

Form ADV Part 2A: Firm Brochure

Broad Bay Capital Management, LP

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This brochure (the “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 via email at compliance@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 <https://adviserinfo.sec.gov/>.

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

Item 2. Material Changes

This Brochure, dated March 26, 2024, has been prepared by Broad Bay in connection with its annual amendment to Form ADV. Broad Bay's prior Brochure was dated March 30, 2023. This Brochure reflects enhancements and clarifications to Items 4, 8, 11, 12, 13 and 17. Broad Bay does not believe that these changes are material. Nevertheless, you are encouraged to review this Brochure in its entirety.

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Item 4. Advisory Business

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

Broad Bay has been registered as an investment adviser with the SEC since August 1, 2016 (the “Effective Date”). Broad Bay provides discretionary investment advice to the following private investment funds (each, a “Fund” and collectively the “Funds”), which are organized as a master-feeder structure: 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 Fund and Onshore Fund are feeder funds that invest all or substantially all of their assets through the Master Fund. All investment activity with respect to the Funds takes place at the Master Fund level.

Broad Bay also provides non-discretionary investment advisory services to a separately managed account (the “Managed Account” and together with the Funds, the “Clients”).

BBCM GP LLC, a Delaware limited liability company (the “General Partner”), serves as the general partner to the Onshore Fund. All references herein to Broad Bay are deemed to include the General Partner, as applicable and appropriate.

The principal investment objective of the Master Fund is to generate superior, risk-adjusted returns by employing a low net long/short 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 Master Fund intends to pursue its 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 “Item 8. 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 (collectively, the “Governing Fund Documents”). Fund investors can not restrict investments by the Funds in any capacity.

From time to time, the Master Fund, 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”), may purchase, and has purchased, 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 Rules. The profits and losses with respect to new issues will generally be allocated to investors in the Funds that are not Restricted Persons.

The principal investment objective of the Managed Account is to make co-investments in

investment ideas generated by Broad Bay and approved by the owner of the Managed Account, as further set forth in the investment management agreement entered into between Broad Bay and the owner of the Managed Account (the “Managed Account Agreement”). As further described below in “Item 8. Methods of Analysis, Investment Strategies and Risk of Loss,” the Managed Account does not have the same investment objective as the Funds, but may invest, and has invested, in select investment opportunities in parallel to the Master Fund.

Broad Bay does not participate in wrap fee programs.

As of December 31, 2023, Broad Bay had approximately \$1,789,578,519 of discretionary regulatory assets under management, and \$0 of non-discretionary regulatory assets under management.

Item 5. Fees and Compensation

Funds

General

Broad Bay provides investment advisory services to each of the Funds pursuant to such Funds’ Governing Fund Documents, which set forth in detail the applicable fee structures.

Broad Bay receives compensation from management fees based on a percentage of assets under management, incentive allocations and certain other fees or expenses related to the Funds (as described below). Investors should review all fees charged by Broad Bay to fully understand the total amount of fees to be paid by a Fund and, indirectly, by the underlying investors.

Management Fee

The Funds, on behalf of their respective investors, pay Broad Bay a management fee of up to 1.75% (depending on the class of interests or shares that are held) of net asset value on an annualized basis. As set forth in the Governing Fund Documents, such management fee is subject to certain reductions based on the duration of an investor’s investment and the net asset value of the Master Fund, as well as an annual cap. The management fee is paid monthly in advance and is not refundable. The management fee is deducted directly from the relevant Fund.

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 affiliates of Broad Bay).

Incentive Allocation

An affiliate of Broad Bay is entitled to receive from the Funds, on behalf of their respective investors, an annual incentive allocation ranging from 15% to 20% (depending on the class of interests or shares that are held) of new realized and unrealized income and gains, subject to a high watermark. Upon a full or partial withdrawal or redemption by an investor other than as of the end of a fiscal year, there will be a special determination of the incentive allocation with respect to the amount withdrawn or redeemed.

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 affiliates of Broad Bay).

Expenses and Other Fees Attributable to the Funds

The Onshore Fund and the Offshore Fund each bear all of their organizational expenses and offering expenses and their *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 Fund bears organizational or offering expenses on behalf of the Funds. For financial reporting purposes, Broad Bay may, in its sole and absolute discretion, amortize, and has amortized, 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 its operating expenses and its *pro rata* share of the operating expenses of the Master Fund. Such 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. For the avoidance of doubt, such expenses include fees and expenses related to research-related data, anti-money laundering officer's fees, and some or all costs of cybersecurity insurance.

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

Broad Bay also allocates a portion of Fund capital to financial instruments that incur additional fees and expenses, including but not limited to money market funds. In addition to the fees and expenses described above, the Funds will indirectly incur similar fees and expenses if Broad Bay invests their capital in such financial products, as these financial instruments in turn pay similar fees and expenses to their investment managers and other service providers.

Certain fund investors will be subject to withdrawal or redemption fees if their investments are redeemed prior to the lock-up period set forth in the Governing Fund Documents.

Side Letters

Broad Bay has, and may in the future, enter into agreements, such as side letters, with certain investors in the Funds that provide for terms of investment that are more favorable than the terms provided in the Governing Fund Documents or to other investors in the Funds. As a general matter, Broad Bay owes certain fiduciary duties to the Funds, which require that Broad Bay act in good faith and in what Broad Bay considers to be in the best interests of the Funds. Broad Bay also will endeavor to act in a manner that ensures the fair treatment of the Funds' investors.

Managed Account

In consideration for its investment advisory services to the Managed Account, Broad Bay is entitled to receive a performance fee with respect to the appreciation in value of investments held in the Managed Account. The fees and expenses payable by the Managed Account are described in detail in the Managed Account Agreement.

The fees and expenses associated with any future managed accounts will be negotiable between Broad Bay and the holders of such accounts and documented in the relevant investment management agreement.

Shared Expenses

Due to the fact that Broad Bay manages investments on behalf of a number of Clients, certain expenses, including expenses related to Bloomberg terminals and subscriptions and research vendors, are shared, and may continue to be shared, by more than one Client. Broad Bay has adopted policies and procedures for the allocation of such expenses among the Clients. Expenses that are attributable to an investment that is held by more than one Client will generally be allocated *pro rata* to such Clients, based on Client capital or the position size of the investment held by such

Clients, as appropriate.

In addition, certain expenses, including expenses related to operating systems, are shared by, and may continue to be shared by, Broad Bay and one or more Clients. Pursuant to Broad Bay's policies and procedures, such expenses will be allocated in a manner that is demonstrably fair and consistent with disclosures to all affected Clients.

Broad Bay maintains and periodically reviews documentation demonstrating that its shared expenses allocation methodology has been applied correctly.

Compensation for Sale of Securities or Other Investment Products

Neither Broad Bay nor any of its supervised persons receives any compensation from the sale of securities or other investment products.

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 or an incentive fee from the Funds and the Managed Account. Because performance-based compensation is generally calculated on an annual basis and includes unrealized appreciation of the Clients' portfolios, such performance-based compensation may be greater than if such compensation were based solely on realized gains. Performance-based compensation creates 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 performance-based compensation was not allocated to Broad Bay. In addition, to the extent that the performance-based compensation Broad Bay is entitled to receive from one Client is higher than the performance-based compensation Broad Bay is entitled to receive from another Client, Broad Bay is incentivized to devote a greater amount of its time and attention to the Client with the higher performance-based compensation. Further, because the Funds' management fees and incentive allocations and the Managed Account's performance fee are generally based on net asset values, Broad Bay has a conflict of interest in valuing Client assets. To mitigate such conflict, Broad Bay's Fund administrator values assets held in Fund accounts in accordance with written valuation policies and pursuant to Broad Bay's supervision and fiduciary duties.

Broad Bay is required to act in a manner that is fair and equitable, depending on the particular facts and circumstances and the needs and financial objectives of Broad Bay's various Clients, in allocating investment opportunities to the Clients, but Broad Bay is not otherwise subject to any specific obligations or requirements concerning the allocation of time, effort or investment opportunities, or any restrictions on the nature or timing of investments for the Clients. Broad Bay seeks to address this conflict through the application of its trade allocation policy and procedures, which are designed to avoid or minimize conflicts of interest and promote the fair allocation of investments among Clients. Generally, when an investment is appropriate for more than one Client, it will be allocated to such Clients on a *pro rata* basis, based on the fair market value of the investment held by each Client or the target exposure of each investment in each Client account; however, for investments involving special circumstances, investments may be allocated to Clients on a different basis, and documentation related to any such exception will be maintained by Broad Bay.

Broad Bay periodically reviews the allocation of investment opportunities to confirm that Clients are treated fairly and equitably.

Item 7. Types of Clients

As noted above in “Item 4. Advisory Business,” Broad Bay provides investment advisory services to the Funds and the Managed Account.

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. Broad Bay also provides investment advisory services on a non-discretionary basis directly to the Managed Account.

Investors in the Funds and owners of separately managed accounts 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. Investors in the Funds and owners of separately managed accounts 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 1933, as amended (the “Securities Act”), and also “qualified purchasers” as that term is defined in the Advisers Act. Details concerning applicable investor suitability criteria are set forth in each Fund’s Governing Fund Documents.

The minimum initial subscription in the Onshore Fund and the Offshore Fund is \$1,000,000 for Class A interests/shares and \$5,000,000 for Founders Class and Liquid Founder’s Class interests/shares, both subject to the discretion of Broad Bay and, where applicable, the Board of Directors of the Offshore Fund. This can include a waiver of the minimum initial subscription amount to a minimum investment of \$50,000 for the Onshore Fund and \$100,000 for the Offshore Fund. The minimum initial investment amount for the Managed Account was negotiated between Broad Bay and the Managed Account’s owner. Broad Bay will determine, in its sole discretion, whether to open or require a minimum investment amount for any future separately managed accounts.

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

The Funds’ investment strategies are described in their respective Governing Fund Documents and are summarized below. As described above, the principal investment objective of the Managed Account is to make co-investments in investment ideas generated by Broad Bay and approved by the Managed Account’s owner, as further set forth in the Managed Account Agreement. While the Managed Account does not have the same investment objective as the Funds, it invests in select investment opportunities in parallel to the Master Fund, and the overall investment strategy, methods of analysis and principal investment risks of the Managed Account are generally consistent with the overall investment strategy, methods of analysis and principal investment risks of the Funds described immediately below.

Overall Investment Strategy and Methods of Analysis

The principal objective of the Onshore Fund and the Offshore Fund, pursued by making investments through the Master Fund, is to generate superior, risk-adjusted returns by employing a low net long/short 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 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, as per the Governing Fund Documents, Broad Bay is permitted to 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 securities issued by special purpose acquisition companies ("SPACs") and other similar, publicly-traded blank check entities or blind pools, make private investments in public companies whose stocks are quoted on stock exchanges or which trade in over-the-counter securities markets ("PIPE Transactions"), invest in preferred stock, warrants and convertible debt, trade in credit default swaps, equity swaps, CFDs ("contract for differences"), and foreign exchange hedges, and engage in hedging and other securities and 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 are expected to take place at the industry and/or company level, seeking investments related to good businesses experiencing temporary problems or bad businesses benefitting from unsustainable trends.
- *Longer Investment Horizon.* Broad Bay seeks opportunities beyond the typical six-month time horizon taken by many other investors who focus on earnings releases and management 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, with a focus on small and medium 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 can provide a compelling 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 advantage comes from its research process in this segment of the market, which can 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 applicable 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 achieve these investment objectives.

The descriptions set forth in this Brochure of specific advisory services that Broad Bay offers to the Funds, and investment strategies pursued and investments made by Broad Bay on behalf of the Funds, should not be understood to limit in any way Broad Bay's investment activities. Broad Bay may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that it considers appropriate, subject to each Fund's investment objectives and guidelines.

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 is not suitable for all investors. No guarantee or representation is made that the Clients' investment programs, including, without limitation, the Clients' investment objectives, diversification strategies or risk monitoring goals, will be successful. Investment results will 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 are not necessarily indicative of the Clients' or Broad Bay's future performance.

The following are certain of the principal risks associated with the investment activities of the Clients. The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the Clients advised by us. These risk factors include risks we believe to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by us:

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 Clients, 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 Clients, 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 Clients' business and operations.

Current Market Conditions and Governmental Actions. Beginning in the fall of 2008, world financial markets experienced extraordinary market conditions, including, among other things, extreme losses and volatility in securities markets and the failure of credit markets to function. In reaction to these events, regulators in the U.S. and several other countries undertook unprecedented regulatory actions. In the U.S., for example, the SEC issued an emergency order to ban temporarily short selling of any publicly traded securities of certain financial firms and to require institutional investment managers, including certain private fund managers, to disclose, on a weekly basis, the daily short positions on publicly traded equity securities. On or about the same time, several other jurisdictions (including the United Kingdom, Australia and Ireland) enacted emergency regulations, imposing similar regulations to those enacted by the SEC. The U.S. government and securities regulators of many other jurisdictions continue to consider and implement other measures to stabilize U.S. and global financial markets, some of which, if enacted, could adversely affect the Clients. However, despite these efforts and the efforts of securities regulators of other jurisdictions, global financial markets remain volatile. It is uncertain whether regulatory actions will be able to prevent further losses and volatility in securities markets or stimulate the credit markets. The Clients may be materially adversely affected by similar or other events in the future. In the longer term, there may be significant new regulations that could limit the Clients' activities and investment opportunities or change the functioning of capital markets, and there is the possibility of a more severe worldwide economic downturn. Consequently, the Clients may not be capable of, or successful at, preserving the value of their assets, generating positive investment returns or effectively managing their risks.

Financial Crises and Effects on Global Financial Markets. World financial markets have in the past experienced and may in the future experience extraordinary market conditions, including, among other things, extreme losses and volatility in securities markets and the failure of credit markets to function. In reaction to these events, regulators in the U.S. and several other countries previously have taken and may in the future take regulatory actions. However, global financial markets may remain volatile, and it is uncertain whether regulatory actions will be able to prevent losses and volatility in securities markets. It is possible that regulatory actions might increase the possibility of future volatility. Regulations may increase market fragmentation and decrease the global flow of capital as it may be too difficult for the Clients and other market participants to comply with multiple regulatory regimes. There may be significant new regulations that could limit the Clients' activities and investment opportunities or change the functioning of capital markets, and there is the possibility of regional and/or worldwide economic downturn. Consequently, the Clients may not be capable of, or successful at, preserving the value of their

assets, generating positive investment returns or effectively managing its risks.

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 Clients' opportunity for profit by reducing the availability of or increasing the price of what the Clients believe to be, based on their investment criteria, exceptional investment opportunities.

Investment and Trading Risks. An investment in the Clients involves a high degree of risk, including the risk that the entire amount invested may be lost. The Clients invest in and actively trade 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 Clients' investment programs or overall portfolios, or various investment strategies used or investments made, will have low correlation with each other or with the market or that the Clients' returns will exhibit low long-term correlation with an investor's traditional securities portfolio. All investments made by the Clients risk the loss of capital, including a complete loss of capital. No guarantee or representation is made that the Clients' investment programs will be successful, that the Clients will achieve their targeted returns or that there will be any return of capital invested to investors in the Clients. In addition, investment results will vary substantially over time.

Investment Judgment. The profitability of a significant portion of the Clients' investment programs 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 Clients could experience losses as a result of a decline in the market value of securities in which the Clients hold a long position or an increase in the value of securities in which the Clients hold a short position. The risk management techniques that are utilized by Broad Bay will not provide any assurance that the Clients will not be exposed to a risk of significant investment losses. The investment programs of the Clients focus on long and short equity investments, but the Clients are also permitted to 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 Clients may be subject. The timing of such adverse impacts cannot be predicted and may result in substantial volatility in the performance of the Clients.

Concentration of Investments. The investment programs of the Clients entail 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 Clients hold relatively few investments and are more concentrated in a limited number of investments, industries or geographies. As a result of the Clients' lack of diversification, a significant loss in any one position may have a material adverse effect on the net asset value of the Clients' rate of return. Diversification of the Clients' 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 Clients. 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 Clients significantly outperforming, or under-performing, the market as a whole.

Equity Securities. The Clients 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. Broad Bay engages in short selling on behalf of the Clients. Short selling involves selling securities that are not owned by the Clients. A short position is established when a Client borrows securities from securities brokers or other institutions and sells them in an open market transaction with an obligation to return the borrowed securities at a later date. Short selling allows the Clients to profit from the decline in the price of the securities by purchasing the securities at a price that is lower than the price at which they were initially sold, in each case, to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. In addition, short sales may act as a hedge against long positions in the same or related securities in the Clients' portfolios in the event that the price of securities decline.

However, a short sale creates the risk of unlimited loss because in order to close out a short position, a Client would need to return the borrowed securities by purchasing such securities at prevailing market prices. Specifically, the price of the subject security could rise without limit, thus increasing the cost to the Client of buying those securities in order to close out the short position. There can be no assurance that the security necessary to close out a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further if the demand to buy such securities outpaces the available supply, thereby exacerbating the loss.

For instance, a so-called "short squeeze" can occur when the price of securities in which a Client has an open short position rise sharply in a short time frame. The rapid rise may be a result of (i) multiple short sellers seek to cover their short positions in the same time frame by purchasing the security, resulting in a rapid price increase; (ii) market participants collectively purchase a significant amount of shares, thereby causing a substantial increase in the price of such securities; and/or (iii) one or more lenders of a security that was used to facilitate a short position suddenly demand the return of the security that has been loaned. A "short squeeze" may result in a Client having to prematurely close out a short position at unattractively high prices, resulting in a substantial loss. Further, the risk of a "short squeeze" likely will increase if other short sellers, market participants, and/or lenders become aware of a Client's short positions, including, without limitation, as a result of legally-required reporting with respect to the ownership of options to purchase the underlying security being shorted.

In the instance where securities lenders demand a return of securities in respect of an open short position, the Clients will need to either find another source of supply of such security or purchase the subject securities in open market transactions at then-prevailing market prices. If a Client is unable to source another securities lender and is forced to close out its short position, such Client could incur significant losses if the securities sold short had increased beyond the price at which the Client initially established its short position.

In addition to the risks of securities loan recalls or “short squeezes,” a Client may be required to provide additional margin to its counterparties, including its prime brokers, on short notice if the price of a security underlying a short position suddenly rises. If a Client is unable to deliver the additional margin required, the Client may need to prematurely close out the short position at unattractive prices, thereby resulting in a substantial loss. In addition, depending on the timing and magnitude of a price increase in respect of an open short position, the Client may be required to liquidate long positions in order to meet margin requirements, thereby further increasing the losses (or decreasing the gains) of the Client.

In addition, stock loan fees charged to the Clients for borrowing securities may be substantial and will decrease any gains (or increase losses) associated with the short position. Certain jurisdictions have enacted restrictions on short selling (including wholesale bans, at times) as well as public disclosure requirements. If additional short-selling restrictions and disclosure requirements are enacted, the prices of the instruments in which a Client invests may be materially affected and the ability of Broad Bay to take advantage of opportunities for short-selling may be significantly reduced.

Hedging. The Clients 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 Clients. The success of the Clients’ hedging strategies 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 Clients’ hedging strategies 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 Clients 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 Clients may be exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular investments and counterparties).

Options. The Clients 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 Clients invest in derivative financial instruments, including swaps. In addition, the Clients 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 Clients 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.

Central Clearing. In order to mitigate counterparty risk and systemic risk in general, various U.S. and international regulatory initiatives are underway to require certain derivatives to be cleared through central clearinghouses. In the U.S., clearing requirements have been implemented as part of the Dodd-Frank Act. The Commodity Futures Trading Commission (the “CFTC”) imposed its first clearing mandate on December 13, 2012 affecting certain interest rate and credit default swaps. The CFTC and the SEC may introduce clearing requirements for additional classes of derivatives in the future. The European Market Infrastructure Regulation also requires over-the-counter derivatives contracts meeting specific criteria to be cleared through central counterparties.

While such clearing requirements may be beneficial for the Clients in many respects (for instance, they may reduce the counterparty risk to the dealers to which the Clients would be exposed under non-cleared derivatives), the Clients could be exposed to new risks, such as the risk that an increasing percentage of derivatives will be required to be standardized and/or cleared through central clearinghouses, and, as a result, the Clients may not be able to hedge risks or express an investment view as well as they would have been able to had they used customizable derivatives available in the over-the-counter markets. The Clients may have to split their derivatives portfolios between centrally cleared and over-the-counter derivatives, which may result in operational inefficiencies and an inability to offset risk between centrally cleared and over-the-counter positions, and which could lead to increased costs.

Another risk is that the Clients may be subject to more onerous and more frequent (daily or even intraday) margin calls from both the Clients’ futures commission merchants and/or derivatives counterparties (together, “FCMs”) and the clearinghouse. Virtually all margin models utilized by the clearinghouses are dynamic, meaning that unlike traditional bilateral swap contracts, where the amount of initial margin posted on the contract is typically static throughout of the life of the contract, the amount of the initial margin that is required to be posted in respect of a cleared contract will fluctuate, sometimes significantly, throughout the life of the contract. The dynamic nature of the margin models utilized by the clearinghouses, and the fact that the margin models might be changed at any time, may subject the Clients to an unexpected increase in collateral obligations by clearinghouses during a volatile market environment, which could have a detrimental effect on the Clients. Clearinghouses also limit collateral that they will accept to cash, U.S. treasuries and, in some cases, other highly rated sovereign and private debt instruments, which may require the Clients to borrow eligible securities from a dealer to meet margin calls and raise the costs of cleared trades to the Clients. In addition, clearinghouses may not allow the Clients to

portfolio-margin their positions, which may increase a Client's costs.

Although standardized clearing for derivatives is intended to reduce counterparty risk (for instance, it may reduce the counterparty risk to the dealers to which the Clients would have been exposed under over-the-counter derivatives), it does not eliminate risk. Derivatives clearing may also lead to concentration of counterparty risk, namely in the clearinghouse and Clients' FCM, subjecting the Clients to the risk that the assets of the FCM are insufficient to satisfy all of the FCM's payment obligations, leading to a payment default. The failure of a clearinghouse or FCM could have a significant impact on the financial system. Even if a clearinghouse does not fail, large losses could force significant capital calls on FCMs during a financial crisis, which could lead FCMs to default and thus worsen the crisis.

Leverage. The Clients employ leverage in connection with their 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 Clients' securities and other assets. Under certain circumstances, a lender may demand an increase in the collateral that secures such obligations, and if the Clients 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 Clients' borrowing and the interest rates on that borrowing, both of which will fluctuate, may have an effect on the Clients' profitability. Additionally, leverage typically will cause a Client's net asset value to increase or decrease at a rate greater than if leverage were not used.

Securities Lending and Borrowing. The Funds lend securities to securities brokers and other institutions as a means of earning additional income, and borrow securities from securities brokers or other institutions to cover short positions; *provided*, that no Fund (including any other investment vehicle established to invest directly in the Onshore Fund or Offshore Fund or in underlying assets in parallel with the Onshore Fund or Offshore Fund, through the Master Fund via a separate master-feeder structure, or otherwise advised by Broad Bay) may lend amounts to an affiliate of the General Partner or Broad Bay without the prior consent of at least a majority- in-interest of the investors in such Fund. 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 Clients 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 Clients 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 Clients 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 Clients may invest may be thinly traded and relatively illiquid or may cease to be traded after the Clients invest in them. In addition to being illiquid, such securities may be issued by unseasoned companies and may be highly speculative. In addition, the Clients occasionally acquire relatively large positions in a few securities. In such cases, and in the event of extreme market activity, the Clients 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 Clients 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 Clients 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 Clients 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, a Client 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 Clients may invest, there is a potential risk of loss by the Clients of their entire investment in such companies.

SPAC Investments. The Funds have invested in SPACs and other similar, publicly-traded blank check entities or blind pools, and the Funds and/or the Managed Account may do so in the future. A SPAC is a development stage public company that has no specific business plan or purpose or has indicated its business plan is to identify merger, acquisition or other transformative transactions and consummate such transactions with one or more operating businesses or assets (any such transaction, a “Transaction”). SPACs have broad discretion to select potential Transactions (subject to industry, geographic or other limitations, if any). SPACs have no

operating history and, at the time that a Client invests in a SPAC, the SPAC typically has not conducted any discussions or made any plans, arrangements or understandings with any prospective Transaction candidates. Accordingly, there is a limited basis (if any) on which to evaluate the SPAC's ability to achieve its business objective or to ascertain the merits or risks of investing in a particular SPAC, and the Clients will be dependent upon the integrity, skill and judgment of the management team of any SPAC in which the Clients invest. While certain SPACs are formed to make Transactions in specified market sectors, others are complete "blank check" companies, and the management of the SPAC may have limited experience or knowledge of the market sector in which the Transaction is made. Accordingly, at the time that the Clients invest in a SPAC, there may be little or no basis for the Clients to evaluate the possible merits or risks of the particular industry in which the SPAC may ultimately operate or the target business which the SPAC may ultimately acquire. There is no guarantee that a SPAC selected for investment will be able to effect a well-received Transaction. SPACs may encounter intense competition from other entities having similar business objectives, as well as operating businesses competing for acquisitions. A SPAC will not generate any revenues until, at the earliest, after the consummation of a Transaction. While a SPAC is seeking a Transaction target, its stock may be thinly traded. The economic model for a SPAC depends on there being a viable market for its stock and warrants prior to consummation of a Transaction. There can be no assurance that such a market will develop, despite the fact that such securities legally are freely tradable (having been publicly offered). If a Client does not want to participate in a Transaction, and instead redeems for the value of trust which is customarily higher than the Client's purchase price, then such Client is also relying on the integrity of the custodian and trustee of the SPAC's escrow account. If the Clients were to acquire warrants, the Clients may lose the entire value of those warrants if a Transaction cannot be effected by that SPAC or if the Transaction is poorly-received by the markets. SPAC securities typically have less liquid trading markets than most other publicly-traded equity securities. If the Clients invest in a SPAC that is unable to effect a Transaction, they will receive their share of the proceeds that are placed in trust, and may be subject to reduction if third-party claims are made against the SPAC or escrow. The proceeds of a SPAC that are placed in trust are subject to risks, including the risk of insolvency of the custodian of the funds, fraud by the trustee, interest rate risk and credit and liquidity risk relating to the securities and money market funds in which the proceeds are invested. Many SPACs invest their trust assets in money market funds. Certain of these funds have incurred material losses at various times.

PIPE Transactions. Private investments in public companies whose stocks are quoted on stock exchanges or which trade in the over-the-counter securities market, a type of investment commonly referred to as a "PIPE" transaction, may be entered into with smaller capitalization public companies, which will entail business and financial risks comparable to those of investments in the publicly-issued securities of smaller capitalization companies. Such companies may also be less likely to be able to weather business or cyclical downturns than larger companies and are more likely to be substantially hurt by the loss of a few key personnel. In addition, PIPE transactions will generally result in Broad Bay causing Clients to acquire either restricted stock or an instrument convertible into restricted stock. As with investments in other types of restricted securities, such an investment may be illiquid. Broad Bay's ability to dispose of securities acquired by Clients in PIPE transactions may depend on the registration of such securities for resale. Any number of factors may prevent or delay a proposed registration. Alternatively, it may be possible for securities acquired in a PIPE transaction to be resold in transactions exempt from registration in accordance with Rule 144 under the Securities Act, or otherwise under the U.S. federal securities

laws. There can be no guarantee that there will be an active or liquid market for the stock of any small capitalization company due to the possible small number of stockholders. As a result, even if Broad Bay is able to have securities acquired by Clients in a PIPE transaction registered or sell such securities through an exempt transaction, such Clients may not be able to sell all the securities on short notice, and the sale of the securities could lower the market price of the securities. There is no guarantee that an active trading market for the securities will exist at the time of disposition of the securities, and the lack of such a market could hurt the market value of Client investments.

Risk of Operations/Liquidity Risks. Although many of the securities that the Clients 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 a Client to liquidate its positions and would thereby expose it to losses. In addition, some of the securities in which the Clients invest may be thinly traded, restricted or not traded in a public market, potentially making it difficult for the Clients 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 Clients will do business or with which securities are entrusted for custodial purposes, will encounter financial difficulties that may impair the operational capabilities or the capital position of the Clients. 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 may 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 Funds' 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. Certain assets of the Clients 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 Clients. If any broker-dealer or other financial institution holding the Clients' assets were to become bankrupt or insolvent, it is possible that the Clients 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 are 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.

Co-Investment Opportunities and Co-Investments with Third Parties. In connection with any Master Fund investment, including, without limitation, an investment that becomes illiquid or difficult to value, Broad Bay may offer (and has offered in the past to the Managed Account) the opportunity to co-invest to various parties, as further described herein. Such investments will involve risks, including the possibility that a co-investor may have financial difficulties resulting in a negative impact on such investment; may have economic or business interests or goals that are inconsistent with those of the Master Fund; may have direct participation or control of such investment (rather than participation through an entity controlled by Broad Bay); and/or may be in a position to take (or block) action in a manner contrary to the Master Fund's investment objective. Investors and/or third parties may enter into compensation arrangements relating to such investments that likely will differ from those compensation arrangements otherwise applicable to other investors, including management fee and incentive compensation arrangements. Such differing compensation arrangements likely will create potential conflicts of interest between such parties and the Master Fund.

Investments through Non-Affiliated Entities. In connection with any co-investment, the Master Fund may (although currently is not expected to) make investments through non-affiliated co-investment vehicles controlled by a third-party investment manager unaffiliated with the Master Fund or Broad Bay. In the event that the Master Fund makes such an investment, the Master Fund will rely significantly on such third-party investment manager, whose interests may at times conflict with the interests of the Master Fund and/or the investors participating in such co-investment. For instance, such third-party investment manager likely will have ultimate decision-making authority as to whether to consummate the purchase of the securities of the investment. Moreover, investing through a non-affiliated entity will involve additional risks that may not be present in cases where the Master Fund makes a direct investment, including the possibility that the management of the non-affiliated entity may have interests or objectives that are inconsistent with those of the Master Fund and/or the investors participating in such co-investment, may be in a position to take actions contrary to the Master Fund's investment objectives, may vote the securities of the co-investment in a manner different than Broad Bay would have voted such securities or may otherwise default on its obligations including to the sellers of the securities of the co-investment. In addition, the Master Fund may bear a portion of the costs and expenses of structuring and negotiating the acquisition of the securities of a co-investment through such non-affiliated co-investment vehicle, including the costs of forming and operating such non-affiliated co-investment vehicle. As a result, the Master Fund would be subject to increased operating and legal expenses due to investing through a non-affiliated entity, thereby producing lower returns.

Environmental, Social and Governance ("ESG"). Broad Bay does not offer or market ESG private funds or claim adherence to any global ESG framework or related industry standards, conventions or practices. Nevertheless, Broad Bay generally considers ESG factors when making investments and managing Client assets, consistent with and subject to any applicable legal, regulatory, fiduciary or contractual duties. ESG factors, issues and considerations vary greatly based on numerous criteria, including, but not limited to, country, industry, investment strategy, and issuer-specific/investment-specific characteristics. Criteria used to integrate ESG into the investment process can include an ESG score from an independent third-party and/or an ESG review completed by Broad Bay's investment team. ESG factors are only some of the factors, and may not be determinative factors, that Broad Bay considers in making an investment decision. ESG

factors are considered with respect to core positions in the Master Fund. Core long and core short positions are defined as being greater than 2% and 1%, respectively, of Master Fund net asset value. There is no guarantee that an ESG score is available for each issuer or that ESG criteria can or will be considered. Additionally, there is no guarantee that Broad Bay will make investments that directly or indirectly create positive ESG impact or that consideration of ESG factors will enhance long-term value and financial returns for investors. Similarly, in evaluating an investment, Broad Bay may depend upon information and data provided by the issuer or company or obtained via third-party reporting or advisors, which may be incomplete or inaccurate and could cause Broad Bay to incorrectly assess the company's ESG practices and/or related risks and opportunities. In addition, Broad Bay's ESG policies and procedures may change over time. ESG consideration and responsible investing practices as a whole are evolving rapidly and there are different frameworks, methodologies, and tracking tools being implemented by other asset managers. Therefore, Broad Bay's approach to ESG consideration may not align with the approach used by other asset managers or preferred by prospective investors or with future market trends. Broad Bay does not intend to independently verify certain of the ESG information reported by the portfolio companies, scoring systems or other ESG reporting methods. Further, Broad Bay may determine in its discretion that it is not feasible or practical to implement or complete certain of its ESG initiatives based on cost, timing or other considerations. To the extent that Broad Bay engages with portfolio companies on ESG-related practices and potential enhancements thereto, there is no guarantee that such engagements will improve the financial or ESG performance of the investment. Finally, there is also growing regulatory interest, particularly in the United States, United Kingdom and European Economic Area (which may be looked to as models in growth markets), in improving transparency around how asset managers, among others, define, measure and disclose impact of ESG factors on the performance of any Fund, account or Client. Broad Bay's ESG considerations could become subject to additional regulation in the future, and Broad Bay cannot guarantee that its current approach will meet future regulatory requirements.

Business Continuity and Disaster Recovery. The business operations of Broad Bay, its affiliates, the Clients and their portfolio companies 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 Clients and the investors may be adversely affected.

Coronavirus and Public Health Emergency. In March 2020, the World Health Organization declared a global pandemic in connection with an outbreak of a novel and highly contagious form of coronavirus ("COVID-19"). The outbreak of COVID-19 caused a worldwide public health emergency with a substantial number of hospitalizations and deaths, and has, among other things, adversely impacted global commercial activity and disrupted nearly every aspect of business and personal life, including, without limitation, government-imposed and other quarantine requirements, restrictions on travel, and the closures or reductions of offices, businesses, schools, retail stores, restaurants, other commercial establishments and other public venues (including, without limitation, temporary or permanent reductions in work force, remote working arrangements and emergency contingency plans). Although as of the date of this Brochure such adverse effects and restrictions have lessened to some degree, the effects of COVID-19 are difficult to assess, continue to impose

substantial uncertainty, and may still adversely affect many economies, global financial markets, the business and operations of Broad Bay, the Clients or their portfolio companies and/or their respective affiliates.

The extent of the impact of any public health emergency, including COVID-19, on the Clients and their portfolio companies' operational and financial performance will depend on many factors, including the duration and scope of the resulting public health emergency, the extent of any related restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of any public health emergency, including COVID-19, may materially and adversely impact the value, performance and liquidity of the Clients or their portfolio companies, leverage availability and terms, Broad Bay's ability to source, manage and divest investments and Broad Bay's ability to achieve its investment objectives, all of which could result in significant losses to the Clients and their investors.

Any public health emergency, including COVID-19, may also adversely impact one or more individual investor's financial condition, which could result in withdrawal/redemption requests by such investors as a result of their individual liquidity situations and irrespective of Fund performance. Such investor withdrawal/redemption requests could also adversely affect the Funds.

Other Catastrophic Risks. In addition to the potential risks associated with COVID-19 as outlined above, the Clients may be subject to the risk of loss arising from direct or indirect exposure to a number of types of other catastrophic events, including without limitation (i) other public health crises, including any outbreak of SARS, H1N1/09 influenza, Zika, avian influenza, other coronaviruses, Ebola or other existing or new epidemic diseases, or the threat or fear thereof; or (ii) other major events or disruptions, such as hurricanes, earthquakes, tornadoes, fires, flooding and other natural disasters; acts of war, military conflicts, social unrest or terrorism, including cyberterrorism; or major or prolonged power outages or network interruptions. Such events could exacerbate political, social and economic risks previously mentioned and result in significant breakdowns, delays and other disruptions on a local, regional and global scale, which may have adverse effects on the operating performance of the Clients and their portfolio companies. The extent of the impact of any such catastrophe or other emergency on the Clients and their portfolio companies' operational and financial performance will depend on many factors, including the duration and scope of such emergency, the extent of any related travel advisories and restrictions, the impact on overall supply and demand for goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. In particular, to the extent that any such event occurs and has a material effect on global financial markets or specific markets in which the Clients participate (or has a material effect on any Client portfolio companies or locations in which such portfolio companies or Broad Bay operate or on any of their respective personnel) the risks of loss could be substantial and could have a material adverse effect on the Clients or the ability of Broad Bay to fulfill its investment objectives.

Cybersecurity Breaches and Identity Theft. The information and technology systems of Broad Bay, the Clients, their affiliates, and their service providers and portfolio companies 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 has 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 Clients, their affiliates, their service providers and/or their portfolio companies 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 Clients, their affiliates, their service providers and/or their portfolio companies, 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 Clients' ability to value their assets, cause the release of confidential information and/or subject Broad Bay or the Clients 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 cybersecurity risk management to prevent any cyber incidents in the future. The Clients and their investors could be negatively impacted as a result. 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.

Use of Alternative Data. Broad Bay purchases and uses in its investment process alternative data, consisting of data gathered from a variety of sources (including, but not limited to, credit card panels, internet usage, and government and other public records databases), including through its incorporation in Broad Bay's research of target companies. The purchase, onboarding, analysis and interpretation of alternative data involves a high degree of uncertainty, and no assurance can be given that the use of alternative data by Broad Bay will prove beneficial to the Clients. The use of alternative data involves an inherent risk that Broad Bay may rely on data outputs that reflect faulty system logic or that are based on inaccurate or incomplete data inputs. Moreover, the use of alternative data for investment purposes has been subject to increased scrutiny from regulators, and its use or misuse under current or future laws and regulations, whether related to securities or privacy laws and regulations or otherwise, could create liability for Broad Bay and for the Clients in various jurisdictions. Broad Bay cannot predict what, if any, regulatory or other actions may be asserted with regard to alternative data, but any regulatory investigations or formal actions could cause reputational, financial, or other harm to Broad Bay and/or to the Clients. In addition, the use of alternative data may entail significant expense, which is expected to be borne, in whole or in part, by the Clients.

Risks from the Emergence of Artificial Intelligence. The emergence of recent technology developments in generative artificial intelligence such as ChatGPT and similar large language models and chatbots (collectively, "Generative AI") can pose risks to the Clients and Broad Bay. Broad Bay may use Generative AI in various processes, including potentially in connection with its

investment research process. Broad Bay is likely to be further exposed to the risks of Generative AI through third parties (including, but not limited to, the Clients' and Broad Bay's providers or counterparties) that use Generative AI, and Broad Bay may not always be aware of such use. Broad Bay cannot necessarily control the manner in which products created and/or utilized by third parties are developed or maintained.

Generative AI is often highly reliant on the collection and analysis of large amounts of data, and in many instances it may not be possible or practicable to incorporate all potentially relevant data into the data set that Generative AI utilizes or to evaluate the source and the reliability of the data being analyzed. Further, the outputs of Generative AI may be inaccurate or unreliable and are also susceptible to errors in such outputs' subsequent analysis. Additionally, the use of Generative AI may involve (i) cybersecurity risks (including, but not limited to, the increased likelihood that the Clients' investments become a victim of cybercrime), (ii) threats to proprietary and confidential information, (iii) intellectual property violations, (iv) access to, or disclosure of, personal information in violation of applicable data protection laws, and (v) other risks that are not currently foreseen. Such inaccuracies, errors, risks, threats, and/or violations could have adverse impacts on the Clients' investments. Generative AI continues to develop rapidly, making it difficult to predict the future risks that may arise from such developments.

Misconduct of Employees and of Third-Party Service Providers. Misconduct by employees or by third-party service providers could cause significant losses to the Clients. Employee misconduct may include binding the Clients to transactions that exceed authorized limits or present unacceptable risks and unauthorized trading activities or concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses). Losses could also result from actions by third party service providers, including, without limitation, from the failure to recognize trades and the misappropriation of assets, including situations where third-party service providers may act as directors, trust companies or in a similar capacity that may give such third-party service providers signing authority over certain Client assets. In addition, it is possible that employees and third-party service providers may improperly use or disclose confidential information of the Clients, which could result in litigation or serious financial harm, including limiting the Clients' business prospects or future marketing activities.

In addition, without any misconduct, employees and third-party service providers may make errors that cause significant losses to the Clients and their investors, including, among others, with respect to the calculation of net asset value, the handling of assets and wiring of withdrawal proceeds, the handling of personal information, the negotiation of contracts, the maintenance of data, or the safeguarding of one or more of Broad Bay's systems.

Russia-Ukrainian Conflict. The Russian invasion of Ukraine that commenced on February 24, 2022, has resulted in complex, evolving and systemic economic effects that may influence financial benchmarks key to asset pricing, interest rates and lending availability, as well as financial and physical market liquidity, and the price and availability of essential commodities, in an unpredictable fashion for an uncertain duration. Acute effects to particular commodity and foreign securities markets are possible. Russia and Ukraine are major participants in certain commodities sectors, such as for agricultural (e.g., wheat) and energy (e.g., oil and natural gas) products. Furthermore, this conflict has also resulted in swift multilateral sanctions targeting Russia's financial sector and access to capital markets with designations of dozens of individuals and entities,

including the Russian Central Bank, several large publicly-traded Russian banks and companies, Russia's sovereign wealth funds, and Russian oligarchs and other members of the Russian elite, including Russian Federation President Vladimir Putin. The sanctions imposed are complex and the prohibitions apply to various types of debt and equity transactions involving sanctioned persons, including bonds, loans, loan guarantees, extensions of credit, letters of credit, stocks, share issuances, and depository receipts, among others. For example, U.S. persons are prohibited from transacting, financing or otherwise dealing in certain new debt and equity of certain financial institutions and companies critical to the Russian economy. In addition, certain imports, exports, the transfer of U.S. dollar banknotes to Russia, and new investments involving the Russian energy sector are prohibited.

The unpredictable and evolving economic effects resulting from the Russia-Ukrainian conflict and the regulations, orders, and sanctions adopted by governments in response to this conflict may affect the value of the securities or the Clients' ability to acquire or dispose of such securities or investments in an efficient manner. These factors may have negative consequences for the valuation of a Client's portfolio that Broad Bay may be unable to anticipate or hedge against.

Israel-Hamas Conflict. The active armed conflict in the Middle East between Israel and Hamas that commenced on October 7, 2023 has contributed, and may continue to contribute, to volatility and instability in global markets in an unpredictable fashion for an uncertain duration. This active armed conflict could negatively impact the business and financial condition of the Clients in unpredictable ways. Actions taken in connection with armed conflicts are impossible to predict, and may have a negative impact on the Clients and their business strategies.

Even if any existing conflict is resolved in the near-to-mid-term, the Middle East has historically been subject to unsettled political conditions, ethnic, religious and social conflict and regional hostilities. Any geopolitical concerns that arise due to continued tensions in the Middle East may impede business activity and adversely affect the environment for client investments. The threat of potential or actual warfare or escalating political tensions in the Middle East may continue to contribute to instability and volatility in global financial markets in the future. There can be no assurance that such continued tensions will not become a problem in the future and thus adversely affect Client returns.

Continued volatility in the financial markets and political systems in the Middle East may have adverse spill-over effects into the global financial markets generally (including the U.S.). The success of the Clients will be dependent on general economic and market conditions and activity, including interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These and similar factors could have an adverse effect on the liquidity and value of the Clients' investments and on returns.

Climate Change-Related Risks. The environmental effects of climate change, including rising temperatures, extreme weather, fires, flooding, erratic weather fluctuations, agricultural failures and displacement and destabilization of human populations, could have materially adverse effects on the securities held by the Clients. Broad Bay believes that such risks may increase over time, although the time period over which these consequences might unfold is difficult to predict.

In addition to the physical, economic and geo-political risks associated with climate change, there are transition risks. The willingness of certain governments, industries and businesses, especially those that profit from, or have a reliance on, fossil fuels, to adapt to climate change or transition to sustainable practices may also adversely affect Client portfolios.

Regulatory changes and divestment movements tied to concerns about climate change could adversely affect the value of certain industries whose activities or products are seen as accelerating climate change, or ill-positioned in light of the economic and social demands imposed by climate change. In recent years, certain investors have incorporated the business risks of climate change and the adequacy of companies' responses to climate change as part of their investment theses. These shifts in investing priorities may result in adverse effects on the trading price of securities held by Client portfolios if market participants determine that the company has not made sufficient progress on climate change and environmental sustainability matters whether or not climate change proves to be as severe as predicted or preventable.

The values of Client assets whose performance is linked to assets and revenue streams that are exposed to climate change risk, including financial instruments that directly or indirectly reference or are otherwise impacted by fuel, energy, transportation and agricultural prices, real estate property values, mortgages, taxes, insurance rates and proceeds of tourism, may readily be affected by both long-term, systemic effects of climate change, as well as severe environmental events whose occurrence is inherently unpredictable.

The descriptions of risk factors contained above are a brief overview of different market risks related to Broad Bay's investment strategy; however, they are not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operations of the Clients. In addition, key risk areas inherent to investing also include risks related to the operations and investment activities of the Clients, risks related to specific investments, and risks related to non-U.S. and non-U.S. jurisdictions.

Broad Bay recommends that investors and prospective investors review the Governing Fund Documents for a more complete discussion of the risk factors associated with the Funds.

Item 9. Disciplinary Information

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

Item 10. Other Financial Industry Activities and Affiliations

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

Broad Bay and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

Broad Bay and its management persons are not registered as, and do not have any application to register as, futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of the foregoing entities.

Broad Bay does not recommend or select other investment advisers for its Clients.

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

Code of Ethics & Personal Trading Policy

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 and employees of Broad Bay (collectively, the “Employees”). A summary of the Code is provided below and a copy of the Code will be made available to investors upon request.

The Code requires Employees to disclose their personal securities holdings and transactions to Broad Bay on a periodic basis and to pre-clear certain types of personal securities transactions, including private placements and IPOs. Broad Bay’s personal trading policies also generally apply to Employees’ immediate family members sharing the same household and other accounts over which Employees exercise investment discretion.

Broad Bay generally prohibits Employees from executing personal transactions in certain instruments, including but not limited to single-name equities, subject to exceptions in Broad Bay’s discretion. In limited circumstances, Employees holding positions in such instruments may be permitted to transfer, sell, or otherwise dispose of such positions after receiving pre-clearance from Broad Bay’s Chief Compliance Officer (“CCO”). From time to time, it is possible that Employees will transact on behalf of themselves in securities that would be appropriate for, held by, or may fall within the investment guidelines of the Clients. Such overlapping transactions are subject to Broad Bay’s pre-clearance policy.

Strict compliance with the Code and applicable securities laws is a condition of employment with Broad Bay, and each Employee is obligated to individually read and retain a copy of the Code, as well as annually 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 Clients) in accordance with applicable law, including the federal securities laws and the rules promulgated thereunder, and in a manner where the Clients’ interests are placed first.

Participation or Interest in Client Transactions

Prospective investors meeting the Funds’ suitability standards (as set forth in “Item 7. Types of Clients” above and in the Governing Fund Documents) are permitted to invest in the Funds. Broad Bay’s PM and certain other Employees have significant personal investments in the Funds. Such Employees are in possession of information relating to such Funds that is not available to other

investors in the Funds. Broad Bay, in its sole discretion, has in the past and may in the future waive redemption or withdrawal gates that would otherwise be applicable to Employee investors. Investments by Broad Bay's PM and certain other Employees in certain Funds could incentivize such Employees to increase or decrease the risk profile of such Funds. Additionally, an affiliate of Broad Bay is entitled to receive incentive allocations based on the performance of the Funds.

Broad Bay does not expect to engage in principal transactions. If Broad Bay were to do so in the future, it would ensure that the transaction is in the best interest of the participating Clients and it would obtain informed consent from the participating Clients as required by applicable law and regulation, including Section 206(3) of the Advisers Act, and Broad Bay's internal written policies.

Item 12. Brokerage Practices

Broker Selection

Broad Bay is responsible for the selection of the brokers, dealers, transaction agents and counterparties used for Client transactions and the negotiation of any commissions or spreads paid on such transactions. Broad Bay is obligated to seek to obtain "best execution" with respect to Client transactions. Best execution is not defined by statute or regulation, but it is generally understood to mean that transactions should be executed at the best net price considering the totality of applicable circumstances. In making such determinations, Broad Bay's considerations include, among others: the broker-dealer's ability to achieve prompt and reliable executions; the broker-dealer's ability to obtain access to a security; the financial stability and reputation of the particular broker-dealer; the quality, comprehensiveness and frequency of available research and related services considered to be of value to the Clients; and the competitiveness of commission rates in comparison with other broker-dealers satisfying Broad Bay's other selection criteria. Broad Bay is not required to solicit competitive bids with respect to Client transactions, nor does Broad Bay have an obligation to seek the lowest available commissions.

On a semi-annual basis, Broad Bay evaluates the execution that it receives from broker-dealers. Broad Bay considers the factors set forth above, among others, in connection with such analysis.

Third-Party Trading

From time to time, Broad Bay uses a third-party trading firm to execute certain Client transactions in accordance with Broad Bay's instructions. When such trading firm is used to execute Client transactions, it has the authority to select the brokers that are used. As a result, Client costs may be higher than if Broad Bay only traded directly with brokers.

Soft Dollars

Broad Bay has entered into soft dollar arrangements with certain brokers. Under such arrangements, an investment adviser obtains products and services (other than transaction execution) from a broker in return for directing transactions to such broker. Such arrangements can incentivize Broad Bay to select brokers based on its interest in receiving the research or other products or services provided by such broker, rather than on the Funds' interest in receiving the most favorable execution. Additionally, soft dollar arrangements create a conflict insofar that they allow Broad Bay to use Client commissions to pay for expenses that would otherwise be borne by Broad Bay. To address this conflict, Broad Bay only uses Client commissions to pay for expenses that would otherwise be borne by the Clients (and not by Broad Bay).

Broad Bay is not currently generating soft dollar credits, but it has in the past and may do so in the future. Broad Bay's use of previously accumulated soft dollars and any new soft dollars that may be generated in the future is limited to obtaining 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 or trade analytical software). 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 Clients 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 Clients will be paid through brokerage commissions generated by transactions on behalf of the Clients, 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.

Brokerage for Client Referrals

Broad Bay Employees occasionally participate in capital introduction events that are hosted by brokerage firms in order to introduce investment advisers to potential investors. Capital introduction events present a conflict of interest with respect to broker selection, as it can be in Broad Bay's interest to select brokers based on investor referrals, and it is in the Clients' interest to select brokers based on the most favorable execution parameters. No compensation is paid by Broad Bay or the Clients in order to participate in capital introduction events or in connection with investors introduced to Broad Bay during such events. Broad Bay does not commit to allocating a particular amount of business to any broker based on participation in capital introduction events.

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.

Broad Bay generally will assess any trade error that involves a loss a Client as described below:

- In the event that the Funds incur a trade error as a result of Broad Bay's gross negligence, willful misconduct or fraud, 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 indemnification standard stated in the previous sentence will be borne by the relevant Fund. Broad Bay's Chief Operating Officer ("COO"), in consultation with the independent directors of the Master Fund and the CCO, as appropriate, 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.
- In the event that a Client other than the Funds (including the Managed Account) incurs a trade error, the COO will assess, in consultation with outside legal counsel, the CCO and the Client, as appropriate, the nature of the trade error, the facts and circumstances surrounding the trade error, and whether the loss should be attributed to the Client or Broad Bay based on the organizational, governing and offering documents with respect to such Client, including the standard for indemnification set forth therein.

To the extent that any gains arise from trading errors, then such gains will be retained by the Client that benefited from such errors.

Order Aggregation

If a security is being purchased or sold for more than one Client, Broad Bay generally combines the orders for such Clients and allocates portions of the executed transaction among participating Clients, unless it is inconsistent with either Broad Bay's duty to seek best execution or the Governing Fund Documents or Managed Account Agreement (as applicable). Each Client participating in an aggregated trade will receive the average daily price of any transactions executed and pay a proportional share of any applicable commissions, subject to minimum ticket charges. If an aggregated order is partially filled, Broad Bay will allocate the order among the participating Clients proportionally based on the allocation instructions (subject to *de minimis* deviations to achieve round lot sizes).

Item 13. Review of Accounts

Broad Bay's investment personnel meet regularly to review the investments within each Client's portfolio. In addition, the PM, COO and Head of Operations & Finance review each Client's portfolio monthly, and the CCO conducts annual portfolio management reviews.

Broad Bay provides Fund investors with regular reports as specified in the Governing Fund Documents. Each Fund 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. If applicable, investors will also receive a statement of taxable income (Schedule K-1). In addition, Broad Bay provides Fund investors with performance updates on a periodic basis.

The Managed Account's owner is provided with reporting as outlined in the Managed Account agreement. The reporting associated with future separately managed accounts will be documented in the relevant investment management agreement.

Broad Bay may provide Clients, investors or prospective investors with certain information in response to questions and requests, including, but not limited to, in connection with due diligence meetings and ongoing information requests. This information may not be provided to other Clients, investors or prospective investors. Each Client, investor and prospective investor is responsible for asking the questions it believes are necessary in order to make informed investment decisions.

Item 14. Client Referrals and Other Compensation

Neither we nor any of our related persons directly or indirectly compensate any person who is not a supervised person, including placement agents, for Client referrals. However, Broad Bay has retained an offshore placement agent based in Switzerland to introduce Broad Bay to investors. This placement agent receives a percentage of management fees and/or performance fees/allocation received by Broad Bay from such investors depending on, among other things, the fund class the investor is invested in. Neither the Clients nor their underlying investors pay any additional fees in relation to the services that the placement agent provides to Broad Bay.

Other than the products and services received from broker-dealers that are described above in "Item 12. Brokerage Practices," 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 custody of the Funds' assets by virtue of its authority to obtain possession of the funds or assets of such Funds. Further, with respect to the Onshore Fund, Broad Bay has custody because its affiliate serves as the general partner of the Onshore Fund.

Broad Bay is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception," which, among other things, requires that each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year. For this reason, investors will not receive statements from the Funds' 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. Audited financial statements are prepared in accordance with U.S. generally accepted accounting principles and distributed to each Fund investor within 120 days of the Funds' fiscal

year end.

Broad Bay does not have custody of the assets of the Managed Account.

Item 16. Investment Discretion

In accordance with the terms and conditions of the Governing Fund Documents, and, with respect to the Onshore Fund, subject to the direction and control of the General Partner, Broad Bay has discretionary authority to determine, without obtaining specific consent from the Funds or their investors, the securities and other investments to be bought or sold on behalf of the Funds and to perform the day-to-day investment operations of the Funds.

In accordance with the terms and conditions of the Managed Account Agreement, Broad Bay will identify, source and investigate potential investments for the Managed Account, but does not have discretionary investment authority to make such investments for the Managed Account without the prior consent of the Managed Account's owner. However, once an investment is approved by the Managed Account's owner, Broad Bay will have, subject to the terms of the Managed Account Agreement, full discretion to execute, manage, and dispose of such investment.

Item 17. Voting Client Securities

Broad Bay has voting discretion over Client securities. Clients are generally not able to direct their votes in a particular situation.

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 securities for the Funds and the Managed Account. The general policy is to vote proxy proposals, amendments, consents or resolutions (collectively, "Proxies") in the applicable Client's best interest and consistent with such Client's investment objectives.

Per Broad Bay's Proxy voting policies and procedures, Proxies are typically voted in accordance with a standard methodology, which primarily is to vote with the recommendations of company management. In the event that Broad Bay believes that it is in the best interest of Broad Bay's Clients to vote otherwise, the reasons for doing so must be documented. Broad Bay may also abstain from voting Proxies for Client accounts under certain circumstances if Broad Bay deems that abstaining is in its Clients' best interests.

Broad Bay has retained a third-party Proxy voting service to assist in the administration of the Proxy vote process, including maintaining a record of votes cast on behalf of Broad Bay's Clients. Broad Bay periodically reviews its records and performs diligence on the third-party Proxy voting service in order to ensure that Proxies are voted in accordance with Broad Bay's standard methodology and/or Broad Bay's alternate vote instructions.

Conflicts of interest may arise between the interests of the Clients 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 with respect to a particular Proxy, Broad Bay will vote in accordance with the

recommendation of the majority of the firm's Operating Committee, as outlined in Broad Bay's 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 Clients 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 Clients. 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 will maintain documentation associated with the Clients' participation in class actions.

Item 18. Financial Information

A balance sheet is not required to be provided as Broad Bay does not solicit prepayment of fees more than six months in advance.

Broad Bay does not have any financial condition that is likely to impair its ability to meet contractual commitments to its Clients, nor has Broad Bay been subject to a bankruptcy petition at any time during the past ten years.

Item 19. Requirements for State-Registered Advisers

Broad Bay is not a state-registered adviser.