

## Item 1: Cover Page

---

# Bayhunt Capital LLC

## Form ADV Part 2A Brochure

Date: October 24, 2024

Address: 1 Belvedere Place, Suite 200  
Mill Valley, CA 94941

Phone: 415-634-8897

Email: [ben@bayhuntcapital.com](mailto:ben@bayhuntcapital.com)

This brochure provides information about the qualifications and business practices of Bayhunt Capital LLC. If you have any questions about the contents of this brochure, please contact us at the telephone number or email address listed above. 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. Any reference to Bayhunt Capital LLC as a “registered investment adviser” or as being “registered” does not imply a certain level of skill or training.

Additional information about Bayhunt Capital LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and by searching for CRD# 333514.

## Item 2: Material Changes

---

This is Bayhunt Capital LLC's initial submission of this brochure. In the future, this Item will be used to report any material changes.

## Item 3: Table of Contents

---

Item 1: Cover Page	1
Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation	5
Item 6: Performance-Based Fees & Side-By-Side Management	6
Item 7: Types of Clients	7
Item 8: Methods of Analysis, Investment Strategies & Risk of Loss	8
Item 9: Disciplinary Information	12
Item 10: Other Financial Industry Activities & Affiliations	13
Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading	14
Item 12: Brokerage Practices	15
Item 13: Review of Accounts	16
Item 14: Client Referrals and Other Compensation	17
Item 15: Custody	18
Item 16: Investment Discretion	19
Item 17: Voting Client Securities	20
Item 18: Financial Information	21

## Item 4: Advisory Business

---

- A. Bayhunt Capital LLC ("Bayhunt" or the "Investment Manager") is an investment adviser with its principal place of business in California. The Investment Manager is a Delaware limited liability company registered with the U.S. Securities and Exchange Commission (the "SEC") as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act"). Ben Williams is the Chief Investment Officer & Managing Member of Bayhunt.
- B. Bayhunt provides ongoing discretionary investment management services to separately managed accounts, ("SMAs"). Each "Client" appoints the Investment Manager to provide investment management services with respect to the securities and financial assets held in an SMA pursuant to an Investment Management Agreement (the "Agreement") specific to each Client.
- C. Bayhunt does not participate in any wrap fee programs.
- D. As of the date of this filing, Bayhunt does not currently manage any discretionary or non-discretionary Client assets.

## Item 5: Fees and Compensation

---

- A. Individual SMA terms and compensation arrangements are subject to negotiation. Generally, each SMA is subject to a management fee and/or capped expense reimbursement fee. Additionally, each SMA may pay a performance fee which is subject to a high-water mark (the "Performance Fee") equal to a fixed percentage of the net profits. For purposes hereof, "high water mark" means the previous highest trading profits on which a Performance Fee was paid at the end of any relevant period.
- B. Expenses and Taxes. Each party bears its own expenses in connection with the organization and operation of an SMA. The Investment Manager will be responsible for and shall pay, or cause to be paid, all ordinary office overhead expenses, including rent, employee salaries and other compensation of all its employees and other personnel. Each SMA will be responsible for its own expenses and taxes as described in the Agreement.
- C. Each SMA is subject to termination and notification limitations as further described in the Agreement.
- D. Neither the Investment Manager nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

## Item 6: Performance-Based Fees & Side-By-Side Management

---

As described in Item 5, the Investment Manager charges a Performance Fee to each SMA. Such fees are only assessed with respect to “accredited investors” and “qualified clients” as such terms are defined under U.S. federal securities laws. Performance-based fee arrangements create an incentive for the Investment Manager to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

## Item 7: Types of Clients

---

The Investment Manager generally provides its advisory services to large institutions including endowments, pensions and family offices.

The minimum account value required to open and maintain an account with the Investment Manager is generally \$10,000,000, subject to negotiation.

## Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

---

- A. The Investment Manager employs a long-short market-neutral real estate equities strategy focusing on U.S. publicly traded REITS and homebuilders. The core objective is to maximize absolute returns through the selection of investment opportunities that reflect significant skew in valuation, sentiment and outlook relative to peers in the real estate REITS and homebuilders universe. Bayhunt utilizes proprietary factor models for REITS and homebuilders to manage the idiosyncratic nature of the asset classes and generally employs three to four times leverage to take advantage of high conviction investments. There can be no assurance that an SMA will achieve this objective or that substantial losses will not be incurred.
- B. Past performance does not guarantee future returns, and there is no guarantee that an SMA will achieve its investment objectives. Investing in securities and other financial instruments involves risk of loss that investors should be prepared to bear and investors should consult their own legal, financial, tax and other advisors prior to making any such investment. Please see below for a discussion of some of the material risks related to the investment strategy of the Investment Manager. This list of risk factors below is not a complete explanation of the risks involved.

### **Risks Related to Real Estate-Related Securities**

*Real Estate-Related Securities are Subject to Unique Risks.* The SMAs invest in real estate-related securities, including but not limited to real estate investment trusts (“REITs”) and homebuilders. In addition to the risks facing real estate-related securities generally, such as a decline in property values due to increasing vacancies, a decline in rents resulting from unanticipated economic, legal or technological developments or a decline in the price of securities of real estate companies due to a failure of borrowers to pay their loans or poor management, investments in REITs involve unique risks. REITs and homebuilders are companies that own interests in real estate or in real estate related loans or other interests, and have revenue primarily consisting of rent derived from owned, income producing real estate properties and capital gains from the sale of such properties. REITs and homebuilders may have limited financial resources, may trade less frequently and in limited volume, may engage in dilutive offerings of securities and may be more volatile than other securities. REIT issuers are also subject to the possibilities of failing to qualify for tax-free pass-through of income and failing to maintain their exemptions from investment company registration. Any potential downturn in the general economy and the real estate market could have a significant negative impact on an SMA's performance.

### **Investment and Trading Risks**

*General Investment and Trading Risks.* An investment in an SMA involves a high degree of risk, including the risk that the entire amount invested may be lost. Each SMA invests in securities, options, and other financial instruments using strategies and investment techniques with significant risk characteristics. No guarantee or representation is made that an SMA's investment program will be successful. Each SMA's investment program may utilize investment techniques, the use of which can, in certain circumstances, maximize the adverse impact to which the SMA may be subject.

*Equity Securities.* The value of the equity securities held by an SMA are subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities. While offering greater potential for long-term growth, equity securities are more volatile and riskier than some other forms of investment.

*Derivatives.* Derivatives are financial contracts whose value depends on, or is derived from, an underlying product, such as the value of an equity security or a futures or commodities contract. The Investment



Manager may, from time to time, use derivatives in its trading. Derivatives often carry a high degree of embedded leverage and consequently, are highly price sensitive to changes in interest rates, government policies, economic forecasts and other factors which generally have a much less direct impact on the price levels of the underlying instruments. Specifically, the risks generally associated with derivatives include the risks that: (1) the value of the derivative will change in a manner detrimental to an SMA; (2) before purchasing the derivative, an SMA will not have the opportunity to observe its performance under all market conditions; (3) another party to the derivative may fail to comply with the terms of the derivative contract; (4) the derivative may be difficult to purchase or sell; and (5) the derivative may involve indebtedness or economic leverage, such that adverse changes in the value of the underlying asset could result in a loss substantially greater than the amount invested in the derivative itself or in heightened price sensitivity to market fluctuations.

**Call Options.** There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received and gives up the opportunity for gain on the underlying security above the exercise price of the option. If the seller of the call option owns a call option covering an equivalent number of shares with an exercise price equal to or less than the exercise price of the call written, the position is “fully hedged” if the option owned expires at the same time or later than the option written. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option.

**Put Options.** There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received and gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is “fully hedged” if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

**Swap Agreements.** The SMAs may enter into swap agreements, which are two-party contracts entered into for periods ranging from a few weeks to more than one year. In a standard “swap” transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular predetermined investments or instruments, which can be adjusted for an interest factor. Swap agreements can be individually negotiated and structured so as to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the exposure of an SMA to long-term or short-term interest rates, corporate borrowing rates or other factors such as security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of names. An SMA may not be limited to any particular form of swap agreement if consistent with its investment objective and policy.

**Highly Volatile Markets.** The prices of financial instruments in which an SMA may invest can be highly volatile. Price movements of forward and other derivative contracts in which an SMA's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. An SMA is subject to the risk of failure of any of the exchanges on which their positions trade or of its clearinghouses.

**Limited Diversification.** The Investment Manager trades in select concentrated portfolios of REITS and other securities. This limited diversity could expose an SMA to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those investments.

**Economic Conditions.** Changes in economic conditions, including, for example, interest rates, credit availability, inflation rates, industry conditions, government regulation, competition, technological developments, political and diplomatic events and trends, tax and other laws and innumerable other factors, can affect an SMA's investments materially and adversely. None of these conditions are within the Investment Manager's control and it may not anticipate these developments. These factors may affect the volatility of securities prices and the liquidity of an SMA's investments. Unexpected volatility or illiquidity could impair the SMA's profitability or result in losses.

**Risk of Leverage.** The use of leverage creates an opportunity for increasing an SMA's total return, but also for the potential of greater loss, in the net asset value of such SMA. It also increases the volatility of the net asset value of an SMA by magnifying both increases and declines in the value of such assets. Accordingly, any event which adversely affects the value of an investment by an SMA would be magnified to the extent that the SMA is leveraged. The cumulative effect of the use of leverage by an SMA in a market that moves adversely to such SMA's investments could result in a substantial loss to an SMA which would be greater than if such SMA were not leveraged. Any limitation on the availability of leverage will have a detrimental effect on the ability of an SMA to maintain the intended level of leverage. Any event which adversely affects the value of an investment held by an SMA would be magnified to the extent that the SMA is leveraged. Additionally, borrowing will cost an SMA interest expense and other fees. The costs of borrowing may reduce an SMA's return. Borrowing may cause an SMA to liquidate positions when it may not be advantageous to do so to satisfy its obligations.

**Cybersecurity Risk.** As part of its business, Bayhunt processes, stores, and transmits large amounts of electronic information, including information relating to the transactions of an SMA and personally identifiable information of a Client. Similarly, service providers of the Investment Manager or an SMA, may process, store, and transmit such information. Bayhunt has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to Bayhunt may be susceptible to compromise, leading to a breach of Bayhunt's network. Bayhunt's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. Breach of Bayhunt's information systems may cause information relating to the transactions of an SMA and personally identifiable information of a Client to be lost or improperly accessed, used, or disclosed.

**Force Majeure.** An SMA's investments may be affected by force majeure events (*i.e.*, events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including an SMA or a counterparty to an SMA) to perform its obligations until it is able to remedy the force majeure event and/or prompt precautionary government-imposed closures of certain travel and business. In addition, forced events, such as the cessation of the operation of machinery for repair or upgrade, could similarly lead to the unavailability of essential machinery and technologies. These risks could, among other effects, adversely impact an SMA's returns, cause personal injury or loss of life, disrupt global markets, damage property, or instigate disruptions of service. In addition, the cost to an SMA of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on an SMA's expected returns. Certain force majeure events (such as war, terrorism, or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in

any of the countries in which an SMA may invest and the markets an SMA may trade specifically. Military action or governmental sanctions prompted by certain force majeure events may further impact general economic conditions and market liquidity internationally or in the specific markets an SMA invests. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over industry assets, could result in losses to an SMA, including if its investments are canceled, unwound, or acquired (which could be without adequate compensation). Any of the foregoing may therefore adversely affect the performance of an SMA and its investments.

## Item 9: Disciplinary Information

---

There are no legal or disciplinary events that are material to a Client's or prospective Client's evaluation of Bayhunt's advisory business or the integrity of its management.

## Item 10: Other Financial Industry Activities & Affiliations

---

- A. Neither Bayhunt nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Except as noted below, neither Investment Manager nor any of its management persons have any relationship or arrangement with any related person below that is material to the advisory business:
  - i. broker-dealer, municipal securities dealer, or government securities dealer or broker
  - ii. other investment adviser or financial planner
  - iii. futures commission merchant, commodity pool operator, or commodity trading advisor
  - iv. banking or thrift institution
  - v. accountant or accounting firm
  - vi. lawyer or law firm
  - vii. insurance company or agency
  - viii. pension consultant
  - ix. real estate broker or dealer
  - x. sponsor or syndicator of limited partnerships

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

---

- A. The Investment Manager has adopted a code of ethics that will be provided to any investor or prospective investor upon request. The Investment Manager's code of ethics describes the standards of business conduct that the Investment Manager requires of its supervised persons, which is reflective of the Investment Manager's fiduciary obligations to act in the best interests of its Clients. The code of ethics also includes sections related to compliance with securities laws, reporting of personal securities transactions and holdings, reporting of violations of the code of ethics to the Investment Manager's Chief Compliance Officer, pre-approval of certain investments by access persons, and the distribution of the code of ethics and any amendments to all supervised persons followed by a written acknowledgement of their receipt.
- B. The Investment Manager may recommend to a Client, or buy or sell for a Client account, securities in which the Investment Manager or its related persons have a material financial interest that was acquired prior to the Investment Manager recommending such securities to a Client account.
- C. The Investment Manager or its related persons will not purchase the same individual equity securities (or related equity securities) that the Investment Manager or a related person recommends to a Client at any time after such securities are being considered for recommendation for a Client account. In all instances the Investment Manager will act in the best interests of each Client.

## Item 12: Brokerage Practices

---

- A. The Investment Manager seeks to obtain the best execution for each SMA, taking into account the following factors: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity and stability of the broker; (iv) the quality, comprehensiveness and frequency of available research services considered to be of value; and (v) the competitiveness of commission rates in comparison with other brokers satisfying the Investment Manager's other selection criteria.

The Investment Manager does not currently utilize soft dollar benefits but may do so in the future. Soft dollar benefits include research and related services furnished by brokers including written information and analyses (including specific market, financial and economic studies and forecasts), statistics and pricing services, discussions with research personnel and similar services used in the investment and trading process, capital introduction services in return for an investment manager paying a broker a commission in excess of that which another broker might have charged for effecting the same transaction, in recognition of the value of such services or facilities provided by the broker. To the extent that Investment Manager should decide to enter into a soft dollar arrangement, Investment Manager will do so in compliance with the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

- B. While Clients typically maintain authority to select brokers or dealers, each Client may leave discretion to the Investment Manager to select brokers or dealers through which the Investment Manager effects transactions in the relevant SMA.

## Item 13: Review of Accounts

---

- A. Each SMA portfolio is reviewed on a continual basis by Ben Williams to assure conformity with investment objectives and guidelines of each Agreement. The Investment Manager actively manages each SMA and accordingly reviews the transactions, positions and cash balances on a regular basis. The Investment Manager will provide each Client with such reports, data, and other information related to an SMA at such times as each Client may reasonably request.



## Item 14: Client Referrals and Other Compensation

---

- A. The Investment Manager does not currently compensate directly or indirectly any person for Client referrals.

## Item 15: Custody

---

The Investment Manager is not deemed to have custody of any SMA's assets pursuant to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). The Investment Manager does not maintain custody or physical control, or the ability to obtain custody or physical control, of the assets held in any SMA. The Investment Manager has no authority to (i) take or have possession of any asset in an SMA or (ii) direct delivery of any asset or payment of any funds in an SMA to itself.

## Item 16: Investment Discretion

---

The Investment Manager provides investment advice directly to each SMA on a discretionary basis in accordance with the investment guidelines set forth in each Agreement.

## Item 17: Voting Client Securities

---

Generally, each Client maintains voting rights with respect to their respective SMA portfolio holdings. As such, the Investment Manager does not currently exercise proxy voting authority on behalf of any SMA. Should the Investment Manager vote proxies on behalf of a Client in the future, the Investment Manager, pursuant to Rule 206(4)-6 under the Advisers Act, (i) will adopt and implement written policies and procedures to ensure proxies are voted in the best interests of an SMA; (ii) will disclose information about its proxy policies and procedures; (iii) will provide, upon request, information to the Client about how proxies were voted; and (iv) retain certain records related to proxy voting practices.

## Item 18: Financial Information

---

- A. The Investment Manager does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance.
- B. The Investment Manager has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to Clients.
- C. The Investment Manager has not been the subject of a bankruptcy petition at any time during the past ten years.