

# TwentyFour Asset Management (US) LP

## Part 2A of Form ADV

### The Brochure

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This brochure provides information about the qualifications and business practices of TwentyFour Asset Management (US) LP (“TwentyFour US” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at +44 (0)20 7015 8905. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

## Material Changes

Since the Firm's previous Part 2A was submitted and distributed in March 2022 as part of the Firm's annual ADV amendment, the following material changes have occurred:

- Joseph Mastoloni resigned as a member of the Firm's Management Board in January 2023; and
- Luiz Gustavo Suppion Kokubo and Derek Paul Beckman were appointed as members of the Firm's Management Board in January 2023.

The Firm has submitted an other-than-annual ADV amendment in October 2023 to reflect a change in office address.

## Table of Contents

Material Changes .....	2
Table of Contents .....	2
Item 4. Advisory Business .....	3
Item 5. Fees and Compensation .....	3
Item 6. Performance Based Fees and Side-by-Side Management.....	4
Item 7. Types of Clients .....	4
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss .....	5
Item 9. Disciplinary Information .....	8
Item 10. Other Financial Industry Activities and Affiliations .....	8
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	9
Item 12. Brokerage Practices .....	10
Item 13. Review of Accounts .....	12
Item 14. Client Referrals and Other Compensation .....	12
Item 15. Custody .....	12
Item 16. Investment Discretion .....	12
Item 17. Voting Client Securities .....	13
Item 18. Financial Information.....	13

## **Item 4. Advisory Business**

As mentioned above, TwentyFour US is based in New York City, NY and is a wholly owned subsidiary of TwentyFour Asset Management LLP (“TwentyFour UK”), a fixed income specialist manager based in the City of London, United Kingdom (“UK”). TwentyFour UK is 100% owned by Vontobel Asset Management UK Holdings, Ltd.

TwentyFour US’ General Partner has appointed a management board which is responsible for the day to day management. As of January 2023, the Management Board consists of Nick Knight-Evans, Eoin Walsh and David Norris (in an executive capacity) and Luiz Kokubo and Derek Beckman (in a non-executive capacity). At present, TwentyFour US employs four investment professionals located in New York City who together provide research and investment advisory services to TwentyFour UK. In addition, TwentyFour US manages one private fund, the TwentyFour Strategic Income Fund, a Series of Shares of Vontobel Investment Trust (the “Private Fund”), which has been organized to provide investment management services to ERISA and other employee benefit plans and other accounts, and a U.S. segregated mandate. The Firm also serves as a sub-adviser to two investment companies registered pursuant to the Investment Company Act of 1940 (the “RICs”).

TwentyFour US may tailor its advisory services to the individual need of investors in the Private Fund through a side letter arrangement. Depending on the terms of the side letter arrangement, TwentyFour US may accept investor imposed investment restrictions.

TwentyFour UK has no U.S. investors or U.S. clients and is exempt from SEC registration under the foreign private adviser exemption. However, TwentyFour UK serves as a participating affiliate to TwentyFour US. TwentyFour UK is authorised and regulated in the UK by the Financial Conduct Authority.

As at December 31, 2022, the Firm had US\$ 17,827,112,389 in assets under management on a discretionary basis, and no assets under management on a non-discretionary basis.

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

The Firm is compensated by TwentyFour UK for its services to TwentyFour UK via a cost reimbursement calculation. The Firm also receives management fees for advisory and sub-advisory services provided to the segregated mandate, the Private Fund and the RICs.

The Private Fund and the segregated mandate each pay the Firm a management fee within 10 business days following each month end. TwentyFour US reserves the right to reduce or waive this management fee with respect to any fund investor without the consent of or obligation to notify any other fund investor.

The Firm has voluntarily agreed to cap total operating expenses of the Private Fund at an annualized rate of 0.495% of the average daily net assets of the Private Fund. If the total operating expenses exceed that amount, TwentyFour US will bear such excess and will not be reimbursed by the Fund.

The Private Fund may bear all of its respective administrative and operational expenses, including, the organizational expenses paid in connection with the formation of the fund; the expenses relating to the

initial offering of the interests (generally referred to as syndication costs); legal fees; printing and mailing costs, including the costs of printing and distributing annual reports and statements; software, data bases and other technical and telecommunications services; hardware directly related to the fund; custodial fees, bank service fees and charges; regulatory and compliance expenses directly related to the fund as well as filing fees and expenses (including government and regulatory filings made in respect of the Fund, such as Form PF preparation and filing expenses); the Custodial Trustee's fees; the Delaware Trustee's fees; the fees of any outside service providers such as a third-party administrator (including investor-related administrative services for the fund, as well as middle- and back-office services for the Firm in relation to the fund); insurance expenses; accounting, audit, and tax preparation expenses; and taxes (including interest and penalties) imposed on the fund and all expenses incurred by the fund or the Firm in connection with any tax audit, proceeding or investigation of the fund.

The Private Fund will bear all its investment expenses, including interest expenses, brokerage commissions (including options trades), spreads, mark-ups on securities, swaps and forwards, transaction costs, taxes on securities held in the investment portfolio, financing expenses in respect of the Fund's use of derivatives, and any other expenses that the Firm reasonably determines should be expenses of the Fund.

To the extent that an expense is shared among the Private Fund and other client accounts of the Firm and its affiliates, such expense will be allocated on a fair and equitable basis, as determined by TwentyFour US in its sole discretion.

Information on fees and expenses paid by TwentyFour UK clients and the RICs and shareholders will be outlined in the relevant advisory agreements or offering documents.

Where TwentyFour US enters into investment advisory or sub-advisory agreements with U.S. clients, all fees and compensation to be received by TwentyFour US will be outlined in the relevant investment advisory agreements.

## **Item 6. Performance Based Fees and Side-by-Side Management**

At present, TwentyFour US does not directly charge any client any performance-based fees. Some investment advisers experience conflicts of interest in connection with the side-by-side management of accounts with different fee structures. However, TwentyFour US mitigates these potential conflicts of interest through its allocation policies and procedures.

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

TwentyFour US provides discretionary sub-advisory services to two RICs, the discretionary investment advisory services to the Private Fund and a segregated mandate as described above.

Investors for the Private Fund may be ERISA or other employee benefit accounts, but ultimately, the Private Fund is designed only for sophisticated persons who are able to bear a loss of their capital contributions in the Private Fund. Investors are generally required to make a minimum initial investment of \$5,000,000.

Separate mandate clients will be reviewed and approved on a case-by-case basis but typically would not be accepted by TwentyFour US unless an institutional client with a minimum initial investment of

\$5,000,000 and a commitment to grow investment in the mandate to at least \$50,000,000 within 3 years. TwentyFour US does not manage assets of segregated mandates belonging to individuals.

TwentyFour US also provides advisory services to TwentyFour UK. TwentyFour UK provides discretionary investment management services to non-U.S. institutional investors via separately managed accounts, and to UCITS funds in Europe and the UK which are targeted toward non-U.S. investors.

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

All client portfolios, including the segregated mandate, the Private Fund, the RICs and TwentyFour UK's clients (together, known as the "Advisory Clients"), are managed on a joint basis by portfolio managers in both the U.S. and the UK and investment decisions are made centrally by the team. Once agreed, trades may be executed by either team.

### Principal Investment Strategy

Under normal circumstances, the Firm invests primarily in fixed-income securities and derivatives that provide exposure to fixed-income securities. The Firm's investments may include fixed-income instruments of any maturity or duration. The instruments in which the Firm may invest may be denominated in U.S. and non-U.S. currencies.

The fixed-income securities in which the Firm invests primarily include obligations issued or guaranteed by the U.S. government and non-U.S. governments and their agencies, instrumentalities or political subdivisions, obligations of supranational entities, quasi-sovereign debt, emerging-markets debt, inflation-indexed securities, corporate bonds, bank loans, trust preferred securities, convertible and non-convertible debt, contingent convertible bonds ("CoCos"), variable and floating-rate securities, collateralized loan obligations ("CLOs"), mortgage-backed and other asset-backed securities, collateralized mortgage obligations ("CMOs") and other mortgage-related products (including commercial and residential loans). The Firm may invest in other investment companies, including exchange-traded funds ("ETFs") and money market funds, shares of real estate investment trusts ("REITs") and restricted securities. The Firm may have significant exposure to the Financial sector. However, as the sector composition of the Firm's portfolio changes over time, the Firm's exposure to the Financial sector may be lower at a future date, and the Firm's exposure to other market sectors may be higher.

The Firm may invest in non-investment grade securities (also referred to as "high-yield" or "junk" bonds).

The Firm may also invest in equity securities including preferred stocks of U.S. and foreign companies of any market capitalization.

The Firm may take long or short positions in fixed-income and equity securities and currencies. Short positions will generally be entered into for hedging purposes or to attempt to reduce or adjust certain investment risks.

The Firm's investments in derivatives generally include options, futures, forwards (including non-deliverable forwards), swaps (including credit default swaps, total return swaps, interest rate swaps and cross-currency swaps) and structured notes. The Firm uses derivative instruments to hedge against fluctuations in securities prices, interest rates or currency exchange rates, to enhance total return, to change the effective duration of its portfolio, to manage certain investment risks or to substitute for the purchase or sale of the underlying securities or currencies. The Firm's use of derivatives may be extensive.

The Firm also seeks to reduce or hedge positions in instruments that may decline in value, experience unwanted volatility or when better investment opportunities are identified.

#### Methods of Analysis

In selecting investments, the Firm develops a top-down macroeconomic view of the global economic environment as indicated by factors such as interest rates, equity markets, corporate profitability, international capital flows, government policy and other relevant inputs. The Firm then performs a bottom-up analysis of individual issuers that focuses on an issuer's creditworthiness and considers historical trends and patterns in an instrument's price and relative valuation. The Firm examines the relative risk and return characteristics of each investment and seeks to identify opportunities to establish long positions in income-generating instruments that, at times, may have the potential for price appreciation.

#### Risk of Loss

The fixed income strategies pursued by TwentyFour US will be subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest.

The descriptions contained below are a brief overview of associated risks related to fixed income investing; however, they are not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operations of TwentyFour US. Investors are advised to refer to the pertinent offering documents for a pooled vehicle, or investment advisory agreement for a more fulsome discussion of the associated risks for a particular strategy.

#### Currency Exchange Rates

Currency fluctuations may adversely affect the value of a client's investments and the income thereon and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of their investment.

#### Derivatives Risks and Volatility

The prices of derivative instruments, including futures, options and swap prices, can be 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 national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, amongst other

things, interest rate fluctuations. The use of these techniques and instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the price movements of the derivatives and price movements of related instruments, (3) the fact that skills needed to use these instruments are different from those needed to select the securities owned by the client, (4) the possible absence of a liquid market for any particular instrument at any particular time; which may result in possible impediments to effective portfolio management or the ability to meet redemption. The client may invest in certain derivative instruments, which may involve the assumption of obligations as well as rights and assets. Assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy. The client may from time to time utilize both exchange-traded and over-the-counter credit derivatives, such as credit default swaps as part of its investment policy and for hedging purposes. These instruments may be volatile, involve certain special risks and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, a relatively small movement in the price of a contract may result in a profit or a loss that is high in proportion to the amount of the funds actually placed as initial margin and may result in unlimited further loss exceeding any margin deposited. Furthermore, when used for hedging purposes there may be an imperfect correlation between these instruments and the investment or market sectors being hedged. Transactions in over-the-counter derivatives, such as credit derivatives, may involve additional risk as there is no exchange market on which to close out an open position.

#### Counterparty and Settlement

The client will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. In particular, it should be noted that transactions may not always be settled by delivery versus payment and this may expose the client to greater counterparty risk and potentially to loss in excess of the counterparty's obligations to the client.

#### Short Sales

A short sale involves the sale of a security that the investor does not physically own in the expectation of purchasing the same security at a later date at a lower price to secure a profit. The establishment and maintenance of a short position in securities can involve greater risks than would be the case with a long position. These include the possibility of unlimited loss due to potentially unlimited price appreciation in the securities concerned, problems associated with the cost or availability of the securities to "borrow" for the purposes of short selling and possible difficulties in purchasing back the securities to cover short positions in certain market conditions.

#### Emerging Markets

Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets.

#### Credit and Fixed Interest Securities

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital.

The value of a fixed interest security will fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. High yield bonds with lower credit ratings (also known as sub-investment grade bonds) are potentially more risky (higher credit risk) than investment grade bonds. A sub-investment grade bond has a Standard & Poor's credit rating of below BBB- or equivalent.

#### Liquidity

In extreme market conditions it may be difficult for a client to realize an investment at short notice without suffering a discount to market value. In such circumstances the investor may suffer a delay in realizing his investment or may incur a dilution adjustment. Depending on the types of assets the clients invest in, there may be occasions where there is an increased risk that a position cannot be liquidated in a timely manner at a reasonable price.

#### Leverage

A proportion of the capital may be leveraged. While leverage presents opportunities for increasing the capital return, it has the effect of potentially increasing losses as well. Any event which adversely affects the underlying vehicles would be magnified to the extent the capital is leveraged. The cumulative effect of the use of leverage in a market that moves adversely to the underlying investment vehicles could result in a substantial loss to capital that would be greater than if capital were not leveraged.

#### Business Terrorism and Catastrophe Risks

Advisory Clients will be subject to the risk of loss arising from exposure that it may incur, indirectly, due to the occurrence of various events, including hurricanes, earthquakes, and other natural disasters, terrorism and other catastrophic events such as a pandemic. These catastrophic risks of loss can be substantial and could have a material adverse effect on TwentyFour's business and Advisory Client portfolios including investments made by TwentyFour.

### **Item 9. Disciplinary Information**

TwentyFour US and its employees do not have any disciplinary information to be disclosed.

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

As mentioned previously, the Firm is a wholly owned subsidiary of TwentyFour UK, a fixed income specialist manager based in the City of London. TwentyFour UK is 100% owned by Vontobel Asset Management UK Holdings Ltd. TwentyFour UK has no U.S. investors or U.S. clients and is exempt from SEC registration under the foreign private adviser exemption. However, TwentyFour UK serves as a participating affiliate to TwentyFour US. TwentyFour UK is authorised and regulated in the UK by the Financial Conduct Authority.

Vontobel Asset Management UK Holdings Ltd, Vontobel Asset Management S.A. ("VAM SA") and Vontobel Asset Management, Inc. ("VAM US") are part of the Vontobel Holding AG family of companies which includes banks, broker dealers, and other investment advisers. TwentyFour US has determined that VAM SA and VAM US are both financial industry affiliates due to being under common control, having business dealings in connection with advisory services provided to clients, conducting shared operations, referring clients or business to one another, sharing supervised persons and premises, and/or believing there could be a potential conflict of interest due to the relationship.



VAM SA is exempt from registration with the SEC under the foreign private adviser exemption. VAM US is a registered investment adviser with the SEC (CRD Number 105007).

VAM SA provides supervised persons (TwentyFour US' non-executive directors) and certain marketing and advertising services to TwentyFour UK. TwentyFour UK compensates VAM SA based on a percentage of sales through a global distribution agreement. TwentyFour UK acknowledges that this arrangement could present a potential conflict of interest and therefore TwentyFour UK ensures that any introduction received via VAM SA must follow the same expectations as an introduction from a non-affiliated counterparty.

VAM US provides certain marketing and advertising services to TwentyFour US. TwentyFour US compensates VAM US based on a percentage of sales through a marketing services agreement. TwentyFour US acknowledges that this arrangement could present a potential conflict of interest and therefore TwentyFour US ensures that any introduction received via VAM US must follow the same expectations as an introduction from a non-affiliated counterparty.

TwentyFour US and VAM US share the same physical location. TwentyFour US manages any potential conflicts with VAM US through privacy safeguards, strong access rights and controls and ensuring that TwentyFour US information stays proprietary to the Firm.

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

TwentyFour US has adopted a Code of Ethics policy, Conflicts of Interest Policy, Insider Dealing Policy, and Personal Account Dealing policy which together, among other things, contain provisions designed to (i) prevent improper personal trading by employees; (ii) prevent improper use of material, non-public information about securities recommendations made by TwentyFour US or securities holdings of advisory clients and (iii) identify conflicts of interest, including monitoring of gifts and pay-to-play issues that could arise due to political donations by TwentyFour US or its personnel.

### Personal Trading Policy and Procedures

TwentyFour US adopted a Code of Ethics pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 ("Advisers Act") and is predicated on the principal that the Firm owes a fiduciary duty to its clients. Accordingly, the Firm and its employees must act in the best interest of its clients and avoid or mitigate conflicts of interest.

To avoid potential conflicts of interest involving personal trades, the Firm's Code of Ethics and Personal Account Dealing policy require, among other things, that employees pre-clear personal transactions in certain securities, including those that may also be traded for clients and shares of related funds. Requests for approval will not be granted if the Firm identifies any conflicts with client transactions. Employees must also report their personal securities transactions and holdings to the Firm on a periodic basis. Thus, the Firm is able to monitor employees' personal transactions in an effort to identify potentially abusive or conflicting transactions.

A copy of TwentyFour US's Code of Ethics shall be provided to any client or prospective client upon request.

## Item 12. Brokerage Practices

### Best Execution

TwentyFour US maintains a list of approved counterparties with whom orders are typically placed. Subject to the terms of the applicable investment management agreement, TwentyFour US has full discretion to choose a counterparty from the Firm's current list of approved counterparties for executing any order or orders, but in doing so shall assess and balance a range of all relevant factors, including those set out in its Order Execution Policy which TwentyFour US considers (in its reasonable determination) relevant to achieving the best result for the clients.

On a semi-annual basis, the list of approved counterparties will be reviewed (ratings and other available financial data having been updated) by members of Risk, Compliance and the portfolio management team and, where appropriate, the list will be amended. Any amendments to the list will be reflected in the Firm's portfolio management system.

Subject to any specific instructions that the Firm may receive from a client, the factors that are considered in order to determine the manner in which an order will be executed are:

- Price
- Costs
- Size and nature of the order
- Speed
- Likelihood of execution and settlement
- Together with any other consideration relevant to the execution of the order, such as availability of liquidity, the market impact of the order and, where relevant, the availability of appropriate credit lines.

In determining the relative importance of these factors the Firm will take into account the status as a client, together with the nature of the order, the characteristics of the financial instruments to which the order relates and the characteristics of the available execution venues. In the absence of specific instructions from a client, the Firm will exercise its discretion to determine which of these factors, or combination of them will be relevant to achieve best execution.

Ordinarily, price will merit a high relative importance in obtaining the best possible result for clients. The next most importance factor is likely to be liquidity. However, in certain circumstances, for some client orders, financial instruments or markets, the Firm, at its absolute discretion, may decide that other factors may be more important in determining the best possible result in accordance with this policy.

The Firm is required to monitor the effectiveness of the order execution arrangements and assess on a regular basis whether the execution venues included in the 'Counterparty approved list' provide for the achievement of the best results for clients.

Where the Firm "executes" transactions on behalf of a client it will monitor the result of transactions against the result that could be obtained in the market and keep itself aware of developments in the market place that may impact the results obtained. In the event that the Firm identifies any deficiencies it will make appropriate changes to this Policy.

### Allocation and Aggregation

Investment opportunities will be allocated on a basis believed to be fair and equitable over time. The portfolio management team will take steps to ensure that no Client portfolio will be systematically disadvantaged by the aggregation, placement, or allocation of trades.

The Firm's policy is to aggregate portfolio transactions where possible and when advantageous to all clients involved. In these instances clients participating in any aggregated transactions will participate at the average price per security. Where aggregation does occur and the aggregated order is partially executed then the Firm must allocate the trades in accordance with its Trade Allocation policy.

The Firm will allocate trades with consideration to the prime determinants of market and credit exposure, cash availability and asset class/sector exposure and liquidity, and with regard to the suitability of such investments to each portfolio. In determining the suitability of each trade to a portfolio, consideration will be given to a number of factors, the most important being the portfolio's investment objectives and strategies, existing portfolio composition and cash levels.

Where an investment opportunity is suitable for two or more portfolios, the Portfolio Managers will allocate such trades equitably in order to ensure that portfolios have equal access to the same quality and quantity of investment opportunities, and in determining such allocations will consider a variety of factors and principles, including, but not limited to, the following:

- Legal and regulatory restrictions affecting the participation rates for any portfolios managed;
- The need within a particular portfolio for liquidity;
- Other investment opportunities that may be available to a portfolio;
- Anticipated volatility associated with the investment in respect of each portfolio's investment strategy and objectives;
- Each portfolio's own investment restrictions;
- Where allocation of an investment opportunity would be insufficient to make up a meaningful portion of an individual portfolio;
- The avoidance of odd lots relative to the size of the portfolio's participation in the investment opportunity that could cause liquidity concerns in the future;
- The avoidance of excessive transaction costs relative to the size of the portfolio's participation in the investment opportunity;
- The need to rebalance positions held by any portfolio in an investment due to capital infusions or withdrawals.

Transactions are allocated promptly, and no reallocations are permitted from one account to another except where the original allocation was done in error.

### Cross Trading

The Firm prohibits the ability to conduct cross trades between U.S. Private Funds or U.S. segregated mandates. In non-U.S. related cases, and where appropriate, a bond or other instrument may be bought on behalf of one client/financial industry affiliate's client portfolio from another client/financial industry affiliate's client portfolio and the trading bid/offer spread thereby largely eliminated. Prior to effecting any such transaction, the relevant Portfolio Manager must present the rationale for the transaction to Compliance in writing and may not proceed without the written consent from Compliance and comply with the Firms Crossing Policy.

### Trade Errors

The Firm endeavors to detect trade errors prior to settlement and correct them in an expeditious manner. TwentyFour US's general policy is to seek to investigate and resolve trade errors in a timely manner. The Firm's clients will not bear any loss arising from such an error and will retain any gains.

### Soft Dollars/Client Commission Usage

The Firm has not entered into any soft dollar or client commission sharing agreements. To the extent that TwentyFour US uses investment research, it will do so consistent with guidance from the SEC and the European Commission regarding acceptable methods to pay for investment research under legislation in the European Union known as the Markets in Financial Instruments Directive (MiFID II), which came into effect on January 3, 2018.

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

TwentyFour US and TwentyFour UK portfolio managers review client accounts on an ongoing basis. In addition, TwentyFour UK's Product Committee conducts an independent objective review on a periodic basis to ensure portfolio holdings are in line with client guidelines, objectives and restrictions.

TwentyFour US does not provide clients with regular reporting, but may provide certain information to clients upon request.

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

The Firm has engaged VAM US to solicit clients or investors in the U.S. Please refer to Item 10 above for further details on this engagement. TwentyFour UK has entered into solicitation arrangements for clients and investors with third parties, but those arrangements are not targeted toward U.S. investors.

## **Item 15. Custody**

TwentyFour US does not have physical custody of funds or securities in the Private Fund nor the segregated mandate, as all assets and securities are held by an independent qualified custodian. However, TwentyFour US is deemed to have constructive custody of client assets under Rule 206(4)-2 of the Advisers Act due to its authority as General Partner to instruct the custodian to deduct and pay the investment management fees directly from the assets held by the Private Fund.

In accordance with Rule 206(4)-2 of the Advisers Act, financial statements for the Private Fund are audited on an annual basis by an independent accounting firm that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The results of the audits are delivered to investors in the Private Fund within 120 days after the funds' fiscal year-end. Additionally, the custodian, Northern Trust, provides monthly account statements to the investors in the Private Fund.

## **Item 16. Investment Discretion**

TwentyFour US exercises investment discretion with regard to the services provided to TwentyFour UK. The client portfolios are managed on a joint basis by portfolio managers in both the U.S. and the

UK and investment decisions are made centrally by the team. Once approved, trades may be executed by either team.

TwentyFour US also exercises discretion with respect to the assets it manages as part of its sub-adviser relationship with RIC.

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

In accordance with its fiduciary duty to clients and Rule 206(4)-6 under the Advisers Act, the Firm has adopted and implemented written policies and procedures governing the proxy voting of client securities or acting with respect to corporate actions. The Firm's utmost concern is that all decisions are made solely in the best interest of its clients. Where a proxy vote or corporate action raises a potential conflict between the Firm's and a client's interest, the policies require the Firm follow a written hierarchy to mitigate any conflicts.

A copy of such policies and procedures will be available upon request, as well as a record of all votes cast on behalf of the Firm's clients.

### **Item 18. Financial Information**

TwentyFour US has never filed for bankruptcy and is not aware of any financial condition that is likely to impair its ability to provide services to clients.