

Bayforest Capital Limited

Part 2A of Form ADV: Firm Brochure

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30 September, 2024

This Brochure (“Brochure”) provides information about the qualifications and business practices of Bayforest Capital Limited (“the Investment Adviser”, “Adviser”, “firm”, “us”, “we” or “our”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this Brochure, please contact us at +44 (0) 203 968 5227 or compliance@bayforest.ai.

The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION (“CFTC”) IN CONNECTION WITH ACCOUNTS OF QUALIFIED ELIGIBLE PERSONS, THIS BROCHURE OR ACCOUNT DOCUMENT IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE CFTC. THE CFTC DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A TRADING PROGRAM OR UPON THE ADEQUACY OR ACCURACY OF COMMODITY TRADING ADVISOR DISCLOSURE. CONSEQUENTLY, THE CFTC HAS NOT REVIEWED OR APPROVED THIS TRADING PROGRAM OR THIS BROCHURE OR ACCOUNT DOCUMENT.

Item 2 – Material Changes

There have been no material changes made to this Brochure since its posting on the SEC's public disclosure website ("IAPD") www.advisorinfo.sec.gov. This Brochure reflects the current advisory activities of the Bayforest as of the date set forth on the cover.

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General Description of Advisory Firm

Bayforest Capital Limited

Bayforest Capital Limited (the “Investment Adviser”, “Adviser”, “Bayforest” “we”, “us”, “firm”) is a UK registered Limited Company. Bayforest Capital Limited was formed in England & Wales on June 14, 2017. Registration Number: 10819247. Lato Group (owned by Theodoros Tsagaris) is the owner. Theodoros Tsagaris and David Beddington are the Directors (effective Jan 2021). Bayforest has been authorised and regulated by the Financial Conduct Authority (FCA) since May 2021.

Advisory Services

This Brochure includes information about us and our relationships with clients. While much of this Brochure applies to all such clients, certain information included herein applies to specific clients only.

Bayforest provides investment advice to its Clients on a variety of securities and instruments in accordance with agreed upon investment objectives and strategies. The Investment Adviser implements its investment strategies through the following investment vehicles and portfolios.

Bayforest serves as the investment adviser, with discretionary trading authority, to private pooled investment vehicles, the securities of which are offered to investors on a private placement basis (each, a “Fund” and collectively, the “Funds”). The Funds currently include:

- Bayforest Innovation Fund US LP, Onshore, a Delaware limited partnership;
- Bayforest Innovation Fund Limited, Offshore, a Cayman Islands exempted limited company; and
- Bayforest Innovation Master Fund Limited, a Cayman Islands exempted limited company (the “Bayforest Innovation Master Fund”), which serves as the master fund into which Bayforest Innovation Fund US LP, Onshore, and Bayforest Innovation Fund Limited, Offshore, each invest all of their investable assets pursuant to a “master-feeder” structure.

Bayforest also provides advisory services to separately managed accounts for institutional investors and accredited investors or qualified purchasers that qualify. Managed accounts are generally traded *pari passu* with each other and the fund for each Bayforest strategy which is accepted into the account (such as equities and futures). Clients may negotiate to have access to only one, some, or all the firm’s investment strategies. This will result in a different trade, position and risk allocation across assets. While the individual strategies may each be allocated *pari passu* across client accounts.

Managed accounts can have different account overall risk targets, or volatility targets. These account risk targets are negotiated and agreed by the firm. Risk targets are indicative and cannot be guaranteed.

This Brochure does not constitute an offer to sell or solicitation of an offer to buy any securities. The securities of the Funds are offered and sold on a private placement basis under exemptions promulgated under the Securities Act of 1933, as amended (the “Securities Act”), 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 Regulation D promulgated under the Securities Act, “qualified purchasers” as defined in the Investment Company Act of 1940, as amended, or non-“U.S. Persons” as defined in Regulation S promulgated under the Securities Act. 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.

Investment Strategies and Types of Investments

The investment objective of the Investment Adviser is to generate attractive absolute and risk-adjusted returns on invested capital over a multi-year period.

Bayforest seeks to achieve this investment objective through a research intensive, data-driven quantitative and systematic trading and investment program. Specifically, the Investment Adviser, develops and acquires statistical quantitative techniques and programs and applies them to a large body of data in an effort to isolate and identify potentially profitable trading and investment strategies. We may seek to identify positive or negative correlations between securities or other instruments, assets, or economic/financial conditions and to profit when prices or values related to those instruments, assets or conditions diverge.

The advisor may apply quantitative analysis to datasets in an attempt to identify patterns in historical data and predict the future prices or values of instruments or markets based on these patterns. These strategies may entail the use of proprietary computer software systems and technology in making and managing investments across a broad range of instruments, involving both long and short investment holdings. These opportunities can be extremely short-lived (which necessitates a trading system that can make decisions and effect executions quickly) or can exist for a somewhat longer period (which can allow for more of a focus on strategic timing). Trading and investment strategies may involve trading any asset, instrument or security including, without limitation, publicly traded equities, equity swaps, listed futures, equity options and options on futures, cleared swaps, forwards and other derivatives.

While the quantitative analysis and implementation of various strategies may be managed by specific personnel within the organization from time to time, the Investment Adviser will exercise either overall management and control of such strategies (to the extent managed by our personnel) or levels of oversight consistent with the Investment Adviser's fiduciary duties and other relevant responsibilities.

The advisor may invest any excess funds in money market instruments, money market funds, commercial paper, certificates of deposit, U.S. government obligations, and bankers' acceptances among other instruments or may hold such excess funds in interest-bearing or non-interest bearing bank accounts. This may result in the Funds reinvesting any income earned from such investments in accordance with the relevant investment program.

Bayforest intends to continually review and refine our existing strategies, and to examine new ideas and opportunities. The descriptions set forth in this Brochure of specific strategies in which the advisor may invest excess funds should not be interpreted to limit in any way Bayforest's investment activities.

Risk Management

Risk is managed on a continuous basis and measured using quantitative risk management techniques and models based on academic research, among other tools deemed appropriate. The business has and will continue to develop processes reasonably designed to systematically identify, assess, and prioritize risks which may relate to, without limitation, (i) trading-related issues, (ii) technological issues, (iii) legal/regulatory issues and (iv) personnel driven issues including rigorous hiring procedures, retention, succession and motivation policies, training and performance feedback.

Risk management will also involve the coordinated and economic application of resources to minimize, monitor, and control the probability and/or impact of adverse events or to maximize the realization of opportunities. Risks can come from uncertainty in financial markets, political developments on a global basis, threats from project failures (at any phase in design, development, production, implementation, or

sustainment life-cycles), legal liabilities, credit risk, accidents, natural disasters as well as deliberate attack from an adversary, or events of uncertain or unpredictable origin.

Leverage and Borrowing

The Funds use leverage as part of their investment process and in pursuit of their investment objective. Leverage comes through a variety of sources, including, without limitation, by investing in instruments that may have embedded leverage, the retention of different amounts of cash or cash equivalents in the Fund, short sales of securities and other Financial Instruments, the use of derivatives, securities lending and repurchase agreements, and any other instruments we may deem appropriate. The Funds may borrow, trade on margin, utilize derivatives and otherwise obtain leverage from U.S. or non-U.S. brokers, banks and others on a secured or unsecured basis. The amount of (direct and/or indirect) borrowing may vary depending on market conditions and is determined by the firm's discretion. Leverage use will vary over time. The Bayforest Innovation Master Fund Limited has a formal leverage limit of 20,000% in the 27 December 2022 Information Memorandum. The amount of leverage the Funds utilize may be significant. The Funds may also borrow for cash management purposes, such as to satisfy redemption requests.

Leverage may present opportunities for increasing the total return on investments but may also increase losses. Events that negatively affect the value of investments may be magnified as a result of the use of leverage and may result in substantial losses to the Funds. In particular, portfolio positions and strategies of the Funds may experience significant and rapid losses in times of market disruption or when the predictions of the models are incorrect. In addition, changes in interest rates may have a material adverse effect on the Funds.

Changes in the Investment Program

Subject to applicable law and any express restrictions set forth in the corresponding governing documents, we may change the Funds' investment strategies or policies at any time and without notice.

Wrap Fee Programs

We do not currently participate in any Wrap Fee Programs.

Assets under Management (AUM):

As of 30/September/2024, Bayforest had approximately US\$1,400,940,000 in notional assets defined by consistent target volatility (risk) mandates under management ("AUM"), all of which were managed on a discretionary basis.

Item 5 – Fees and Compensation

The Investment Adviser is compensated through various fee structures, including asset-based management fees and performance-based fees. Asset-based fees are typically fixed annual fees, paid monthly, based on AUM. A performance fee is based upon a percentage of the net profits of the account being managed. Typically, when calculating net profits, performance fees are agreed upon over a defined time period, such as quarterly or annually, and are subject to high water marks and loss carryforwards. As more fully described below, the Investment Adviser invoices for fees in arrears, according to the terms of the pertinent investment management agreement, fund offering documentation or other governing documentation. The anchor price for fees is currently 2% management and 20% of annual performance but managed accounts have been negotiated to different levels historically and the fund offering documents detail the full share class fee structure, please refer to this document for the fees of fund investments.

Brokers charge fees for clearing and execution as well as other fees such as interest rate spreads and stock borrow. The firm attempts to standardize these fees across brokers and accounts, however this is not always possible.

Each fund structure pays its own administration, legal, audit, directors and other standard operational costs. These are detailed more completely in the relevant fund / managed account documentation.

The Bayforest Innovation Fund Limited fee schedule is below. This is a Cayman master / feeder fund, with an offshore and Delaware onshore feeder. Many of these share classes are restricted and not available, such as a staff share class and a founder share class. Investment into the fund is restricted to allocators approved by the fund directors and manager.

Class and Currency ¹	Minimum Initial Investment	Minimum Additional Investment	Redemption Frequency	Redemption Notice	Management Fee	Performance Fee
Class A Shares (USD and GBP)	\$100,000 (or the relevant currency equivalent)	\$10,000 (or the relevant currency equivalent)	On any Dealing Day (being the first Business Day of each month).	30 calendar days' notice. Subject to Gate Policy.	2 per cent.	20 per cent.
Class B Shares (USD and GBP)	\$100,000 (or the relevant currency equivalent)	\$10,000 (or the relevant currency equivalent)	On any Dealing Day (being the first Business Day of each month).	30 calendar days' notice. Subject to Gate Policy.	2 per cent.	15 per cent.
Class C Shares (USD and GBP)	\$100,000 (or the relevant currency equivalent)	\$10,000 (or the relevant currency equivalent)	On any Dealing Day (being the first Business Day of each month).	30 calendar days' notice. Subject to Gate Policy.	2 per cent.	25 per cent.
Class F Shares (USD and GBP)	\$100,000 (or the relevant currency equivalent)	\$10,000 (or the relevant currency equivalent)	On any Dealing Day (being the first Business Day of each month).	30 calendar days' notice. Subject to Gate Policy.	1.35 per cent.	15 per cent.
Class M Shares (USD and GBP)	\$100,000 (or the relevant currency equivalent)	\$10,000 (or the relevant currency equivalent)	On any Dealing Day (being the first Business Day of each month).	30 calendar days' notice. Subject to Gate Policy.	0.25 per cent.	Nil

Separately Managed Accounts

Generally, advisory fees for Managed Accounts are separately negotiated with each institutional client and are based upon a percentage of AUM. Performance fees for Managed Accounts are similarly negotiated with each institutional client. Fees are based upon the fee methodology agreed to within the Investment Management Agreement or other governing documentation of each Managed Account.

Additional Information

Advisory fees are negotiable for clients or investors in certain circumstances and the Investment Adviser from time to time enters into individual agreements with particular clients or investors with respect to, among other things, the amount of investment, lock ups, liquidity, and management fee structure or performance fee structure.

Item 6 - Performance-Based Fees and Side-by-Side Management

Performance-Based Fees

As noted above, a performance fee represents an asset manager's compensation for managing a client account which is based upon a percentage of the net profits of the account being managed. Typically, when calculating net profits, performance fees are subject to high water marks or loss carryforwards. The Investment Adviser reserves the right to negotiate the rate of any applicable performance fees or asset-based fees on a case-by-case basis. This negotiation typically takes place before the investment into the fund. Loyalty or size discounts can apply.

Side-by-side management

"Side-by-side management" refers to the management of multiple accounts with similar investment strategies and different fee structures. Side-by-side management of various types of accounts raises the possibility of favorable or preferential treatment of a client account or a group of accounts arising from differences in fee arrangements, including favoring clients with higher fee schedules over those with lower fee schedules. The Investment Adviser has procedures designed and implemented in furtherance of its efforts to treat all clients fairly and equitably over time. By utilizing these procedures, the investment adviser believes that clients that are subject to side-by-side management alongside other accounts are receiving fair and equitable treatment over time.

The Investment Adviser will generally seek to allocate trades among the Bayforest Innovation Master Fund and the Managed Accounts on a pari passu basis. However, the Investment Adviser may, at times, allocate investments between the Bayforest Innovation Master Fund and the Managed Accounts on a non-pro rata basis for a variety of reasons identified in the applicable client's governing documents, including (i) differences in the risk guidelines applicable to the Bayforest Innovation Master Fund and the Managed Accounts; (ii) certain investment restrictions applicable to the Managed Accounts; (iii) rebalancing transactions to address additional capital contributed to (or withdrawals from) the Bayforest Innovation Master Fund or the Managed Accounts and (iv) different tax considerations applicable to the Bayforest Innovation Funds and/or the Managed Account. The firm also has different investment programs, such as Bayforest Innovation Futures (including or excluding FX, IRS) and Bayforest Innovation Equities. Clients may negotiate to have access to only one, some, or all the firm's investment strategies. This will result in a different trade, position and risk allocation across assets. While the individual strategies may each be allocated pari passu across client accounts.

Item 7 - Types of Clients

Bayforest offers investment management services to a diverse range of institutional clients, which include investment companies, pooled investment vehicles, pension and profit sharing plans, charitable organizations, state or municipal government entities, other Investment Advisers, insurance companies, sovereign wealth funds, foreign official institutions, corporations, and various business entities. Additionally, the Investment Adviser extends its investment management services to independent registered investment advisors, family offices and a limited number of accredited investors or qualified purchasers that qualify. The investment advisor does not market to 'retail investors'.

The investment minimums set by the Investment Adviser may vary depending on the vehicle, such as Separately Managed Accounts or investments in the Bayforest Innovation Fund Limited. Bayforest retains the right to waive these minimums. Typically, Managed Account minimums are currently US\$100 million notional allocation, while the standard minimum investment for the Fund is outlined in the offering memorandum. The Investment Adviser's Board of Directors also has the authority to waive investment minimums for specific clients or subscribers as deemed appropriate.

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

Method of Analysis

As outlined in Item 4 – Advisory Business, the Investment Adviser specializes in quantitative investment analysis, employing proprietary models that leverage a combination of valuation, momentum, and other factors to formulate perspectives on investments, implemented through a systematic process.

Quantitative investment analysis involves assessing securities and other assets by processing a vast array of traditional and non-traditional data using algorithms or models to inform investment decisions. The Investment Adviser's models consider a broad spectrum of factors, such as traditional valuation metrics, momentum indicators, price signals, textual analysis of financial reporting, and terms of trade information. These diverse inputs, coupled with the Investment Adviser's proprietary signal construction methodology, optimization process, and trading approach, form the core of the Investment Adviser's investment process. It's important to note that there are specific risks associated with firms specializing in quantitative investment analysis, which are summarized under "Investment Risks" below.

Bayforest conducts internal research, developing models to test the viability of identified investment approaches. The model-building process typically involves designing an investment strategy to implement the chosen approach and generating testable implications. The Investment Adviser continuously conducts research to monitor and uphold the effectiveness of its models over time. External data from sources like Bloomberg, and other data services is utilized by Bayforest in developing its quantitative forecasting computer models.

Investment Strategies

Bayforest primarily provides absolute return strategies, aiming for low net beta exposure to traditional markets, either consistently or on average over time. Additionally, the Investment Adviser offers total return strategies, which maintain a positive beta to traditional markets.

Capital is at risk and profits are not guaranteed.

Risk of Loss

Investment Risks

Arbitrage Transaction Risks: Losses can occur if the elements of an arbitrage strategy are not properly analyzed, or unexpected events or price movements intervene. These losses may be magnified if the Investment Adviser is employing leverage. Additionally, arbitrage strategies may rely on identifying favourable spreads, which can be affected by actions of other market participants.

Below Investment Grade Securities Risk: Investments in bonds rated below investment grade, commonly referred to as "junk" securities, pose high risks and are speculative. While they generally offer higher interest rates than investment-grade bonds, they may lead to income and principal losses for clients.

Borrowing and Embedded Leverage: The use of borrowing, including secured and unsecured borrowing to the maximum extent allowable, may enhance the risk of capital loss in the event of adverse changes in asset prices. Leverage can also take the form of financial instruments, such as OTC derivative instruments, and products with embedded leverage like futures, options, short sales, swaps, and forwards, potentially resulting in losses exceeding the initial investment.

Cash and Forward Trading: Trading of certain commodities through cash and forward contracts involves uncertainties, and these contracts are not traded on exchanges. The Investment Adviser's effectiveness in utilizing cash and forward trading programs may be impacted if market makers refuse to quote prices or quote with unusually wide spreads.

Commodities: Investments in commodities are influenced by business, financial market, and legal uncertainties. The value of and return on commodity investments may be affected by factors that are difficult to predict, including economic and political developments, leading to volatility.

Commodity Futures and Options: Commodity futures markets are highly volatile, influenced by factors like changing supply and demand relationships, governmental programs, political events, and interest rate changes. Engaging in commodity futures trading involves high leverage, and small price movements may result in substantial losses. The speculative nature of commodity options poses additional risks.

Convertible Securities Risk: The market value of convertible securities may decline if market interest rates rise. Convertible securities are also subject to the risk of the issuer's inability to pay interest or dividends, and their value may change based on changes in the issuer's credit rating or creditworthiness perception.

Counterparty Risk: Counterparty risk involves the risk that the counterparty of a contract may fail to fulfil its contractual and credit obligations, potentially causing significant losses to clients.

Currency Risk: Changes in currency exchange rates may negatively affect securities denominated in foreign currencies. Adverse changes in currency exchange rates may erode potential gains from investments in foreign currency-denominated securities or widen existing losses.

Cybersecurity Risk: The increased use of technologies exposes the Investment Adviser and its clients to operational, information security, and related risks. Cyber incidents, including cyberattacks, can result in various adverse consequences, such as disruptions to business operations, financial losses, regulatory fines, reputational damage, and additional compliance costs. Clients may also be negatively impacted by cyber incidents affecting issuers, counterparties, regulatory authorities, and other entities relevant to their investments. While service providers may have established business continuity plans and risk management systems, there are inherent limitations, and clients could be adversely affected by the cybersecurity plans and systems of third parties whose operations may impact them.

Distressed Investments Risk. The Adviser may utilize investments in distressed investments, which are or have been issued by companies that are, or might be, involved in reorganizations or financial restructurings, either out of court or in bankruptcy. A Client's investments in distressed securities typically may involve the purchase of high-yield bonds, bank debt, corporate loans or other indebtedness of such companies. These investments may present a substantial risk of default or may be in default at the time of investment. The Client may incur additional expenses to the extent it is required to seek recovery upon a default in the payment of principal or interest on its portfolio holdings. In any reorganization or liquidation proceeding relating to an investment, the Client may lose its entire investment or may be required to accept cash or securities with a value less than its original investment. Among the risks inherent in investments in a troubled issuer is that it frequently may be difficult to obtain information as to the true financial condition of the issuer. The Adviser's judgments about the credit quality of a financially distressed issuer and the relative value of its securities may prove to be wrong.

Emerging Markets Investments. Investing in the securities or other instruments of issuers located in non-U.S. countries may involve certain risks not typically associated with investing in established economies or securities markets. Such risks may include (i) the risk of nationalization or expropriation of assets and confiscatory or other taxation; (ii) social, economic and political instability, including war; (iii) dependence on exports; (iv) less liquidity of securities markets; (v) significant currency exchange rate devaluations, fluctuations, and declines against the U.S. dollar; (vi) potentially higher rates of inflation (including hyperinflation) and rapid fluctuations in inflation; (vii) controls or restrictions on foreign investment and limitations on repatriation of invested capital and the Client's ability to exchange local currencies for U.S. dollars; (viii) a higher degree of governmental involvement in and control over the economies; (ix) government decisions to discontinue support for economic reform programs and imposition of centrally planned economies; (x) differences in accounting, auditing, financial reporting and

record keeping standards which may result in the unavailability of material information about economies and issuers; (xi) less extensive regulatory oversight of securities markets, which, among other things, could lead to market manipulation; (xii) longer settlement periods for securities transactions; (xiii) less stringent laws regarding the protection of investors; (xiv) certain consequences regarding the maintenance of a Client's portfolio securities and cash with sub-custodians and securities depositories in such countries; (xv) difficulty in enforcing contractual obligations; (xvi) inexperience of financial intermediaries, lack of modern technology, and the lack of a sufficient capital base to expand business operations; and (xvii) less available information than is generally the case in the United States. All of the foregoing factors lead to greater market volatility and risk of loss.

Equity Securities. Equity securities fluctuate in value in response to many factors, including the activities, results of operations, and financial condition of individual companies; the business market in which individual companies compete; industry market conditions; interest rates; and general economic environments. In addition, events such as domestic and international political instability, terrorism and natural disasters may be unforeseeable and contribute to market volatility in ways that may adversely affect investments made by a Client.

ERISA Considerations. Certain Client assets may, at various times, be considered "plan assets" for the purposes of Title I of the U.S. Employee Retirement Income Security Act of 1974 ("ERISA") or Section 4975 of the Internal Revenue Code of 1986, as amended. Accordingly, during such periods, the administration and operation of any such Client would, among other things, become subject to ERISA's fiduciary duty and prohibited transaction rules. In such a case, the investment strategies employed by the Adviser for the Client will be subject to investment limitations and restrictions that would not otherwise be applicable and may materially impact the Client's performance. Any potential client that is subject to ERISA is asked to identify this fact to the firm in advance of the account opening.

Execution/Implementation Risk. There can be no assurance that the Investment Adviser's investment strategies will be successfully implemented. Failure to successfully implement the Investment Adviser's investment strategies, due to errors related to the operation or implementation of quantitative models or otherwise, can lead to substantial losses or missed opportunities for gains for a Client. While Bayforest monitors client portfolios, there can be no assurance that risks associated with the implementation of investment strategies will be effectively managed. All systematic trading firms, like Bayforest, carry the risk of software coding bugs, which diligent code review processes may miss.

Fixed-Income and Debt Securities. Investment in fixed-income and debt securities, such as bonds, notes, and asset-backed securities, subject a Client to the risk that the value of these securities overall will decline because of rising interest rates. Similarly, portfolios that hold such securities are subject to the risk that the portfolio's income will decline because of falling interest rates. Investments in these types of securities will also be subject to the credit risk created when a debt issuer fails to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that debt to decline. Investments in debt securities will also subject the investments to the risk that the securities may fluctuate more in price, and are less liquid than higher-rated securities because issuers of such lower-rated debt securities are not as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy.

Foreign Investments Risk. Foreign investments often involve special risks not present in U.S. investments that can increase the chances that an investment will lose money. For example, a Client may hold its foreign securities and cash in foreign banks and securities depositories, which may be recently organized or new to the foreign custody business and subject to only limited or no regulatory oversight. Changes in foreign currency exchange rates can affect the value of a portfolio. The economies of certain foreign markets may not compare favourably with the economy of the United States, and the governments of certain countries may prohibit or impose substantial restrictions on foreign investments in their capital markets or in certain industries. Many foreign governments do not supervise and regulate stock exchanges, brokers, and the sale of securities to the same extent as does the United States and

may not have laws to protect investors that are comparable to U.S. securities laws. Settlement and clearance procedures in certain foreign markets may result in delays in payment for or delivery of securities not typically associated with settlement and clearance of U.S. investments.

Futures Contracts Risks. Futures prices are highly volatile. An extremely high degree of leverage is typical of a futures trading account; as a result, a relatively small price movement in a futures contract price may result in substantial losses to a portfolio. Like other leveraged investments, any purchase or sale of a futures contract may result in losses in excess of the amount invested. Futures exchanges and trading facilities limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits.” During a single trading day no trades may be executed at prices beyond the daily limit. Futures prices have occasionally moved to the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the prompt liquidation of unfavourable positions and subject a portfolio to substantial losses. The CFTC and certain futures exchanges and trading facilities have established limits referred to as “speculative position limits” on the maximum net long or net short positions that any person may hold or control in certain futures contracts. All of the futures positions held by all Client accounts owned or controlled by Bayforest may be aggregated with positions of each Client portfolio for the purpose of determining compliance with position limits. Trading instructions may have to be modified and positions held by a Client may have to be liquidated in order to avoid exceeding such limits. Such modification or liquidation, if required, could adversely affect the operations and profitability of a portfolio.

General Risks of Derivatives Use. Derivatives trading is highly speculative. Price movements of derivative contracts are influenced by, among other things, changing supply and demand relationships, governmental agricultural and trade programs and policies, and national and international political and economic events, including sanctions. Foreign currency forward prices are influenced by, among other things, changes in balances of payments and trade, domestic and international rates of inflation, international trade restrictions, and currency devaluations and revaluations. In addition, unless a portfolio is hedged against fluctuations in the exchange rate between the U.S. dollar and the currencies in which trading is done on some foreign exchanges, any profits that such a portfolio realizes in trading on such exchanges could be eliminated by adverse changes in the exchange rate, or such a portfolio could incur losses as a result of any such changes. Due to the low margin deposits normally required in derivatives trading, an extremely high degree of leverage is typical of a derivatives trading account. As a result, a relatively small price movement in a derivatives contract price may result in substantial losses to a portfolio. Like other leveraged investments, any purchase or sale of a derivatives contract may result in losses in excess of the amount invested. Accordingly, relatively small derivatives positions have the potential to erode significantly or erase gains and compound losses in other investments held by a portfolio.

Hedging. There can be no assurances that a particular hedge is appropriate or that certain risk is measured properly. Further, while Bayforest may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Client portfolios than if the Investment Adviser did not engage in any such hedging transactions.

Illiquid Instruments. Certain instruments, such as derivatives and other types of unregistered financial instruments, may have no readily available market or third-party pricing. Reduced liquidity may have an adverse impact on market price, and the Adviser might only be able to liquidate these positions at highly disadvantageous prices, if at all. The market prices, if any, for such illiquid financial instruments tend to change rather quickly, and the Adviser may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. Even those markets which the Adviser expects to be liquid can experience periods, possibly extended periods, of illiquidity. For some investments, the Adviser may be unable to predict with confidence what the exit strategy will ultimately be for any given position or that one will definitely be available. Exit strategies, which appear to be viable

when an investment is initiated, may be precluded by the time the investment is ready to be realized due to economic, legal, political, or other factors.

Interest Rate Risk. Portfolios may be subject to interest rate risk. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. Bayforest may attempt to minimize the exposure of the portfolios to interest rate changes through the use of interest rate swaps, interest rate futures, and/or interest rate options. However, there can be no guarantee that the Investment Manager will be successful in fully mitigating the impact of interest rate changes on the portfolios.

Investment and Trading Risk. Generally, Investments in securities and other financial instruments and products that are subject to market forces risk the permanent loss of capital as a result of adverse market developments, which can be unpredictable. To the extent that a portfolio is concentrated in any one particular strategy, the risk of any incorrect investment decision is increased. Each strategy exposes the Client's capital to the risk of an extremely rapid and severe decline in value in the event of a sudden change in the level of volatility (e.g., a market crash) that is not anticipated by Bayforest.

Leverage. Certain of the Investment Adviser's strategies utilize varying amounts of leverage, which involves the borrowing of funds from U.S. and non-U.S. brokerage firms, banks, and other institutions in order to be able to increase the amount of capital available for securities investments. Leverage may also be embedded in financial instruments, including futures, and short sales, as well as OTC derivatives like options, swaps, and forwards, which enable investors to gain exposure to assets whose value exceeds the amount of capital necessary to obtain such exposure. Money borrowed will be subject to interest, costs and other fees, which may or may not be recovered by earnings on the securities purchased. A fund or account also may be required to maintain minimum average balances in connection with a borrowing or to pay a commitment or other fee to maintain a line of credit. Either of these requirements would increase the cost of borrowing over the stated interest rate. Unless the appreciation and income, if any, on assets acquired with borrowed funds exceed the costs of borrowing, the use of leverage will diminish the investment performance of a fund or account compared with what it would have been without leverage.

Market Disruption Risk. Clients and investors could lose money due to the effects of a market disruption. Although multiple asset classes may be affected by a market disruption, the duration and effects may not be the same for all types of assets. In early 2020, the global outbreak of Coronavirus (Covid-19) created enormous unprecedented economic and social uncertainty throughout the world. The ongoing impact of the Coronavirus outbreak (or of any future pandemic, epidemic or outbreak of a contagious disease or other events such as political, social, war or economic) is difficult to predict, but Coronavirus and the reactions to it have already had dramatic adverse effects on global, national and local economies and on financial markets, and there is a significant likelihood that that impact will continue to persist for some time. Disruptions to commercial activity across economies due to the imposition of quarantines, remote working policies, "social distancing" practices and travel restrictions, and/or failures to contain the outbreak despite these measures, could materially and adversely impact our Clients' investments, both in the near- and long-term in a variety of industries and regions or globally. Similar disruptions have occurred and may continue to occur in respect of our service providers and counterparties (including providers of financing). In addition, the outbreak of Coronavirus has contributed to, and may continue to contribute to, among other things, volatility in financial markets and regulatory changes such as short sale prohibitions, which may disrupt historical pricing relationships or trends, cause positions to become illiquid, disrupt the availability of financing or negatively impact the performance of our Client's accounts. Governmental responses to a Coronavirus outbreak (or any future pandemic, epidemic or outbreak of a contagious disease) may be inadequate to limit the outbreak's spread or to mitigate its impact on any nation's economy or the global economy, and these responses could have adverse effects, intended and unintended on market structures and the overall, long term

performance of markets. Geopolitical and other events, including war, terrorism, economic uncertainty, trade disputes, extreme weather and climate-related events, and other events affecting the financial markets, public health crises and related geopolitical events have led, and in the future may lead, to increased market volatility, which may disrupt US and world economies and markets and may have significant adverse direct or indirect effects on the fund and its investments. Disruptions of this nature are discussed at the firm's risk committee meetings. Impact and expected duration are factored into any decision to alter the risk profile or exposure to a particular jurisdiction, asset or asset class. The firm may have strategies which incorporate risk spread across separate exchanges. If one exchange is closed (due to a systemic, technical, or other event) and the other remains open then the risk balance, hedge, and diversification of the strategy may suffer resulting in a financial loss.

New Issues. Although it has not done so historically, the Investment Adviser could potentially advise or direct certain Clients to purchase equity securities issued through initial public offerings ("IPOs"). These include registered offerings under the Securities Act of 1933 ("new issues"). Pursuant to FINRA Rule 5130, "restricted persons" may not participate in gains or losses from new issues. As a result, investors who are not restricted persons may be allocated all, or a larger portion than their typical pro rata share, of the profits and/or losses related to new issue offerings. Under such circumstances, certain restricted persons will not receive gains from the new issue investment. Similarly, investors who are not restricted persons will receive more than their pro rata share of the losses from such an investment. When the Adviser subscribes for securities issued in an IPO on behalf of multiple Clients, the Adviser will allocate the securities among the Clients in a method that the Adviser deems fair and equitable to participating Clients over time. New issue offerings, on occasion, experience rapid increases and/or decreases in market value following such an offering.

Off-Balance Sheet Risk. In the normal course of business, the Investment Adviser may, on behalf of Clients, invest in financial instruments with off-balance sheet risk. These instruments include futures contracts, forward contracts, swaps, and securities and options contracts sold short. An off-balance sheet risk is associated with a financial instrument if such instrument exposes the investor to an accounting and economic loss in excess of the investor's recognized asset carrying value in such financial instrument, if any, or if the ultimate liability associated with the financial instrument has the potential to exceed the amount that the investor recognizes as a liability in the investor's statement of assets and liabilities. Additionally, in the normal course of business, the Investment Adviser may purchase long positions in option contracts that do not have off-balance sheet risk. The risk that these financial instruments expose the investor to is not in excess of the investor's recognized asset carrying value in the statement of assets and liabilities.

Tax risk. Taxation is complex and the firm does not offer tax advice, nor does it view itself as a tax specialist. Tax treatment of investments, foreseen and unforeseen, may impact negatively the profitability of investment accounts and funds.

Investment Risks additional disclosures are also covered within the legal offering documentation of the Bayforest funds and managed account investment agreements. These additional risk disclosures should always be consulted prior to investment. All investors should seek professional third party advice on the risks associated with an investment in the firm's strategies and funds.

Lack of capital protection. The firm does not offer capital protection to any of its clients. Capital is at risk of loss from a variety of factors. The list above is not exclusive and other risks may come into play.

Past returns, simulated returns and hypothetical returns of investment strategies may be discussed during the investment due diligence process. None of these are a complete and accurate indicator of future investment returns. No profit is guaranteed from any investment strategy or fund.

Item 9 – Disciplinary Information

The Investment Adviser does not have any disciplinary information to disclose.

Item 10 - Other Financial Industry Activities and Affiliations

Broker-Dealer Registration Status

The Investment Adviser is not registered as a broker-dealer and does not have any application pending to register with the SEC as a broker-dealer.

CFTC Registration Status

The Investment Adviser is registered with the NFA/CFTC as a commodity pool operator and commodity trading adviser and is a member of the NFA. Further, the Adviser has an exemption under part 4 which means that the Adviser can only onboard qualifying investors. The National Futures Association registration number is NFA ID 0536199.

Financial Conduct Authority (UK)

The Investment Adviser is authorized and regulated by the Financial Conduct Authority in the United Kingdom under registration number 936236.

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

The Investment Adviser's officers, principals, and employees (referred to collectively as "Covered Persons") are required to adhere to Bayforest's Compliance Manual and Code of Ethics (the "Business Conduct Manual" or "Compliance Manual"), which encompasses the Investment Adviser's Personal Account Dealing Policy. This policy extends to members of their households. This is broad in scope and must include all associated persons set out in the FCA, NFA and SEC rules.

Covered Persons are authorized to hold and engage in securities transactions only in compliance with the Personal Account Dealing Policy. The Investment Adviser has instituted the Personal Account Dealing Policy to mitigate conflicts of interest between trading for Clients and the personal trading activities of Covered Persons. These individuals are allowed to invest in Series Funds, Sub-Advised Mutual Funds, and the Bayforest Innovation Fund Limited (and other feeder funds) through their personal trading accounts, with specific restrictions in place. Following the firm's Compliance Manual process Covered Persons may invest in the same or related securities as those in which the Investment Adviser invests for Clients, sometimes preceding, coinciding, or following a Client transaction.

The Personal Account Dealing Policy includes provisions that prohibit certain personal transactions, impose constraints on personal trading, mandate pre-clearance for specific personal trades, and necessitate Covered Persons to submit reports regarding their personal trading and private investments. A detailed policy is circulated and new joiners are required to submit lists of all brokerage account holdings for themselves and associated persons. A quarterly attestation is also required as well as pre approval for personal transactions. Essentially this is to ensure that the Adviser ensures that there is no conflict between staff and client holdings.

The Investment Adviser is dedicated to ensuring that its Covered Persons are well-informed about the guidelines outlined in the Compliance Manual. Upon hire, all Covered Persons receive the Compliance Manual and must certify that they have received, read, and comprehended its contents. Furthermore, Covered Persons are required to provide an annual certification affirming their adherence to the terms of the Compliance Manual. The Investment Adviser supplements this commitment through periodic compliance training sessions addressing the Compliance Manual's requirements.

Clients or prospective Clients can request a copy of the Compliance Manual for review, emphasizing the Investment Adviser's commitment to transparency and ethical conduct in its operations. Access may be limited to a physical onsite inspection, view only access through a secure online document sharing portal or a partial inspection of specific sections as is commonplace.

Item 12 - Brokerage Practices

Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions.

As noted previously, we have full discretionary authority to manage the investments of Funds, including authority to make decisions with respect to which financial instruments are bought and sold, the amount and price of those financial instruments, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid. The Investment Adviser's authority is limited by its own internal policies and procedures and each Fund or account's investment guidelines.

Portfolio transactions for each client will be allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to us and/or certain clients, but not beneficial to all clients. Subject to our duty to seek best execution, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, we may consider, among other things, the following:

- Execution Quality
 - o Execution costs
 - o Quality of broker algorithms
 - o Pass through costs
 - o New issue allocations
- Financing
 - o Base financing rates
 - o Margin/collateral and Leverage
 - o Locate/borrow quality
 - o Netting benefits for stock loan
 - o Long lending and swap outperformance
 - o Dividend defaults on swap
- Risk
 - o Contract terms
 - o Credit risk
 - o Coverage and support

Accordingly, the commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) charged to the Funds by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers who may not offer such services. A portion of the trading done for the Funds is done on a net basis, so in some circumstances it may not be possible to determine the amount of commission being paid to a broker or dealer. The Investment Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. Generally, neither the Investment Adviser nor the Funds separately compensate any broker or

dealer for any of these other services. The Firm has a documented Best Execution Policy which is available to clients on request.

The performance fee structure incentivizes the Investment Adviser to secure fair deals with brokers, as well as the Firm and / or its principals being invested in the Bayforest Innovation Fund Limited alongside third party clients. This aligns interests between clients and the Firm.

If the Investment Adviser decides, based on the factors set forth above, to execute over-the-counter transactions on an agency basis through Electronic Communications Networks ("ECNs"), it will also consider the following factors when choosing to use one ECN over another:

- the ease of use;
- the flexibility of the ECN compared to other ECNs; and
- the level of care and attention that will be given to smaller orders.

We maintain policies and procedures to review the quality of executions, including periodic reviews by investment professionals.

Soft Dollar Benefits

The term "soft dollars" refers generally to the practice by investment advisers of paying for research and brokerage services using brokerage commissions generated by the execution of trades for their clients' accounts. Bayforest does not currently use soft dollars in connection with any of the Clients we advise. To the extent the Investment Adviser does use soft dollars in the future, we expect that such use will fall within the safe harbor afforded by Section 28(e) of the Securities Exchange Act of 1934, as amended. This is to the extent that this does not conflict with the FCA provisions on the receipt of minor monetary/non-monetary benefits.

Brokerage for Client Referrals

Neither the Investment Adviser nor any related person receives client referrals from any broker-dealer or third party. However, subject to best execution, the Investment Adviser 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.

Directed Brokerage

The Investment Adviser does not recommend, request or require that a client direct the Investment Adviser to execute transactions through a specified broker-dealer.

Order Aggregation

When the Investment Adviser is aware that the purchase or sale of a financial instrument will occur simultaneously with regard to multiple clients, the Investment Adviser may, but is not obligated to, purchase or sell such a Financial Instrument on behalf of such clients with an aggregated order, for the purpose of reducing transaction costs, to the extent permitted by applicable law. When an aggregated order is filled through multiple trades at different prices on the same day, the Investment Adviser will allocate price and transaction costs in a fair and equitable manner. The firm has a documented Trade Allocation Policy which is available to clients on request. Currently orders are generally allocated on a pre execution basis across accounts in line with a consistently applied documented policy and process.

Item 13 – Review of Accounts

The Investment Adviser's Operations Team and the Compliance Department routinely engage in assessing the overall performance of each client's account. The extent of the review and guidance offered by the Investment Adviser's personnel varies depending on the separate facts and circumstances pertaining to individual clients.

Institutional Managed Accounts receive regular written reports from their custodian and receive operational reports from the Investment Adviser upon request or as required in the investment management agreement.

Subscribers in the Fund typically receive (i) written annual reports, including audited financial statements prepared in accordance with U.S. generally accepted accounting principles or other acceptable accounting principles, soon after the end of each fiscal year, and (ii) written unaudited reports on a basis no less frequent than quarterly. These reports, which include the net asset value of the subscriber's interest in the Funds, are provided in accordance with the terms outlined in each of the fund's offering memoranda or investor Side Letter.

Item 14 - Client Referrals and other Compensation

Economic Benefits for Providing Services to Clients.

We do not receive economic benefits from non-clients for providing investment advice or other advisory services.

Compensation to Non-Supervised Persons for Client Referrals.

Neither we nor any of our related persons directly or indirectly compensate any person who is not a supervised person, including placement agents, for client referrals.

Ratio Capital. Bayforest has an arrangement with its seed investor, Ratio Capital. This involves sharing a portion of the investment adviser's revenues with them. This arrangement has certain contractual conditions on both parties.

Relationships with Consultants

Some of the Investment Adviser's Clients and prospective Clients retain investment consultants to advise them on the selection and review of investment managers. These consultants or their affiliates may, in the ordinary course of their investment consulting business, recommend Bayforest's investment advisory services or otherwise place the Investment Adviser into searches or other selection processes for a particular client.

The Investment Adviser may provide consultants with information on portfolios it manages for its mutual clients, pursuant to its Clients' directions. The Investment Adviser may also provide information on its investment styles and performance to consultants, who use that information in connection with searches they conduct for their clients. The Investment Adviser also responds to "Requests for Proposals" from prospective clients in connection with those searches. In addition, in certain circumstances:

- Bayforest may invite consultants to events or other entertainment hosted by the Investment Adviser. These events will be reasonable and professionally focused.
- The Investment Adviser may also pay registration or other fees for the opportunity to participate, along with other investment managers, in consultant-sponsored industry forums or conferences. These conferences or forums provide Bayforest with the opportunity to discuss a variety of business topics with consultants, Clients, and prospective Clients. Any decisions taken in this regard ensure that the firm does not contravene (a) the soft dollar requirements and (b) the US Foreign Corrupt Practices Act and the UK Bribery Act 2010. The Adviser's compliance officer will have the final decision on this. Such events are recorded on a register and their review forms part of the compliance monitoring program. Such costs will be borne by the manager and not the fund.
- In some cases, Bayforest may serve as the Investment Adviser for the accounts of consultants or their affiliates or as adviser or sub-adviser for funds offered by consultants and/or their affiliates. Ultimately the compliance officer will ensure that there are no associated conflicts of interest with any such arrangements.

Relationships with Brokers

As discussed in Item 12 – Brokerage Practices, Bayforest currently does not have any soft dollar arrangements. The Investment Adviser does receive research and brokerage services e.g. capital introduction services, from certain counterparties that execute trades for Clients. With regard to inducement rules under MiFID II, the Investment Adviser takes a global unbundling approach and pays for external research and data out of its own assets. Bayforest has a duty to seek overall best execution of transactions for Clients and has instituted internal controls and procedures designed to ensure that the

Investment Adviser is receiving best execution for Client transactions over time, taking into account all pertinent factors. The Firm has a documented Best Execution Policy which is available to clients on request, the terms of the policy govern the best execution arrangements.

Item 15 - Custody

The Investment Adviser has custody of clients' assets through the General Partner, and delegated responsibilities, of the Bayforest Innovation US LP, Bayforest Innovation Fund Limited and Bayforest Innovation Master Fund Limited.

The form of this custody is the second example in SEC Release No. IA-2176; File No. S7-28-02 (Definition of Custody). The adviser has custody if it has the authority to withdraw funds or securities from a client's account. An adviser with power of attorney to sign checks on a client's behalf, to withdraw funds or securities from a client's account. The adviser might not have possession of client assets, but they have the authority to obtain possession.

The assets are held in the accounts of Qualified Custodians, such as banks, broker dealers and FCMs. Assets are not held on the balance sheet or compelled with the adviser. Records are kept of transactions in client accounts.

The Investment Adviser pooled investment vehicle is audited annually and distributes its audited financial statements prepared in accordance with GAAP principles.

Managed account clients will often not be custodied by the Investment Advisor and these clients must make their own arrangements for the custody of securities with Qualified Custodians. The Qualified Custodian will typically provide these Clients with at least quarterly account statements relating to the assets held within the account advised by Bayforest. These Clients should carefully review the qualified custodian's statement upon receipt to determine that it completely and accurately states all holdings in the account and all account activity over the relevant period. Any discrepancies identified by a client should be immediately reported to the Investment Adviser and the qualified custodian.

Item 16 – Investment Discretion

The Investment Adviser serves as the management company or sub-adviser, as applicable, with discretionary trading authority to the Funds. Our investment decisions and advice with respect to each client are subject to each client's investment objectives and guidelines, as set forth in its governing documents or contractual arrangements.

The Investment Adviser entered into an investment management agreement, or similar agreement, with each client, pursuant to which the Investment Adviser was granted discretionary trading authority.

Item 17 – Voting Client Securities

In compliance with Advisers Act Rule 206(4)-6, Bayforest has adopted proxy voting policies and procedures, and the Compliance Department monitors the proxy voting process. The Investment Adviser may vote proxies in certain cases it deems beneficial for clients, considering relevant facts.

The proxy voting procedures are designed to ensure that proxies are voted in the Clients' best interest given the firm's investment strategy. Bayforest will generally vote proxies according to the proxy voting guidelines adopted by the Investment Adviser. From time to time, Bayforest will determine to vote a particular proxy contrary to the agreed upon voting guidelines which could give rise to potential conflict of interest. The Investment Adviser's Proxy Voting Policy includes guidelines to identify and resolve conflict of interests related to voting proxies on behalf of The Investment Adviser's Clients. The CCO is responsible for ensuring compliance with recordkeeping requirements related to proxy voting policies and procedures, as mandated by Rule 204-2 under the Advisers Act.

Bayforest's authority to vote proxies for its Clients is not a material component of any of the Investment Adviser's investments or strategies. The Investment Adviser typically follows a systematic, research-driven approach, applying quantitative tools to process fundamental information and manage risk, significantly reducing the importance and usefulness of the proxies the Investment Adviser receives and votes, or causes to be voted, on behalf of its Clients.

Item 18 - Financial Information

The Investment Adviser has never been the subject of a bankruptcy petition or proceeding and is not subject to any financial condition that would impair its ability to fulfill its contractual commitments to its clients. The firm does not solicit prepayment of fees.