds, Managed Accounts, Mutual Funds and Sub-Advised Fund vary. Investors in one investment vehicle may pay different fees and other charges, and may not have the same liquidity or redemption options as investors in other investment vehicles. For example, due to the structure of a Managed Account, the account owners generally receive more information, including transparent portfolio holdings, and may have more favorable liquidity compared to investors in the Private Funds. Although we generally seek confidentiality provisions with respect to portfolio holdings, there can be no guarantee that such information will be maintained in confidence. Disclosure of certain information could be detrimental to other investors. For instance, the disclosure of short positions could lead to pressure on a portfolio from other market participants under certain circumstances (*i.e.*, a "short squeeze").

In discussing various investment alternatives and opportunities with some Clients, investors (or potential clients or investors), we provide certain information that is more extensive than what is generally provided to others. However, we provide such information only if we determine that doing so will not give the recipient a materially unfair informational advantage over others.

Counterparty Risk – Counterparty risk is the risk that the counterparty to a services contract, prime brokerage arrangement or derivative arrangement will not fulfill its contractual obligations. Should the counterparty fail to fulfill its obligations to us, Clients could potentially incur significant losses. Clients are not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. The ability of a Client to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by Clients.

Counterparty Insolvency – The assets of each Client may be held in one or more accounts maintained for such Client by counterparties, including its prime brokers. There is a risk that any of such counterparties could become insolvent. The Firm's evaluation of the creditworthiness of counterparties may not prove sufficient. The insolvency of any of the counterparties may impair the operational capabilities or the assets of the Clients. If one or more of the counterparties were to become insolvent or the subject of liquidation proceedings in the U.S. (either under the Securities Investor Protection Act or the U.S. Bankruptcy Code), there exists the risk that the recovery of the Clients' securities and other assets from such prime broker or broker-dealer will

be delayed or be of a value less than the value of the securities or assets originally entrusted to such prime broker or broker-dealer.

Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a prime broker, it is impossible to generalize about the effect of a prime broker's insolvency on any Client and its securities positions. The insolvency of any of the prime brokers could result in the loss of all or a substantial portion of a portfolio's securities positions held by the prime broker, or could result in substantial disruption of such Clients' operations.

Prime Broker Risk – One category of counterparty is a prime broker. Securities are held by prime brokers. The prime brokers, as brokerage firms or commercial banks, are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of the prime broker's insolvency. However, the practical effect of these laws and their application to a portfolio's securities positions are subject to substantial limitations and uncertainties. It is impossible to generalize about the effect of a prime broker's insolvency on a portfolio and its securities positions. The insolvency of any prime broker could result in the loss of all or a substantial portion of a portfolio's securities positions held by such prime broker, and, in the case of a Fund, could result in substantial disruption of the Fund's operations, including withdrawals by investors.

Concentration/Non-Diversification Risk – While many of our portfolios hold hundreds of positions, certain portfolios may be concentrated in only a few industries, sectors, countries or geographic regions, or may be concentrated in other ways. For example, many of our Clients only invest in issuers located in the United States. Concentration could expose investors to greater risk than if the portfolios were more diversified.

Material, Nonpublic Information; Sharing of Office Space – From time to time, we may come into possession of material, nonpublic information that would limit our ability to buy and sell investments on behalf of Clients. In addition, we share office space with another investment adviser and other persons which may restrict our portfolios from trading any securities for which these persons have material, nonpublic information. Investment flexibility may be constrained as a consequence of our inability to take certain actions because of such information. Clients may experience losses if we are unable to sell an investment that they hold because we have obtained material, nonpublic information about such investment.

Regulatory Risk – Investment management and the securities and financial industry generally are subject to a variety of governmental regulations. Examples of regulatory efforts have included restrictions on short sales of certain securities and regulation of derivatives markets. It is possible that regulatory action could impose additional direct or indirect costs on our portfolios, limit the strategies that we may pursue or adversely impact the desirability of certain classes of investments or the anticipated return on certain investments.

Catastrophic Event Risks – Clients are subject to the risk of loss arising from exposure that they may incur, directly or indirectly, due to the occurrence of various events, including hurricanes, earthquakes, and other natural disasters, terrorism and other catastrophic events such as the spread of a contagious disease. To the extent that any such event occurs and has a material effect on global financial markets or specific markets in which Clients participate (or has a material effect on locations in which the Firm operates), the risks of loss can be substantial and could have a material adverse effect on the Firm's business and Clients' portfolios.

Most recently, a novel strain of coronavirus (known as COVID-19) surfaced in Wuhan, China and has since spread throughout the world. This has led to the closing of many businesses, retail stores, and manufacturing facilities. These closures have caused the disruption of manufacturing supply chains and local and global economies. In addition, COVID-19 has led to extreme volatility in securities prices throughout the world and is expected to result in additional market disruptions. The full extent to which COVID-19 may negatively affect the global securities markets, the operations of the Firm, and the performance of any Client is difficult to predict. Any potential impact of COVID-19 will depend to a large extent on future developments and new information that may emerge regarding the duration and severity of COVID-19 and the actions taken by authorities and other entities to contain COVID-19 or manage its impact.

ESG Strategy Risk (Gotham ESG Large Value Fund Only): The ESG Fund's strategy will cause it to perform differently compared to funds that do not have such a policy. The criteria related to the ESG policy may result in the ESG Fund forgoing opportunities to buy certain securities when it might otherwise be advantageous to do so, or selling securities for ESG reasons when it might be otherwise disadvantageous for it to do so. In addition, there is a risk that the companies identified by the ESG policy do not operate as expected when addressing ESG issues. While we believe that the ESG evaluations used in our investment process are reasonably designed, there are significant differences in interpretations of what it means for a company to have positive ESG characteristics.

#### *Additional Risks of Long/Short Equity Strategies*

In addition to the risks described above, some of the material risks associated with our long/short equity strategies include:

Short Positions Risk – A short sale involves the sale of a security that a portfolio does not own in the expectation of purchasing the same security (or a related derivative security) at a later date at a lower price. To make delivery to the buyer, the portfolio must borrow the security, and the portfolio is obligated to return the security to the lender, which is accomplished by a later purchase of the security by the portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the security that would result in an uncapped loss, whether due to adverse price changes, recalls sought and penalties imposed by lenders of the

borrowed instrument, short "squeezes" or unavailability of the instrument at the time the Investment Manager desires to close out the short position, or other causes.

In some cases, the lender may rescind the loan of securities. When a portfolio makes a short sale in the United States, it must leave the proceeds with the broker and it must also deposit with the broker an amount of cash or marketable securities sufficient under margin regulations to collateralize its obligation to replace the borrowed securities that have been sold. If short sales are affected on a foreign exchange, such transactions will be governed by local law.

There can be no assurance that any portfolio will be able to maintain the ability to borrow securities sold short. In such cases, a Client could be "bought in" (*i.e.*, forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. A number of jurisdictions are limiting the ability of market participants to engage in short selling in respect of certain securities. If such bans were to be reinstated or expanded to other industries, a Client may be unable to effectively execute its investment strategy.

Leverage and Borrowing Risk – Many of our strategies utilize varying amounts of leverage, which may be substantial, and which involves the borrowing of funds from brokerage firms, banks, and/or other institutions. Clients obtain leverage, including, but not limited to, by investing the proceeds of their short sales in additional securities consistent with the investment strategy. The use of leverage allows us to increase our exposure to assets, such that total assets may be greater than capital invested. However, the use of leverage may also magnify the volatility – or the likelihood of short-term changes in value – of any portfolio. The effect of the use of leverage in a portfolio may result in greater losses to the portfolio than would be the case if leverage were not used.

The short sale proceeds, instruments and borrowings utilized to leverage investments are collateralized by all or a portion of the applicable portfolio. Accordingly, a portfolio pledges its securities in order to borrow or otherwise obtain leverage for investment or other purposes. Should the securities pledged to brokers to secure the portfolio's margin borrowings decline in value, the portfolio could be subject to a "margin call", pursuant to which the Client must either deposit additional funds or securities with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. The banks and dealers that provide financing to Clients can apply essentially discretionary margin, "haircut" financing and collateral valuation policies. Changes by counterparties in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. There can be no assurance that a portfolio will be able to secure or maintain adequate financing.

Borrowings will also be subject to interest, transaction and other costs and other types of leverage also involve transaction and other costs. Any such costs may or may not be recovered by the return on the portfolio.

Depository Receipts Risk – The issuers of unsponsored depository receipts may not be obligated to disclose information that is, in the U.S., considered material. Therefore, less information may be available regarding these issuers and a correlation between such information and the market value of the depository receipts may not exist. Depository receipts are generally subject to the same risks as the non-U.S. securities that they evidence or into which they may be converted.

#### *Additional Risks of Long-Only Internationally Traded Equity Strategies*

Securities of foreign issuers, including depository receipts, are subject to special risks associated with foreign investments not typically associated with investing in U.S. markets, including:

Non-U.S. Securities Risk – Investments in non-U.S. securities involve certain factors not typically associated with investing in U.S. securities, such as risks relating to: (i) differences between the U.S. and foreign securities markets, including the absence of uniform accounting, auditing and financial reporting standards and practices and disclosure requirements, and less government supervision and regulation; (ii) political, social or economic instability; (iii) the extension of credit, especially in the case of sovereign debt; and (iv) certain tax-related risks including, without limitation, uncertainties in the application of tax laws by non-U.S. jurisdictions, the imposition of withholding and other taxes on dividends, interest, capital gains or other income, the possibility of expropriation, confiscatory taxation and limitations on the removal of funds or other assets. Securities of non-U.S. companies may be less liquid and their prices more volatile than securities of comparable U.S. companies and therefore may involve greater risks.

Political and Economic Risk – Investing in non-U.S. securities is subject to the risk of political, social or economic instability in the country in which the issuer operates or is organized, variation in international trade patterns, the possibility of the imposition of exchange controls, expropriation, confiscatory taxation, limits on movement of currency or other assets and nationalization of assets.

Currency Risk – Although we value securities in U.S. dollars, if a portfolio invests in securities denominated in currencies other than the U.S. dollar, the value of such securities will, to the extent unhedged, fluctuate with U.S. dollar exchange rates as well as with price changes of the securities in the various local markets and currencies. Thus, a rise in the value of the U.S. dollar in comparison to the other currencies in which a portfolio may make its investments will reduce the effect of increases and magnify the effect of decreases in the prices of the portfolio's securities in their local markets. Conversely, a decline in the value of the U.S. dollar will have the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of the portfolio's non-U.S. dollar securities. Portfolios may use futures, forward

currency contracts and options to hedge against currency fluctuations in its non-U.S. dollar denominated portfolio, but there can be no assurance that any such hedging transactions will be effective.

Information Risk – Non-U.S. companies in certain countries may not be subject to uniform accounting, auditing and financial reporting standards or to other regulatory requirements that are similar to those applicable to U.S. companies.

Foreign Tax Risk – Income from foreign issuers may be subject to non-U.S. withholding taxes. Portfolios also may be subject to taxes on trading profits and, on certain securities transactions, transfer or stamp duties tax.

Investment Restriction Risk – Some countries restrict foreign investment in their securities markets. These restrictions may limit or preclude investment in certain countries or may increase the cost of investing in securities of particular companies.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of us or the integrity of our management. We have no disclosure applicable to this Item.

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

*Broker-Dealer Registration Status.* Certain of our employees are registered representatives of Foreside Funds Distributors LLC, an unaffiliated third-party broker-dealer. Foreside is a limited purpose broker-dealer, and as such, does not maintain or open customer accounts and does not accept customer monies for investment.

Neither we nor any of our management persons are registered, nor do we or any of our management persons have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

We are the investment adviser to several Mutual Funds that are series of the FundVantage Trust. We also serve as sub-adviser to the Sub-Advised Fund which is managed by Principal Global Investors, LLC.

Certain of our affiliates are the general partners or managing members of Private Funds for which we serve as an investment manager. With respect to such funds, management fees are paid to us on a quarterly basis and performance allocations, if any, generally are effected through an annual allocation of profits from each investor into the capital account of the general partner or another affiliate. Our affiliated general partners and/or managers of the Private Funds are

Gotham Strategies, Ltd., Gotham Hedge Strategies GP, LLC, Joel Greenblatt and Robert Goldstein. Please refer to Items 6 and 12 of this document which provide details on a conflict of interest related to the performance allocations charged to investors in the Private Funds, including how we address such conflict.

The Managing Principals have an ownership interest in an investment ideas membership website and have ownership interests in other businesses not engaged in investment-related activities. In addition, certain supervised persons have a minority investment in a trade execution company. While we do not direct any trades to this company, our executing broker(s) have discretion to direct trades to this company and have done so in the past. Additional information on outside business activities of the Managing Principals can be found on ADV Part 2B.

Our affiliated entities have invested, and continue to invest, in entities that serve as general partners or investment managers of various hedge funds. Our affiliated entities have also contributed "seed capital" to certain private funds, including private funds which are managed by such general partners and investment managers.

We provide certain back office services, such as accounting and office space, to several investment managers, including managers in which our affiliated entities have a financial interest. The relationships among us, our Clients and the investment managers we provide back office services to create conflicts of interest. We employ certain privacy measures, confidentiality agreements and other processes to mitigate these conflicts.

As discussed in Item 11 below, subject to the provisions of our Code of Ethics, including pre-clearance requirements for purchases and sales of securities, our affiliates and supervised persons have and may continue to engage in investment trading activities for their own accounts, including trading securities held by our Clients.

Neither we nor our affiliates are obligated to devote any specific amount of time to the affairs of our Clients. We and our affiliates manage, and expect to continue to manage, multiple Client accounts, including collective investment vehicles, that are managed by us or our affiliates and in which we or any of our affiliates have an equity interest. We and our affiliates and supervised persons may (and have) taken positions with respect to certain Client accounts that are different from, or inconsistent with, the positions held by other Client accounts.

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

### **Code of Ethics**

We have adopted a Code of Ethics ("Code") pursuant to Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act") and Rule 17j-1 of the Investment Company Act. The Code sets forth standards of ethical and business conduct expected of supervised persons and addresses

conflicts of interest that may arise. The Code requires full compliance with all applicable laws and regulations governing the provision of investment management services to our Clients. In addition, the Code highlights that we are a fiduciary to our Clients and expect each supervised person to act with integrity, competence, dignity, and in an ethical manner and to report any actual or potential conflicts of interest.

Our Code contains guidelines relating to personal trading by supervised persons (and certain of their immediate family members). In general, our supervised persons must get pre-approval to transact in: (a) any equity security (including common stock, preferred stock, and securities convertible into an equity security) of a single public issuer (including any security issued in an initial public offering); (b) derivatives of the foregoing (derivatives, include, but are not limited to, options, swaps, and futures); and (c) private placements (other than those managed by the Firm).

The Code also requires supervised persons to provide us with certain securities holdings and periodic transaction reports, as required by Advisers Act Rule 204A-1.

The Code includes policies and procedures related to outside business activities, including serving as officers, trustees and/or directors of outside organizations, other than religious, charitable or local community activities. Additionally, the Code establishes preclearance requirements for political contributions and provisions relating to accepting or providing business gifts or business entertainment from or to third parties.

All supervised persons are required to contact our Chief Compliance Officer regarding any actual or suspected violation of the Code. All of our personnel must acknowledge they understand the Code and agree to comply with it upon employment and at least annually thereafter, and must certify annually that they have complied with the Code. Additionally, we conduct periodic compliance training that addresses the requirements of the Code.

**Clients, prospective clients, investors, or prospective investors may obtain a copy of our Code, free of charge, upon request.**

### **Potential Conflicts of Interest**

Clients and investors should carefully consider the conflicts of interest described here and, as applicable, in the Private Fund offering documents and in the Mutual Fund prospectus.

Personal Trading – In providing investment management services, we and our personnel make investment decisions for our Funds and Managed Accounts. Our supervised persons and their immediate family members also trade and invest for their own accounts in the same or different securities in which we invest on behalf of Clients. This presents several potential conflicts.

One is the risk that a supervised person (or an immediate family member) may have knowledge that the Firm intends to purchase (or sell) a security on behalf of a Client(s) and then "front-run"



the Firm and its Client(s) by purchasing (or selling) the security before the Firm does and profit from the market impact of the Firm's transaction. If the supervised person's transaction affects the price of the security that the Client purchases or sells, it could negatively impact the price the Client pays (or receives) for the transaction. Conversely, a supervised person (or an immediate family member) may take a position contrary to a position that a Client has (or may take). This presents a potential conflict if the supervised person's trading has an impact on the value of the Client's investment in the security.

To address these and other conflicts of interest, we maintain the Code (as described above) and require pre-approval of equity trades.

Allocation of Investment Opportunities and Other Accounts – We are not obligated to accord exclusivity or priority to Clients in the case of limited investment opportunities arising from the application of capacity limits or other factors. There is no limit on the number of portfolios, or Clients that we may manage or advise. There are financial incentives to favor certain Clients over others. However, we seek to allocate investment opportunities, and treat all similarly situated clients, fairly and equitably over time to the extent such opportunities are determined to be appropriate for the relevant Clients based on each Client's investment objective and investment strategy. The Firm has adopted the trade allocation and aggregation policy described in Item 12 to address this potential conflict.

Different Terms & Conditions; Side-Letters – We permit certain investors to invest in Private Funds and Managed Accounts on different terms and conditions than other investors. Such different terms and conditions may include fee structures, investment minimums, information rights, as well as redemption terms and conditions. Such agreements are solely at our discretion and may, among other things, be based on the size of the investor's contribution to the Private Fund or an affiliated investment entity, an agreement by the investor to maintain such investment for a significant period of time, or other similar commitment by the investor. Currently, certain Private Funds have entered into side letters primarily providing terms relating to fees, the legal, tax, regulatory or other similar status applicable to such investor and providing certain information rights to such investor. We also waive or reduce the notice period for certain investors in our Private Funds.

Material Financial Interest – The existence of a performance fee or allocation creates an incentive for us to choose riskier or more speculative investments than would otherwise be the case or take on more leverage.

Principal and Cross Trades – We do not generally enter into principal or cross trades, but have and may do so from time to time, including when closing a Client account. It is our policy to engage in cross trades only in accordance with our duty to seek best execution on behalf of Clients.

To the extent that cross trades may be viewed as principal transactions due to the ownership interest in a Client by the Firm or its personnel, the Firm will comply with the requirements of Section 206(3) of the Advisers Act.

## **Item 12 – Brokerage Practices**

Our objective in selecting brokers and in effecting portfolio transactions is to seek the best combination of price and execution with respect to our portfolio transactions over time. In selecting executing brokers we may consider a variety of factors, including, but not limited to:

- the broker's commission rate;
- the size of the transaction;
- the liquidity of the security to be traded;
- the ability of the broker's algorithms to fill as much as possible of the order while mitigating market impact;
- the broker's technical capabilities and programming flexibility;
- the broker's clearance and settlement capabilities;
- the broker's trade error rate and ability or willingness to correct errors;
- the broker's reputation, experience and financial stability; and
- the quality of service rendered by the broker in other transactions.

Best execution is not measured solely by reference to commission rates. Paying a higher commission rate may be appropriate if the difference in cost is reasonably justified by the quality of the service offered. We believe that paying fair and reasonable commissions to brokers or dealers in return for quality services benefits Clients. Moreover, transactions that involve specialized services on the part of the broker-dealer will usually result in higher commissions or other compensation to the broker-dealer than would be the case with transactions requiring more routine services.

We periodically review our execution policies and assess the quality of brokerage executions, including by conducting meetings of the Trading Committee. We endeavor to be aware of current charges of eligible brokers and to minimize the expense incurred for effecting portfolio transactions to the extent consistent with the interests and policies of our Clients. Any broker who has provided (or who is expected to provide) acceptable performance and whose financial condition and commission rates are acceptable to us may be selected to execute transactions for Clients.

Firm personnel have and may receive or give certain gifts or entertainment from or to broker-dealers or other persons with whom the Firm, its affiliates or the Funds do business. This may include such things as tickets to sporting events or the theater, meals and other entertainment, transportation, attendance at seminars or other educational, training or informational events, logo items and other items. Receipt of such gifts and gratuities have and may be viewed as causing a conflict of interest for the Firm in selecting brokers and other service providers.

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

The term "soft dollars" refers generally to the practice by investment advisers of paying for research and brokerage services using brokerage commissions generated by the execution of trades for their Client accounts. While we do communicate trades to brokers through broker-provided interfaces, we do not currently have any formal soft dollar arrangements and do not receive any soft dollar benefits. If we decide to enter into soft dollar arrangements, such arrangements would be consistent with the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

## **Brokerage for Client Referrals**

We do not maintain any formal arrangements to allocate brokerage transactions in exchange for Client or investor referrals. From time to time, our representatives speak at conferences and programs sponsored by prime and executing brokers for customers interested in investing in our Funds. Through such "capital introduction" events, prospective investors have the opportunity to meet with our representatives. Neither we nor our Clients compensate the prime brokers for organizing such events or for any investments ultimately made by prospective investors attending such events. However, such events and similar services (including, without limitation, referrals to Clients or investors) provided by a broker may influence decisions whether to use such broker in connection with brokerage, financing and other activities.

Counterparties, including certain brokers, have other relationships with us or our Clients. For example, large financial organizations that provide brokerage services to us also offer our investment products, including the Mutual Funds to their clients and the Mutual Funds are offered on their platforms. Such relationships may influence decisions whether to use a broker in connection with brokerage, financing and other activities. In addition, BNY Mellon and their affiliates provide other services to our Clients, including brokerage, custody and administration.

Notwithstanding such relationships or business dealings with these counterparties, we have a fiduciary duty to Clients to seek best execution when trading with these firms and have implemented policies and procedures to monitor our efforts in this regard.

## **Client-Directed Brokerage Transactions**

While we generally select brokers for Clients, we accept in limited circumstances direction from Managed Account investors as to which broker-dealer is to be used. If a Managed Account investor directs the use of a particular broker, we may ask that the investor also specify in writing: (i) general types of securities for which a designated firm should be used; and (ii) whether the designated firm should be used for all transactions, even though we might be able to obtain a more favorable net price and execution from another broker in particular transactions. Managed Account investors who, in whole or in part, direct us to use a particular broker to execute transactions on their behalf should be aware that, in so doing, such decision may

adversely affect our ability to, among other things, obtain volume discounts on aggregated orders or to obtain best price and execution by, for example, executing over-the-counter stock transactions with the market makers for such securities.

Additionally, as noted above, transactions for a Client that directs brokerage are generally not aggregated for execution purposes with orders for the same securities for other portfolios we manage. Accordingly, directed transactions may be subject to price movements, particularly in volatile markets, that may result in a Client receiving a price that is less favorable than the price obtained for the aggregated order. Under these circumstances, the direction by a Client or investor of a particular broker or dealer to execute transactions may result in higher commissions, greater spreads, or less favorable net prices than might be the case if we could negotiate commission rates or spreads freely, or select brokers or dealers based on best execution. Consequently, best price and execution may not be achieved.

### **Trade Aggregation and Allocation**

Our policy seeks to allocate trades in a manner that treats all Clients fairly over time.

On occasions when the purchase or sale of a security is deemed to be in the best interest of more than one Client, the Firm may, but is not obligated to, aggregate orders for the purchase or sale of that security from all Client portfolios (including the Firm's personal, proprietary, and/or affiliated accounts) to the extent consistent with best execution and the terms of the relevant governing agreements. Each participating Client in an aggregated order will generally receive the same average price. In cases where an aggregated order is not fully filled, each participating Client will generally receive a *pro rata* share (based on the relative sizes of the participating Clients' orders) of the total filled quantity. Transaction costs are generally allocated among the participating Clients on a *pro rata* basis (based on the relative sizes of the participating Clients' orders).

In order to efficiently liquidate portfolio positions, the Firm may aggregate the orders for portfolios to be closed separately from the rest of its orders.

It is currently the general policy of the Firm to aggregate and allocate orders as described above whenever reasonably possible. However, the Firm reserves the right to modify, cancel, and/or make exceptions to this policy at any time, subject to the overriding requirement of treating all Clients fairly over time.

The Firm may decide to execute orders for Client portfolios without aggregation if, under the circumstances, such other method of execution is reasonable, does not result in an improper or undisclosed advantage or disadvantage to any portfolio, and results in fair access over time to trading opportunities for all eligible portfolios.

The Firm may allocate on a basis other than *pro rata* if, under the circumstances, such other method of allocation is reasonable, does not result in improper or undisclosed advantage or

disadvantage to any portfolio, and results in fair access over time to trading opportunities for all eligible portfolios. For example, the Firm may identify investment opportunities that are more appropriate for certain portfolios than others, based on such factors as the portfolio's investment strategy, security restrictions, tax status, account size, available cash and cash flows. Consequently, the Firm may decide it is more appropriate to place a given security in one account rather than another account. Other non-*pro rata* methods include rotation allocation and random allocation. Alternative methods of allocation may be appropriate, for example, when the transaction size is too limited to be effectively allocated *pro rata* among all eligible portfolios. Absence of aggregation when it would otherwise be feasible could, depending on the trading activity and pricing, increase costs for Clients.

### **Trade Error Policy**

The Firm's policy is to seek to identify and investigate trade errors promptly and to take appropriate corrective action. While we attempt to correct any error promptly, correction of trade errors may be delayed in certain cases where investigation of the error is necessary or where consultation with a particular Client is sought.

We define a trade error as a trade that either: (i) is not in accordance with an order (or a basket order) originated by the Co-CIOs, their designees, or the Firm's portfolio construction system; or (ii) opens or increases the size of a position (whether long or short) for a Client account in a security that is on that Client account's restricted list. A "basket order" is a single trading decision created by the portfolio construction system that contains multiple instructions.

Trade errors include, for example: (i) executing the same order (or basket order) twice; (ii) executing a buy order as a sell, or vice versa; and (iii) trading in a security that is different from that specified by an order. Not making a trade is not a trade error.

Errors in investment research, database errors and system risks (each as described in Item 8) are not classified as trade errors. In addition, process enhancements, errors or other incidents that occur in connection with use of models and/or data sources in the investment management process are not deemed to be trade errors. Errors caused by brokers or other third parties are not covered by this particular policy. Even if an error is not considered a "trade error" under our policies supervised persons who become aware of any error that may impact Client accounts must notify the appropriate personnel.

In general, any gains that result from a trade error will benefit the Client, provided that the Firm will net trade errors in certain circumstances, including by netting gains and losses attributable to a basket order. In the event that a trade error results in a discernible net loss, whether the cost of such trade error is borne by the Client or the Firm will be determined by the liability provisions and/or any specific provisions regarding trade errors set forth in the investment management agreement and other governing documents relating to the specific Client.

We may agree to comply with a specific Client's policies regarding the handling of trade errors that may be different from the policies set forth above.

### **Item 13 – Review of Accounts**

We employ an internal process for monitoring the portfolios, with the Co-CIOs and the analyst team monitoring the portfolio and analyzing investment positions. Our Director of Research and/or analyst team perform a daily review of rankings changes, raising certain issues for discussion with the Co-CIOs. We also employ an internally-developed monitoring system that reviews portfolio holdings daily. The system monitors characteristics such as leverage, concentration and liquidity, and oversees adherence to investment strategy parameters. When certain thresholds are met, the system notifies several employees. A senior member of the analyst team is responsible for identifying material issues and notifying additional staff members as needed. More frequent reviews may be triggered by material changes in variables such as a Client's individual circumstances, or the market, political or economic environment.

In addition, the Chief Financial Officer and Controllers review Client accounts for reconciliation of positions and end-of-day reporting to brokers, custodians and administrators. The Investment Technology team manages the trading-related software systems and oversees the daily generation of traders. The Legal & Compliance Team provides compliance oversight, including monitoring of various automated reports.

When requested, periodic written reports are furnished to investors and our representatives may meet with such investors when requested or at such other times as may be mutually agreed upon. Such meetings are conducted in person or telephonically.

We provide written reports to the Mutual Funds' Board of Directors on a periodic basis and maintain contact with each Mutual Fund's administrative staff regarding that Mutual Fund's portfolio and transactions. Mutual Fund investors receive statements at least quarterly from the Trust if invested directly or from the broker-dealer through which the investor holds the Mutual Fund. Investors in the Mutual Funds also receive quarterly and other periodic reports which are also available at the SEC's website at [www.sec.gov](http://www.sec.gov).

Investors participating in Managed Accounts receive regular reports from their custodian and may receive operational reports from Gotham upon request or as required in the investment management agreement.

Investors in a Private Fund are furnished with annual reports containing financial statements examined by the Private Fund's independent auditors within 120 days after the end of each taxable year (180 days in the case of fund-of-funds); quarterly investor letters; and monthly unaudited account statements.

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

We do not currently have any referral arrangements with individuals who are compensated for Client referrals, such as Managed Accounts.

However, we currently have an agreement with a third-party entity that receives a portion of our management fee with respect to investors it refers who invest in certain of our Private Funds. The third-party entity also charges such investors additional fees.

## **Item 15 – Custody**

Pursuant to Rule 206(4)-2 of the Advisers Act, Gotham is deemed to have custody of the Private Funds' assets by virtue of its or its affiliates' role as general partner of private investment partnerships and/or sponsor of collective investment vehicles. Gotham does not have actual physical custody of any Client assets or securities invested in such Private Funds; rather, all such assets are held in the name of each of the applicable Private Fund by an independent qualified custodian. Such Private Funds are audited annually, and investors receive annual financial statements within 120 days following a Private Fund's fiscal year end (180 days for any fund of funds), as required by applicable law.

Investors who have not received audited financial statements in a timely manner should contact Gotham immediately.

Gotham does not have custody of the assets of the Managed Accounts. Managed Accounts must make their own arrangements for custody of securities. Such custodians may be broker-dealers, prime brokers, banks, trust companies, or other qualified institutions. The qualified custodian will typically provide the Managed Account with at least quarterly account statements relating to the assets held within the account advised by Gotham. Each Managed Account should carefully review the qualified custodian's statement upon receipt to determine that it accurately states all holdings in the account and all account activity over the relevant period. Any discrepancies identified by a Managed Account should be immediately reported to Gotham and the qualified custodian.

In the event that a Managed Account requests Gotham to also send statements to them, such Clients are urged to compare the statements provided to them by Gotham against those provided to them by their qualified custodians who hold the assets of their accounts, and to report any questions, concerns, or discrepancies to both Gotham and the qualified custodian promptly.

Gotham does not have actual custody of the assets of the Mutual Funds or the Sub-Advised Fund. The assets are held at an independent qualified custodian.

## **Item 16 – Investment Discretion**

We provide investment advisory services on a discretionary basis to our Clients. Such services are provided subject to the execution of a management agreement or subscription document, which sets forth the scope of our discretion.

Investment decisions for the Funds are made in accordance with the applicable Fund's investment objectives, strategies and restrictions as set forth in the applicable offering document and are not tailored to the individualized needs of any particular investor in a Fund. Investments for Managed Accounts are managed in accordance with the applicable managed account agreement.

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

We have written proxy voting policies and procedures as required by Rule 206(4)-6 under the Advisers Act. Under these policies and procedures, in cases where we have proxy voting authority with respect to voting securities held in a Client's portfolio, we vote in a manner that we believe is in the best interests of our Client (considering its investment strategy) and do not place our own interests ahead of the interests of our Client. We generally vote in the same manner for all Clients holding a particular security, subject to investment objectives and best interests of each Client. Each Managed Account has the ability to choose to vote proxies for securities held in the account by notifying us in writing that they wish to vote their securities or provided for in the managed account agreement. In such cases, the Client will receive proxy solicitations directly from their custodian.

We have contracted with Institutional Shareholder Services Inc. ("ISS") to provide proxy voting support by casting votes, keeping voting records and providing voting recommendations. ISS is a neutral third party that issues recommendations based on its own internal guidelines and research, and retains a record of all of its recommendations. We believe that the retention of ISS to provide advice with respect to proxy voting is an efficient and effective means to assist us in complying with our fiduciary duties to Clients, and also provides a means to avoid any impact on voting decisions that might arise from any conflicts of interests between our Clients and us.

The Firm will periodically review ISS' capacity and competency to adequately analyze proxy issues and its policies and procedures regarding how it identifies and addresses conflicts of interest.

We may vote Client securities in a manner that is inconsistent with ISS' recommendations when we believe it is in the best interest of our Client and such a vote does not create an impermissible conflict of interest between our Client and us. In such a case, we will keep a record of why we did not feel ISS' recommendation was in our Client's best interest.



Our policies do not require us to vote every proxy we receive. This may be done, for example, if we determine that abstaining or not voting is in the best interest of our Client. In making such a determination, we will consider various factors, including but not limited to, whether: (i) the resolution of the proxy is not relevant to the Client's investment; (ii) we believe the cost of voting the proxy outweighs the potential benefit derived from voting; (iii) a proxy is received with respect to securities that are no longer held; (iv) the terms of a securities lending agreement prevent us from voting a loaned security; (v) we (or ISS) receive proxy materials without sufficient time to reach an informed voting decision and vote the proxies; (vi) ISS does not have a recommendation; or (vii) the terms of the security or any related agreement or applicable law preclude us from voting.

We do not disclose proxy votes to Clients regarding votes cast for other Clients except in required regulatory filings and do not disclose such information to third parties, unless specifically requested in writing by the affected Client. However, to the extent that we serve as a sub-adviser to another adviser, we provide proxy voting records regarding such sub-advised accounts to the adviser for such accounts.

Since we generally vote in accordance with ISS' recommendations, we do not believe that any conflicts of interest will impact our vote. When voting Client securities in a manner that is inconsistent with ISS' recommendations, we will review any conflicts of interest that are identified. Our General Counsel, or his designee, will attempt to resolve the conflict of interest before we vote. In the event that the material conflict of interest cannot be reasonably resolved prior to voting, we will take steps designed to ensure that a decision to vote the proxy was based on the determination of our Client's best interest and was not the product of the conflict. We will disclose and obtain consent of the Client to the extent required under applicable law.

Clients may obtain, free of charge, a full copy of our proxy voting policies and procedures and/or a record of proxy votes on their behalf by contacting us at the following address:

Gotham Asset Management, LLC  
535 Madison Avenue, 30th Floor  
New York, New York 10022  
Attention: Chief Compliance Officer  
Telephone: 212-319-4100  
Email: info@gotham.com

## **Item 18 – Financial Information**

We do not require or solicit prepayment of fees six months or more in advance.

We are not aware of any financial condition that is reasonably likely to impair our ability to meet contractual commitments to Clients.

We have not been the subject of a bankruptcy petition at any time during the past ten years.

**FORM ADV PART 2B**

**(Brochure Supplement)**

## Item 1 – Cover Page

JOEL M. GREENBLATT  
GOTHAM ASSET MANAGEMENT, LLC

535 Madison Avenue, 30<sup>th</sup> Floor  
New York, NY 10022  
(212) 319-4100

March 20, 2020

This brochure supplement provides information about Joel M. Greenblatt that supplements the Gotham Asset Management, LLC ("Gotham") brochure. You should have received a copy of that brochure. Please contact Gotham if you did not receive the brochure or if you have any questions about the contents of this supplement.

## Item 2 – Educational Background and Business Experience

**Joel M. Greenblatt**                      **Co-Chief Investment Officer**                      Year of Birth: 1957

### Formal Education after High School:

The Wharton School of the University of Pennsylvania                      Philadelphia, PA  
B.S., 1979

The Wharton School of the University of Pennsylvania                      Philadelphia, PA  
M.B.A., 1980

### Business Background:

Gotham Asset Management, LLC                      New York, NY  
Managing Principal & Co-Chief Investment Officer, 2009 – Present

Pzena Investment Management, Inc.                      New York, NY  
Director, 2007 – Present

### Key Prior Experience:

Mr. Greenblatt serves as a Managing Principal and Co-Chief Investment Officer of Gotham Asset Management, LLC the successor to the investment advisory business of Gotham Capital, an investment firm he founded in 1985. Since 1996, he has been a professor on the adjunct faculty of Columbia Business School where he teaches "Value and Special Situation Investing." Mr. Greenblatt is a director of Pzena Investment Management, Inc., a global investment management firm. He formerly served on the Investment Boards of the University of Pennsylvania and the UJA Federation. Mr. Greenblatt is the author of You Can Be A Stock

Market Genius (Simon & Schuster, 1997), The Little Book that Beats the Market (Wiley, 2005), The Little Book that Still Beats the Market (Wiley, 2010) and The Big Secret for the Small Investor (Random House, 2011). He holds a BS (1979), summa cum laude, and an MBA (1980) from the Wharton School of the University of Pennsylvania.

### **Item 3 – Disciplinary Information**

None.

### **Item 4 – Other Business Activities**

Mr. Greenblatt is an adjunct Professor at Columbia University and is a director of Pzena Investment Management, Inc.

Mr. Greenblatt is the author of *You Can Be A Stock Market Genius* (Simon & Schuster, 1997), *The Little Book that Beats the Market* (Wiley, 2005), *The Little Book that Still Beats the Market* (Wiley, 2010) and *The Big Secret for the Small Investor* (Simon & Schuster, 2011).

Mr. Greenblatt has an ownership interest in an investment ideas membership website.

### **Item 5 – Additional Compensation**

None.

### **Item 6 – Supervision**

Mr. Greenblatt is a managing principal of Gotham. He is subject to Gotham's Code of Ethics and other compliance policies and procedures. He can be reached at (212) 319-4100.

## Item 1 – Cover Page

ROBERT L. GOLDSTEIN

GOTHAM ASSET MANAGEMENT, LLC

535 Madison Avenue, 30<sup>th</sup> Floor  
New York, NY 10022  
(212) 319-4100

March 20, 2020

This brochure supplement provides information about Robert L. Goldstein that supplements the Gotham Asset Management, LLC ("Gotham") brochure. You should have received a copy of that brochure. Please contact Gotham if you did not receive the brochure or if you have any questions about the contents of this supplement.

## Item 2 – Educational Background and Business Experience

***Robert L. Goldstein***

***Co-Chief Investment Officer***

Year of Birth: 1965

Formal Education after High School:

Tufts University, B.A., 1988

Medford, MA

Business Background:

Gotham Asset Management, LLC

New York, NY

Managing Principal & Co-Chief Investment Officer, 2009 – Present

Key Prior Experience:

Mr. Goldstein serves as a Managing Principal and Co-Chief Investment Officer of Gotham Asset Management, LLC, the successor to the investment advisory business of Gotham Capital, an investment firm founded in 1985. He joined Gotham Capital in 1989. He holds a B.A. (1988), magna cum laude, from Tufts University.

## Item 3 – Disciplinary Information

None.

**Item 4 – Other Business Activities**

Mr. Goldstein has an ownership interest in an ownership interest in an investment ideas membership website.

**Item 5 – Additional Compensation**

None.

**Item 6 – Supervision**

Mr. Goldstein is a managing principal of Gotham. He is subject to Gotham's Code of Ethics and other compliance policies and procedures. He can be reached at (212) 319-4100.

## Item 1 – Cover Page

ADAM BARTH

GOTHAM ASSET MANAGEMENT, LLC

535 Madison Avenue, 30<sup>th</sup> Floor  
New York, NY 10022  
(212) 319-4100

March 20, 2020

This brochure supplement provides information about Adam Barth that supplements the Gotham Asset Management, LLC ("Gotham") brochure. You should have received a copy of that brochure. Please contact Gotham if you did not receive the brochure or if you have any questions about the contents of this supplement.

## Item 2 – Educational Background and Business Experience

***Adam Barth***

***Director of Research***

Year of Birth: 1969

Formal Education after High School:

University of Pennsylvania, B.A., 1992

Philadelphia, PA

Duke University, JD, 2004

Durham, NC

Business Background:

Gotham Asset Management, LLC  
Director of Research  
2010-Present

New York, NY

Key Prior Experience:

Mr. Barth serves as Director of Research. He joined Gotham in 2005 to conduct fundamental research alongside Messrs. Greenblatt and Goldstein, and in 2006 he assumed responsibility for expanding Gotham's research efforts and building the analyst team. He currently manages all fundamental research and data collection to support Gotham's proprietary global database of company financial information.

## Item 3 – Disciplinary Information

None.



**Item 4 – Other Business Activities**

None.

**Item 5 – Additional Compensation**

None.

**Item 6 – Supervision**

Mr. Barth is the Director of Research at Gotham. He is subject to Gotham's Code of Ethics and other compliance policies and procedures. He can be reached at (212) 319-4100.