

# Bridgebay<sup>®</sup>

Institutional Investment Consultant Services

Part 2A of Form ADV  
**Firm Brochure**  
February 16, 2024

**Bridgebay Financial, Inc.**

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This Brochure provides information about the qualifications and business practices of Bridgebay Financial, Inc., ("Bridgebay"). If you have any questions about the contents of this Brochure, please contact us at (925) 743-0200 or email at [info@bridgebay.com](mailto:info@bridgebay.com).

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. Registration does not imply a certain level of skill or training.

Additional information about Bridgebay also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Bridgebay Financial, Inc. is 130279.

## Item 2. Material Changes

In the past Bridgebay has offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to SEC Rules, Bridgebay will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Bridgebay may further provide other ongoing disclosure information about material changes, as necessary.

Bridgebay will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Bridgebay directly at (925) 743-0200 or emailing [info@bridgebay.com](mailto:info@bridgebay.com).

Additional information about Bridgebay is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Bridgebay who are registered, or are required to be registered, as investment adviser representatives of Bridgebay.

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#### Item 4. Advisory Business

Bridgebay Financial, Inc. (Bridgebay) is an independent, institutional investment consulting firm that was incorporated in the State of California in December 1987. The firm was founded by Ms. G. Linda Ruiz-Zaiko.

The firm provides investment consulting services to institutional clients including corporations, defined contribution plans, corporate foundations, not-for-profit organizations, and non-governmental organizations. Bridgebay is a SEC registered investment adviser under the Investment Advisers Act of 1940.

The firm does not manage client assets on a discretionary or non-discretionary basis nor does its custody client assets. Bridgebay does not sponsor nor participate in any wrap-fee programs.

Bridgebay's advisory services are focused on three key business areas:

- Retirement Plan Services
- Institutional Investment Consulting Services
- Treasury Management Consulting Services

Specialty evaluation and additional manager search services that Bridgebay provides include:

- Diversity-Owned Investment Managers
- OCIO (Outsourced Chief Investment Officer)
- Multi-Asset Class Investment Managers
- ESG (Environmental, Social, and Governance) Investment Managers

#### Retirement Plan Services

Bridgebay advises employer retirement plans 401(k), 403(b), 457, profit-sharing, and defined contribution plans on investment policy statements, committee charters, asset allocation, investment style selection, investment manager commingled fund or mutual fund selection, ongoing monitoring, record-keeper evaluation and selection and trustee bank selection. Bridgebay provides ongoing monitoring of retirement plan investments. Bridgebay provides advice through consultations with Retirement Committees which does not involve discretionary account management services.

#### Investment Policy Statement

An Investment Policy Statement provides plan fiduciaries with a disciplined framework and set of established, prudent standards for the management and oversight of the retirement plan. The policy develops the due diligence and decision-making process for sound plan governance.

#### *The Benefits of a Well-Developed IPS*

- Acts as the foundation for how an investment program is to be overseen by providing clear risk and return objectives.
- Establishes the performance evaluation methods and any constraints to be considered.
- Creates a framework for fiduciary decisions.
- Applies a disciplined and systematic investment approach.

- Increases the likelihood of meeting investment goals.

Bridgebay creates a policy that sets the plan objectives, authorities, and responsibilities, addresses plan fees, educational objectives, intent to be 404(c) compliant and establishes overall controls consistent with ERISA, DOL and relevant regulatory legislation. The policy establishes a prudent procedure and process for plan management, monitoring, and investment oversight.

The investment policy statement provides risk and return objectives, performance evaluation methods, and any constraints that must be considered. Annual reviews of the Investment Policy help fulfill fiduciary responsibilities.

### **Asset Allocation and Gap Analysis**

The asset allocation and fund choices are the most visible aspects of the plan. An efficient asset allocation in the fund line-up will enable plan participants to create diversified portfolios that will provide sufficient future retirement income.

Bridgebay works with plan sponsors to develop an asset allocation structure that is appropriate for their participants. The asset allocation decision seeks strong representation in each asset class, diversified by investment style, and an appropriate risk/return profile.

A well-designed fund line-up assists plan sponsors in meeting 404(c) requirements and provides an opportunity for participants to prepare for a secure retirement.

Our Gap Analysis assesses the plan's fund lineup along the risk/return spectrum and identifies where gaps and redundancies exist. A fund line up can have a high number of funds yet not provide sufficient diversification. The Gap Analysis may also indicate a need for risk-based (conservative, moderate, aggressive) asset allocation funds and/or target-date funds.

### **Investment Fund Analysis**

Bridgebay evaluates the overall fund menu to ensure that the asset classes are well represented, cost effective and provide a broad range of funds including actively managed and indexed funds that will ensure participant success. At all times, Bridgebay ensures that all investments in the plan are consistent with the plan's investment policy statement (IPS).

Bridgebay evaluates the fund selections relative to the plan's unique characteristics such as asset size, number of participants, demographics of participants, cash flows and additional retirement benefits offered by the plan sponsor. Often, participants prefer socially responsible investments and green funds.

The analysis focuses on the most cost-effective structure that optimizes asset allocation for participants yet considers the administrative aspects of managing the plan efficiently.

Bridgebay's institutional investment due diligence is based on our research and evaluations prepared by our consultants and experienced investment professionals. Our institutional quality research on investments and funds is well-documented and presented to the Retirement Committee.

## Fund Selection Process



## Asset Allocation Funds and QDIA Evaluations

Bridgebay evaluates asset allocation fund suites (target date and target risk funds) and the underlying investments to ensure that the retirement plan has best-in-class diversified funds.

Bridgebay uses a range of advanced quantitative tools to assess the performance, quality, asset allocation and embedded fees of Target Date Funds and Target Risk Funds.

Target Date and Target Risk Funds are all constructed differently. They have variations in asset classes, allocations, underlying funds, and glide paths. Funds differ by their blend of traditional, index, actively managed, derivatives, and alternative asset classes.

Many target date funds provide their own custom benchmarks that mirror their own asset allocation and glide path. Making evaluations as to the effectiveness of the fund management and asset allocation decisions can be complex, making comparisons between target date funds suites difficult.



Our analysis helps plan sponsors understand how their plan's target date funds perform separately by date, compared to third-party benchmarks and their date-based peers.

## Fee Analysis

Prudent best practices specify that the Retirement Committee should periodically review the fees charged by the retirement plan's providers for reasonability. New fee disclosure requirements under the DOL section 408(b)(2) legislation require defined contribution plan providers to disclose all fees. Fee structures may be hidden and complex to understand. The plan sponsor's fiduciary responsibility is to ensure that fees are reasonable.

Bridgebay assists plan sponsors to re-negotiate fees or recapture fees through an ERISA budget account that can be used to pay for additional plan services such as education, financial wellness or fees that can be rebated to the participants.

Total fee transparency enables the plan sponsor to enhance plan services, negotiate more competitive and reasonable fees. Bridgebay may benchmark service provider expenses against other providers through an RFP process to identify areas for service improvements and fee reductions. This information is key to re-negotiating service provider fees. We identify total fund fees, expense ratios, wrap fees, 12b-1, and revenue sharing arrangements and the services covered for those fees.

Bridgebay provides a summary of all asset-based fees and fixed fees, both direct and indirect expenses. Our consultants identify the all-in plan fees paid to providers for their services. Our fee analysis is summarized in a matrix which highlights the underlying costs of the plan.

### Investment Performance and Plan Monitoring

Key to a prudent fiduciary process is the ongoing investment review and plan monitoring program. Our consultants present our evaluation and review the fund performance with the Retirement Committee quarterly. The fund performance summarizes quantitative and qualitative factors, peer comparisons, investment category rankings, and custom benchmark and market index comparisons.

### Proprietary Scoring System

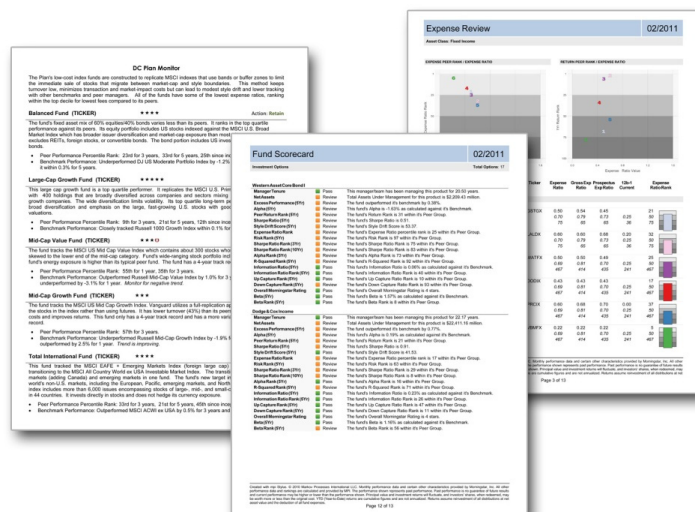
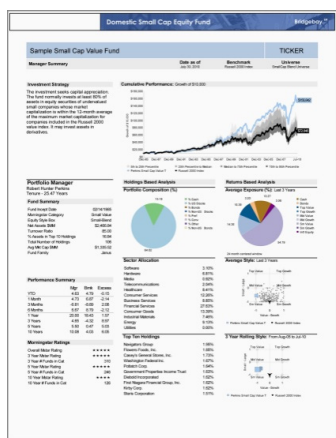
Our proprietary scoring process measures fund quality and synthesizes volumes of financial data into a clear and concise summary. The scoring information enables the Retirement Committee to understand and be confident in making informed decisions.

### User-Friendly Reports

Bridgebay customizes presentations to meet the Committee's specific level of detail and format. Our user-friendly quarterly reports take complex statistics and deliver an investment review that flags priority issues for the Retirement Committee to address.

### Meetings

We are proactive in meeting consistently with our clients to review their plan. Our consultants meet quarterly with the Retirement Committee and will hold ad hoc meetings during uncertain markets.



### Performance Measurement

Bridgebay helps the plan fiduciaries understand the factors that influenced the investment performance. Bridgebay measures fund performance, attribution, manager success and value-added, risk controls, volatility, consistency of performance, use of leverage and derivatives, and soundness of the strategy.

Bridgebay monitors qualitative issues relating to management stability, research quality, discipline, and potential conflicts of interest.

We compare the investments' short-term and long-term performance against relevant market benchmarks, style indexes and peer group universes.

### *Trends and Developments*

Bridgebay monitors the funds and their parent companies for developments that may impact the plan's performance and client service. Regulatory, legal, and market developments in the institutional retirement market are reported to the Retirement Committee on an ongoing basis.

### *Proactive Watch*

Bridgebay has prescribed criteria and prudent procedure for proactively monitoring, tracking, watch listing, and replacing funds. Our constant vigilance of plan investments is a principal element of a thorough governance process.

### **Provider Search and Evaluation**

Our RFP provider search is customized to focus on services that are important to the retirement plan. Bridgebay emphasizes open architecture, efficient administrative services, best-in-class funds, fee transparency, effective participant education and communications.

Bridgebay uses a broad database of record keepers and retirement plan service providers. Based on the plan's assets, complexity, and number of plan participants, Bridgebay provides the depth of information for the plan sponsor to select the best fit and most appropriate service provider.

Our custom RFPs are constructed from a comprehensive database of over 300 questions that Bridgebay can modify to cover key service areas including:

- Financial Strength of Provider
- Administration and Recordkeeping
- Technology and Systems
- Cybersecurity
- Fees (Direct and Indirect)
- Investments
- Compliance
- Participant Communications
- Financial Wellness
- Service Guarantees
- Legal and Regulatory Filings
- Conversion and Transition Timetable

Our proprietary scoring matrix enables plan sponsors to consider numerous qualified providers and make fair evaluations using consistent criteria for assessment. Our scoring matrix ranks providers, side-by-side comparisons of services and costs, and financial strength.

Our RFP services are a thorough, well-documented due diligence process that can be used for audit and fiduciary purposes. The documentation and extensive evaluation validate the final provider selection by the plan sponsor.

Bridgebay strives to identify the service provider that is the best fit for the plan. Key considerations include identifying the highest quality investments, well-integrated participant services and plan sponsor services.



### Plan Design

Legislative and regulatory changes continue to burden plan sponsors with changing rules requiring a continuous review of plan design and compliance.

As retirement plan experts, Bridgebay coordinates closely with plan sponsors and their providers to ensure that critical legal, design and compliance issues impacting the plan remain current.

Some of the plan design features that Bridgebay considers include:

- Automatic enrollment
- Automatic escalation
- Re-enrollment
- Roth 401(k)
- Post 1986 after-tax contributions
- Employer match
- Employer contribution
- Safe harbor plan
- In-plan Roth conversion
- Brokerage window
- Loan provisions
- Withdrawal provisions
- Managed accounts
- Retirement income
- QDIA

### Fiduciary and Retirement Committee Services

Plan fiduciaries may include Human Resource professionals, Treasury professional or Retirement Committee members. Our experience with retirement committees enables us to suggest effective plan governance procedures that mitigate fiduciary liability and provide best practices in plan monitoring and management.

The complexity of 401(k) and 403(b) plans has never been greater. As the different types of defined contribution and deferred compensation plans continue to converge to the ERISA-covered and similar fiduciary standards, we recommend that Retirement Committees be aware of ERISA standards even if they do not currently have an ERISA-covered plan.

Bridgebay delivers the following services as part of our ongoing engagements:

- Investment Policy Statement updates
- Benchmark investment fund fees and expenses
- Review fee disclosures per 408(b)(2) requirements
- 404(a) and 404(c) compliance guidance and monitoring
- Fiduciary education for Retirement Committee members
- Document Retirement Committee actions/decisions
- Document an investment due diligence process
- Investment evaluations per the Investment Policy Statement
- Communicate regulatory and legislative changes

### Employee Communications and Education

An effective, ongoing employee education and communications program is critical to the success of any retirement plan. Bridgebay helps clients decide the most effective education and communication strategy for their participants.

Bridgebay understands that educational needs vary across industries. We will work with plan sponsors to design and execute the most appropriate program for specific employee cultures. Consistent implementation of the plan increases employee understanding and participation while raising the profile and appreciation of the benefit.

Bridgebay will work with the plan sponsor's Human Resources personnel and the plan's third-party

education provider to set up an annual communications program that delineates expectations and measures success. Bridgebay monitors plan participation, deferrals and diversification measures which may indicate the quality and level of participant communications. Bridgebay works with plan sponsors to develop metrics, survey participant feedback, and measure the impact of the communications program.

A tailored communications program may require the third-party education provider to offer these services:

- Financial wellness
- Student loan modeling
- Online calculators and financial planning tools
- Pre-enrollment communications
- Re-enrollment services
- Multiple media for targeted communications
- On-site group meetings
- Multi-lingual materials, online and phone representatives
- Video conferencing capabilities
- Webinars on current topics

A well-crafted communication program will enhance participation, satisfaction, understanding of asset allocation and risk tolerance. This helps plan sponsors to meet 404(c) requirements to provide adequate education about investing in their employer's retirement plan.

### **Institutional Investment Management Consulting Services**

Bridgebay provides investment consulting services to institutional clients including corporations, corporate foundations, not-for-profit organizations, and non-governmental organizations.

Our firm offers pragmatic solutions to a diverse range of investment consulting engagements. In addition to traditional asset manager searches, we conduct specialty evaluations and manager searches for institutional clients including:

- Diversity-Owned Investment Managers
- OCIO (Outsourced Chief Investment Officer)
- Multi-Asset Class Investment Managers
- ESG (Environmental, Social, and Governance) Investment Managers

Our consulting style has consistently focused on the four key areas involved with designing, implementing, monitoring, and controlling investment programs.

We provide the following institutional consulting services:

- Investment policy statements
- Separate account and pooled account evaluations
- Investment manager evaluations
- Separate account manager search and selection
- Institutional mutual fund and commingled fund selection
- Performance benchmarks

- Performance evaluation and reporting
- Quarterly performance reporting
- Custodian and trustee searches
- Manager universe and peer comparisons

### Investment Policy Statement

Bridgebay consultants review and update the Investment Policy Statement to incorporate additional protections considering changing market innovations and improved risk management techniques. All modifications will be recommended based on the client's risk tolerance and investment horizon. The policy review includes safeguards to avoid the inadvertent introduction of excessive risk, compliance issues, poor collateral quality, and hidden derivative exposures.

### Investment Manager Selection and Evaluation

We conduct investment manager searches and evaluate existing managers for various institutional clients with multiple managers and asset pools. Our ongoing discussions with investment managers focus on investment performance relative to their peers and organizational issues such as changes in ownership, retention of professional staff, fee changes, litigation, and new products.

We evaluate all managers in the context of their objectives and guidelines and specifically comment on factors affecting performance. We inform clients of important developments and, when appropriate, may recommend changing managers if they are not meeting the client's objectives.

The manager search process consists of having the manager candidates complete a comprehensive Request for Proposal which provides detailed information about their personnel, investment strategies, portfolio characteristics, pre-trade and post-trade compliance systems, and risk management processes. Any material regulatory or pending litigation disclosures are requested.

### Investment Manager Search Process



### Performance Measurement

Bridgebay provides performance measurement in quarterly client reports that compare the portfolio total rates of return against the returns of relevant benchmark returns. Some of the third-party benchmarks include indices provided by BloombergBarclays, FTSE, ICE BoA, MSCI, Russell, and S&P.

### Ongoing Monitoring

Bridgebay provides quarterly monitoring of client investments managed in-house by the client or by third party investment managers. The monitoring process includes performance measurement, risk monitoring, market benchmarks, economic/market updates, and investment style changes. We meet with our clients quarterly to review the reports, interpret the results, and update the investment approach as appropriate.



### Universes and Peer Group Comparisons

Bridgebay uses an array of peer group and manager universes from third party databases and data obtained through our manager search process. The composite returns are based on portfolios with similar characteristics. Universe comparisons are made based on the managers' 1-, 3-, 5- and 7-year annualized returns. Additional peer comparisons include the volatility of returns, risk/return profile, risk-adjusted and duration adjusted returns.

### Custodian Selection & Implementation

Bridgebay conducts custodian searches for domestic and international fixed income and equity assets. Custodians are evaluated based on their global securities clearing, securities lending, reporting capabilities, online services, service standards, systems capabilities, credit strength, insurance coverages and pricing.

Bridgebay provides a side-by-side comparison of custodian bids and services that enables our clients to make relevant comparisons.

## Treasury Management Consulting Services

### Working Capital Clients

We provide consulting services for working capital and liquidity management to institutional clients. Our clients include Treasury groups of corporations and non-profits that manage liquidity portfolios internally or use external investment managers and cash management funds. Treasury groups may have multiple pools of balance sheet cash with different investment horizons, risk profiles, tolerance for volatility and liquidity needs. These clients invest in fixed income securities.

### Strategic Investment Plan

The Strategic Investment Plan is the framework for the overall investment program. Bridgebay has prepared investment plans for cash pools resulting from mergers, debt issuance, and secondary equity offerings. The monies may include cash pools earmarked for future acquisitions, capital expenditures, stock repurchase, strategic business development, and short-term liquidity. The overall investment plan may include specific gain/loss constraints and liquidity requirements. The strategic investment plan is designed to meet specific needs such as construction drawdown schedules, bond covenants, tax efficiency or regulatory limitations.

### Corporate Cash Investment Policy Statements

We develop and update investment policies specific to liquidity and corporate cash portfolios that have unique needs such as liquidity, loss constraints, accounting issues, and risk controls. The policies incorporate short investment horizons, diversification, cash flow needs and short-duration benchmarks for performance tracking. Guidelines are tiered to reflect different pools of cash with different risk tolerances, investment horizons and liquidity needs. Investment policies cover taxable US domestic, offshore USD and multi-currency, tax efficient (crossover), municipal (tax-advantaged) and global bonds.

### Corporate Cash and Liquidity Portfolio Evaluation

Bridgebay is experienced in evaluating different fixed income securities including, but not limited to the following:

- Commercial Paper
- Bank Obligations
- US Governments and Agencies
- Corporate Notes
- Sovereign Bonds
- Global Corporate Bonds
- SOFR Floating Rate Notes (FRN)
- Asset Backed Securities (ABS)
- Mortgage-Backed Securities (MBS)
- Covered Bonds
- Collateralized Mortgage Obligations (CMO)
- Municipal Bonds

### Treasury Risk Management

Bridgebay provides treasury consulting services to public and private corporations, not-for-profit and public sector organizations. Bridgebay advises Chief Financial Officers, Treasurers, and Treasury Managers on various aspects of working capital management strategies, investment programs, monitoring, and risk controls.

Institutional clients require collaboration with Finance and Treasury in reviewing and analyzing their investment structure and risk management practices. Bridgebay may assist them in preparing Treasury risk management plans, building consensus, and gaining approval for their plan and presenting the results to an Audit or Finance Committee.

### Ongoing Portfolio Monitoring

Bridgebay provides ongoing portfolio monitoring and reviews the portfolio composition and characteristics of corporate cash/liquidity portfolios that consist of the following:

- Credit Quality Distribution
- Sector or Security Type Distribution
- Industry Distribution
- Duration Breakdown
- Maturity Distribution
- Weighted Average Life
- Convexity
- Yield by Sector
- Option Adjusted Spread (OAS)

The liquidity portfolio summary includes the following data sourced from the client's third-party manager and third-party custodian reports:

- Amortized Cost
- Fair Market Values
- Unrealized Gains/Losses
- Average Portfolio Credit Quality
- Average Portfolio Duration
- Average Maturity
- Book Yield
- Yield to Maturity
- Total Rate of Return
- Comparative Performance to Market Benchmark

Corporate cash/liquidity portfolios managed by the client or third-party investment managers are comprised of investment grade fixed income securities. Bridgebay monitors these portfolios for credit quality, guideline compliance, issuer and sector concentration, duration, weighted average life and yield curve positioning. Bridgebay provides quarterly and trailing annual performance data compared to portfolio benchmarks.

### Fixed Income Manager Searches

Bridgebay conducts fixed income manager searches for taxable, tax-advantaged, crossover, domestic, offshore, and multi-currency portfolios that are appropriate for corporate cash and liquidity portfolios. The investment manager selection process for separate account management follows the same process described in the Institutional Investment Management Consulting Services. The due diligence process screens potential managers for their ability to manage portfolios against net realized gain/loss constraints and provide sufficient short-term liquidity per the client's requests.

The manager evaluation includes a quantitative analysis of the overall portfolio trend by sector, maturity, duration, average quality, issuer type, risk/return, and duration-adjusted returns. The qualitative assessment addresses such issues as personnel turnover, experience, expertise, investment implementation, client turnover, investment discipline, credit research and bond structure research capabilities.

**Custodian Selection & Implementation**

Bridgebay conducts custodian searches for separately managed, corporate cash and liquidity portfolios. Criteria considered in the custodian selection includes the financial strength of the custodial institution, insurance coverage, SSAE 18 (SOC reports), regulatory oversight, disaster recovery plans, reporting capabilities, on-line services, service standards, systems capabilities, fair market valuations and competitive fees. Bridgebay does not have discretion in the selection of the custodian.

Bridgebay provides a comparison matrix of custodian bids and services that highlights relevant comparisons. Bridgebay, at the client's request, may assist in the negotiation of fees and service standards and terms with the custodian. Bridgebay does not provide legal advice.

**Item 5. Fees and Compensation**

Bridgebay provides consulting services on an ongoing retainer or a project basis. The specific way fees are charged by Bridgebay is established in a client's written agreement with Bridgebay. Bridgebay will bill per a predetermined payment schedule established in a client's written agreement with Bridgebay. For clients on retainer, Bridgebay will bill its fees in arrears of services rendered on a quarterly basis. Bridgebay does not directly debit fees from client accounts. Clients on a project basis will be billed according to a predetermined schedule in arrears of services rendered.

Accounts initiated or terminated during a calendar quarter may be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

The total estimated fees, as well as the ultimate fees charged are based on the scope and complexity of the engagement and is described in the Client Agreement.

Bridgebay may charge for its consulting services in several ways or as a combination of the following: 1) a minimum fixed fee of \$40,000 or higher based on the scope and breadth of the project, 2) a maximum hourly rate of \$425 for consulting services rendered, or 3) a fee based on a percentage of assets under consultancy payable quarterly in arrears based on the quarter-end market value or average value for the quarter. The annual asset-based fee rates are 0.10% on the first \$100 million and negotiable thereafter. All fees are paid in arrears after each phase of the services has been rendered. Fees may be a combination of fixed, asset-based, and hourly charges.

Bridgebay's fees are for consulting services rendered to the client and are exclusive of any investment related costs rendered by third parties retained by the clients such as custodians, investment managers, brokerage firms, and compliance/reporting firms which are paid by the client directly to those third parties.

These third parties may incur certain charges including commissions, transaction fees, transfer taxes, wire transfer fees and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of Bridgebay's investment consulting fees, and Bridgebay shall not receive any portion of these commissions, fees, and costs.



Bridgebay does not select or recommend broker-dealers for client transactions nor determine the reasonableness of the broker-dealer compensation (e.g., commissions). Bridgebay's institutional clients select their own broker-dealers for their client transactions and negotiate their own commission schedules. Bridgebay does not engage in nor recommend directed brokerage.

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

Performance-based fees are fees that are based on a share of capital gains on or capital appreciation of the assets of a client. Bridgebay does not charge any performance-based fees or structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisers Act of 1940.

#### Item 7. Types of Clients

Bridgebay provides investment consulting services to institutional clients including corporations, defined contribution plans, not-for-profits organizations, foundations, endowments, non-governmental organizations (NGOs), and other institutional clients. Bridgebay does not advise individuals, family offices or high worth clients.

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

##### *Methods of Analysis*

Bridgebay obtains extensive research on economic statistics, financial markets, and general securities which provides information for the firm's investment consulting services. Research is received through whitepapers, research updates, and financial websites. Bridgebay has electronic access to such research sources as BloombergBarclays, Federal Reserve reports, ICE BoA Indices, S&P, Russell, Moody's, Reuters, MSCI, JP Morgan Markets, Goldman Sachs, Morningstar, and other services to retrieve data, and make informed recommendations. Additionally, Bridgebay receives investment and economic research from investment banking houses, institutional investment managers, banks, and investment research periodicals.

##### *Investment Strategies*

Bridgebay advises institutional clients that have a range of investment objectives which entails the selection and monitoring of investment managers with multiple investment strategies. The investment strategies of money fund managers and investment managers that are recommended to institutional clients may vary from short-term, intermediate, long duration bonds, US and international equity strategies including small cap, mid-cap, large cap stocks. The mix of strategies will depend on the client's investment goals, objectives and asset allocation. Bridgebay does not recommend hedge funds or fund of funds.

##### *Risk of Loss*

The institutional managers that Bridgebay may recommend use a range of investment strategies and methods of analysis in selecting the underlying investments, all of which may involve volatility and risk of loss. We strongly urge clients to review and read in their entirety the disclosure documents of recommended institutional investment managers for information on their methods of analysis, sources of information, investment strategies and potential risks. Clients should also review disclosures and



documents with their legal counsel. All clients are urged to understand that investing in securities involves volatility and risk of loss that clients should be prepared to bear.

#### 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 the evaluation of Bridgebay or the integrity of Bridgebay's management. Bridgebay has no disciplinary or legal events or information applicable to this Item.

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

Bridgebay, its management and supervised persons are not actively engaged in any other financial industry activity. Bridgebay, its management and supervised persons are not registered or associated with any broker-dealer, futures commission merchant, commodity pool operator, or commodity trading advisor.

Our consultants belong to various professional associations including:

- Association for Financial Professionals (AFP)
- Western Pension & Benefits Conference (WP&BC)
- Chartered Financial Analyst Institute (CFA)
- Investments and Wealth Institute (IWI)

#### Item 11. Code of Ethics

Bridgebay has adopted the CFA Institute Code of Ethics ("Code of Ethics") for all supervised persons of the firm. The Code of Ethics describes its high standard of business conduct, and fiduciary duty to its clients. All supervised persons at Bridgebay must acknowledge the terms of the Code of Ethics annually, or as amended.

As an investment adviser, Bridgebay is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to always act solely in the best interest of each of our clients. Bridgebay has a fiduciary duty to all our clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics.

Bridgebay requires all our supervised persons to conduct business with the highest level of ethical standards and to always comply with all federal and state securities laws. All supervised persons sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics.

Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients.

This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

**Item 12. Brokerage Practices**

Bridgebay does not manage assets nor effect any securities transactions for client accounts. Bridgebay solely provides investment consulting services. It is independently owned and operated, and the firm is not affiliated with any broker-dealer. Bridgebay does not receive any soft dollar benefits from any third party. Additionally, Bridgebay does not recommend brokers or broker-dealers to clients. The firm does not have authority to determine commission rates paid.

Each investment manager that we recommend to our clients has investment discretion over that portion of the client's accounts managed by the particular investment manager. The client will have a direct contractual relationship with each investment manager and should receive disclosures from the manager about its practices. We urge each client to review each portfolio investment manager's disclosures on brokerage practices.

**Item 13. Review of Accounts**

The review of client portfolios is an integral component of the Bridgebay investment monitoring process. For those clients that engage Bridgebay for ongoing third-party manager monitoring, we review their portfolios quarterly to ensure consistent implementation of the investment policy, compliance, and performance against the designated benchmark. Manager performance is reviewed with clients at quarterly meetings. Quarterly reports include details about the portfolios, economic and market updates, and market developments relevant to the portfolios. The nature and frequency of reports to clients are determined primarily by the specific client requests and scope of the engagement.

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

Bridgebay does not pay any third party for client referrals. Bridgebay may from time to time enter into agreements with investment advisers whereby the agreements are governed by the disclosure requirements of Rule 206(4)-3 under the Investment Advisers Act, as well as comply with other applicable laws and regulations. The fees received under these agreements are used to offset the client's consulting fees for services rendered and are fully disclosed to that client. These fees received by Bridgebay are not additional compensation to Bridgebay's consulting fees and compensation per Item 5. The client does not pay a differential over the standard management fees charged by the investment advisor under these agreements. Under the terms of these agreements Bridgebay may be compensated by the investment adviser in the form of a referral fee equal to a specified percentage of the fees received by the investment adviser from the client, a percentage of assets or a fixed fee amount. These arrangements are fully disclosed in writing to the client who must sign a Disclosure Statement acknowledging this arrangement for Bridgebay to receive the referral fees.

**Item 15. Custody**

Bridgebay does not custody or safe-keep client assets. All our clients contract directly with their own bank, broker-dealer, or qualified custodian. The third-party custodian holds, maintains and marks to market the client securities. Bridgebay advises that clients receive at least quarterly statements directly from their custodian and carefully review those statements and compare such official custodial records to the third-

party manager's account statements. Third party manager statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### Item 16. Investment Discretion

Bridgebay has no discretionary authority to implement any investment plan or strategy, select any investment manager, select investments, or hire a custodian or trustee. The client retains and exercises all decision-making authority. Bridgebay's services are limited to providing investment consulting services. Bridgebay's recommendations and evaluations of those providers are based on factors that are consistent with the client's stated investment objectives.

#### Item 17. Voting Client Securities

As a matter of firm policy and practice, Bridgebay does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for all securities maintained in client portfolios.

#### Item 18. Financial Information

Registered investment advisers are required to provide certain financial information or disclosures about Bridgebay's financial condition. Bridgebay bills for its consulting services in arrears of services rendered. We do not require or solicit payment of fees of more than \$1,200 per client more than six months in advance of services rendered. Bridgebay has no financial commitment that impairs its ability to meet its contractual and fiduciary commitments to its clients and has not been the subject of a bankruptcy proceeding.