



FORM ADV PART 2A: Firm Brochure

20 GATES MANAGEMENT LLC

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

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

Additional information about 20 Gates is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material changes

This amended Brochure contains no material changes from the annual updating amendment to our Form ADV Part 2A filed on March 30, 2020. All previously undefined terms are defined below in the Form ADV itself.

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Item 4: Advisory Business

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

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

The Firm's investment advice provided to our Clients and prospective clients will generally focus on fixed income markets across a variety of strategies, sectors and investment duration. In particular, the Firm specializes in securities which may include, but are not limited to, asset based lending and securitization (e.g., asset-backed, mortgage backed, commercial mortgage backed securities), corporate bonds (both investment grade and lower rated), bank and other loans and certain shorter duration investments (collectively, "**Financial Assets**"). In addition, the Firm specializes in funding such Financial Assets in the ABCP market via the use of ABCP Conduits.

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

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

As of March 1, 2021, 20 Gates advised Clients on approximately US\$5.7879 billion in regulatory assets under management. Of this amount, approximately \$5.0218 billion

is discretionary while the remaining \$766.0 million is non-discretionary, including unfunded commitments.

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

Funding Solutions: The Firm designs, implements and runs one or more special purpose investment vehicles which acquire portfolios of Financial Assets. These investment vehicles may be wholly owned subsidiaries of 20 Gates and considered Investment Subsidiaries.

Advisory Services: 20 Gates provides investment management services to institutional clients on a discretionary and non-discretionary basis. The Firm also provides a full range of advisory, structuring, management and administrative services for both proprietary and third party programs, including ABCP Conduits, and operates its own Investment Subsidiaries to assist with client funding solutions. 20 Gates does not consider the above services to be related to "financial planning".

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

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

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

Item 5: Fees and Compensation

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

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

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

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

Three employees, including two who are officers of the Firm, are registered representatives of Avalon Securities, Ltd. ("**Avalon**"). At times, an employee of the Firm, acting in his or her capacity as a registered representative of Avalon, may act as a registered representative on transactions where Clients participate in such transactions. In addition, Avalon may act as a broker on trades with Clients. Such transactions are deemed agency-cross transactions under the Investment Advisers Act of 1940 (the "**Advisers Act**"). An agency-cross transaction ("**Agency-Cross Transactions**") occurs when an investment adviser or its related persons acting either as a registered broker-dealer or through an affiliated broker-dealer executes for a fee a transaction between an advised Client and a customer of the broker-dealer. Agency-Cross Transactions raise conflicts of interest because 20 Gates, its employees and/or Avalon may have an incentive to recommend Agency-Cross Transactions because of the commissions they may receive from such transactions rather than based on what is in the best interests of the Clients. The Firm addresses these conflicts of interest by describing to Clients participating in such transactions the manner in which such transactions will be priced and by requiring Client consent to such transactions prior to engaging in such transactions. Clients generally do not have the option to choose specific brokers, if any, for a transaction but are informed of material details before any transaction is executed.

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

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

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

Different fee arrangements for different customers could create an incentive to favor higher fee paying clients over other Clients in the allocation of investment opportunities. However, the Firm expects this conflict to arise only among discretionary Clients but not between discretionary and non-discretionary Client accounts. Currently, the Firm's non-discretionary Client accounts do not hire 20 Gates to provide independent investment ideas while some discretionary Clients do hire 20 Gates to provide such independent investment ideas. Thus, the Firm does not have a conflict when it suggests investment opportunities to its discretionary Clients but not to its non-discretionary Clients.

Where there are different fee structures among Client accounts that have hired 20 Gates on a discretionary basis, the Firm has procedures to help facilitate that all such accounts are treated fairly. Specifically, the Firm allocates investment ideas based on legitimate investment management reasons such as the investment guidelines and capacity of the various Client accounts and other relevant factors. If after considering these factors, more than one Client is eligible for the investment, the Firm will follow its allocation policy, which may include forming an ad hoc committee of at least three members of senior management of 20 Gates to determine how to fairly and adequately allocate such securities transaction between the Client accounts.

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

Item 7: Types of Clients

Our typical Clients or potential clients may range from large financial institutions such as commercial banks or specialty finance companies, to asset managers, institutional investors, investment companies, or an entity sponsored by a financial institution or specialty finance company. We also provide advisory services to ABCP Conduits and other special purpose vehicles which may either be sponsored by a financial institution or wholly owned Investment Subsidiaries of the Firm.

Client Account Minimums

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

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

20 Gates investment analysis methods include fundamental and quantitative analysis at security, sector, asset class and portfolio levels. The Firm relies on sources of information that may include, but are not limited to: general news media, financial publications and other media, rating agency research and ratings, third party research, prospectus, SEC filings, financial statements, etc. In a variety of instances, 20 Gates may rely on personnel and/or services of its strategic business partners.

Where a strategy is applicable, the Firm applies the above methods to its investment strategies including:

- Short-term credit strategy,
- Multi-sector strategy, and
- Securitized assets strategy.

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

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

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

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

Risk of Loss Factors

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

Risks Specific to Engaging 20 Gates as a Sub-Advisor or Advisor:

Limited Operating History

Although we have significant investment experience in the ABCP and asset-backed securitization markets, the Firm may in the future advise on different types of investments, structures or asset classes and, in such situations, would have a limited operating history upon which prospective clients can evaluate our performance. Accordingly, becoming a client of the Firm may entail a degree of risk.

Reliance on Management and Key Personnel

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

Financial Assets and ABCP Conduit program Risks may include:

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

Credit Risk

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

Interest Rate Risk

Interest rate risk exists because the values of Financial Assets usually rise and fall in response to changes in interest rates. Interest rate risk is generally greater for investments with fixed-rate coupons and/or longer maturities. These risks can affect a security's price volatility to varying degrees, depending upon the nature of the instrument.

Asset Based Lending and Securitization Asset Risk

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

Liquidity Risk

Liquidity risk is:

- (i) Under stressful markets, certain assets that are typically liquid may become less liquid or illiquid. This may reduce the expected liquidity and market value of investments. Liquidation under stressful markets may result in a realized principal loss;
- (ii) A Client, which is an ABCP Conduit, is unable to issue new ABCP, which may be due to market disruption or specific issue related to either the ABCP Conduit program or a support provider to the program; and

- (iii) Sufficient proceeds from collections on the Financial Assets and/or drawing committed bank support facilities will not be received quickly enough or in an amount sufficient to provide necessary funds for the timely repayment of maturing ABCP.

Derivatives Risk

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

Borrowing Risk

Borrowing may exaggerate the effect on a Client account's net asset value of any increase or decrease in the market value of the portfolio. Money borrowed will be subject to interest costs that may or may not be offset by appreciation of the securities purchased. The account also may be subject to other conditions or fees that would increase the cost of borrowing over the stated interest rate. The various costs of borrowing may therefore ultimately exceed the income or potential capital gains from investments made with such leverage.

ABCP Conduit Support Provider and Structural Risk

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

The value of Financial Assets, derivatives and/or hedges used in any of 20 Gates' offered investment strategies may go up or down, in response to factors not within the control of the Firm. Investors should be aware that their investment is not guaranteed, and understand that there is a risk of loss of value in their investment.

Cybersecurity Risk:

The Firm may face cybersecurity threats to gain unauthorized access to sensitive information, including, without limitation, information regarding the owners, employees, clients or investment activities of the Firm, or to render data or systems

unusable, which could result in significant losses. If such events were to materialize, they could lead to losses of sensitive information or capabilities essential to the Firm's operations and could have a material adverse effect on their reputations, financial positions, results of operations, or cash flows, and could lead to financial losses from remedial actions, loss of business, or potential liability, or could lead to the disclosure of the personal information of owners, employees or clients. Cybersecurity attacks are evolving and include, but are not limited to, (i) malicious software, (ii) attempts to gain unauthorized access to data, and (iii) other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. These problems may arise in the Firm's internally developed systems and the systems of third-party service providers. While the Firm cannot ensure absolute protection against cybersecurity threats, the Firm has implemented reasonable policies and procedures designed to prevent such threats and mitigate any damages that may arise.

Item 9: Disciplinary Information

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

Item 10: Other Financial Industry Activities and Affiliations

Three employees are registered representatives of Avalon. See Item 5 above for potential conflicts of interest related to this relationship with Avalon.

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

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

We have adopted a Code of Ethics and Employee Investment Policy (collectively, our "Code") pursuant to rule 204A-1 under the Advisers Act that establishes various procedures with respect to investment transactions by accounts in which our "access persons" (i.e., persons with knowledge of our investment management activities on behalf of our clients) have a beneficial interest or accounts over which an access person has investment discretion. We will provide our Code to clients or prospective clients upon request.

Our Code requires our access persons, including members of their immediate households, to obtain written pre-approval from our CCO prior to executing certain personal transactions. Our Code also requires all of our access persons to report all securities accounts and covered personal securities transactions to our CCO (subject to exceptions permitted by rule 204A-1), who reviews and monitors the reported accounts and transactions to assure compliance with our Code's requirements. We require all of our access persons to instruct their brokers to send duplicate copies of covered brokerage statements to our CCO or provide electronic data delivery to a third party service provider for online review.

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

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

In addition, Related Client accounts may invest in the same securities as other Client accounts. However, for non-discretionary Clients, this does not present a conflict of interest in how 20 Gates allocates such securities transactions since non-discretionary Clients have not engaged the Firm to provide investment ideas. Rather the Firm has been engaged to provide non-discretionary services which may include: (a) administrative services for special purpose vehicles and asset-backed commercial paper conduits, (b) asset-liability management, and/or (c) portfolio and transaction level services.

Only for discretionary Clients with the same investment objectives as discretionary Related Clients could a potential conflict of interest exist in how 20 Gates would allocate such securities transaction. Under such circumstances, the Firm allocates investment ideas based on legitimate investment management reasons such as the investment guidelines and capacity of the various Client accounts and other factors such as whether the Client will approve the proposed securities transaction. If after considering these factors (amongst other factors), more than one Client is eligible for the investment, the Firm will follow its allocation policy, which may include forming an ad hoc committee of at least three members of senior management of 20 Gates to determine how to fairly and adequately allocate such securities transaction between discretionary Related Client and discretionary Client accounts.

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

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

Item 12: Brokerage Practices

20 Gates generally does not make investments in securities listed on national exchanges for Client accounts. However, to some degree, transactions may be made through the over the counter market through a broker-dealer for Client accounts. If we execute a trade in a security listed on a national exchange or in the over the counter market through a broker-dealer, we would seek "best execution" in light of the circumstances involved with each transaction. In selecting a broker for any transaction, we would consider a number of factors, including, for example, broker's reputation, net price or spread, financial strength and stability, market access, efficiency of execution and error resolution, and the size of the transaction. We would not be obligated to obtain the lowest commission or mark up or mark down for a Client on any particular transaction.

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

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

Item 13: Review of Accounts

Review of Accounts

Given the nature of the investment management services provided by 20 Gates, most Clients related to ABCP conduits typically work with 20 Gates on a daily basis to review

accounts and ensure compliance with investment guidelines and 20 Gates' contractual obligations to such Clients. For other Clients, 20 Gates reviews accounts, including positions and cash balances, as agreed to between 20 Gates and the Client, which may be daily, monthly or quarterly.

Reporting

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

Item 14: Client Referrals and Other Compensation

20 Gates currently does not, but may, utilize third party marketers/solicitors for client referrals.

Item 15: Custody

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

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

20 Gates will not have physical custody of any Client funds or securities requiring a Qualified Custodian. All Client accounts where 20 Gates is deemed to have custody are subject to annual audits conducted by an independent accounting firm that is registered with and, for U.S. accounting firms, subject to review by the Public Company Accounting Oversight Board. All equity investors in such Client accounts will be provided with audited financial statements for such account prepared in accordance with U.S. generally accepted accounting principles (GAAP), or International Financial Reporting Standards when applicable, within 120 days of the end of such Client's fiscal year.

Item 16: Investment Discretion

In connection with certain Clients, 20 Gates accepts discretionary authority to manage the Clients' accounts, either through the Client's organization documents or investment management agreement with the Client. Under such circumstances, 20 Gates may exercise sole authority to determine the assets bought and sold for each Client, as well as the amounts thereof, without obtaining specific consent and without limitation on such authority other than the guidelines, limitations and restrictions set forth in the Client's operative agreements, the investment management agreements between the Client and 20 Gates and 20 Gates' own internal policies and procedures.

Item 17: Voting Client Securities

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

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

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

Item 18: Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the Firm's financial condition. 20 Gates has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.