

Item 1 – Cover Page

Bayesian Investment Management

Form ADV Part 2A – Disclosure Brochure

Effective: May 15, 2020

This brochure provides information about the qualifications and business practices of Bayesian Investment Management, LLC (Bayesian Investment Management or the “Adviser”). If you have any questions about the contents of this brochure, please contact us at (540) 676-3975.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Registration of an investment adviser does not imply any specific level of skill or training.

Additional information about Bayesian Investment Management is also available on the SEC’s website at www.adviserinfo.sec.gov. Bayesian Investment Management, LLC’s CRD number is: 309285

***Bayesian Investment Management
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(540) 676-3975***

Item 2 – Material Changes

There are no material changes to disclose

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Item 4 – Advisory Business

A. Description of the Advisory Firm

Bayesian Investment Management, LLC (hereinafter “Bayesian Investment Management”) is a Limited Liability Company organized under the laws of Commonwealth of Virginia. The firm was formed in April, 2020, and the principal owner is Michael Shawn Baako (also known as “Shawn Baako”)

B. Advisory Services Offered

Bayesian Investment Management offers investment advisory services managing separate portfolios of publicly traded securities (“Individual stocks”, “ETFs”, and “Mutual Funds”) on a discretionary basis. The Adviser buys, sells or re-allocate positions that have been held either for less than one year or more than one year in a portfolio to meet the objectives of the client or due to market conditions. Clients have the ability to impose reasonable restrictions (for example, purchase or sale of certain securities or types of securities in client’s account) on Bayesian Investment Management’s discretionary authority by notifying us of those restrictions in writing. Unless Bayesian Investment Management notifies the client that they are unable to accept that restriction, Bayesian Investment Management does its best to honor those restrictions. Please see item 16—Investment Discretion, of this disclosure brochure for additional information.

Clients Portfolios are customized to the needs of individual clients based on an understanding of their financial needs. Each client is required to complete an investor profile questionnaire to enable us evaluate the client’s financial needs. The investor profile questionnaire captures critical information such as the client’s investment objectives, risk tolerance, investment horizon, liquidity needs, client’s annual income, total liquid assets etc.

The firm also provides advisory services to retirement plans such as 401K plans and other similar employer sponsored retirement plans. Where Bayesian Investment Management provides advisory services to retirement plans, the plan sponsors and each plan participants are not required to complete an investor profile questionnaire.

As of May 1st 2020, Bayesian Investment Management has zero client asset under management. All future assets under management are going to be managed on a discretionary basis except for employee sponsored retirement plans where we only serve as adviser on record and are not involved directly in the day to day management of individual participants investments.

C. Client Account Management

Prior to engaging Bayesian Investment Management to provide investment management/advisory services, each client is required to enter into one or more agreements with the Adviser that defines the terms, conditions, authority and responsibilities of the Adviser and the client.

Item 5 – Fees & Compensation

Bayesian Investment Management’s annual fee for investment advisory services ranges from 0.75% to 1.5% of the market value of clients’ assets placed under management at Bayesian Investment Management. The annual investment management fee are billed at the end of each quarter, in arrears, and based upon the market value of the assets on the last day of the quarter. Bayesian Investment Management’s fees are automatically deducted from client’s assets in the clients accounts.

Fee Schedule

Market Value	Annual Fee
Less than \$500,000	1.5%
\$500,000.00 - \$1,000,000	1.35%
\$1,000,000.01 - \$3,000,000	1.25%
\$3,000,000.01 - \$5,000,000	1%
Greater than \$5,000,0000	0.75%

All inflows and outflows from an accounts are billed on a pro-rata basis at the end of the quarter. Accounts that begin or terminate for any reason within a quarter are also billed on a pro-rata basis. For instance, our billing cycle for the second quarter of 2020 started on 3/31/2020 and ends on 6/30/2020. A new client account first joined our firm as of 5/16/2020, 41 days into the period. Assuming a portfolio value of \$100,000 and annual fee rate of 1.5%, the bill for the new client at the end of 6/30/2020, is calculated as follows:

- 2nd Quarter gross fee of this portfolio is \$375 ($\$100,000 \times 0.375\%$).
- There are 91 total days in the billing period from 3/31/2020 through 6/30/2020 and there are 46 days between the start of the billing period (3/31/2020) and the billing inception date (5/16/2020) of this portfolio. Therefore the 2nd Quarter gross fee is adjusted down by the fees for the period the portfolio was not under management, that is approximately \$189.56 ($(46 \text{ days} / 91 \text{ days}) \times \375).
- The final pro-rated fee billed to the new client at the end of 6/30/2020 is \$185.44 (2nd quarter gross fee of \$375 minus \$189.56).

Bayesian Investment Management’s fees are exclusive of brokerage commissions and other transaction fees or taxes charged by custodians or others which are incurred by the client (See Item 12 on Brokerage Practices). Also mutual funds and exchange traded funds positions incur internal management fees and expense charges. These fees and charges are in addition to Bayesian Investment Management’s annual advisory fees.

Advisory fees are negotiable and Bayesian Investment Management has the sole discretion to reduce its fee for any reason, including but not limited to anticipated future earnings capacity, or anticipated

client's future assets to be managed by Bayesian Investment Management, related accounts, and account composition.

ITEM 6 – Performance-Based Fees and Side-By-Side Management

Bayesian Investment Management does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Bayesian Investment Management's clients generally include individuals, high net worth individuals, and small businesses.

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

A. Methods of Analysis

Bayesian Investment Management utilizes the following methods of security analysis:

- Technical Analysis – Analysis performed on historical and current price data on publicly listed Equities, Fixed Income ETFs and Commodity ETFs together with other market indicators to identify favorable price trends for investment.
- Cyclical Analysis – Analysis performed on historical relationships between price and general market trends

Bayesian Investment Management utilizes the following investment strategies when implementing investment advice given to clients:

- Long Term Investments (securities held at least a year)
- Short Term Investments (securities sold within a year)
- Trading (securities sold within thirty (30) days of purchase)

B. Risk of Loss

Bayesian Investment Management's methods of analysis and investment strategies do not present any significant or unusual risks. However, there are no guarantees that our analysis methods and strategies always yields a return. In fact, a loss of principle is always a risk. Investing in securities involves a risk of loss that you should be prepared to handle. You need to understand that investment decisions made for your account by us are subject to various market, interest rate currency, economics, political and business risks.

In addition to the stated general investment risks, investing in ETFs, and Mutual Funds presents additional risk including but not limited to counter party risk, tracking error risk, country risk and lack of control (voting rights etc.) over individual underlying securities held by the fund. Investing in ETFs that tracks commodities (eg. Crude Oil, Gold etc.), or ETFs that tracks certain class of stocks (eg. small and micro market capitalization) stocks are

exposed to liquidity risk and high volatility which often leads to substantial loss of capital during periods of market stress.

Clients should also be aware of the risks of our methods of analysis and strategies. The potential risks includes but not limited to the following; (a) Technical analysis is derived from the study of market participant behavior and its efficacy is a matter of controversy; (b) Methods vary greatly and are highly subjective; different technical analysts sometimes make contradictory predictions from the same data; (c) Models and rules based on technical analysis involves frequent trading and often incur sufficiently high transaction costs.

Bayesian Investment Management assists clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a client meets their investment goals.

Item 9 – Disciplinary Information

Bayesian Investment Management or its owner has not been the subject of any disciplinary actions.

Item 10 – Other Financial Industry Activities and Affiliations

The sole business of Bayesian Investment Management is to provide investment management services to its clients. The firm is not involved in any other business endeavors. Bayesian Investment Management does not maintain any affiliations with other firms, other than contracted service providers to assist with the servicing of its client's accounts.

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

A. Code of Ethics

Bayesian Investment Management has implemented Code of Ethics (“Code”) that defines the Adviser's fiduciary commitment to each client. This Code applies to all persons associated with Bayesian Investment Management (“Supervised Persons”). The Code was developed to provide general ethical guidelines and specific instructions regarding the Adviser's duties to its clients.

The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons and employees must acknowledge the terms of the Code of Ethics annually, or as amended.

Bayesian Investment Management and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each client. Supervised Persons must adhere to the highest standards with respect to any potential conflicts of interest with clients, must preserve the confidentiality of clients information obtained in the course of business and must use such information properly and never in a way that

harms the clients' interests. Supervised Persons conducts personal financial affairs in a prudent manner and deals objectively with clients.

Bayesian Investment Management and its employees are prohibited from engaging in fraudulent, deceptive or manipulative conduct. Compliance with this provision involves more than acting with honesty and good faith alone. It means that Bayesian Investment Management has an affirmative duty of utmost good faith to act solely in the best interest of its clients.

B. Personal Trading with Material Interest

Neither Bayesian Investment Management nor any related person of the firm recommends, buy, or sell for client accounts, securities in which Bayesian Investment Management or any related person of Bayesian Investment Management has a material financial interest.

C. Personal Trading in Same Securities as Clients

Bayesian Investment Management and or Supervised Persons of Bayesian Investment Management are permitted to purchase or sell the same securities recommended to and purchased on behalf of clients. Owning the same securities that are recommended (purchase or sell) to clients presents a conflict of interest that, as fiduciaries, must be disclosed to clients and mitigated through policies and procedures. When trading for personal accounts, Supervised Persons have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its clients are violated if personal trades are made with more advantageous terms than client trades.

D. Personal Trading at Same Time as Client

Bayesian Investment Management's Supervised Persons (Investment Advisor Representative) trades for their own accounts in securities, which are recommended to and/or purchased for a client. Supervised Persons are required to purchase or sell securities for their personal accounts only after trading of that same security has been completed in the client accounts.

Bayesian Investment Management, or any Supervised Person of Bayesian Investment Management, does not transact in any security to the detriment of any client. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the Supervised Person does not interfere with making decisions in the best interest of advisory clients and implementing such decisions. Trading in the Supervised Person's account is continually reviewed under the Code of Ethics, to reasonably prevent conflicts of interest between Bayesian Investment Management and its clients.

Contact us at 540-676-3975 to request for a copy of the Bayesian Investment Management's Code of Ethics.

Item 12 – Brokerage Practices

Bayesian Investment Management recommends or encourages clients to use Charles Schwab as their custodian and broker to facilitates efficient and consistent operations. We believe the recommended custodian/broker has a commission and a fee schedule which Bayesian Investment Management considers to be reasonable and competitive. Schwab provides our clients with access to its institutional

trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge. Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Bayesian Investment Management has available from its primary custodian, research and online resources that the broker and custodian generally provides to customers. Charles Schwab is not our affiliate and they do not compensate Bayesian Investment Management for client referrals. Bayesian Investment Management do not participate in any "soft dollar" programs where credits or resources are provided in exchange for a specified volume of commissions.

We maintain a preferred brokerage and custodial relationship with Charles Schwab Institutional ("Schwab"). While client trades are entered via the Schwab electronic trading platform, most trade executions occur across many firms (Morgan Stanley, Goldman Sachs, and Piper Jeffrey, etc.) based solely on best executions. We are not required by Schwab to execute a number of trades through their platform. We receive no compensation from Schwab for either bringing or maintaining a custodial relationship to Schwab or for executing trades through Schwab. By directing brokerage to Schwab, you may pay higher fees or transaction costs than those obtainable by other broker-dealers but in most cases, we believe you are paying a discounted and reasonable rate.

Bayesian Investment Management generally block trade or aggregate security purchases across various clients accounts. Block trading benefits a large group of clients by providing Bayesian Investment Management the ability to purchase larger blocks of securities resulting in smaller transaction costs or favorable execution price to the clients. If a client declines trade aggregation, they are likely to incur higher transaction cost and or receive less favorable execution prices.

Clients have the ability to use another custodian and broker if acceptable to Bayesian Investment Management. Generally, we do not negotiate lower rates below the rates established by the executing broker-dealer for this type of directed brokerage account, unless we believe that such rate is unfair or unreasonable for the size and type of transaction. If you direct us to use another broker-dealer, we are unable to aggregate your orders with other clients' orders to reduce transaction costs, or receive favorable prices execution.

Item 13 – Review of Accounts

Bayesian Investment Management reviews client investment account positions daily to determine if a client's portfolio needs rebalancing. Bayesian Investment Management also conducts account reviews upon the occurrence of a triggering event, such as a change in client investment objectives, risk tolerance, financial situation, market corrections or at client request. Clients are encouraged to review investment objectives and account performance with Bayesian Investment Management on an annual basis either in person or by phone.

Clients receive monthly account statements from the custodian (Charles Schwab). These statements are sent directly from the custodian to the client. The custodian also offers clients electronic access to

clients accounts to enable them access and review their account statements and activities online. Client account statements includes all positions, transactions and fees relating to the client's accounts. The Adviser provides clients with a written quarterly investment review reports regarding client's account holdings, allocations, transactions and performance.

Item 14 – Client Referrals and Other Compensation

Bayesian Investment Management does not compensate nor receive compensation from anyone for client referrals. Bayesian Investment Management refer clients to various unaffiliated, non-advisory professionals (e.g., attorneys, accountants etc.) to provide certain financial services necessary to meet the goals of its clients. Likewise, Bayesian Investment Management receives non-compensated referrals of new clients from various third-parties.

Item 15 – Custody

Bayesian Investment Management neither accepts nor maintain custody of client funds but have the ability to have its advisory fees for each client debited from clients accounts by the custodian on a quarterly basis. Clients are provided, at least monthly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer or custodian for their account.

Bayesian Investment Management also provides quarterly written reports summarizing account activity and performance to clients. Clients are urged to compare statements or reports provided by Bayesian Investment Management with the account statements received from the account custodian for accuracy, as the custodian does not perform this review.

Item 16 – Investment Discretion

Bayesian Investment Management generally provides investment advisory services on a discretionary basis. We have discretion over the amount and the type of securities that are bought or sold for clients accounts. Prior to Bayesian Investment Management assuming discretionary authority over a client's account, the client is required to enter into an agreement granting Bayesian Investment Management the full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's account.

Clients have the ability to impose reasonable restrictions on Bayesian Investment Management's discretionary authority by notifying Bayesian Investment Management of those restriction in writing. Unless Bayesian Investment Management notifies the client that they are unable to accept that restriction, Bayesian Investment Management does its best to honor those restrictions. For example, clients have the ability to impose trading restriction on Bayesian Investment Management to limit the sale of an inherited concentrated security position in a client's taxable account for tax purposes.

Item 17 – Voting Client Securities

Bayesian Investment Management does not accept proxy-voting responsibility for any client. Bayesian Investment Management is not responsible and each client has the right and responsibility to take any actions with respect to any legal proceedings, such as bankruptcies and shareholder litigation with respect to securities or other investments held in the client's account.

Clients receives proxy statements or other solicitations directly from their custodian. Clients are encouraged to contact Bayesian Investment Management to discuss any questions they have relating to a particular proxy or solicitation; however, the client retains the sole responsibility for proxy decisions and voting.

Item 18 – Financial Information

Bayesian Investment Management is not required to deliver a balance sheet along with this Disclosure Brochure as the firm does not collect fees of \$500 or more for services to be performed six months or more in advance. Bayesian Investment Management is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments or obligations to its clients. Neither Bayesian Investment Management, nor any of its advisory persons, has been the subject of a bankruptcy petition.

Item 19 – Requirements for State Registered Advisers***A. Educational Background and Business Experience of Principal Officer***

The Principal Officer of Bayesian Investment Management is Michael Shawn Baako (Shawn Baako). Information regarding the formal education and background of Shawn Baako is included in Item 2, Educational Background and Business Experience of Form ADV Part 2B below.

B. Other Business Activities of Principal Officer

Shawn Baako does not have any other business activities.

C. Performance Fee Calculations

Bayesian Investment Management does not charge performance-based fees for its investment management services.

D. Disciplinary Information

There are no legal, civil or disciplinary events to disclose regarding Shawn Baako. Neither Bayesian Investment Management nor Shawn Baako has ever been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Bayesian Investment Management or Shawn Baako.

E. Material Relationships with Issuers of Securities

Neither Bayesian Investment Management nor Shawn Baako has any relationships or arrangements with any issuers of securities.

**Form ADV Part 2B – Brochure Supplement
for**

Shawn Baako

Principal & CCO

Effective: May 15, 2020

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of Shawn Baako also known as Michael Shawn Baako (CRD# 6520223) in addition to the information contained in the Bayesian Investment Management (CRD# 309285) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the Bayesian Investment Management Disclosure Brochure or this Brochure Supplement, please contact us at 540-676-3975

Additional information about Shawn Baako is available on the SEC’s Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with his full name or his CRD# 6520223.

***Bayesian Investment Management
3011 Maywood Rd. SW
Roanoke, VA 24014
Tel: (540) 676-3975***

Item 2 – Educational Background and Business Experience**Name:** Shawn Baako**Born:** 1986***Educational Background:***

MA Financial Economics, American University, Washington DC. – 2015

BA Economics, University of Cape Coast, Ghana – 2011

Business Background:Bayesian Investment Management
Principal & CCO 05/2020 - PresentMorgan Stanley
Financial Advisor 06/2015 – Present**Item 3 – Disciplinary Information**

There are no legal, civil or disciplinary events to disclose

Item 4 – Other Business Activities

Michael Shawn Baako has no other business activities to disclose

Item 5 – Additional Compensation

Shawn Baako does not receive any additional compensation from any person, company, or organization.

Item 6 – Supervision

Shawn Baako serves as the Principal and Chief Compliance Officer of Bayesian Investment Management and is responsible for the supervision of all activities of the firm. Contact Shawn Baako at 540-676-3975.

Shawn Baako adheres to all applicable regulatory requirements, together with all policies and procedures outlined in the Bayesian Investment Management's code of ethics and compliance manual.

Item 7 – Requirements for State Registered Advisers

Shawn Baako does not have any additional information to disclose.