

Part 2A of Form ADV: Firm Brochure

Item 1 - Cover Page

Name: Bayard Asset Management LLC

Address: 103 Carnegie Center, Suite 108, Princeton, New Jersey 08540

Phone Number: 609-580-1457

Fax Number: N/A

Website: <http://www.bayardasset.com>

The date of this brochure is March 27, 2020

This brochure provides information about the qualifications and business practices of Bayard Asset Management LLC. If you have any questions about the contents of this brochure, please contact Deepinder S. Bhatia at 609-580-1457 or deepinder@bayardasset.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Bayard Asset Management LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Any reference to Bayard Asset Management LLC as a “registered investment adviser” or as being “registered,” does not imply a certain level of skill or training.

Item 2 - Material Changes

Since the March 29, 2019 Form ADV, Part 2A filing for Bayard Asset Management LLC, there have been no material changes to report in this Item.

Item 3 - Table of Contents

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

Item 4 - Advisory Business

Bayard Asset Management LLC (“Bayard,” “we,” “us” or “our”) is a Delaware limited liability company that was formed in March 2011. Bayard is principally owned by Deepinder S. Bhatia.

Bayard (i) is the general partner of The Bayard Global High Dividend Yield Fund LP (the “Fund”) and (ii) subadvises a portion of the investment portfolio of a comingled investment fund managed by an unaffiliated investment manager through a managed account relationship (the “Subadvised Fund”).

We provide discretionary investment advice to the Fund and the Subadvised Fund. In the future, we may provide discretionary and/or non-discretionary investment advice to other private investment funds and/or separately managed accounts (collectively with the Funds and the Subadvised Fund, “clients”).

We generally invest on behalf of our clients in long positions in a diversified set of publicly traded equities and other instruments.

We generally do not permit investors in the Fund that we manage to impose limitations on the investment activities described in the offering documents for the Fund. Under certain circumstances, we may contract with a separately managed account client to adhere to limited risk and/or operating guidelines imposed by the client. We negotiate such arrangements on a case-by-case basis. (*See Item 16 “Investment Discretion” below.*)

As of February 29, 2020, we managed \$156,942,693 of regulatory assets under management on a discretionary basis. We do not currently manage any client assets on a non-discretionary basis.

Item 5 - Fees and Compensation

The extent and specific manner in which our clients pay management fees and/or performance-based compensation are set forth in each client’s applicable written agreement with us (and, with respect to the Fund, in its offering documents). We generally deduct our management fees from the accounts of the Fund monthly in advance. Once paid, the management fee is non-refundable. Generally, we receive performance-based fees or allocations from client accounts on an annual basis in arrears and upon withdrawals by investors in the Fund. Management fees and performance-based fees or allocations are generally not refundable, including upon the termination of the advisory contract. The Subadvised Fund and any separately managed accounts that we may manage will be charged fees on a case-by-case basis, which may include management fees and/or performance-based compensation.

In addition to those fees and charges described above, the expenses that are charged to each client are determined according to the specific terms of the client’s applicable written agreement with us (and, with respect to the Fund, as described in its offering documents). The expenses that are charged to the Subadvised Fund and any separately

managed accounts that we may manage are negotiated on a case-by-case basis.

Generally, the Fund is currently obligated to pay, or reimburse Bayard or its affiliates for advancing, the Fund's expenses, including, without limitation, expenses directly or indirectly related to its operations and trading transactions and positions for its account, including, but not limited to: the management fee and investment management expenses, interest expense, brokerage commissions, custodial fees, research and due diligence fees and expenses (including any research and/or due diligence related travel) and materials (including online news and quotation services, computer hardware and software used for research, Bloomberg service, etc.), order management systems, withholding and transfer taxes imposed on it, blue sky fees, initial and periodic legal, audit, administration and accounting fees and expenses, investor reporting costs, insurance expenses, consulting fees and expenses, professional fees and expenses, and other similar fees and expenses.

Management fees and/or performance-based compensation may be reduced or waived in certain circumstances, including with respect to investments by Bayard personnel and/or other related persons of Bayard in the Fund.

Clients other than the Fund, such as the Subadvised Fund or any separately managed accounts that we may manage, may have management fees, performance-based compensation and/or expense arrangements that differ in one or more respects from those applicable to the Fund.

To the extent we incur any expenses for the benefit of one or more private investment funds and/or separately managed accounts, we generally will allocate such expenses in a reasonable manner among such private investment funds and/or separately managed accounts.

We may allocate a portion of certain clients' capital to money market funds, exchange-traded funds or similar fee-bearing products or private investment funds and accounts that are managed by other investment managers. In that case, such client accounts generally would be responsible for paying the fees and expenses associated with such products, which would be in addition to the fees and expenses discussed above.

For a summary of our brokerage practices, please see Item 12 below.

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

We receive annual performance-based fees or allocations from the client accounts that we manage, which are based on a percentage of the capital appreciation of client assets. Performance-based compensation with respect to clients will conform to Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), to the extent applicable.

The terms of the performance-based compensation that we receive may differ between the various client accounts that we advise. This may result in a conflict of interest when we allocate opportunities among these accounts because we will have an incentive to favor an account that pays higher performance-based compensation. To avoid such a

conflict of interest we generally follow documented procedures in allocating opportunities among such accounts, which do not take into account the performance-based compensation to which such accounts are subject.

When we determine that a particular trading opportunity would be desirable for more than one client, we generally seek to allocate such opportunity among such clients in a manner that we deem fair and equitable under the circumstances existing at such time. The factors that we may consider in making such determination include (but are not limited to): the relative amounts of capital in each client's account available for new positions of the type at issue; the mandate of each client account; our perception of the appropriate risk/reward ratio for each client account; the intended trading strategy of each client account; the liquidity of each client account at the time of trading and thereafter; and the overall portfolio composition of each client account.

Our affiliates (including Deepinder S. Bhatia) may invest in one or more of our clients. In such case, we may have an incentive to favor the client(s) in which our affiliates have a greater economic interest and/or may have a conflict of interest in allocating investment opportunities among those client account and other client accounts. In order to mitigate these potential conflicts, we will generally follow the documented procedures described above.

As management fees and performance-based compensation are based directly on the net asset value of client accounts, we have a conflict of interest in valuing the assets held in the accounts. To the extent we are responsible for valuing a client's assets, we will follow our documented valuation policies and, with respect to the Fund, may consult with a third-party valuation provider as needed in order to mitigate this risk.

Since the amount of fees paid/allocations made to us is dependent in part on the profitability of the applicable client, we may have an incentive to cause the clients to make investments that are riskier or more speculative than would be the case if such fees/allocations were not dependent on the clients' net asset value and profitability. Bayard recognizes that it has a fiduciary duty and as such must act in the best interests of its clients.

Clients of Bayard and investors in the Fund are urged to review their respective investment management agreements and the Fund's offering documents, as applicable, as well as this brochure, for complete information on the fees, compensation and expenses applicable to them.

Item 7 - Types of Clients

We primarily provide investment advice to clients who are private investment funds. Investors in such private investment funds may at any time include one or more of the following: high net worth individuals, family offices, funds of hedge funds, endowments, foundations, trusts, charitable organizations, pension plans, and corporate or business entities that generally qualify as "accredited investors" (as defined in Rule 501 under the Securities Act of 1933, as amended ("Securities Act")) and "qualified clients" (as defined

in Rule 205-3 of the Advisers Act).

The minimum initial investment in the Funds is \$1,000,000 generally, subject to our discretion accept lesser amounts on a case-by-case basis. We will determine the minimum investment amount (and any other conditions for opening and maintaining an account) for other clients, including any separately managed accounts, on a case-by-case basis.

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

The following sections under this item apply to the Fund. The methods of analysis, investment strategies and risk of loss of the Subadvised Fund and other separately managed accounts are separately agreed to and disclosed to such clients on a case-by-case basis, and may or may not be similar to the information disclosed here.

A. Investment Philosophy and Method of Operation

Our investment objective is to invest in publicly traded equity securities which present attractive dividend yields and also show the potential for steadily rising dividend distributions over time. Within the set of companies that we believe have such characteristics, we intend to focus on the sub-set that also have low financial gearing levels. In our view, this additional characteristic should increase the long-term stability of the dividend distributions by the company. We also feel that in the long-term, capital appreciation of the selected equities should be a by-product of successful selection of securities that we believe will have high, stable and rising dividend distribution.

Our investment philosophy for equity securities is based upon the belief that a common equity is a part-ownership interest in a business. In our opinion, the closest link that an owner has to the fundamental performance of the business is through the share of profits that he receives, namely dividends, while day to day stock movements are often unpredictable and inexplicable. Our trading philosophy is that a long-term investor can have much better predictability of the dividends that a company will likely declare over time than the market pricing of a security. We anticipate that by following a trading program that focuses on the long-term dividend paying capacity of a company, we will therefore be able to “cut through the noise” of market ups-and-downs and instead focus on the underlying fundamental health and performance of the issuer.

Securities will be selected on a global basis and are expected to include companies domiciled in both developed as well as emerging markets. There is no specific country, sector, or size bias.

While it is our intention to seek out opportunities that meet some or all of the aforementioned criteria, we reserves the right to trade in other opportunities that may not meet these criteria but are deemed undervalued based upon other criteria or otherwise appropriate for the clients’ portfolios.

Our analytic process typically involves in-depth review of historic financial data and public filings, where such information is available. When possible and to the extent

permitted by applicable law, we may meet with an issuer's senior executives to discuss their general outlook and perspective on the company and the industry.

We will trade "long-only" on behalf of the Fund. Other than to manage foreign exchange exposures, we do not intend to hedge the Fund's positions using single stock shorts/index futures/forwards/options, or similar instruments. We expect to hold minimal cash in the Fund's portfolio (usually less than 10% of total assets), though the Fund's cash balance may exceed this amount (significantly at times) when we determine it is in the Fund's best interest to maintain a higher cash balance. We will not attempt to "time the market." At the time of initiation of the position, no single security will amount to more than 25% of Partnership's assets and the combination of the 5 largest securities will be no more than 50% of Partnership's assets, measured at the time of acquiring such positions.

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

B. Certain Risks Associated with Methods of Analysis and Investment Strategies

A brief explanation of the material risks involved with our significant investment strategies and methods of analysis follows. This list is not exhaustive. Our clients and Fund investors are urged to review their applicable written agreements with us and the Fund's offering documents, as applicable, for a more detailed discussion of the particular risks applicable to them.

Investment and Trading Risks. **A client should be aware that it may lose all or part of its investment in the Fund.** All securities investments risk the loss of capital. We believe that our trading program and research techniques moderate this risk through a careful selection and monitoring of portfolio positions. However, no guarantee or representation is made that the trading program will be successful or that the clients will not incur losses. In addition, results may vary substantially over time. In certain transactions, a client may not be "hedged" against market fluctuations or the degree of legal and regulatory risk associated with investments in the securities of companies in certain situations. We will attempt to assess the foregoing risk factors, and others, in determining the extent of the position it will take in the relevant securities and the price it is willing to pay for such securities. However, such risks cannot be eliminated.

Business Dependent Upon Key Individuals. Clients will have no authority to make decisions or to exercise business discretion on behalf of their accounts. The authority for all such decisions is delegated to Bayard. The success of the clients' portfolios, therefore, is expected to be significantly dependent upon the expertise and efforts of the Bayard and, more particularly, of Mr. Bhatia. The ownership and control of Bayard may change without the approval of any particular client.

Convertible Securities. The market value of convertible securities, as with all fixed income securities, tends to decline as interest rates increase and, conversely, to increase as interest rates decline. However, when the market price of the common stock

underlying a convertible security exceeds the conversion price, the convertible security tends to reflect the market price of the underlying common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis and thus, may not decline in price to the same extent as the underlying common stock. If a convertible security held by a client is called for redemption, the client will be required to permit the issuer to redeem the security, convert it into the underlying stock or sell it to a third party. Any of these actions could have an adverse effect on our ability to achieve our trading objective.

Concentration of Investments. The Fund is not restricted in the amount of its capital that it may commit to any single security or industry sector, and at times the Fund may hold a relatively large concentration in a particular security or industry. Losses incurred in those investments could have a material adverse effect on the Fund's overall financial condition. This is because the value of the Fund's interests will be more susceptible to any single occurrence affecting one or more of those issuers or industry sectors than would be the case with a more diversified investment portfolio. Separately managed accounts may or may not have limitations on concentration of investments.

Risk of Default or Bankruptcy of Third Parties. We intend to engage in transactions in securities and financial instruments that involve counterparties. The clients could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the clients do business, or to which securities have been entrusted for custodial purposes. For example, if one of the Fund's prime brokers or custodians were to become insolvent or file for bankruptcy, the Fund could suffer significant losses with respect to any securities held by such firm.

Non-U.S. Investments. We may trade in securities of non-U.S. issuers and non-U.S. countries. Trading in the securities of companies (and, from time to time, governments) of non-U.S. countries involves certain considerations and special risks not usually associated with trading in securities of U.S. companies or the U.S. Government, including possible adverse political and economic developments or instability, confiscatory taxation, possible seizure or nationalization of non-U.S. deposits, unfavorable currency exchange rate developments and possible adoption of governmental restrictions that might adversely affect the payment of principal and interest to investors located outside the country of the issuer, whether from currency blockage or otherwise. In addition, there may be less publicly available information about issuers in non-U.S. countries which are generally not subject to uniform accounting, auditing and financial reporting standards and other disclosure requirements comparable to those applicable to U.S. issuers. Furthermore, some of the securities may be subject to brokerage taxes levied by governments, which has the effect of increasing the cost of such position and reducing the realized gain or increasing the realized loss on such securities at the time of sale. Income received by clients from sources within some countries may be reduced by withholding and other taxes imposed by such countries. Any such taxes paid by the clients will reduce its net income or return from such positions. While we will take these factors into consideration in making trading decisions for our clients, no assurance can be given that we will be able to fully avoid these risks.

Additional costs could be incurred in connection with our international activities. Non-U.S. brokerage commissions generally are higher than in the United States. Expenses also may be incurred on currency exchanges when we change positions from one country to another. Investing in non-U.S. markets may involve longer settlement periods for transactions and less reliable clearance and custody arrangements. Increased custodian costs as well as administrative difficulties (such as the applicability of non-U.S. laws to non-U.S. custodians in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalization and record access) may be associated with the maintenance of assets in non-U.S. jurisdictions. Positions in non-U.S. securities also involve risks relating to currency exchange matters.

Small Cap Companies. At any given time, our clients may be invested in smaller sized companies of a less seasoned nature whose securities are traded in the over-the counter market. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification, and the competitive strength of larger companies. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger companies.

Emerging Markets Risks. We may invest a portion of our clients' assets in issuers and countries located in "emerging markets." Non-U.S. securities markets generally, and in particular those in emerging markets may not be as developed or efficient as those in the United States. Also, volume and liquidity levels in most foreign securities markets are generally lower than in the United States, and such markets may be more volatile. When seeking to sell emerging market investments, little or no market may exist for the securities. Furthermore, the likelihood of adverse political and economic developments may be magnified in these markets. Some emerging markets may have hyper-inflationary economies where the risks associated with holding currency are significantly greater than in other, less inflationary markets.

Foreign Currency and Exchange Rates. Our investments in emerging markets will generally expose our clients to significant foreign currency risk. Most of the income and assets of the companies in emerging markets in which investments are made will be denominated in local currencies. We, however, value our client's portfolio positions in U.S. dollars. In addition, the ability to convert freely between the U.S. dollar and the local currencies may be restricted or limited from time to time. In some instances, exchange rates and currency conversion may be controlled directly or indirectly by governments or selected entities.

Furthermore, our clients may incur costs in connection with conversions between various currencies. Non-U.S. currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to our clients at one rate, while offering a lesser rate of exchange should our clients desire immediately to resell that currency to the dealer. We conduct our clients' currency exchange transactions either on a spot (*i.e.*, cash) basis at the spot rate prevailing in the currency exchange market. Most of those currency exchange transactions occur at the time securities are purchased and are

executed through the local broker or custodian acting for our clients.

Coronavirus and Global Health Events. Epidemics, pandemics and other widespread public health problems could adversely affect the Funds' performance. For example, in late 2019, a novel virus started causing a disease ("COVID-19") with severe acute respiratory syndromes in humans, at times with serious health complications that sometimes result in death. What began as a local outbreak in Wuhan, China, spread globally over the course of weeks, stressing advanced healthcare systems of Western countries and resulting in financial disruptions of an extent that remains unclear. On March 11, 2020, the World Health Organization assessed that the outbreak can be characterized as a pandemic. Many countries imposed restrictions on travel and strict measures of social distancing.

As the potential impact on global markets from COVID-19, or future epidemics, pandemics or other health crisis, is impossible to predict, the extent to which any such crisis may negatively affect the Funds' performance or the duration of any potential business disruption is uncertain. Precautions or restrictions imposed by governmental authorities and public health departments related to this pandemic are expected to result in indeterminate periods of decreased economic activity throughout the U.S. and globally, including reduced or ceased business operations, decline in international trade and shortages of supplies, goods and services. An outbreak such as COVID-19, and the reactions to such an outbreak, are expected to cause uncertainty in the markets and businesses and are generally expected to adversely affect the performance of the U.S. and global economy, including due to market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees to work at external locations and extensive medical absences among the workforce. As a reaction to such an outbreak, it is possible that governmental fiscal and economic measures will lead to an increase in spending and other forms of financial stimuli, and it is difficult to predict what effect such measures will have on the U.S. and the global economy.

The impact that pandemics and other public health events will have on the performance of the Funds in particular is uncertain, and it will depend to a large extent on future developments and new information that may emerge regarding the duration and severity of the coronavirus or other health crisis, and the actions taken by authorities and other entities to contain such crisis or treat its impact, particularly in the United States, all of which are beyond the Funds' control.

Business Continuity. Various force majeure events, including acts of God, natural disasters like fire, flood or earthquakes, wars, terrorist acts, outbreaks of infectious disease, epidemics, pandemics or other serious public health concerns, cyber-attacks, technology and/or power failures, labor strikes, or geopolitical or other extraordinary, or other unforeseen circumstances or events, may materially disrupt our business and operations, or the business and operations of any counterparty or service provider to us or the Funds, and the Funds may be adversely affected thereby. For example, if a significant number of our personnel were to be unavailable in a force majeure event (such as war, terror attack or an outbreak of infectious disease), our ability to effectively conduct the Funds' business could be severely compromised. In addition, the cost to the Funds, us or

our affiliates of repairing or replacing damaged assets or systems resulting from such force majeure event could be considerable. While we have adopted certain policies and procedures designed to restore and/or continue our business and operations in such situations, there is no guarantee that such policies and procedures will be effective in any of such situations or will be implemented in time, and the Funds may be adversely affected thereby.

Market Disruption Events and Geopolitical Risks. The Funds may trade in different markets and different kinds of instrument types. It is possible that as a result of war, terrorist act, natural disaster, outbreak of infectious disease, epidemic, pandemic or other serious public health concern, or geopolitical or other extraordinary or unforeseen circumstance or event (a “Market Disruption Event”), one or more of these markets may cease operating for a limited or indeterminable period of time. In that event, it may be difficult for the Funds to value the positions that trade in the affected markets, and the Funds may be exposed to significant movements in the perceived value of instruments without having the ability to trade those instruments.

Additionally, Market Disruption Events may have a substantial effect on economies and securities markets in the U.S. or worldwide, and could materially adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment, and other factors affecting the value of the Funds’ investments. Market Disruption Events could also affect the principal prime brokers and custodians that carry and clear the Funds’ trades and positions. The inability of key marketplace intermediaries to function could have an adverse impact upon liquidity as well as the ability of the Funds to trade their positions. Market Disruption Events could also have a direct physical impact upon the Funds’ and/or our operations, including the destruction of their facilities and/or incapacity or loss of life to key personnel.

While the Funds have taken steps intended to mitigate the adverse consequences that could arise from the occurrence of a Market Disruption Event, the inability to predict the timing, location, source and severity of such event or events make it difficult to provide assurances that the Funds would not suffer material adverse consequences should a Market Disruption Event occur.

Item 9 - Disciplinary Information

There have been no legal or disciplinary events that are material to a client’s or prospective client’s evaluation of our business or the integrity of our management.

Item 10 - Other Financial Industry Activities and Affiliations

As described above in Item 4, Bayard is principally owned by Deepinder S. Bhatia. Bayard and its management personnel (including Mr. Bhatia) and employees may have conflicts of interest in (i) allocating their time and activity among, (ii) allocating investments among, and (iii) effecting transactions for, client accounts where Bayard or its management personnel, employees or affiliates may have a greater financial interest and other client accounts. As described above in Item 6, Bayard does not discriminate on

an impermissible basis against one client or group of clients, and has established allocation procedures so that clients are treated fairly and equally on an overall basis.

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

We have adopted a Code of Ethics (the “Code of Ethics”) which provides that we are committed to conducting our business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, we recognize that we have a fiduciary duty to our clients, and that we must conduct our business in a manner that enables us to fulfill this fiduciary duty. In this regard, we have developed policies and procedures in our Code of Ethics that are premised on fundamental principles of openness, integrity, honesty and trust. In addition, among other things, our Code of Ethics governs all personal investment transactions by our employees, our policies with respect to gifts and entertainment, compliance with applicable federal securities laws, the manner in which violations of our Code of Ethics are to be reported, and certain other outside activities of our employees. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Subject to applicable law, we may effect transactions between clients (generally for rebalancing purposes and to correct misallocations of trades) where one client will purchase securities from another client (including a private investment fund or account in which Bayard, its affiliates, principals or employees may have a significant interest). Such transactions (*i.e.*, cross trades) will be effected only when we believe that such transactions are in the best interest of the applicable clients. Such transactions will be placed through an unaffiliated broker-dealer or custodian, will not involve any accounts subject to ERISA, and will be effected for cash consideration, at prices that reflect prevailing market conditions. In addition, no brokerage commission or transfer fee will be paid to Bayard or its affiliates in connection with any such transaction. Any transaction costs incurred in connection with any such transaction will be shared *pro rata* between the applicable clients.

In the event that we effect a cross trade between an account in which we or our principal owns more than twenty five percent (25%) and another client account, such transaction may be deemed to be a principal transaction under the Advisers Act. Such transactions may create a conflict of interest for us because we may put our or our principal’s interests in such accounts before the interests of our clients in the other account. In order to mitigate this conflict of interest, we monitor the interests of our principal, his immediate family members and her affiliates in our client accounts, and we will not effect any cross trades between accounts if we believe that such trade would result in a principal transaction, unless:

- 1) We believe that such transaction is in the best interest of the clients participating in the transaction; and
- 2) We obtain the consent of the applicable clients as required by the Advisers Act.

Under our Code of Ethics, we place certain restrictions on the personal trading activities of employees and their immediate family members. It is our policy that all employees must file initial and annual holdings reports and quarterly transaction reports with respect to all "reportable securities" with respect to which they have or acquire any "beneficial interest" as such terms are defined in our Code of Ethics. Employees are generally prohibited from trading the securities of individual issuers in their personal accounts, unless they obtain pre-clearance for such trade from Mr. Bhatia (or his designee). Mr. Bhatia may reject a request for pre-clearance for a variety of reasons, including, (i) if the sale of such security is being made within 30 calendar days of purchase (minimum holding period.), (ii) if Bayard has bought a security issued by the issuer any time within 3 days prior to the pre-clearance request to sell by an employee (avoidance of "opportunistic sell" into price strength created by Bayard's buying of the stock), (iii) if Bayard has sold securities issued by that issuer any time within 3 days prior to the pre-clearance request to buy by an employee (avoidance of "opportunistic buy" into price weakness created by Bayard's selling of the stock), and/or (iv) if Bayard is currently contemplating the purchase/sale of the security (avoidance of front-running Bayard trading activity). Employees may invest in money market instruments, shares of mutual funds, shares representing the performance of a nationally recognized index and exchange traded funds and other types of securities that are deemed to present little opportunity for improper trading in accordance with our Code of Ethics.

We may buy or sell securities for one client at the same time that we buy or sell the same security for one or more other clients (including the Funds which are our related persons). This will typically happen when more than one client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. This may create a conflict of interest if one account may benefit from making the trade before or after the other account. We will generally aggregate trades, subject to best execution to avoid any such conflict of interest. (*See Item 12 "Aggregation of Orders" below.*)

Item 12 - Brokerage Practices

Selection of Brokers

We have discretion to determine the broker-dealers and other financial intermediaries to use in effecting transactions for our clients, and the commission rates or mark-ups/mark-downs to be paid for such transactions.

In selecting brokers to effect portfolio transactions for our clients, we consider such factors as price, the ability of the brokers to effect the transactions, the brokers' facilities, reliability and financial responsibility and the provision or payment (or the rebate to our clients for payment) of the costs of property or services (e.g., short term custodial services, research services, news and quotation services, publications and other research and brokerage products or services). Accordingly, if we determine in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or services provided by such broker, a client may pay commissions to such broker in an amount greater than the amount another broker might charge.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual brokerage business received by any broker may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total brokerage is allocated on the basis of all the considerations described above. A broker is not excluded from receiving business because it has not been identified as providing research services.

We have adopted policies and procedures intended to seek best execution on an ongoing basis for securities transactions, based upon the aforementioned factors. We periodically evaluate the execution performance of the broker-dealers we use to execute client transactions. We also evaluate, and seek to resolve, any conflicts of interest that we may have in selecting brokers to execute client transactions.

Research and Other Soft Dollar Benefits

We may enter into soft dollar arrangements (including “commission sharing agreements”) with brokers. Soft dollar arrangements arise when an investment adviser obtains products and services, other than securities execution, from a broker in return for directing client securities transactions to the broker. Soft dollar arrangements pose a conflict of interest for us in that such arrangements allow us to pay expenses with client commissions that would otherwise be borne by us. Accordingly, we may have an incentive to select or recommend a broker based on our interest in receiving such products and services, rather than on our clients’ interest in receiving best execution. We will use soft dollars in a manner that is consistent with our duty to seek best execution, and any requirements or limitations concerning our soft dollar usage that may be contained in our written agreements with clients.

In the event that we engage in soft dollar transactions, we intend to comply with the safe harbor requirements of Section 28(e) of the Exchange Act. Research products and services may include, among other things, proprietary research from brokers, which may be written or oral. Research products may also include, among other things, certain software, databases and quotation services. Research services may also include, among other things, research concerning market, economic and financial data, a particular aspect of economics or on the economy in general, statistical information, pricing data and availability of securities, financial publications, electronic market quotations, performance measurement services, analyses concerning specific securities, companies, industries or sectors, market, economic and financial studies and forecasts, appraisal services, and invitations to attend conferences or meetings with management or industry consultants. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment manager and a broker-dealer and between a broker-dealer and other relevant parties such as custodians and administrators); trading software operated by a broker-dealer to route orders; software that provides algorithmic trading strategies; message services used to transmit orders; software used to transmit or route orders; short-term custody relating to effecting particular transactions in relation to clearance and settlement of trades; clearance and settlement in connection with a trade; electronic communication of

allocation instructions; routing settlement instructions; other exchanges of messages among trade parties; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

Generally, where a product or service obtained with commission dollars provides both research and non-research assistance to us, we will make a reasonable allocation of the cost which may be paid for with client commission dollars.

In accordance with Section 28(e), research provided by such brokers may be used to service all of our clients and not exclusively in connection with the management of such clients that generated the particular soft dollar credits.

We may also direct brokerage commissions on purchases or sales of securities to broker-dealers who advance the sale of client's interests, consistent with best execution.

Services from Prime Brokers

We do not currently use the services of a prime broker.

Brokerage for Client Referrals

Subject to applicable law, we may direct some client brokerage business to brokers who refer prospective investors to the Funds, consistent with best execution. Because such referrals, if any, are likely to benefit us but will provide an insignificant (if any) benefit to clients, we will have a conflict of interest with our clients when allocating client brokerage business to a broker who has referred investors to a Fund. To prevent client brokerage commissions from being used to pay investor referral fees, we will not allocate client brokerage business to a referring broker unless we determine in good faith that the commissions payable to such broker are not materially higher than those available from non-referring brokers offering services of substantially equal value to the client account.

Aggregation of Orders

We may in our discretion aggregate client trades, subject to best execution. Aggregation, or "bunching," describes a procedure whereby an investment adviser combines the orders of two or more clients into a single order for the purpose of obtaining better prices and lower execution costs. Aggregation opportunities for us generally arise when more than one client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. In such event, securities purchased or sold will generally be allocated among client accounts on an average price basis. When an aggregated order is only partially filled, we will allocate the investment opportunity as described in Item 6 above.

We may also aggregate subsequent orders for the same security entered during the same day with any previously filled orders. This determination may take into consideration changes in the market price of the security and differences in allocations among accounts.

Our brokerage practices, including our ability to receive soft dollar benefits or to enter into soft dollar arrangements or similar arrangements, as described above, may differ for certain clients based on the client's applicable written agreement with us.

Item 13 - Review of Accounts

Client accounts and positions are typically reviewed by our portfolio manager (or his designee(s)) to confirm conformity to the objectives and risk criteria applicable to such accounts on a daily basis. The portfolio manager is assisted by the members of our team.

Investors in the Fund generally receive periodic unaudited reports, on a monthly basis. In addition, we distribute copies of the audited financial statements of the Funds at least annually to investors for the Funds in which they invest, generally within 120 days after the end of the period to which the audit relates. We also distribute tax reports as promptly as practicable after the end of each fiscal year to investors in the U.S. Fund.

We may enter into agreements ("side letters") with one or more investors that will result in different terms of an investment in a Fund than the terms applicable to other investors in that Fund including, without limitation, with respect to management fees, performance-based fees or allocations, withdrawal terms and/or transparency. As a result of such side letters, certain investors may receive additional rights that other investors will not necessarily receive. Subject to applicable law and contractual arrangements, we do not intend to disclose the terms of side letter agreements or other arrangements and do not intend to disclose the identities of the investors that have entered into such agreements with the Fund or us. We will not be required to offer such additional or different rights and terms to any or all other investors.

We may provide certain additional information to any investor, or prospective investor, in the Fund who requests such information. This information may be provided in response to questions and requests and in connection with due diligence meetings and other communications, but will not be distributed to other investors and prospective investors who do not request such information. Such information may affect a prospective investor's decision to invest, and investors (which may include our personnel and affiliates) may be able to act on such additional information and redeem their investments potentially at higher values than other investors. Each investor is responsible for asking such questions that it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by us is sufficient for its needs.

We may provide the owners of any separately managed accounts we may manage with periodic unaudited reports at such times as the owners of such accounts and we agree. In addition, since a managed account investor would directly own the positions in its separately managed account, such investor could have full, real-time transparency as to all transactions and holdings in such account, and may be better able to assess the future prospects of a portfolio that is substantially similar to the portfolios of the private investment funds managed by us. The investors in such separately managed accounts may have the right to withdraw all or a portion of their capital from such managed accounts on shorter notice and/or with more frequency than the terms applicable to an

investment in the private investment funds we manage.

Item 14 - Client Referrals and Other Compensation

Other than the circumstances described above in Item 12, we do not receive any economic benefits from non-clients in connection with the provision of investment advice or other advisory services to our clients.

If a client is introduced to us by a third party solicitor, we and/or our affiliates may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 under the Advisers Act to the extent applicable. Any such referral fee will be paid solely by us or our affiliates, and will not result in any additional charge to the client, unless the client agrees otherwise in its applicable written agreement with us.

Item 15 - Custody

For purposes of Rule 206(4)-2 under the Advisers Act, we will be deemed to have custody of Fund assets. In accordance with such Rule, a qualified custodian is not required to deliver quarterly account statements to the Funds or their respective investors because annual audited financial statements are delivered to investors within 120 days after the end of each Fund's fiscal year.

Any separately managed accounts that we may manage will receive account statements from their respective brokers and/or custodians, and are urged to carefully review those statements. To the extent that those clients were to receive any account statements from us, they are urged to compare those statements with the statements that they receive from their brokers and/or custodians.

Item 16 - Investment Discretion

We have discretionary authority to manage securities accounts on behalf of our clients. The investors in the private investment funds managed by us generally may not place any limits on our authority beyond the limitations set forth in the offering documents of such private investment funds.

On a case by case basis, owners of any separately management accounts that we may manage on a discretionary basis may negotiate certain risk and/or operating guidelines that we will adhere to when exercising our discretionary authority over such accounts.

Item 17 - Voting Client Securities

We generally have voting discretion over securities held in client accounts. Our clients generally are not able to direct their votes in a particular situation.

To the extent we have been delegated proxy voting authority on behalf of our clients, we have adopted proxy voting policies and procedures that are designed to ensure that in cases where we vote proxies with respect to client securities, such proxies are voted in the best interests of such clients. In fulfilling our obligations to our clients, we endeavor to

act in a manner that will enhance the economic value of the underlying securities held by each of our clients.

We will generally vote proxies based upon the recommendations of a proxy voting services firm; however, we will exercise our own judgment on a case-by-case basis and may override any recommendation of the proxy voting services firm that we do not believe is in the best interest of our clients. In the event that we fail to instruct the proxy voting services firm on how to vote a proxy, the proxy voting services firm is directed to vote in accordance with its recommendations. In addition, our proxy voting policies and procedures include guidelines regarding: (i) the process in place to override a vote recommendation from the proxy voting services firm; (ii) responsibilities of certain parties with regard to the proxy voting process; (iii) how material conflicts of interest are resolved to confirm that all proxies are voted in the best interests of clients; and (iv) maintenance of certain books and records related to the proxy voting process. We have contracted with ISS (a leading provider of outsourced proxy voting service) to provide us firm-wide proxy voting service. Our proxy voting process is as follows: We will review each proxy ballot, consider the voting recommendation provided by the proxy voting services firm and decide whether to override it or let the proxy voting service firm vote as recommended. Our goal is to vote proxies in a prudent and diligent manner and in the best interests of our clients.

A client may obtain information about how we voted securities in the account in which the client is invested by contacting us at the address set forth on the cover page of this brochure.

Item 18 - Financial Information

Currently, there is no financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

Item 19 - Requirements for State-Registered Advisers

We are not a state-registered adviser.