

## **Coast Capital Management, LP**

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New York, NY 10020**

**March 31, 2023**

This “**Brochure**” provides information about the qualifications and business practices of Coast Capital Management, LP. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”), James Rasteh, by email at [jrasteh@coastcapitalllc.com](mailto:jrasteh@coastcapitalllc.com). Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

Coast Capital Management, LP is a Registered Investment Adviser with the SEC. Registration as an investment adviser does not imply that Coast Capital Management, LP or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Coast Capital Management, LP is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2: Material Changes**

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This Brochure is Coast Capital Management, LP's annual update. Clients and prospective clients should carefully review the disclosure contained herein. There were no material changes made to this brochure since Coast Capital Management, LP's last annual amendment filed in March 2022.

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## Item 4: Advisory Business

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### Brief Description of Our Firm

Coast Capital Management, LP is a Delaware limited partnership (hereinafter “**Coast**,” “**Coast Capital**,” “**we**,” “**us**,” “**our**” or the “**Firm**”) organized on July 7, 2017. Coast Capital registered with the SEC as an investment adviser pursuant to the Investment Advisers Act of 1940, as amended (the “Advisers Act”) on September 26, 2017.

### Principal Owners

Coast Capital’s investment team consisting of James Rasteh, Chad Tappendorf and Amitaabh Sahai own 100% of the equity interests of Coast Capital.

Coast Capital Management GP, LLC serves as the General Partner of Coast and is responsible for its management. James Rasteh is the sole member of Coast Capital Management GP, LLC and serves as its Manager.

### Types of Advisory Services-Discretionary

Coast specializes in the management of equity securities through its active or engaged investment process.

### Funds

Coast serves as the investment adviser, with discretionary trading authority, to various private pooled investment vehicles, the securities of which are offered to qualified investors on a private placement basis, including: Coast Capital Engaged Offshore Fund, Ltd. a Cayman Islands exempted company (the “**Engaged Offshore Fund**”); Coast Capital Engaged Fund, LP, a limited partnership (the, “**Engaged Onshore Fund**”) and Coast Capital Engaged Master Fund, LP, a limited partnership (the “**Engaged Master Fund**,” and collectively with the Engaged Onshore Fund and Engaged Offshore Fund where applicable, the “**Engaged Fund**”); Coast Capital Mercury Fund, LP (the “**Mercury Fund**”), a Cayman Islands exempted limited partnership; Coast Capital Midas Fund, LP, a limited partnership (the “**Midas Onshore Fund**”); Coast Capital Midas Offshore Fund Ltd. a Cayman Islands exempted company (the “**Midas Offshore Fund**”); and Coast Capital Midas Master Fund, LP, a Cayman Islands exempted limited partnership (the “**Midas Master Fund**” and collectively with the Midas Onshore Fund and Midas Offshore fund where applicable, the “**Midas Fund**”). From time to time Coast may also serve as the investment adviser, with discretionary trading authority to certain special purpose investment vehicles (“**SPV**”) that may, among other things, co-invest alongside the aforementioned funds. The Engaged Fund, Mercury Fund, Midas Fund and SPV are herein collectively referred to as the “**Funds**”.

### Separately Managed Accounts

The Firm also manages Separately Managed Accounts (the “**SMA**s”). The Funds and the SMA are herein collectively referred to as the “**accounts**” or “**clients**”.

### Types of Advisory Services-Non-Discretionary

Coast may also provide investment management services to clients on a non-discretionary basis whereby it enters into an advisory or consulting arrangement to provide research and analysis specific to a particular security or securities, but the client makes the sole determination whether to transact in that security or securities.

The Funds' "**Limited Partners**" and "**Shareholders**" together with clients that fund a "**SMA**" account are hereafter collectively referred to as the "**Investors**" where appropriate. We do not tailor our advisory services to the individual needs of any particular Investor.

*This Brochure does not constitute an offer to sell or a solicitation of an offer to buy any securities. The Funds' securities are offered and sold on a private placement basis under exemptions promulgated under the "**Securities Act**" of 1933 and other applicable state, federal or non-U.S. laws. Significant suitability requirements apply to prospective investors in the Funds, including requirements that they be "accredited investors" as defined in Securities Act and "qualified purchasers" as defined in the Investment Company Act of 1940. Persons reviewing this Brochure should not construe this as an offer to sell or a solicitation of an offer to buy the securities of any of the Funds described herein. Any such offer or solicitation will be made only by means of a confidential private placement memorandum.*

Coast's investment decisions and advice with respect to each Fund are subject to each Fund's investment objectives and guidelines, as set forth in its respective offering documents.

Coast will not consider any other securities, cash or investments owned by an Investor when managing an Investors' assets. Coast will not consider an Investor's financial circumstances or investment objectives outside of Coast's area of active equity management.

Coast does not currently participate in any Wrap Fee Programs.

### Assets Under Management

The Firm has regulatory assets under management of \$123,340,162 all managed on a discretionary basis.

## **Item 5: Fees and Compensation**

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### Funds

Coast acts as investment adviser to the Funds and is compensated for its advisory services by charging a fee that is based on a percentage of assets under management. The General Partner of a Fund also may charge a fee that is based upon the performance of the Fund. For a full description of the fees and compensation for any Fund, please refer to that Fund's confidential private placement memorandum.

### Separate Accounts

Coast is compensated for both its discretionary and non-discretionary SMA advisory services by charging a fee that is based on a percentage of assets under management. Coast also charges a fee that is based upon the performance of an SMA. The specific manner in which fees are charged is established in an SMA's written agreement with Coast. In certain

circumstances, fees and account minimums for separate account management may be negotiable.

### Commissions and Other Charges

Coast's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by an account. Account's may incur certain charges imposed by custodians, brokers and other third parties. Mutual funds and exchange traded funds which may be purchased by Coast also charge internal management fees which are disclosed in a fund's prospectus. These third-party charges, fees and commissions are exclusive of, and in addition to, Coast's fee. Please see the section "Brokerage Practices" for additional information about the factors that Coast considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

### Billing and Payment

The Firm may change its fee structure at any time. All invoices are due promptly upon receipt.

Investor's whose assets are managed in SMAs are billed for any fees incurred. Management fees and performance allocations of a Fund will be deducted from the assets of the Fund.

Fees are normally charged on the first day of each month and are paid in advance based on the Fund or SMAs net asset value on the first day of the quarter.

Generally, quarterly fees for SMAs will be pro-rated by adjusting a client account's month end value if the net deposit/withdrawal transactions on any day, or any series of days, within a month exceed 5% of the account's month opening balance.

Fees for partial quarters will be calculated on a pro-rata basis.

Coast, in its sole discretion, may waive or modify fees for any Investor.

### Fee Schedule and Minimum Account Size

#### Funds:

Name of Entity	Base Fee, Based on Assets Under Management ("AUM")	Performance Fee?	Minimum Account Size
Engaged Fund	Series A/D Closed Series B/E 1.50% Series C/F 1.75%	Yes	\$1,000,000
Midas Fund	Series A/C 2.0% Series B/D 1.45%	Yes	\$1,000,000
Mercury Fund		Yes	\$1,000,000

	1.50%		
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A more detailed description of fees applicable to each Fund are set forth in detail in each Fund's Private Placement Memorandum.

**Separate Accounts:**

Name of Product	Base Fee, Based on Assets Under Management ("AUM")	Performance Fee?	Minimum Account Size
Coast Active/Engaged	2.00%	Yes	\$1,000,000

***Other Types of Fees or Expenses***

Coast Capital and the General Partner of the Funds are authorized to incur and pay in the name and on behalf of the Fund all expenses which they deem necessary or advisable.

Coast is responsible for and shall pay, or cause to be paid, all of their own ordinary administrative and overhead expenses, including, without limitation, all costs and expenses related to rent, salaries, office equipment, computer equipment, supplies, wages, bonuses, and other employee benefits.

The Fund bears all other expenses, which include the following expenses incurred by or allocable to the Funds: legal, accounting, bookkeeping, tax compliance, auditing, consulting and other professional expenses, including those of valuation firms; administration fees and other expenses charged by or relating to the services of third-party providers of administration services; any exchange fees subject to offset by any "maker-taker fees" rebated by such exchange; fees payable to sub-advisors (if we determine that such an arrangement represents the best way to access a particular investment opportunity or a difficult to access market or otherwise makes available specialized investment expertise to the Fund); fees and expenses (including travel expenses) related to research, market data and the due diligence, analysis, purchase or sale of investments, whether or not the investments are consummated; interest and fees (including commitment, structuring and underwriting fees) on margin loans, committed loan facilities, total return swaps and other indebtedness; bank service, custodial and similar fees; expenses related to the purchase, monitoring, sale, settlement, custody or transfer of Fund assets (directly or through trading affiliates); expenses associated with activist investment activities (including public relations, tender offer, and proxy solicitation, as well as fees and expenses related to filings under applicable law); third party and out-of-pocket fees and expenses relating to systems and software used in connection with the operation of the Fund and investment related activities (including any accounting, risk management, trading and administrator-like functions, and adviser and fund compliance that we perform in-house); expenses related to the investment of the Fund's assets, including but not limited to brokerage commissions, expenses relating to short sales, clearing and settlement charges, hedging expenses, dividend expenses and ticket charges; expenses related to the formation, maintenance and termination of any vehicles, including alternative investment vehicles, formed to effect or facilitate the acquisition of any investment and to provide financing for investment and expenses relating to proposed investments that are not consummated;

financing costs, including interests owed on loans, if any, advanced by our affiliates; entity-level taxes and any taxes and duties payable in any jurisdiction in connection with the operation of the Fund (excluding, for the avoidance of doubt, any taxes allocable or attributable to the Investors, in the General Partner's sole discretion); fees and expenses relating to the offer and sale of Interests (including organizational fees and expenses and filing and legal fees); Directors and Officers, Errors and Omissions or similar professional liability insurance purchased on our behalf; registration, annual and other similar fees payable by the Fund; expenses in the connection with any advisory committee or independent representative; fees and expenses incurred with our compliance with applicable ongoing regulatory requirements to the extent such requirements are imposed as a result of the organization or operation of the Fund and other ordinary and extraordinary expenses associated with the operation of the Fund and their investment activities. Notwithstanding the foregoing, the Fund General Partner may specially allocate the expenses described herein in any other manner if the Fund General Partner reasonably determines, in its sole discretion, that it is equitable to do so.

To the extent that expenses to be borne by the Fund are paid by the Firm or its affiliates, the Fund will reimburse the Firm or its affiliates for such expenses. We may waive any such reimbursement with respect to any Fund expenses. Any waiver by us for reimbursement of any Fund expenses shall not serve as a waiver of reimbursement for any future Fund expenses to be paid by us or our affiliates.

Neither the Firm nor its employees accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

#### **Item 6: Performance-Based Fees and Side-By-Side Management**

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Investors in the Funds advised by Coast will be charged a fee based upon a percentage of profits earned during a specified time period (a "Performance Based Fee"). Coast's Performance Based Fee from a Fund, if earned, will be allocated and paid to the Fund's general partner.

An investor which maintains an SMA managed by Coast, and which meets certain qualification standards, will pay a Performance-Based Fee and will only be charged in accordance with certain regulatory guidelines.

Typically, the time period for calculating a Performance Based Fee is one year.

Under a Performance-Based Fee arrangement, Coast may receive increased compensation with regard to unrealized appreciation as well as realized gains in an account. This may create an incentive for Coast to make riskier or more speculative investments than would be made under a different fee arrangement. Because all of Coast's account's are subject to a Performance Based Fee, Coast does not face those conflicts of interest that may arise when an investment adviser accepts such fees from some clients, but not from other clients.

#### **Item 7: Types of Clients**

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Coast provides (or has provided and sees to provide) investment advice to the following types of clients:

- The Funds



- Foundations and Endowments
- Pension and profit-sharing plans
- Trusts, estates, or charitable organizations
- Corporations and other business entities
- Insurance companies
- Other investment advisers
- Family Offices
- High net worth individuals

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

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The descriptions set forth in this Brochure of specific advisory services that we offer to clients, and investment strategies pursued and investments made by us on behalf of our clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each client's investment objectives and guidelines. The investment strategies we pursue are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.

##### ***Investment Objective***

The success of the our investment strategy may require, among other things: (i) that we properly identify portfolio companies whose securities prices can be improved through corporate and/or strategic action; (ii) that we acquire sufficient securities of such portfolio companies at a sufficiently attractive price; (iii) that we avoid triggering anti-takeover and regulatory obstacles while aggregating our position; (iv) that management of portfolio companies and other security holders respond positively to our proposals; and (v) that the market price of a portfolio company's securities increases in response to any actions taken by portfolio companies. There can be no assurance that any of the foregoing will succeed.

Successful execution of an investment strategy will depend on the cooperation of security holders and others with an interest in the portfolio company. Some security holders may have interests which diverge significantly from those of ours and some of those parties may be indifferent to the proposed changes. Moreover, securities that we believe are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame we anticipate, even if our strategy is successfully implemented. Even if the prices for a portfolio company's securities have increased, there is no assurance that we will be able to realize any increase in the price of such securities.

##### ***Risk Management***

Our investment program is speculative and entails potential substantial financial risks. We will focus on managing risk through the quality of our investment process and monitoring of investments. Additionally, the Firm may employ short positions which may add risk. We as a Firm do not bring on unnecessary risk without complete analysis and assessment of each potential investment.

***Risk of Loss Factors***

An investment involves significant risks, and is suitable only for those persons who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment, and who have met the conditions set forth in the Offering Memorandum. There can be no assurances that we will achieve our investment objectives. An investment carries with it the inherent risks associated with investments in publicly-traded stocks and bonds, options, and related instruments. Each prospective Investor should carefully review the Operating Memorandum and the agreements referred to herein before deciding to invest with Coast Capital.

***Equity Risk***

The market price of securities owned by us may go up or down, sometimes rapidly or unpredictably. A risk of investing in the Fund is that the equity securities in our portfolio will decline in value due to factors affecting equity securities markets generally or particular industries represented in those markets. The values of equity securities may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Other risks of investing globally in equity securities may include changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, imposition of withholding or other taxes, and difficulty in obtaining and enforcing judgments against non-U.S. entities. In addition, securities which we believe are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame we anticipate.

***Investment in Non-U.S. Securities***

We expect to invest in non-U.S. securities. Such investments may be subject to a greater risk than U.S. investments due to non-U.S. economic, political and legal developments, including favourable or unfavourable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation of assets or nationalization, imposition of taxes on dividends, interest payments, capital gains, or other income, the need for approval by government or other authorities to make investments, and possible difficulty in obtaining and enforcing judgments against non-U.S. entities and other factors beyond our control.

Furthermore, issuers of non-U.S. securities are subject to different, often less comprehensive accounting, reporting or disclosure requirements than U.S. issuers. The securities markets of some countries in which we may invest have substantially less volume than those in the United States, and securities of certain companies in these countries are less liquid and more volatile than securities of comparable U.S. companies. Accordingly, these markets may be subject to greater influence by adverse events generally affecting the market, and by large investors trading significant blocks of securities, than is usual in the United States.

***Currency Risk***

The investments that are not denominated in the U.S. dollar are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among

the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. Officials in foreign countries may, from time to time, take actions in respect of their currencies that could significantly affect the value of our assets denominated in those currencies or the liquidity of such investments. A foreign government may also limit the convertibility or repatriation of our currency or assets denominated in that currency. We may, but is not required to, invest in foreign currencies, foreign currency futures contracts and options thereon, forward foreign currency exchange contracts, or any combination thereof for hedging purposes, but there can be no assurance that such strategies will be implemented, or if implemented, will be effective.

### ***Short Sales***

We may engage in short selling of securities, currencies or indices, including all forms of derivatives. A short sale will result in a gain if the price of the instrument sold declines sufficiently between the time of the short sale and the time at which another is purchased to replace it. A short sale will result in a loss if the price of instrument sold short increases or does not decline sufficiently to cover transaction costs. Short sales on equities may expose us to theoretically unlimited losses, due to the lack of an upper limit on the price to which an investment can rise. Any gain would be decreased and any loss would be increased by the amount of any premium or interest which us may be required to pay with respect to the borrowed instrument.

### ***Concentration of Investments***

Although we are limited in the amount of capital that may be committed to any single industry, we may not be otherwise limited in the amount of capital that may be committed to investments in companies in any particular industry, sector or geography. As such, our assets may not be diversified and, if our assets are concentrated in a particular company, industry, sector, geography or similar category, we would be subject to an increased risk of loss if there was a decline in the market value in any security in which we have invested a large percentage of our assets or there are adverse consequences to such industry, sector, geography or other group of companies. Investment in a non-diversified fund will generally entail greater risks than investments in a diversified fund.

### ***Fixed-Income Securities***

We expect to invest in bonds or other fixed-income securities, including, without limitation, commercial paper and "higher yielding" (and, therefore, higher risk) debt securities. Such securities may be below "investment grade" and may face ongoing uncertainties and exposure to adverse business, financial or economic conditions that could lead to the issuer's inability to make timely interest and principal payments. The market values of certain of these lower rated debt securities tend to reflect individual corporate developments to a greater extent than do higher rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher rated securities. Companies that issue lower rated debt securities often are highly leveraged and may not have access to more traditional methods of financing. Trading in such securities may be limited or disrupted by an economic recession, resulting in an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could affect adversely the ability of the issuers of such securities to repay principal and pay interest thereon and, therefore, increase the incidence of default for such securities.

***Corporate Debt***

Corporate debt securities are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates rise, the value of corporate debt securities can be expected to decline. Debt securities with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities.

***High Yield Securities***

We may make investments in "high yield" debt and preferred securities which are rated lower than investment grade by the various credit rating agencies (or in comparable non-rated securities). Securities that are rated lower than investment grade are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

***Original Issue Discount, Zero Coupon and Deferred Interest Rate Bonds***

We may invest in original issue discount, zero coupon bonds and deferred interest bonds, which are debt obligations issued at a significant discount from face value. The original discount approximates the total amount of interest the bonds will accrue and compound over the period until maturity or the first interest accrual date at a rate of interest reflecting the market rate of the security at the time of issuance. While zero coupon bonds do not require the periodic payment of interest, deferred interest bonds generally provide for a period of delay before the regular payment of interest begins. Such investments experience greater volatility in market value due to changes in interest rates than debt obligations that provide for regular payments of interest.

***Convertible Securities***

We may invest in convertible securities, which are debt securities or preferred equity securities that are exchangeable for other debt or equity securities of the issuer at a predetermined price. Convertible securities entitle the holder to receive interest payments paid on corporate debt securities or the dividend preference on preferred equity securities until such time as the convertible security matures or is redeemed or until the holder elects to exercise the conversion privilege. As a result of the conversion feature, convertible securities typically offer lower interest rates than if the securities were not convertible. It is possible that the potential for appreciation on convertible securities may be less than that of a common stock equivalent.

***Distressed Securities***

We may invest in the securities and obligations of distressed and bankrupt issuers, including debt obligations that are in covenant or payment default. Such investments generally are considered speculative. The repayment of defaulted obligations is subject to significant uncertainties. Defaulted obligations might be repaid, if at all, only after lengthy workout or bankruptcy proceedings, during which the issuer might not make any interest or other payments and the amount of any recovery may be affected by the relative security of our investment in the capital structure of the issuer. In addition, distressed investments are more likely to be challenged as fraudulent conveyances and amounts paid on the investment may be subject to avoidance as a preference under certain circumstances.

Purchasing securities or currencies to close out a short position can itself cause the price of the securities or currencies to rise further, thereby exacerbating a loss. Under adverse market conditions, we may have difficulty purchasing securities or currencies to meet our short sale delivery obligations, and may have to sell portfolio securities or currencies to raise the capital necessary to meet our short sale obligations at a time when it would be unfavourable to do so. If a request for return of borrowed securities and/or currencies occurs at a time when other short sellers of the securities and/or currencies are receiving similar requests, a “short squeeze” can occur, and we may be compelled to replace borrowed securities and/or currencies previously sold short with purchases on the open market at a disadvantageous time, possibly at prices in excess of the proceeds received in originally selling the securities and/or currencies short.

***Risks Associated with Investments in Restructured Companies***

We may invest in securities of companies that are experiencing significant financial or business difficulties, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although such investments may result in significant returns to us, they involve a substantial degree of risk. Any one or all of the issuers of the securities in which we invest may not show any return for a considerable period of time, if ever. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that we will correctly evaluate the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company in which we invest, we may lose our entire investment or may be required to accept cash or securities with a value less than the original investment.

***Risks of Derivative Instruments***

We will engage in a variety of derivative transactions. A derivative is a financial contract the market value of which depends upon, or is derived from, the value of underlying assets, reference rates or indices. Derivatives may relate to securities, commodities, currencies, currency exchange rates, interest rates, inflation rates and related indices, and include futures, non-U.S. currency contracts, swap contracts, options on securities and indices, options on futures contracts, options on swap contracts, forward contracts, contracts for differences, interest rate caps, floors and collars, repurchase or reverse repurchase agreements and other over-the-counter contracts. We may use derivatives for many purposes, including as a substitute for direct investment, as a way to adjust exposure to various securities, markets and currencies without actually having to sell existing investments

and/or make new investments, and as a means to hedge other investments and to manage liquidity and excess cash.

***Risks Associated with Investments in Mining, Mineral and Exploration Companies***

We may invest in companies that operate mining or mineral facilities. Operation of such facilities involves certain operational risks, which include: the possibility of performing below expected levels of output, availability or efficiency; interruptions in fuel or other necessary supplies; increases in the cost of fuel or other necessary supplies; disruptions in the offtake of steam or electrical energy; power shutdowns; breakdown or failure of equipment or processes; accidental discharges of hazardous materials; labor disputes; changes in law; failure to obtain or maintain necessary governmental permits; or catastrophic events such as fires, earthquakes, lightning, explosions, hurricanes, tornados, floods or similar occurrences affecting a facility or its purchasers, suppliers or transporters.

We may invest in businesses that engage in exploration, including businesses that have no reserves. Exploration is an unpredictable business involving a high degree of risk. There is no guarantee that mineralization of any commercial level will exist or be found by companies engaging in exploration, so such investments may be entirely speculative in nature. Moreover, acquiring and exploring for natural resources themselves involve many risks. These risks include encountering unexpected formations or pressures, premature declines of mines, blow-outs, equipment failures and other accidents, cratering, sour gas releases, adverse weather conditions, pollution, fires, spills and other environmental risks. In addition, companies in which we invest may rely on estimates of mine reserves. The process of estimating mine reserves is complex, requiring significant decisions and assumptions in the evaluation of available geological, geophysical, engineering and economic data. As a result, such estimates are inherently imprecise. Any significant variance in the assumptions could materially affect the estimated quantity and value of the reserves.

We may invest in companies managing or owning projects and facilities at an early stage of development, involving risks of failure to obtain or substantial delays in obtaining: (i) regulatory, environmental or other approvals or permits; (ii) financing; and (iii) suitable equipment supply, operating and offtake contracts. These projects involve additional uncertainties, including the possibility that the projects may not be completed, operating licenses may not be obtained, and permanent financing may be unavailable. Further, there is no assurance profitable or generate cash flow sufficient to service their debt or provide a return on or recovery of amounts invested therein.

We may make investments in companies with significant construction risk, including the risk of substantial delay or increase in cost due to a number of unforeseen factors, including: political opposition; regulatory and permitting delays; delays in procuring sites; equipment; labor disputes; lawsuits and other disputes; environmental issues; force majeure; or failure by one or more of the infrastructure investment participants to perform in a timely manner (or at all) its or their contractual, financial or other commitments.

Prices of precious metals such as gold, silver, platinum and palladium are affected by factors such as cyclical economic conditions, political events, and monetary policies of various governments and countries. In addition, certain precious metals are geographically concentrated, and events in those parts of the world in which such concentration exists may affect their values. Gold and other precious metals also are subject to governmental action

for political reasons. Mining companies operating in the precious metals industry may face increased risk that their assets and operations are nationalized. The markets for precious metals are volatile and there may be sharp fluctuations in prices even during period of rising prices.

The performance of certain investments will be substantially dependent upon prevailing prices of certain mining and mineral-related resources. Historically, the markets for such resources have been volatile, and such markets are likely to continue to be volatile in the future. Prices for mining and mineral-related resources are subject to wide fluctuation in response to relatively minor changes in supply and demand, market uncertainty and a variety of additional factors that are beyond the control of the Fund. The factors include the level of consumer product demand, weather conditions, domestic and foreign governmental regulations, the foreign supply of natural resources, the price of foreign imports and overall economic conditions.

### ***Availability of Investment Strategies***

The success of our investment and trading activities will depend on our ability (including members of the investment team) to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the U.S. equity markets. Identification and exploitation of the investment strategies to be pursued by us involves a high degree of uncertainty. No assurance can be given that we (including members of the investment team) will be able to identify suitable investment opportunities in which to deploy all of our capital. A reduction in overall market volatility and liquidity, as well as other market factors, may reduce the pool of profitable investment strategies.

### ***Exchange Traded Funds (“ETFs”)***

We may invest in exchange-traded funds (“ETFs”). ETFs are hybrid investment companies that may be registered as open-end investment companies or unit investment trusts (“UITs”) but possess some of the characteristics of closed-end funds. ETFs in which we may invest typically hold a portfolio of common stocks that is intended to track the price and dividend performance of a particular index. We may also invest in actively-managed ETFs. Common examples of ETFs include S&P Depositary Receipts (“SPDRs”), Vanguard ETFs and iShares, which may be purchased from the UIT or investment company issuing the securities or in the secondary market (SPDRs, Vanguard ETFs and iShares are predominantly listed on the NYSE Arca). The market price for ETF shares may be higher or lower than the ETF’s net asset value. The sale and redemption prices of ETF shares purchased from the issuer are based on the issuer’s net asset value. Investments in ETFs entail certain additional risks. Investments in ETFs involve the risk that the ETF’s performance may not track the performance of the index (if any) the ETF is designed to track. Unlike an index, an ETF incurs administrative expenses and transaction costs in trading securities. In addition, the timing and magnitude of cash inflows and outflows from and to investors buying and redeeming shares in the ETF could create cash balances that cause the ETF’s performance to deviate from the index (which remains “fully invested” at all times). Performance of an ETF and the index it is designed to track also may diverge because the composition of the index and the securities held by the ETF may occasionally differ. In addition, ETFs often use derivatives to track the performance of the relevant index and, therefore, investments in those ETFs are subject to the same derivatives risks discussed above.

***Depository Receipts***

We may invest in American Depositary Receipts (“ADRs”), Global Depositary Receipts (“GDRs”) and European Depositary Receipts (“EDRs”) or other similar securities representing ownership of non-U.S. securities (collectively, “Depository Receipts”) if issues of such Depository Receipts are available that are consistent with our investment objective. Depository Receipts generally evidence an ownership interest in a corresponding non-U.S. security on deposit with a financial institution. Transactions in Depository Receipts usually do not settle in the same currency as the underlying securities are denominated or traded. Generally, ADRs are designed for use in the U.S. securities markets and EDRs are designed for use in European securities markets. GDRs may be traded in any public or private securities markets and may represent securities held by institutions located anywhere in the world. GDRs and other types of Depository Receipts are typically issued by non-U.S. banks or trust companies, although they may be issued by U.S. financial institutions, and evidence ownership interests in a security or pool of securities issued by either a non-U.S. or a U.S. corporation.

Because the value of a Depository Receipt is dependent upon the market price of an underlying non-U.S. security, Depository Receipts are subject to most of the risks associated with investing in non-U.S. securities directly. Depository Receipts may be issued as sponsored or unsponsored programs.

***Significant Positions in Securities; Regulatory Requirements***

In the event we acquire a significant stake in certain issuers of securities and such stake exceeds certain percentage or value limits, we may be subject to regulation and regulatory oversight that may impose notification and filing requirements or other administrative burdens. Any such requirements may impose additional costs on us and may delay the acquisition or disposition of the securities or our ability to respond in a timely manner to changes in the markets with respect to such securities.

In addition, “position limits” may be imposed by various regulators that may limit our ability to effect desired trades. Position limits are the maximum amounts of gross, net long or net short positions that any one person or entity may own or control in a particular issuer’s securities. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. To the extent that our position limits were aggregated with an affiliate’s position limits, affecting us and resulting restriction on our investment activities may be significant. If at any time positions managed by us were to exceed applicable position limits, we would be required to liquidate positions, which might include positions of the Fund, to the extent necessary to come within those limits. Further, to avoid exceeding any position limits, we might have to forego or modify certain contemplated trades.

***Lack of Liquidity in Markets***

The markets for many securities and other investments are thinly traded from time to time. This lack of liquidity and market depth could disadvantage us, both in the realization of the prices which are quoted and in the execution of orders at desired prices or in desired quantities. Also, U.S. and non-U.S. securities exchanges and the SEC and other regulatory authorities have authority to suspend trading in a particular security without notice.



**Leverage**

We may utilize leverage in investing our assets, including through engaging in trading on margin by borrowing funds and pledging securities as collateral. While such use of borrowed funds increases returns if we earn a greater return on the incremental investments purchased with borrowed funds than it pays for such funds, the use of leverage decreases returns if we fail to earn as much on such incremental investments as it pays for such funds. The effect of leverage may therefore result in a greater decrease in the net asset value of funds than if we were not so leveraged. Any use by us of short-term margin borrowings will result in certain additional risks to us. For example, the securities pledged to brokers to secure our margin accounts could be subject to a "margin call," pursuant to which we would be required to either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. A sudden, precipitous drop in value of our assets accompanied by corresponding margin calls could force us to liquidate assets quickly, and not for what we perceive to be their fair value, in order to pay off our margin debt. In addition, we may engage in certain derivative transactions which implicitly contain leverage and subject us to the same risks discussed above.

Investment in Illiquid Securities.

We do not expect to invest in private equity investments. While we expect to be highly liquid, we may invest in private or restricted securities or investments.

Assets and liabilities for which no market prices are available will generally be carried on the books of us at fair value in accordance with GAAP, unless otherwise determined by us. There is no guarantee that such valuation will represent the value that will be realized by us on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment.

**Other Instruments and Future Developments**

We may take advantage of opportunities in the area of swaps, options on various underlying instruments and swaptions and certain other customized "synthetic" or derivative investments in the future. In addition, we may take advantage of opportunities with respect to certain other "synthetic" or derivative instruments which are not presently contemplated for use or which are currently not available, but which may be developed to the extent such opportunities are both consistent with our investment objective and legally permissible. Special risks may apply to our investments in the future.

Options.

We may invest in options. Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks. Although an option buyer's risk is limited to the amount of the original investment for the purchase of the option, an investment in an option may be subject to greater fluctuation than is an investment in the underlying securities. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer of a put option is that the price of the underlying securities may fall below the exercise price. The ability to trade in or exercise options may be restricted in the event that trading in the underlying securities interest becomes restricted.

Unlike exchange-traded options, which are standardized with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of over-the-counter

options (options not traded on exchanges) are generally established through negotiation with the other party to the option contract. While this type of arrangement allows us greater flexibility to tailor an option to our needs, over-the-counter options generally involve greater credit risk than exchange-traded options, which are guaranteed by the clearing organization of the exchanges where they are traded.

### ***Swaps***

We may utilize swaps and other derivative transactions to some degree where it believes it will further our objectives. Notional amounts of swap transactions are not subject to any limitations, and swap contracts may expose us to unlimited risk of loss. Swaps may be used as an alternative to futures contracts. To the extent we invest in repos, swaps, forwards, futures, options and other “synthetic” or derivative instruments, counterparty exposures can develop and we take the risk of non-performance by the other party on the contract. This risk may differ materially from those entailed in exchange-traded transactions which generally are supported by guarantees of clearing organizations, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. In the international securities markets, the existence of less mature settlement structures and systems can result in settlement default and exposure to counterparty credits.

### ***Futures Risks***

A futures contract is an agreement to buy or sell a specific amount of a commodity, currency or financial instrument at a particular price on a stipulated future date. The price is established through an organized exchange and the contracts are exchange-traded. We may enter into futures contracts and may invest in futures contracts on, among other things, financial instruments (such as a U.S. government security or other fixed income security), individual equities (“single stock futures”), securities indices, interest rates, currencies, inflation indices, commodities and commodities indices. If we purchase a futures contract, it incurs an obligation to take delivery of a specified amount of the obligation underlying the futures contract at a specified time in the future for a specified price. If we sell a futures contract, it incurs an obligation to deliver a specified amount of the obligation underlying the futures contract at a specified time in the future for an agreed-upon price. The purchase of futures contracts can serve as a long hedge, and the sale of futures contracts can serve as a limited short hedge. The purchase and sale of futures contracts also may be used for speculative purposes.

### ***Investment in futures contracts involves risk***

A purchase or sale of futures contracts may result in losses in excess of the amount invested in the futures contract. If a futures contract is used for hedging, an imperfect correlation between movements in the price of the futures contract and the price of the security, currency, or other investment being hedged creates risk. Correlation is higher when the investment being hedged underlies the futures contract. Correlation is lower when the investment being hedged is different than the security, currency, or other investment underlying the futures contract, such as when a futures contract on an index of securities or commodities is used to hedge a single security or commodity, a futures contract on one security (e.g., U.S. Treasury bonds) or commodity (e.g., gold) is used to hedge a different

security (e.g., a mortgage-backed security) or commodity (e.g., copper), or when a futures contract in one currency is used to hedge a security denominated in another currency.

In the event of an imperfect correlation between a futures position and the portfolio position (or anticipated position) intended to be hedged, we may realize a loss on the futures contract at the same time the Fund is realizing a loss on the portfolio position intended to be hedged. To compensate for imperfect correlations, we may purchase or sell futures contracts in a greater amount than the hedged investments if the volatility of the price of the hedged investments is historically greater than the volatility of the futures contracts. Conversely, we may purchase or sell fewer futures contracts if the volatility of the price of the hedged investments is historically less than that of the futures contract. The successful use of transactions in futures contracts and related options for hedging also depends on the direction and extent of exchange rate, interest rate, and asset price movements within a given time frame. We may purchase futures contracts (or options on them) as an anticipatory hedge against a possible increase in the price of a currency in which securities we anticipate purchasing are denominated. If we do not then invest in those securities, we may realize a loss on the futures contract that is not offset by a reduction in the price of the securities purchased.

There is no guarantee that we will be able to enter into an offsetting closing transaction for a purchased or sold futures contract, by selling or purchasing, respectively, an instrument identical to the instrument purchased or sold. In addition, under certain circumstances, futures exchanges may establish daily limits on the amount that the price of a futures contract can vary from the previous day's settlement price, thereby effectively preventing liquidation of unfavourable positions. It is also possible that an exchange or governmental authority may suspend or restrict trading on an exchange or in particular securities or other instruments traded on the exchange. If we are unable to liquidate a futures position due to the absence of a liquid secondary market or the imposition of price limits or other restrictions, it could incur substantial losses. Furthermore, we would continue to be subject to market risk with respect to the position.

When permitted by applicable law, we may trade futures contracts on non-U.S. exchanges or similar entities, which are not regulated by the CFTC and may not be subject to the same degree of regulation as the U.S. contract markets. Additional or different margin requirements as well as settlement procedures may apply to certain non-U.S. futures.

### ***Portfolio Turnover***

We have not placed any limit on the rate of portfolio turnover, and portfolio securities may be sold without regard to the time they have been held when, in our opinion, investment considerations warrant such action. A high rate of portfolio turnover involves correspondingly greater expenses than a lower rate, may act to reduce our investment gains, or create a loss for investors and may result in taxable costs for investors depending on the tax provisions applicable to such investors.

### ***Cash and Other Investments***

We may invest all or a portion of our assets in cash or cash items for investment purposes, pending other investments or as provision of margin for futures or forward contracts. These cash items must be of high quality at the time of investment and may include a number of money market instruments such as negotiable or non-negotiable securities issued by or short-

term deposits with the U.S. and non-U.S. governments and agencies or instrumentalities thereof, bankers' acceptances, high quality commercial paper, repurchase agreements, bank certificates of deposit, and short-term debt securities of U.S. or non-U.S. issuers deemed to be creditworthy by us. We may also hold interests in investment vehicles that hold cash or cash items. While investments in cash items generally involve relatively low risk levels, they may produce lower than expected returns, and could result in losses. Investments in cash items and money market funds may also provide less liquidity than anticipated by us at the time of investment.

### **Item 9: Disciplinary Information**

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To the best of our knowledge, there are no legal or disciplinary events that are material to an Investor's or prospective investor's evaluation of our advisory business or the integrity of our management.

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

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Neither we nor our management persons are registered as broker-dealers, and neither of us has any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

We do not recommend or select other investment advisers for our clients.

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

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#### ***Code of Ethics***

Coast Capital has adopted a "**Code of Ethics**" that establishes the high standard of conduct that we expect of our Access Persons and procedures regarding our Access Persons' personal trading of securities. Our Access Persons are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and annually thereafter. Access Persons also are required to provide quarterly certifications of compliance with certain Code of Ethics provisions.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

1. Access Persons must at all times place the interests of the Funds and Investors first;
2. Access Persons must ensure that all personal securities transactions are conducted consistent with the Code of Ethics' Employee Investment Policy (described below); and
3. Access Persons should not take inappropriate advantage of their position at the Firm.

#### ***Personal Securities Trading***

Access Persons are not permitted to trade single name securities, including but not limited to; equity securities, options on equities, publicly-traded bonds or other fixed income or debt investments (including derivatives), futures or commodities, without written pre-approval from the CCO. Pre-approved purchases in Employee personal accounts are subject to a minimum 60-day hold period. Access Persons are permitted to liquidate positions held at the time of employment (a "**Liquidating Trade**") subject to pre-clearance by the CCO. Access Persons are prohibited from participating in Initial Public Offerings ("**IPOs**"). Access Persons

are also prohibited from personally, or on behalf of a client, purchasing or selling securities that appear on the Firm's Restricted List.

Access Persons must obtain pre-approval from the CCO before: (i) making a Liquidating Trade; (ii) engaging in any outside business activities that may present a conflict with the Access Persons' duties at the Firm; or (iii) making any private investments.

We will provide a copy of our Code of Ethics to our Investors, or any prospective investor or client, upon request, to be viewed on the premises.

### ***Participation or Interest in Client Transactions***

Partners and employees of Coast may purchase, sell or hold positions in individual securities that are purchased, sold or held for any of the Firm's clients. Employees may take actions in their personal accounts that are contrary to the actions being taken in client accounts. Coast will not be under any obligation to purchase or sell for clients any security that the Firm, its affiliates or employees may purchase or sell for its or their own accounts.

Neither we nor our related persons generally purchase any securities for our own accounts from, or sell any securities for our own accounts to, the Funds. We may solicit qualified clients to invest in a Fund. We could be considered to have recommended an investment in the Fund as suitable for a client as a result of our relationship with the Fund. We will inform each client of our relationship with a Fund prior to the client's investment, but we do not intend to advise clients as to the appropriateness of the investment and we will not receive any compensation for selling interests in a Fund (except to the extent that we receive our Management Fee and Performance Allocation from Investors).

The private placement memorandum for each Fund contains information about the particular investment strategy employed, risk factors, investor qualifications, and fees and expenses. Investment in a Fund can be made only by a subscription agreement.

The Firm has established a proprietary investment vehicle that is a Related Fund that currently holds a single co-investment alongside some of the Funds. In the future, the Related Fund may make and dispose of additional investments, which may be the same or different than investments of those Funds and may be made or disposed of at the same time or different times than investments of those Funds.

We disclose these, and other potential conflicts of interest, to Investors in the Fund's offering documents. Offering documents are delivered to Investors prior to their investment and Investors are given the opportunity to ask questions and seek answers regarding, among other things, potential conflicts involving us, our affiliates, or the executive officers of the foregoing.

### **Item 12: Brokerage Practices**

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Coast Capital is authorized to determine the broker-dealer to be used for executing securities transactions for the Funds. In selecting broker-dealers to execute transactions, we do not need to solicit competitive bids and do not have an obligation to seek the lowest available commission cost. The Funds' securities and other assets are held in securities accounts at our prime brokers that are "Qualified Custodians" as defined in the Advisers Act.

#### ***Best Execution***

In selecting brokers and negotiating commission rates, we will take into account the financial stability and reputation of brokerage firms, and the research, brokerage, or other services provided by such brokers.

In selecting an appropriate broker-dealer to effect a client trade, we seek to obtain “**Best Execution**,” meaning generally to seek the most favorable transaction terms for a customer that is reasonably available under the circumstances. This does not necessarily mean paying the lowest possible commission rate. Accordingly, in seeking Best Execution, we will take into consideration the price of a security offered by the broker-dealer, as well as a broker-dealers’ full range and quality of their services including, among other things, their facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to us, brokerage and research services provided to us (for example, research ideas, analysis, and investment strategies, access to analysts, access to company management), ability to maintain anonymity, quality of market information, ability to execute difficult trades, special execution and block positioning capabilities, clearance, settlement and custodial services and overall quality of operational capabilities.

#### ***Research and Other Soft Dollar Benefits***

Coast believes it is important to its investment decision-making process to have access to research services and other brokerage related services.

The research Coast receives may be both in the form of proprietary research (created or developed by the broker) and research created or developed by a third party.

It may not be Coast’s practice to negotiate “execution only” commission rates and brokers may combine the costs of their proprietary research services with the costs of securities execution services in the form of a “bundled” commission rate. Thus, the client may be deemed to be paying for research services provided by the broker which are included in the commission rate.

Because brokers may combine the costs of their proprietary research services with the costs of securities execution services in the form of “bundled” commission rates it may be difficult to quantify the costs of these research services.

In some cases, Coast may pay either non-executing brokers or other third parties for their research services or brokerage related services from pools of research dollars accumulated with brokers that have been generated by client commissions. These types of arrangements are commonly referred to as Commission Sharing Arrangements. The costs of these research services are generally quantifiable. In other cases, research services are generated by independent third parties but are provided to Coast by or through brokers not affiliated with the third-party research provider. The costs of these research services are generally quantifiable.

Generally, research services provided by brokers may include information on or pertaining to:

- the economy
- industries or groups of securities
- individual companies
- statistical information
- legal and accounting interpretations

- political or legal developments, affecting portfolio securities or industries
- technical market action
- pricing and appraisal services
- credit analysis
- portfolio risk measurement analysis
- company performance analysis

The following types of products and services were acquired with client brokerage commissions (or markups or markdowns) within Coast's last fiscal year or may be acquired in the future:

- news and quotation services
- financial databases and information services
- research software and databases
- portfolio risk analysis software
- publications and written reports
- customized security or industry specific research and analysis
- telephone contacts and personal meetings with security analysts
- telephone contacts and personal meetings with industry experts, and corporate executives
- telephone contact and personal meetings with economists, academicians, consultants and government representatives
- environmental, social and governance issues (ESG)
- software to route orders to market centers
- software used in the analysis of trading costs
- software used to enhance the portfolio management process
- connectivity and services related to the execution, clearing and settlement of securities transactions

Coast obtains a benefit from the use of client brokerage commissions (or markups or markdowns) to obtain research or other products or services because Coast does not then have to bear the cost of such products or services. As a result, Coast may have an incentive to select or recommend a broker based upon its interest in receiving research or other products or services, rather than on a client's interest in receiving the most favorable price.

Research services may be used in servicing all Coast clients, and not just those clients whose commissions enabled Coast to obtain the research. Coast does not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

Coast endeavors to keep any client commission arrangements within the parameters of the safe harbor of Section 28(e) of the Securities Exchange Act of 1934.

Subject to best execution, we may consider, among other things, capital introduction and marketing assistance with respect to investors in the Funds in selecting or recommending broker-dealers for the Funds.

#### ***Allocation and Aggregation of Orders***

Coast will act in a fair and reasonable manner in allocating investment opportunities among client accounts for which orders are aggregated and among other accounts managed by

Coast. In furtherance of this, Coast will evaluate whether and to what extent an account should participate in a particular investment opportunity based on a variety of factors, which may include without limitation the investment guidelines, the funds in the account available for investment at any particular time, the nature of the opportunity in the context of the account's other positions at the time, the liquidity of the investment relative to any liquidity guidelines set forth in the investment guidelines, the transaction and borrowing costs involved, and the tax consequences, if any, of the investment for the account.

Generally, where more than one account is eligible, Coast will trade in blocks of securities composed of assets from multiple accounts. In those cases, transaction costs are shared equally and on a pro-rata basis among all accounts included in any such block. Coast believes that block trading generally allows the execution of equity trades in a more timely, efficient and equitable manner and reduces the overall transaction costs to clients, although these results cannot be assured.

Generally, trades will be allocated on a pro-rata basis across multiple accounts that participate in a particular investment strategy. From time to time an order for the same security may be placed for accounts across more than one investment strategy. Generally, should these orders be placed simultaneously or within a reasonably short time of each other, they will be transmitted to a broker as a single order and be allocated on a pro-rata basis across all participating investment strategies. Client accounts may receive no allocation in those instances where there occurs a de-minimus partial fill and it is determined that an allocation to a particular account would be immaterial relative to the overall assets of the account.

### **Item 13: Review of Accounts**

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Our portfolio manager and investment professionals continuously monitor and analyze the transactions, positions, and investment levels of the accounts to ensure that they conform with investment objectives and stated guidelines that are stated in the Funds' offering documents. In these reviews, we pay particular attention to any changes in the investment's fundamentals, overall risk management and changes in the markets that may affect price levels. A review may be triggered by such events including, but not limited to, changes in general economic or investment conditions, Coast's portfolio strategy or outlook with regard to the prospects for a particular portfolio holding or potential new purchases.

Whenever a transaction occurs in an account, that account is checked for accuracy the following day by Coast's operations department which also reviews the performance of each account monthly.

Coast has retained Applied Fund Solutions ("AFS") to provide middle and back-office support functions. AFS reconciles accounts with custodians at least monthly.

Coast provides separately managed account clients with a monthly performance report, a monthly portfolio appraisal and market value reconciliation.

Investors in a Fund are provided with a monthly performance report from the Fund's independent administrator.

Coast will distribute annual audited financial statements with respect to the previous fiscal year to all Investors within 120 days of the relevant Fund's fiscal year end. We may also distribute other interim reports to Investors.



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

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From time to time, Coast may enter into solicitation agreements or other referral arrangements under which it pays fees for client referrals.

Coast has agreed to pay Far Hill Group, LLC (“Far Hills”) whose principal place of business is 747 Third Avenue, 30<sup>th</sup> Floor, New York, NY 10017, cash compensation based upon a percentage of the revenue generated from the assets of clients introduced to Coast that invest in a Coast Fund or specially created SPV managed by Coast as well as separately managed accounts advised by Coast in a similar strategy as that of a Coast Fund or SPV. Far Hills will solicit clients globally. Clients of Far Hills will not be charged an amount in addition to any particular Fund’s share classes’ management fee or incentive fee nor will they be charged a higher management fee or incentive fee than other clients in any particular separately managed account to cover the cost of Far Hills’ solicitation services. Far Hills is not an investor in any Coast Fund, SPV or SMA, but it is possible that one or more of its affiliates or employees may now, or in the future, make such an investment. The receipt by Far Hills of compensation for its solicitation activities, in addition to any other relationships it may have with Coast, creates a material conflict of interest.

Far Hills is a broker dealer registered with the Securities and Exchange Commission and the Commodity Futures Trading Commission. Far Hills is a member of the Financial Industry Regulatory Authority (FINRA) and the National Futures Association (NFA).

#### **Item 15: Custody**

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##### The Funds

Coast is deemed to have custody of assets held in the Funds. Coast will comply with Advisers Act’s Custody Rule by meeting the conditions of the pooled vehicle annual audit approach. Upon completion of the relevant Fund’s annual audit by an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board (PCAOB), we will distribute the Fund’s audited financials to Investors within 120 days of the Fund’s fiscal year end.

##### Separately Managed Accounts

In all cases a client with a separate account will have its assets maintained at a broker-dealer, bank or other qualified custodian and the custodian maintains the official record of the account for the client. These custodians may deliver to clients, as agreed between the custodian and client, monthly or quarterly account statements summarizing the activity in their accounts and the return on their investments. These reports are in addition to the statements clients receive directly from Coast, which are described above under *Review of Accounts*. Coast strongly encourages its clients to carefully review the account statements provided by the custodian and compare the custodian’s account statements with the information provided by Coast.

Generally, Coast does not have custody of client assets managed in separately managed accounts.

Under very limited circumstances Coast may be deemed to have custody of client assets managed in a separately managed account because Coast has helped select the custodian

and/or may have the ability to access funds or securities in the account. If Coast has custody it will subject such account or accounts to an annual surprise examination by an independent public accountant in order to verify client funds and securities.

Clients should contact Coast or their custodian with any questions about their account. Clients should notify Coast promptly if they do not receive account statements from their custodian on at least a quarterly basis.

#### **Item 16: Investment Discretion**

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Coast accepts discretionary authority to manage securities accounts on behalf of clients. For clients that retain Coast to act with investment discretion, Coast requires that all clients sign written investment advisory agreements giving Coast the authority to determine, without obtaining the client's prior approval, which securities and the amounts of securities that are bought or sold, the broker-dealer to use for client transactions and the commissions costs that will be charged to clients for these transactions.

As a general matter, Coast does not allow client's to impose any limitation's on its discretionary authority. Nonetheless, if Coast were to permit any such limitations, they would be included in the written advisory agreement or separate written instructions provided by the client.

#### **Item 17: Voting Client Securities**

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In compliance with the Advisers Act's Proxy Voting Rule, we have adopted proxy voting policies and procedures. The general policy is to vote all proxy proposals, amendments, consents or resolutions (collectively, "**Proxies**") in a prudent and diligent manner that will serve the applicable client's best interests and is in line with each client's investment objectives.

We may take into account all relevant factors, as determined by us in our discretion, including, without limitation:

- the impact on the value of the securities or instruments owned by the relevant client and the returns on those securities;
- the anticipated associated costs and benefits;
- the continued or increased availability of portfolio information; and
- industry and business practices.

Generally, clients may not direct our vote in a particular solicitation.

Clients may obtain a copy of our Proxy voting policies and our Proxy voting record upon request.

**Item 18: Financial Information**

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We are not required to include a balance sheet for our most recent fiscal year, are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to clients, and have not been the subject of a bankruptcy petition at any time during the past ten years.