

Form ADV Part 2A: Firm Brochure

Broad Bay Capital Management, LP

1330 Avenue of the Americas
7th Floor
New York, NY 10019
212-503-5800

This brochure provides information about the qualifications and business practices of Broad Bay Capital Management, LP (“Broad Bay”). If you have any questions about the contents of this brochure, please contact us at the phone number above or email gscarffe@broadbaycapital.com. 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 Broad Bay is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Broad Bay is registered as an investment adviser under the Investment Advisers Act of 1940 (the “Advisers Act”). Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

This Brochure dated March 27, 2019 has been prepared by Broad Bay as an annual amendment to the prior version of its Brochure, dated March 26, 2018.

Please note that this Brochure contains information about the Company and is being updated to reflect changes under Items 4, 5, 8 and 11.

Item 3. Table of Contents

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

Item 4. Advisory Business

Broad Bay is organized as a limited partnership under the laws of the State of Delaware. Richard Greeder, Founding Partner, founded Broad Bay in November of 2015. Broad Bay Capital Management GP, LLC is Broad Bay's general partner. Richard Greeder is the principal owner of Broad Bay and its general partner. The investment activities of Broad Bay are led by Richard Greeder. A number of other investment professionals work with Mr. Greeder to execute Broad Bay's investment strategy.

Broad Bay is a registered investment adviser with the SEC since August 1st, 2016 (the "Effective Date"). Broad Bay serves as an investment manager and provides discretionary advisory services to a private investment partnership and a foreign investment company organized as a master-feeder structure (the "Fund" or collectively the "Funds"). Broad Bay provides discretionary investment advice to the following private investment funds: BBCM Master Fund Ltd., (the "Master Fund") and BBCM Offshore Fund Ltd., (the "Offshore Fund"), each a Cayman Islands exempted company, and BBCM Onshore Fund LP, (the "Onshore Fund"), a Delaware limited partnership. The Offshore and Onshore Funds invest all or substantially all of their assets in the Master Fund. All investment activity takes place at the Master Fund.

BBCM GP LLC, a Delaware limited liability company (the "General Partner"), serves as the General Partner to the Onshore Fund. All references to Broad Bay include the General Partner.

The principal objective of the Funds is to generate superior, risk-adjusted returns by employing a low net long/short value investing strategy focused principally on investments in public equity securities in the consumer, business services, industrial and media sectors, both domestically and in other markets. The Funds intend to pursue the investment objective by concentrating its portfolio in a limited number of long and short positions with a gross exposure target between 100% and 200%. For more information regarding these strategies, see "Methods of Analysis, Investment Strategies and Risk of Loss" below. Investment advice will be provided directly to the Funds and not individually to the investors of the Funds. Broad Bay will manage the assets of the Funds in accordance with the terms of each Fund's confidential offering and/or private placement memoranda, individual limited partnership or shareholder agreements and other governing documents applicable to each Fund (the "Governing Fund Documents"). The investors may not restrict investments by the Funds in any capacity.

From time to time, the Funds may, to the extent permitted by the Rules of the U.S. Financial Industry Regulatory Authority ("FINRA") as may be amended from time to time (the "Rules"), purchase equity securities that are part of an initial public offering (sometimes referred to as "IPOs" or "new issues"). Accounts of "restricted persons" as defined under FINRA Rule 5130 and 5131 are prohibited from participating in IPOs, except as permitted by the Rule. The profits and losses with respect to new issues will generally be allocated to investors in the Funds that are not Restricted Persons.

As of December 31, 2018, Broad Bay had approximately \$573,925,215 of discretionary regulatory assets under management.

Item 5. Fees and Compensation

General

Broad Bay provides investment advisory services to each of the Funds pursuant to separate investment management and/or limited partner agreements (the “Agreements”). The Agreements for each Fund, along with the Governing Fund Documents, set forth in detail the fee structure relevant to each such Fund. The terms of the Agreements are generally established at the time of the formation of the applicable Fund.

Broad Bay receives compensation from fees based on a percentage of assets under management (“Management Fee”), incentive allocations (“Incentive Allocation”) and certain other fees or expenses related to transactions (see below). Investors should review all fees charged by Broad Bay and others to fully understand the total amount of fees to be paid by a Fund and, indirectly, by the underlying investors.

Management Fee

Each investor is charged an asset-based Management Fee up to 1.75%, depending on the class of interests or shares, per annum of the net asset value of such investor’s investment in each feeder fund. The asset-based charge is paid monthly in advance and is deducted from the relevant accounts. Such charge is paid by the Funds to Broad Bay as a fee for its services.

Without the consent of, or notice to, any other investor, Broad Bay may elect and has elected to reduce, waive, assign, participate or otherwise share the Management Fee payable with respect to some investors (including any affiliates of Broad Bay).

Incentive Allocation

The Agreements also provide that the investors bear an annual performance-based amount, the Incentive Allocation, which is calculated and charged separately with respect to each investor’s investment, ranging from 15% up to 20%, depending on the class of interests or shares, of the performance (for that year) attributable to each investor’s investment, subject to a high watermark. Upon a full or partial withdrawal by an investor, there will be a special determination of the Incentive Allocation with respect to the withdrawn amount.

Without the consent of, or notice to, any other investor, Broad Bay may elect and has elected to reduce, waive, assign, grant participation in or otherwise share the Incentive Allocation allocable with respect to some investors (including any affiliates of Broad Bay).

Expenses of Other Fees Attributable to the Funds

Each feeder fund bears all of its organizational expenses and offering expenses and its *pro rata* share of the organizational and offering expenses of the Master Fund and will reimburse the General Partner and/or Broad Bay, as applicable, to the extent that either of them bears organizational or offering expenses on behalf of the Funds. For financial reporting purposes, Broad Bay may, in its sole and absolute discretion, amortize the organizational and offering expenses incurred by the

Funds for up to a sixty (60) month period. In general, each feeder fund bears all of their operating expenses and its *pro rata* share of the operating expenses of the Master Fund, which expenses include, without limitation, all costs and expenses relating to the Funds' (and the feeder funds' *pro rata* share of the Master Fund's) activities and operations (to the extent not reimbursed in connection with an investment), including, without limitation, all fees, costs and expenses associated (directly or indirectly) with the negotiation, financing, sourcing, acquiring, holding, monitoring, hedging, settling and disposing of investments or proposed investments; other transaction costs, including, without limitation, transaction fees, custodial fees, brokerage fees, commissions, consulting, advisory, due diligence, investment banking, legal, financial, auditing, accounting, research, third-party consulting and other professional fees and expenses related to investments and proposed investments, as well as all fees, expenses, interest payments and principal payments due to any lenders, investment banks and/or other financing sources in connection with the financing, sourcing, acquiring, holding, monitoring, hedging and disposing of investments or proposed investments; custodial fees, appraisal fees and expenses; all investment-related travel expenses (including industry conferences) and travel expenses related to the purchase, sale or transmittal of Fund assets; all entity-level taxes, fees and other governmental charges; some or all of the costs of any insurance (including, without limitation, general partner liability insurance, errors and omissions insurance, directors and officers insurance, if any, and other insurance policies with respect to the Funds' business and affairs); directors' fees; expenses incurred in the collection of monies owed to the Funds; Management Fees; research related computer hardware and software expenses, including Bloomberg terminals and subscriptions relating to, among other things, trading, order management and other technology and services; legal, regulatory, compliance, auditing, research and accounting fees and expenses (including, without limitation, fees and expenses of any administrator (including the administrator of the Funds and the Funds' *pro rata* portion of the preparation and filing fees with respect to Broad Bay's Form PF, if applicable, and the preparation of all other regulatory filings in jurisdictions of incorporation or in other jurisdictions where it is necessary, in the discretion of Broad Bay, to execute the strategy of the Funds); expenses associated with the preparation and delivery of financial statements, tax returns and Schedules K-1, if any; the reasonable expenses of any advisory committee of the Funds; extraordinary expenses (including, without limitation, litigation-related and indemnification expenses, whether payable in connection with a proceeding involving the Funds or otherwise, and including the amount of any judgment or settlement paid in connection therewith); the costs of any reporting to investors; reasonable expenses incurred in connection with any meetings of investors and reasonable expenses of the members and meetings of any committee of the Funds; expenses incurred in connection with the dissolution, liquidation and termination of the Funds; and expenses incurred in connection with the preparation of amendments to the Governing Fund Documents.

In general, each investor bears its proportionate share of the expenses of a Fund on a *pro rata* basis with respect to the size of an investor's investment. Broad Bay and/or the General Partner may, however, allocate expenses on another basis, including by allocating certain expenses to certain (but not all) investors, if Broad Bay and/or the General Partner determines that such an allocation is more equitable.

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

As described above, Broad Bay or its affiliates receive performance-based compensation in the form of an Incentive Allocation. Because the performance compensation is calculated on an annual basis

which includes unrealized appreciation of the Fund's portfolio, it may be greater than if such compensation were based solely on realized gains. These fees may create an incentive to make more speculative investments and make different decisions regarding the timing and manner of the realization of such investments, than would be made if such incentive fees were not allocated to Broad Bay.

In the event that Broad Bay establishes client relationships with clients other than the Broad Bay Funds, Broad Bay may be required to allocate investment opportunities among the Funds and other clients. Broad Bay may allocate such investment opportunities in any manner that it reasonably determines to be necessary, desirable or appropriate, in accordance with its allocation policy.

Item 7. Types of Clients

Broad Bay provides discretionary management and advisory services to the Funds directly, subject to the direction and control of the General Partner or boards of directors of the Offshore Fund and the Master Fund, as applicable, and not individually to the underlying investors. Investors in the Funds may include, but are not limited to, high net worth individuals, pension plans (corporate, state and foreign), sovereign wealth funds, endowments, foundations, banks, pooled investment vehicles (e.g., funds-of-funds), trusts, estates or charitable organizations, and corporate or business entities.

The minimum commitment for an investor is outlined in the Governing Fund Documents; however, Broad Bay and/or its affiliates maintain discretion to accept less than the minimum investment threshold. Investors in the Funds will be required to meet certain suitability qualifications, such as being "accredited investors" within the meaning set forth in Rule 501(a) of Regulation D under the Securities Act and also "qualified purchasers" as that term is defined in the Investment Advisers Act, as amended.

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

Overall Investment Strategy and Methods of Analysis

The principal objective of the Funds, pursued by making investments through the Master Fund, is to generate superior, risk-adjusted returns by employing a low net long/short value investing strategy focused principally on investments in public equity securities in the consumer, industrial, business services and media sectors, both domestically and in other markets. The Funds intend to pursue their investment objective by concentrating the portfolio in a limited number of long and short positions with a gross exposure target between 100% and 200%.

Although capital is predominately allocated to long and short positions in public equity securities, Broad Bay may also invest the Funds' assets in long and short positions in fixed income securities and other debt instruments, purchase securities on margin, trade in exchange-traded and over-the-counter derivatives including equity-linked options, invest in preferred stock, warrants and convertible debt, trade in credit default swaps, equity swaps, CFDs ("contract for differences"), foreign exchange hedges and engage in hedging and other securities investment strategies not listed above.

Broad Bay invests the Funds' assets using a multi-sector approach with a focus on predominantly U.S. based consumer, business services, industrial and media companies, focusing on four main attributes in its investment selection process:

- *Value Orientation.* Broad Bay seeks to invest in inexpensive long investments, while also investing in higher multiple securities of strong, sustainable businesses rather than solely investing in "value for the sake of value".
- *Contrarian Bent.* Broad Bay takes a longer-term approach to investing and aims to capitalize on valuation inefficiencies created by investors extrapolating near-term trends into the future.
- *Focus on Mispricings.* Broad Bay typically hinges its investment thesis on changes which take place at the industry and/or company level, seeking investments related to good businesses experiencing temporary problems or bad businesses benefitting on unsustainable trends.
- *Longer Investment Horizon.* Broad Bay seeks opportunities beyond the typical six-month time horizon taken by most investors who look to earnings releases and guidance in their investment approach.

Broad Bay makes value- and growth-oriented investments, as well as uses a "growth-at-a-reasonable-price" investment style in small, medium and large capitalization companies. Broad Bay currently anticipates that approximately one-half of the Funds' assets will be invested in medium capitalization companies and one-fourth of the Funds' assets will be invested in each of small capitalization and large capitalization companies. Broad Bay believes that investments in small and medium capitalization companies, combined with its low-net approach, differentiates its investment strategy from other managers and will provide the best opportunity for the Funds to achieve their investment objective. Broad Bay believes that this segment is under-covered relative to the market at large, as larger funds do not generally invest as heavily in this universe given liquidity constraints. Broad Bay believes that its edge comes from its sophisticated research process in this segment of the market, which will enable the Funds to benefit from market inefficiencies.

The Funds seek to achieve uncorrelated equity returns with moderate volatility. The Funds aim to compound their capital regardless of market conditions, targeting a net beta adjusted exposure range of plus/minus 20%.

The Funds are not limited with respect to the relative percentage of their assets that may be invested in any type or class of asset or security. Broad Bay intends to redistribute Fund assets among various asset classes when, based on Broad Bay's research, it believes it is desirable to do so.

Investors should review the respective Governing Fund Documents for more details on the manner in which Broad Bay intends to implement the Funds' investment strategy and the methods of analysis that Broad Bay seeks to utilize in order to reach these investment objectives.

The method(s) and investment strategies described above involve certain risks. A summary of the principal risks is set out below.

Summary of the Principal Investment Risks

Investing involves substantial risks, including the risk of total loss of capital, and may not be suitable

for all investors. No guarantee or representation is made that the Funds' investment program, including, without limitation, the Funds' investment objective, diversification strategies or risk monitoring goals, will be successful. Investment results may vary substantially over time. No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred. Past investment results of investments otherwise made by the investment professionals of Broad Bay are not necessarily indicative of the Funds' or Broad Bay's future performance.

The following are certain of the principal risks associated with the investment activities of the Funds:

Available Information. Broad Bay will select investments, in part, on the basis of information and data filed by the issuers of securities with various government regulators or made directly available to Broad Bay by such issuers, or through sources other than the issuers. Although Broad Bay evaluates all such information and data, and seeks independent corroboration when Broad Bay considers it appropriate and when it is reasonably available, Broad Bay is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases complete and accurate information is not readily available.

Volatility of Financial Markets. Market risk is a factor in any investment. During the last several years in particular, a high level of volatility in the financial markets has increased risk generally. Continued volatility could disrupt the investment strategies of the Funds, decrease the value of the portfolio and adversely impact its profitability. Recent developments in the global financial markets illustrate that the current environment is one of extraordinary and possibly unprecedented uncertainty. In light of such recent market turmoil and the overall weakening of the financial services industry, the financial condition of the Funds, custodians/prime brokers and other financial institutions may be adversely affected, and they may become subject to legal, regulatory, reputational and/or other unforeseen risks that could have a material adverse effect on the Funds' business and operations.

Competition. The securities industry is extremely competitive. Broad Bay competes for investment opportunities against various other investors, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs. Competitive investment activity by other firms may reduce the Funds' opportunity for profit by reducing the availability of or increasing the price of what the Funds believe to be, based on their investment criteria, exceptional investment opportunities.

Investment and Trading Risks. An investment in the Funds involves a high degree of risk, including the risk that the entire amount invested may be lost. The Funds invest in and actively traded securities using strategies and investment techniques with significant risk characteristics, including, without limitation, risks arising from the volatility of the global equity, currency and fixed income markets, the risks of short sales, the risks of leverage and the risk of loss from counterparty defaults. No guarantee is made that the Funds' investment program or overall portfolio, or various investment strategies used or investments made will have low correlation with each other or with the market or that the Funds' returns will exhibit low long-term correlation with an investor's traditional securities portfolio. All investments made by the Funds risk the loss of capital, including a complete loss of capital. No guarantee or representation is made that the Funds' investment program will be successful, that the Funds will achieve its targeted returns or that there will be any return of capital invested to investors in the Funds. In addition, investment results may vary substantially over time.

Investment Judgment. The profitability of a significant portion of the Funds' investment program

depends to a great extent upon correctly assessing the future profitability of the price movements of securities and other investments. There can be no assurance that Broad Bay will be able to accurately predict the long term results of any security or other investment.

Risks of Certain Investment Strategies. If Broad Bay's evaluation of an investment opportunity should prove incorrect, the Funds could experience losses as a result of a decline in the market value of securities in which the Funds hold a long position or an increase in the value of securities in which the Funds hold a short position. The risk management techniques that may be utilized by Broad Bay will not provide any assurance that the Funds will not be exposed to a risk of significant investment losses. The investment program of the Funds is expected to focus on long and short equity investments but may utilize investment techniques such as options on securities, margin transactions, short sales and leverage, which practices can, in certain circumstances, increase the adverse impact to which the Funds may be subject. The timing of such adverse impacts cannot be predicted and may result in substantial volatility in the performance of the Funds.

Concentration of Investments. The investment program of the Funds entails substantial emphasis on the concentration of investments in a few higher quality ideas. This entails substantial risks that are not present in investment products that are more highly diversified. The Funds hold relatively few investments and to be more concentrated in a limited number of investments, industries or geographies. As a result of the Funds' lack of diversification, a significant loss in any one position may have a material adverse effect on the net asset value of the Funds' rate of return. Diversification of the Funds' assets among different industries is not a primary goal of Broad Bay. Therefore, any fluctuation in the overall value of securities in a specific sector likely will have a material effect on the performance of the Funds. Broad Bay's specialized investment strategy and lack of diversification may be more vulnerable to changes in the economy or those industries or other factors than a broad based portfolio, and, as a result, performance results may be highly volatile and may result in the Funds significantly outperforming, or under-performing, the market as a whole.

Equity Securities. The Funds invest in equity and equity-related securities, including, without limitation, equity investments acquired in connection with restructured debt securities or instruments, or in connection with reorganizations and/or restructurings of debt securities, equity securities or other obligations and assets of undervalued, operationally challenged and/or financially troubled companies or institutions. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments.

Short Sales. The Funds engage in short selling. Short selling involves selling securities that may or may not be owned by the seller, and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in the value of securities. However, such practice can, in certain circumstances, substantially increase the impact of adverse price movements on the Funds' portfolio. A short sale of a debt instrument, such as a bond, involves the theoretical risk of an increase in the market price plus accrued interest. A short sale of equity securities involves the theoretical risk of an unlimited increase in the market price of the securities sold short. Moreover, short selling is limited to securities that can be borrowed, and it may be necessary to cover short positions at an undesirable time and at undesirable prices if the lender recalls the securities or the securities can no longer be borrowed.

Hedging. The Funds engage in a variety of hedging transactions, including derivatives, options and swaps. Hedges can be more difficult to implement than many other types of transactions, and the possibilities for errors may be greater than for other transactions. Additionally, there is no guarantee that these hedging transactions will prevent losses to the Funds. The success of the Funds' hedging strategy will be subject to Broad Bay's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Funds' hedging strategy will also be subject to Broad Bay's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. In addition, hedging transactions may result in poorer overall performance for the Funds than if no such hedging transactions were executed. Moreover, Broad Bay may determine not to hedge against, or may not anticipate, certain risks. Finally, the Funds may be exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular investments and counterparties).

Options. The Funds may engage in the trading of options when appropriate. Such trading involves risks substantially similar to those involved in trading margined securities in that options are speculative and highly leveraged. Specific market movements of the securities underlying an option cannot accurately be predicted. The purchaser of an option is subject to the risk of losing the entire purchase price of the option. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the security underlying the option which the writer must purchase or deliver upon exercise of the option.

Derivatives. The Funds may invest in derivative financial instruments, including swaps. In addition, the Funds may, from time to time, utilize both exchange-traded and over-the-counter futures, options and contracts for differences, for hedging purposes, as well as other derivatives. Regulatory restraints may restrict the instruments that the Funds may trade. Such derivative instruments are highly 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 gain or a loss which is high in proportion to the amount of funds actually placed as initial margin, and may result in unquantifiable further losses exceeding any margin deposited. Further, when used for hedging purposes, there may be an imperfect correlation between these instruments and the investments or market sectors being hedged.

Leverage. The Funds employ leverage in connection with its investment strategies and/or for any other purpose deemed necessary, desirable or appropriate by the General Partner and/or Broad Bay from time to time. The use of leverage increases both the possibility for gain and the risk of loss. Loans typically will be secured by the Funds' securities and other assets. Under certain circumstances, a lender may demand an increase in the collateral that secures such obligations, and if the Funds are unable to provide additional collateral, the lender could liquidate assets held in the account to satisfy such obligations. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the Funds' borrowing and the interest rates on that borrowing, both of which will fluctuate, may have an effect on the Funds profitability.

Securities Lending and Borrowing. The Funds may lend securities to securities brokers and other institutions as a means of earning additional income, or may borrow securities from securities brokers or other institutions to cover short positions. If the other party to such transaction becomes insolvent or bankrupt, the Funds could experience delays and extra costs in recovering payment or

the securities. To the extent that, in the meantime, the value of securities changes, the Funds could experience further losses. Security loans must be fully collateralized, and Broad Bay must be satisfied with the creditworthiness of the other party to the transaction.

Risks of Foreign Investments. The Funds invest in securities of foreign companies, governments and government agencies. Investing in such securities, which are generally denominated in foreign currencies, and the use of forward foreign currency exchange contracts, involves unusual risk not typically associated with investing in securities issued by U.S. companies or by the U.S. government or its agencies or instrumentalities. Investing in emerging markets poses greater risks and a greater potential for returns than investing in developed countries. Securities of companies in these emerging markets are generally more volatile and may be much more volatile than securities issued by companies located in developed countries. The Funds may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between such currencies and the U.S. dollar. Moreover, individual foreign economies may compare unfavorably with the U.S. economy in growth of gross national product, rate of inflation, rate of savings and capital reinvestment, resource self-sufficiency, balance-of-payment positions and in other respects. Some of the countries in which the Funds may invest have laws and regulations that currently preclude or severely restrict direct foreign investment in securities of their companies. Securities of some foreign companies are less liquid and their prices are more volatile than securities of comparable U.S. companies. Investing in foreign securities creates a greater risk of securities clearance and settlement problems. Further, some of the securities in which the Funds may invest may be thinly traded and relatively illiquid or may cease to be traded after the Funds invest in them. In addition to being illiquid, such securities may be issued by unseasoned companies and may be highly speculative. In addition, the Funds occasionally may acquire relatively large positions in a few securities. In such cases, and in the event of extreme market activity, the Funds may not be able to liquidate investments promptly, if the need should arise, which could materially and adversely affect the results of such investments.

Small and Medium Capitalization Companies. The Funds invest in the equity and other securities of companies with small to medium-sized market capitalizations where such companies meet the investment criteria described herein. While such companies may provide significant potential for appreciation, such investments, particularly small-capitalization securities, involve higher risks in some respects than do investments in securities of larger companies. The prices of small capitalization and even medium-capitalization securities are often more volatile than prices of large capitalization securities and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to long investors) is higher than for larger, “blue-chip” companies. In addition, due to thin trading in some medium or small-capitalization securities, an investment in those securities may be illiquid. The small to medium-sized market capitalization securities may, at times, significantly underperform the large capitalization securities and may do so in the future. A related concern for short sale risk is that smaller companies tend to be more readily acquired.

Special Situation Investments. The Funds may invest in companies involved in, or the target of, acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Funds of the security or other financial instrument in respect of which such distribution

is received. Similarly, if an anticipated transaction does not in fact occur, the Funds may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of the transactions involving financially troubled companies in which the Funds may invest, there is a potential risk of loss by the Funds of their entire investment in such companies.

Risk of Operations/Liquidity Risks. Although many of the securities that the Funds may acquire will be traded on public exchanges, each exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension could render it difficult or impossible for the Funds to liquidate its positions and would thereby expose it to losses. In addition, some of the securities in which the Funds may invest may be thinly traded, restricted or not traded in a public market, potentially making it difficult for the Funds to dispose of a position at the time or price desired. Moreover, there is a possibility that the institutions, including brokerage firms and banks, with which the Funds will do business or with which securities may be entrusted for custodial purposes, will encounter financial difficulties that may impair the operational capabilities or the capital position of the Funds. The General Partner and Broad Bay will seek to mitigate this risk by selecting financially responsible brokers, clearing firms and counterparties with which to do business.

Borrowing; Interest Rates; Margin. The General Partner and/or Broad Bay borrow funds from brokerage firms and banks on behalf of the Funds in order to be able to increase the amount of capital available for marketable securities investments. The rates at which the Funds can borrow, in particular, will affect the operating results of the Funds. Even if the Funds make a profit on a trade, the interest expense incurred in carrying the position may exceed the profit generated by the trade. Any use of short-term borrowings or repurchase agreements will result in certain additional risks to the Funds. For example, should the securities pledged to brokers to secure the Fund's margin accounts or repurchase obligation decline in value, the Funds could be subject to a "margin call," pursuant to which the Funds must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of the Funds' assets, the Funds might not be able to liquidate assets quickly enough to pay off their margin debt.

Institutional Risks; Counterparty Risk. Institutions have custody of the assets of the Funds. Certain assets of the Funds will be exposed to the credit risk of the dealers, brokers and exchanges through which Broad Bay deals, whether Broad Bay engages in exchange-traded or off-exchange transactions. These firms and/or financial institutions, regardless of how large or well-capitalized, may encounter financial difficulties that impair the operating capabilities or the capital position of the Funds. If any broker-dealer or other financial institution holding the Funds' assets were to become bankrupt or insolvent, it is possible that the Funds would be able to recover only a portion, or in certain circumstances, none of their assets held by such bankrupt or insolvent entity.

Discretion and Changes in Investment Strategy. Broad Bay has considerable discretion in choosing the securities that may be acquired, and it has the right to modify the investment strategy, selection criteria or hedging techniques used by the Funds without the consent of the investors.

Business Continuity and Disaster Recovery. The business operations of Broad Bay and its affiliates, the Funds may be vulnerable to disruption in the case of catastrophic events such as fires, natural disaster (e.g., tornadoes, floods, hurricanes and earthquakes), terrorist attacks or other

circumstances resulting in property damage, network interruption and/or prolonged power outages. Although Broad Bay and/or its affiliates have implemented various measures to manage risks relating to these types of events, there can be no assurances that all contingencies can be planned for. If such business operations are disrupted or suspended for extended periods of time, the Funds and the investors may be adversely affected.

Cyber Security Breaches and Identity Theft. The information and technology systems of Broad Bay, the Funds, and their service providers may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons, other security breaches and/or usage errors. Although Broad Bay and the Funds have implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Broad Bay, one or more Funds and their service providers may have to make a significant investment to fix or replace them. The failure of these systems for any reason could cause significant interruptions in such parties' operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the reputation of Broad Bay, the Funds, their service providers subject any such entity and their respective affiliates to legal claims and/or otherwise affect their business and financial performance. Specifically, cyberattacks and the failure of information and technology systems may interfere with the processing of investor purchases or withdrawals, impact the Funds' ability to value its assets, cause the release of confidential information and/or subject Broad Bay, the Funds to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. Such parties also may incur substantial costs for cyber-security risk management to prevent any cyber incidents in the future. The Funds and the investors could be negatively impacted as a result.

The descriptions of risk factors contained above are a brief overview of different market risks related to Broad Bay's investment strategy; however, it is 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 the Funds. In addition, key risk areas inherent to investing also include risks related to the operations and investment activities of the Funds, risks related to specific investments, and risks related to non-U.S. and non-U.S. jurisdictions.

Investors are recommended to review the Governing Fund Documents for a more complete discussion of the risk factors associated with the Funds.

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 a client's or investor's evaluation of the adviser or the integrity of the adviser's management. Neither Broad Bay nor any of its officers, directors,

employees or other management persons, have been involved in any legal or disciplinary events in the past 10 years that would require disclosure in response to this Item.

Item 10. Other Financial Industry Activities and Affiliations

Other than the relationships described above, neither Broad Bay nor the General Partner has any other business activities or affiliations.

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

Pursuant to Rule 204A-1 of the Advisers Act, Broad Bay has adopted a written Code of Ethics (the “Code”) as of the Effective Date. The Code is designed to address and avoid potential conflicts of interest and is applicable to all officers, directors, members, partners or employees of Broad Bay (the “Employees”). A summary of the Code is provided below. However, a full copy of the Code will be made available to investors upon request.

The Code places restrictions on personal trades by Employees, including that they disclose their personal securities holdings and transactions to Broad Bay on a periodic basis, and requires that Employees pre-clear certain types of personal securities transactions, including private placements and initial public offerings. Broad Bay, its affiliates and its Employees may invest on behalf of themselves in securities that would be appropriate for, held by, or may fall within the investment guidelines of the Funds, subject to a pre-clearance process. The Code also includes policies and procedures to prevent the misuse of material non-public information in Broad Bay’s possession. Strict compliance with the Code and applicable securities laws is a condition of employment with Broad Bay, and each principal and employee is obligated to individually read and retain a copy of the Code, as well as certify that he or she has read and understands the Code. Broad Bay reviews compliance with the Code on an ongoing basis.

The Code is designed with the goal of ensuring, among other things, that employees conduct their investing activities (both for their personal accounts and for the Funds) in accordance with applicable law, including the federal securities laws and the rules promulgated thereunder, and in a manner where the Funds’ interests are placed first.

Item 12. Brokerage Practices

Broad Bay is responsible for the placement of the portfolio transactions of the Funds and the negotiation of any commissions or spreads paid on such transactions. In determining which broker-dealer generally provides the best available price and most favorable execution, Broad Bay considers a totality of circumstances, including the broker-dealer’s research capabilities and the success of prior research recommendations, ability to efficiently execute difficult trades (such as those in illiquid markets or trades of substantial size), the broker’s risk in positioning a block of securities, commitment of capital, nature and frequency of sales coverage, depth of services provided, including economic or political coverage, arbitrage and option operations, back office and

processing capabilities, financial strength, stability and responsibility, efficiency, reputation, access to markets, confidentiality, commission rate, responsiveness to Broad Bay and the value of research and brokerage and research products and services provided by such brokers.

Broad Bay also executes trades with brokers and dealers with whom the Funds and/or Broad Bay have other business relationships, including prime brokerage, credit relationships and capital introduction or investments by affiliates of the broker-dealers in the Funds or other entities managed by Broad Bay. However, Broad Bay does not believe that these other relationships influence the choice of brokers and dealers who execute trades for the Funds.

Broad Bay has entered into an arrangement with Tourmaline Partners, LLC (“Tourmaline”), a third party trader, whereby from time to time, Tourmaline may execute certain trades on Broad Bay’s behalf. Tourmaline is a registered broker-dealer and is capable (depending on Broad Bay’s instructions) of directly executing trades for Broad Bay’s Funds or instructing another broker-dealer to do so on its behalf. When using Tourmaline, Broad Bay may or may not select a specific broker-dealer that Tourmaline must use to execute the trade in question. Broad Bay’s decision to instruct Tourmaline to use a specific broker-dealer (or otherwise) is subject to the various broker-dealer selection criteria described above.

Soft Dollars

Broad Bay may use “soft dollars” to obtain brokerage and research services within the meaning of Section 28(e) of the Exchange Act. Brokerage services within the meaning of Section 28(e) may include, without limitation, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (e.g., connectivity services between an investment manager and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization, such as comparison services, electronic confirms or trade affirmations. Research services within the meaning of Section 28(e) may include, without limitation, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants’ advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from brokers on order execution; and certain proxy services.

In some instances, Broad Bay may receive a product or service that may be used only partially for functions covered by Section 28(e) (e.g., an order management system, trade analytical software or proxy services). In such instances, Broad Bay will make a good faith effort to determine the relative portion of the product or service used to assist Broad Bay in carrying out its investment decision-making responsibilities with respect to the Funds and the relative portion used for administrative or other purposes not covered by Section 28(e). The portion of the product or service attributable to assisting Broad Bay in carrying out its investment decision-making responsibilities with respect to the Funds will be paid through brokerage commissions generated by transactions on behalf of the

Funds, and the portion attributable to administrative or other purposes not covered by Section 28(e) will be paid by Broad Bay from its own resources.

The General Partner and Broad Bay may, in their sole and absolute discretion, change the Funds' brokerage and transaction arrangements, without further notice to the investors.

Trade Errors

Broad Bay seeks to detect trade errors prior to settlement and to correct and/or mitigate them in an expeditious manner. To the extent an error is caused by a third party, such as a broker, Broad Bay will seek to recover any losses associated with the error from that third party. However, there is no guarantee that Broad Bay will be able to do so. In the event that the Funds incur a trade error solely as a result of Broad Bay's bad faith, gross negligence, or willful misconduct, such error will be corrected by Broad Bay as soon as practicable and in a manner such that the Funds incur no loss. Trade errors that result other than by breach of the standard of care stated in the previous sentence will be borne by the relevant Fund. Broad Bay's Compliance Team, in consultation with the Independent Directors, are responsible for assessing if the relevant standard of indemnification was met for each relevant client and considering Broad Bay's inherent conflict in assessing the relevant standard of indemnification and seeking to make a determination that fulfills Broad Bay's fiduciary duty to its clients. To the extent that any gains arise from trading errors then such gains will be retained by the Fund that benefited from such errors.

Item 13. Review of Accounts

All investments are reviewed by Broad Bay's investment team, which includes Richard Greeder and who ultimately approves all investments. Investments within each Fund's portfolio are reviewed on a daily basis and Broad Bay investment personnel will meet regularly to discuss the investments within the portfolio,

Broad Bay provides investors with regular reports as specified in the Governing Fund Documents. For each Fund, each investor receives audited financial statements for the Fund within 120 days after the conclusion of the Fund's fiscal year, including audited schedules of investments, balance sheets, income statements and cash flow statements. In addition, Broad Bay provides investors with performance updates on a periodic basis.

Item 14. Client Referrals and Other Compensation

Broad Bay has retained an offshore placement agent based in Switzerland to introduce Broad Bay to investors. This placement agent may receive a percentage of management fees and/or performance fees received by Broad Bay from these investors depending on the fund class the investor is invested in. Clients/investors do not pay any additional fee in relation to the services that the placement agent provides to the firm.

Broad Bay does not receive any economic benefits from non-clients in connection with the provision of investment advice to clients.

Item 15. Custody

Broad Bay has access to client accounts (i.e., the Funds) since an affiliate serves as the General Partner for all of the Funds or by virtue of having the authority to obtain possession of client funds or assets. Investors will not receive statements from any custodians. Instead, the Funds are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the audited financial statements will be distributed to each investor. The audited financial statements are prepared in accordance with GAAP and distributed within 120 days of each Fund's fiscal year end.

Item 16. Investment Discretion

In accordance with the terms and conditions of the Governing Fund Documents, and subject to the direction and control of the General Partner, Broad Bay will generally have discretionary authority to determine, without obtaining specific consent from the Funds or its investors, the securities and the amounts to be bought or sold on behalf of the Funds, and to perform the day-to-day investment operations of the Funds.

Item 17. Voting Client Securities

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act, Broad Bay has adopted and implemented written policies and procedures governing the voting of client securities. The general policy is to vote proxy proposals, amendments, consents or resolutions (collectively, "Proxies"), in a prudent and diligent manner that will serve the applicable client's best interest and is in line with each client's investment objectives.

Broad Bay may take into account all relevant factors, as determined by Broad Bay in its discretion, including, without limitation: (i) the impact on the value of the securities or instruments owned by the relevant client and the returns on those securities; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; and (iv) industry and business practices. In limited circumstances, Broad Bay may refrain from voting Proxies where Broad Bay believes that voting would be inappropriate, taking into consideration the cost of voting the Proxies and the anticipated benefit to its clients, such as when it anticipates holding the securities for a very short period of time (that happens to fall on the applicable voting record date). Generally, investors and the Funds may not direct Broad Bay's vote in a particular solicitation.

Conflicts of interest may arise between the interests of the Funds on the one hand and Broad Bay or its affiliates on the other hand. If Broad Bay determines that it may have, or is perceived to have, a conflict of interest when voting Proxies, the Advisor will vote in accordance with its proxy voting policies and procedures. A copy of Broad Bay's proxy voting policies and procedures and/or its proxy voting record will be made available to investors upon request.

As a fiduciary, Broad Bay will evaluate whether the Funds will participate in shareholder class action litigation and similar matters. Broad Bay will not participate in class action litigation unless it has been determined that it would be in the best interest of the Funds. Broad Bay generally does not serve as the lead plaintiff in class actions because the costs of such participation typically exceed

any extra benefits that accrue to lead plaintiffs. Broad Bay's Controller will maintain documentation associated with the Funds' participation in class actions.

Item 18. Financial Information

A balance sheet is not required to be provided as Broad Bay (i) does not solicit fees more than six months in advance, (ii) does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients or (iii) has not been subject to any bankruptcy proceeding during the past 10 years.