

Item 1 – Cover Page

Baffin Advisors LLC

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March 28, 2012

This Brochure provides information about the qualifications and business practices of Baffin Advisors LLC. If you have any questions about the contents of this Brochure, please contact us at (914) 371-2992 and/or [info@baffinadvisors.com](mailto:info@baffinadvisors.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Baffin Advisors LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

The main material changes involve a change in our assessment of our assets under management, which now include only the assets we manage with discretion, which amounted to \$72.9million by mid March. It was decided that only discretionary money would be reported, as the external advisory mandates are not consistent enough to be reported. Another change is the incorporation of a new Associate to the firm (Jonathan Szwarc).

Additional information about Baffin Advisors LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated February 25, 20011, is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

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

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

Currently, our Brochure may be requested by contacting Martin Anidjar, Managing Partner at (914) 371-2992 or [info@baffinadvisors.com](mailto:info@baffinadvisors.com). Our Brochure is also available on our web site [www.baffinadvisors.com](http://www.baffinadvisors.com), also free of charge.

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

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## **Item 4 – Advisory Business**

Baffin Advisors LLC is an independent advisory firm fully owned by Baffin Capital Group LLC, which started operating on July 9<sup>th</sup> of 2009. SEC registration was approved at the end of August, 2009.

The company provides one types of services, investment advisory accounts.

Baffin Advisors LLC tailors each client's account to his/her personal need. This is achieved by analyzing, if provided, each client's total amount of wealth and where it is invested, as well as by personal interviews where the goal is to obtain information about current and future sources of income and liabilities, and each client's risk preference characteristics.

As of March 28, 2012 Baffin Advisors LLC manages \$72.9 million on a discretionary basis.

## **Item 5 – Fees and Compensation**

The specific manner in which fees are charged by Baffin Advisors LLC is established in a client's written agreement with Baffin Advisors LLC. The general rule is 1% of assets under management, per year, billed on a quarterly basis. Clients are billed in arrears each quarter end taking into consideration the starting month of each account. Concessions to that rate can be negotiated as a function of the size of client's portfolio under our management or supervision.

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

Baffin Advisors LLC has offered to all its clients the possibility of a performance compensation scheme, but so far all clients have chosen the fixed fee scheme. Our performance schedule and views on the subject can be found in [www.http://baffinadvisors.com/focus-pieces/compensation-rules](http://baffinadvisors.com/focus-pieces/compensation-rules). As a result, Baffin Advisors LLC does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

Baffin Advisors LLC provides portfolio management services to high net worth individuals and Corporations or other businesses (not including Investment companies, Pension and profit sharing plans).

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

Investing in securities involves risk of loss that clients should be prepared to bear.

We believe that good risk-adjusted returns are the result of well-structured portfolios, which respect a global medium-term view of key fundamental drivers. The internal logic and consistency of the analysis, combined with a thorough understanding of financial instruments and their execution is key to the objective. Our analytical framework is based on economic theory, as it applies to international economics and finance.

We constantly analyze global macro developments in order to question and elaborate our view of the world, regions, currencies, risks and opportunities. We constantly evaluate investment ideas on their own merits and how they could fit our broader views and portfolios. Short-term developments do matter, and could provide with opportunities, but our sight and objectives are in the medium-term.

We believe that the key to achieving good risk-adjusted returns is by taking advantage of investment opportunities throughout the world. We have a deep understanding of how to profit from a dynamic global macroeconomic environment. Much of our academic and professional expertise has been focused on the emerging markets.

Asset allocation is the practice of investing in a mix of index, currencies, commodities, stocks, bonds and cash to manage risk and return. For some investors, a suitable asset allocation may be concentrated heavily in stocks while for others an allocation of only bonds and cash may be appropriate. Even investors with similar characteristics (age, time frame, tax, risk tolerance, etc.) may have different allocations because they have different situations and goals. We spend as much time with you as necessary to understand all of the factors that are relevant to determine your proper allocation and develop your customized investment strategy.

Selections for a portfolio's assets allocation are driven by an investment's contribution to a portfolio's diversification, consistency in adhering to its specific investment objective, risks versus rewards, efficiency and costs.

### **Item 9 – Disciplinary Information**

Baffin Advisors LLC has no information applicable to this Item, as it has not been subject to any disciplinary action.

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

Baffin Advisors LLC has no information applicable to this Item.

### **Item 11 – Code of Ethics**

Baffin Advisors LLC has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Baffin Advisors LLC must acknowledge the terms of the Code of Ethics annually, or as amended.

Baffin Advisors LLC anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Baffin Advisors LLC has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Baffin Advisors LLC, its affiliates and/or clients, directly or indirectly, have a position of interest. Baffin Advisors LLC's employees and persons associated with Baffin Advisors LLC are required to follow Baffin Advisors LLC's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Baffin Advisors LLC and its affiliates may trade for

their own accounts in securities which are recommended to and/or purchased for Baffin Advisors LLC's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Baffin Advisors LLC will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Baffin Advisors LLC's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Baffin Advisors LLC and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Baffin Advisors LLC's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Baffin Advisors LLC will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Baffin Advisors LLC's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting any officer of the firm, including Martin Anidjar at the contact information listed in the cover page.

It is Baffin Advisors LLC's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Baffin Advisors LLC will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with

the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. Baffin Advisors does not perform Principal Transactions nor Agency Cross Transactions as defined in this paragraph.

## **Item 12 – Brokerage Practices**

Baffin Advisors LLC has no information applicable to this Item, as it does not act as a broker and is not affiliated with one.

## **Item 13 – Review of Accounts**

Accounts are reviewed very frequently (generally, on a daily basis) by the managing partner of the firm, and could be reviewed by other officers of the firm (officers is defined as Associate or higher).

On a monthly basis, clients receive a written summary report on the most important topics occurred during the previous month as well as consideration into the future as well as the previous month end balance of the account.

Baffin Advisors LLC communicates its views and ideas to clients via email, and sometimes more generally through the firm's website.

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

Baffin Advisors LLC has no information applicable to this Item, as our only compensation comes from client fees paid directly by our clients.



## **Item 15 – Custody**

Baffin Advisors LLC has no information applicable to this Item.

## **Item 16 – Investment Discretion**

Baffin Advisors LLC usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Baffin Advisors LLC observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, Baffin Advisors LLC's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Baffin Advisors LLC in writing.

## **Item 17 – Voting *Client* Securities**

Clients obtain a copy of Baffin Advisors LLC's complete proxy voting policies and procedures as part of the written agreement signed at the outset of the investment advisory relationship. Clients may also obtain information from Baffin Advisors LLC about how Baffin Advisors LLC voted any proxies on behalf of their account(s).

## **Item 18 – Financial Information**

Baffin Advisors LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.