

FORM ADV PART 2A: Firm Brochure

Banyan Equity Management, LLC

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This Brochure provides information about the qualifications and business practices of Banyan Equity Management, LLC (“Banyan”). If you have any questions about the contents of this Brochure, please contact David Horowitz, the Chief Compliance Officer (“CCO”) at (561) 338-8711 or info@banyancap.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Banyan is a registered investment adviser. Registration of an Investment Adviser does not imply that Banyan or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Banyan also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

We have amended our disclosures in this Brochure to make the following changes in our original Brochure dated March 31, 2011:

1. We have noted in our descriptions of our investment strategy that we trade periodically in individual equity securities and in the shares of exchange-traded funds. Please see the second paragraph of Item 4 and the first paragraph of Item 8. In Item 8 we have also noted that when we consider it appropriate, we engage in short sales, options and futures transactions that generate gains when the markets for, or the price of, particular commodities, as well as securities, fall.
2. We have changed our standard incentive fee schedule to a flat rate of 35% on net capital appreciation, with no higher rate charged (as was previously the case) based upon the achievement of specified performance benchmarks. We have also noted that most of the fees paid by the Banyan Funds (as defined) are now paid by the Master Fund (as defined). Please see Item 5.
3. We have noted that our engagement of the Far Hills Group, LLC as a placement agent is non-exclusive. Please see Item 14.

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Item 4: Advisory Business

Founded in 2000, Banyan Equity Management, LLC ("**Banyan**" or "**we**", "**us**" or "**our**"), is a Delaware limited liability company that currently provides discretionary investment advisory services and management services to Banyan Capital Master Fund, Ltd. (the "**Master Fund**") and its feeder funds, Banyan Capital Fund, LP (the "**Domestic Feeder Fund**") and Banyan Capital Fund, Ltd. (the "**Offshore Feeder Fund**" and, together with the Domestic Fund, the "**Feeder Funds**"; we refer to the Master Fund and the Feeder Funds together as the "**Banyan Funds**"), which invest substantially all of their assets into the Master Fund. We also manage separate accounts for selected institutional clients ("**Separate Accounts**") on a pari passu basis with the Master Fund. However, we do not solicit Separate Account clients.

We engage on behalf of our clients in a "Global Macro" trading strategy. In effecting that strategy we engage for our clients in short-term trades in futures and options contracts in the U.S. markets on equity indices, U.S. government debt instruments, currencies, commodities and individual stocks, and engage in short-term trades in futures contracts in foreign markets on equity indices and European government debt instruments. We also periodically engage in transactions in equity securities and shares of exchange-traded funds ("**ETFs**"). We do so on the basis of our assessment of dislocations (i.e., when securities are not correctly priced and cause a sudden repricing) and correlations (i.e., when markets or securities move up or down concurrently with other markets or securities in a way not attributable solely to chance) between markets. We take an active approach to trading, changing our clients' positions frequently in response to shifting conditions. We do not tailor our investment management strategies to suit the needs of individual clients and will not enter into investment management agreements that impose restrictions on our trading frequency or the volatility of our trading results, but we have periodically entered into investment management arrangements that provide that we will not trade in certain kinds of securities that do not figure in our trading strategies.

As of February 29, 2012 we managed US\$715,129,634, all on a discretionary basis.

Laurence R. Benedict is our sole manager and 100% owner.

Item 5: Fees and Compensation

We generally charge the same fees to both the Funds and our Separate Account clients, but our fees are subject to negotiation. Our usual fee schedule is as follows:

Management fee:	<i>1.0% annually of assets under management</i>
Incentive fee:	<i>35% on net capital appreciation</i>

Our incentive fees are generally computed annually (or upon an account withdrawal) and are subject to a “loss recovery” principle. In other words, the incentive fee is calculated only on the amount by which net capital appreciation of a client's account (taking into account both realized and unrealized gains and losses) exceeds that investor's “Unrecouped Losses.” Unrecouped Losses, if any, in the applicable account are losses accrued in prior periods (again, taking into account both realized and unrealized gain and losses), reduced (but not below zero) by all profits subsequently accrued in the account in subsequent fiscal periods. In the case of the Banyan Funds, the relevant calculation is made separately with respect to the gains (subject to loss recovery) allocable to each Banyan Fund investor.

The Banyan Funds reimburse us for annual fees and expenses of up to \$50,000 that we pay to one or more consultants we hire to assist us in meeting our regulatory compliance obligations. In addition, as described below under "Brokerage Practices," the Master Fund pays certain of our expenses out of "soft dollars" and for a membership in the Chicago Mercantile Exchange utilizing soft dollars.

Our clients also pay their own legal, administration, custody, compliance and audit expenses and, as described further below under "Brokerage Practices," the brokerage commissions, transaction fees and other related costs and expenses (such as deferred sales charges, odd-lot differentials, transfer taxes and wire and electronic fund transfer fees) that we incur on their behalves in connection with managing their accounts.

Our management fees may be, but are not always, paid quarterly in advance based on the closing net asset value of the applicable account at the end of the preceding quarter, with a proration applied if an investment occurs during the applicable quarter. If our fees are paid in advance, a prorated credit is generally applied against the next fee payment if withdrawals from the applicable account occur during the applicable quarter. If an account is terminated during a calendar quarter, a prorated portion of the management fee is either returned to the client or credited against the performance fee payable upon withdrawal. The specific arrangements applicable to a particular account in this respect are governed by the applicable investment management agreement.

Our clients pay us after having been billed for our services or after having calculated the amount they owe us subject to our approval. In the case of the Banyan Funds, most of our fees are paid by the Master Fund, but each Feeder Fund pays certain expenses that apply to it separately. Payments by the Banyan Funds are generally subject to Mr. Benedict's control.

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

We have described our performance fees above under "Fees and Compensation." All of our clients pay performance fees, and since we manage all our client accounts on a pari passu basis using the same investment strategy, we believe the payment of performance fees does not present a conflict of interest that might occur if we had an incentive to favor one account over another.

Item 7: Types of Clients

We manage the Banyan Funds and Separate Accounts of institutional investors. The criteria applicable to investors in the Banyan Funds are described in the private placement memoranda for the Banyan Funds. While we do not solicit Separate Account clients, the minimum size we will accept for management in a Separate Account is \$20 million.

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

Investment Strategy

Our investment strategy seeks to take advantage of market opportunities created by macroeconomic factors by using portfolios of futures, equity securities and options in different global markets. We also periodically trade in individual equity securities. Using a combination of technical, fundamental and discretionary analyses, Mr. Benedict and our investment team react quickly to movements and dislocations in global markets and often trade on a counter-trend basis to establish short term positions based on macroeconomic factors, such as volatility increases and decreases in the marketplace, to take advantage of the opportunities identified. Without limiting our strategy's flexibility, the instruments we trade usually consist of 50% to 70% financial-related futures, 10% to 15% commodity-related futures, 10% to 20% equities and ETFs and 10% to 15% options, comprising trades in the highly liquid and broad-based securities of the top five global economies, including: S&P 500, Nasdaq, DAX, Nikkei, 10-year notes, 30-year U.S. bonds, Bunds, Euro and Yen currencies, and oil, gas, gold, and, opportunistically, other commodities. Our investment approach seeks to generate absolute returns (i.e., without correlation with gains or losses attributable to rises and falls in market averages) while maintaining liquidity and managing risk to avoid permanent losses.

We constantly monitor our clients' positions and attempt to manage risk by constructing and actively managing the portfolio through our proprietary process, which includes:

- a flexible and adaptive trading approach;
- investing in diversified long and short positions across markets and asset classes;
- using options, including to deflect market volatility and decrease risk;

- employing stop losses, which is a trading technique, to protect against adverse price movements; and
- maintaining a highly liquid portfolio.

We use a strict risk management approach that results in our taking less risk on behalf of our clients when our performance has been poor and more risk when our performance has been positive, which we believe mitigates the risk of significant investment losses. Because our holding period is typically very short and requires liquidity in order to exit trades, the market environment under in which we tend to have the most difficulty is during periods of low market liquidity. In periods of low market liquidity, we generally trade less frequently and would expect our performance to be lower than is otherwise typical.

We utilize leverage in our investment program, and we invest in products, such as futures contracts, that are inherently leveraged. When we consider it appropriate, we engage in short sales, options and futures transactions that generate gains when the markets for, or the price of, particular securities or commodities fall.

Our investment program is speculative and entails substantial material risks. We can provide no assurance that we will achieve our investment objectives, and our results can be expected to vary substantially over time. In fact, the short term, opportunistic trading strategies we employ can, in certain circumstances, expose our client accounts to substantial risk of loss. In addition, our rapid trading strategy could adversely affect our investment performance as a result of increased brokerage and other transaction costs and may give rise to increased taxes imposed upon our clients in relation to trading strategies that are aimed at generating long-term gains.

We may modify our investment objectives and strategies at any time, subject to the terms of the agreements that govern our client accounts.

Risk Factors

All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions) and the loss of future earnings. Those risks include market risk, interest rate risk, issuer risk and general economic risk. Although we strive to manage our clients' assets in a manner consistent with risk tolerances, we can provide no guarantee that our efforts will be successful.

Because we utilize the same investment strategy that we apply in managing the Master Fund to all our client accounts, the risk factors detailed in the Confidential Placement Memoranda for our Feeder Funds apply to all clients, and we refer clients and approved potential clients to the applicable Private Placement Memorandum. In addition to the general risks involved in implementing our investment strategy that we note above, the risks described in our Private Placement Memoranda relate to, among other things: our key reliance on Mr. Benedict; the use of leverage; non-diversification; rapid turn-over; investment in derivative securities and other derivative instruments, including option transactions of all kinds and convertible securities; the cost and uncertain success of hedging; short selling; the possibilities

that our investments may not have the liquidity that we anticipate and that trading could be suspended on the markets in which we invest; investment in non-U.S. securities and other instruments, including emerging market securities, and on non-U.S. exchanges and markets, including currency risk; investing in foreign sovereign debt; investing in debt securities, including interest rate and credit risk; engaging in over-the-counter transactions; broker-dealer failure; the impact of future regulatory changes; and the possibility that our incentive fees could motivate us to make riskier or more speculative investments than we otherwise would.

Item 9: Disciplinary Information

Not applicable. Neither we nor any of our management personnel are subject to or have in the past been subject to any criminal or civil action in any domestic or foreign court, and neither we nor any of our management personnel have been subject to any administrative proceedings before the SEC or any other state, federal or foreign financial regulatory authority.

Item 10: Other Financial Industry Activities and Affiliations

Mr. Benedict is the sole owner and Manager of the general partner of the Domestic Feeder Fund and a director of the Offshore Feeder Fund and the Master Fund. We have no other financial industry affiliations.

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

We have a Code of Ethics (our "**Code**"), adopted pursuant to rule 204A-1 under the Investment Advisers Act of 1940 (the "**Advisers Act**"), that establishes various procedures with respect to investment transactions by accounts in which our "access persons" (i.e., persons with knowledge of our investment management activities on behalf of our clients) have a beneficial interest or accounts over which an access person has investment discretion. We will provide our Code to clients upon request.

Our Code requires our access persons, including members of their immediate households, to obtain written pre-approval from our chief compliance office (our "**CCO**") prior to executing a personal transaction in any security or other instrument in which we may trade on behalf of our clients. Generally our CCO grants such approvals only to Mr. Benedict. Our Code also requires all of our access persons to report all securities holdings and personal transactions to our CCO (subject to exceptions permitted by rule 204A-1), who reviews and monitors the reported holdings and transactions to assure compliance with our Code's requirements. We require all of our access persons to instruct their brokers to send duplicate copies of trade confirmations and brokerage statements to our CCO.

In addition, our access persons may not acquire securities for their own account in an initial public offering or other limited offering without the approval of our CCO. Our

access persons must also obtain pre-approval from the either our CCO or Mr. Benedict before engaging in any outside business activities. We do not, and we do not permit our access persons to, engage in principal transactions with our clients.

In addition, our employees and related persons may invest in the Banyan Funds. To the extent they do so, they have a direct interest in the success of the Master Fund's investment strategies.

Item 12: Brokerage Practices

Best Execution

We make investment decisions and arrange for the placement of buy and sell orders and the execution of portfolio transactions for our clients. Those transactions generate brokerage commissions and other charges, all of which are borne by our clients, not us. The Master Fund bears the brokerage commissions and other charges for our engagement in transactions on its behalf at rates we negotiate for it; Separate Account clients either bear rates that we negotiate for them or rates negotiated by the client. We have complete discretion in deciding what brokers and dealers to use and, subject to such negotiations by Separate Account clients, in negotiating the rates of compensation paid to those brokers and dealers; however, we primarily utilize the brokerage services of the Master Fund's prime brokers, Goldman Sachs Execution & Clearing, L.P. ("**Goldman Sachs**") and UBS Securities, LLC ("**UBS Securities**"), or their respective affiliates. In arranging for the execution of portfolio transactions, we seek to obtain best execution at favorable prices. We consider in our selection of brokers and dealers such factors as the price of the security, the rate of the commission, the size and difficulty of the order, and the reliability, integrity, financial condition, general execution and operational capabilities of competing brokers and dealers. We do not necessarily seek the lowest available commission rate when we believe that a broker or dealer charging a higher commission rate would offer greater reliability or provide better price or execution.

Soft Dollars

In trading on behalf of our clients we may cause the Master Fund, and Separate Account clients that agree to do so (although currently none have), to pay commissions to a broker in an amount greater than the amount that that or another broker might have charged to execute the same transaction in order to generate "soft dollars." We use soft dollars to pay two kinds of expenses: (1) for research products and ancillary brokerage services that are intended to fall within the safe harbor for the use of soft dollars created by Section 28(e) of the Securities Exchange Act of 1934 ("**28(e) expenses**") and (2) for the costs, which we believe do not fall within the Section 28(e) safe harbor, of the "lease" of a seat for the Master Fund on the Chicago Mercantile Exchange (the "**Merc**") and of our telecommunication facilities, including voice and data lines and related infrastructure for both our main office and in the home office facilities utilized by Mr. Benedict and our other employees ("**non-28(e) expenses**").

In the case of 28(e) expenses, we may cause the Master Fund (and Separate Account clients if they so agree) to pay a broker higher commissions if we determine in good faith that the amount of the higher commissions so charged is reasonable in relation to the value of the brokerage and research services provided by the broker in question, viewed in terms of both that particular transaction or our overall management of our clients' accounts. In that connection we may enter into agreements with the broker in question to obtain research services (including analytic software) from third parties that are paid for by that broker using soft dollars.

In the case of non-28(e) expenses, we cause the Master Fund to pay a specified additional commission rate on trades in the futures markets up to a target amount; when that target amount is reached, the payment of additional commissions ceases until the soft dollar account for non-28(e) expenses requires replenishment. Because holders of a seat on the Merc pay significantly lower commissions to execute trades on the Merc than non-holders, and because we engage in a high volume of Merc transactions on behalf of the Master Fund, we believe that its lease of a Merc seat allows the Master Fund to pay substantially lower aggregate transactional expenses than would otherwise apply. We reserve the right to enter into similar arrangements to utilize soft dollars to pay for access to trading facilities on behalf of the Master Fund if we determine that such payments will bring about a reduction in the overall transactional expenses paid by the Master Fund, and we may seek permission to engage in similar practices on behalf of Separate Account clients. In the case of telecommunication facilities, the monthly cost of the facilities that we pay for with soft dollars generated by Master Fund transactions is approximately \$6,000.

During the last year we exclusively used the services of UBS Securities, through which we conduct trades on the Merc, to generate the soft dollars on Master Fund transactions that we used to pay non-28(e) expenses. All of our other soft dollar transactions were conducted through Goldman Sachs, to which we in all cases pay commissions on behalf of the Master Fund that include soft dollars. We conducted approximately 95% of our transactions during the last year through Goldman Sachs and UBS Securities and did not pay commissions that included soft dollars to any other broker.

In addition to using brokers as agents and paying commissions, we may buy or sell securities on behalf of our clients directly from or to dealers acting as principal at prices that include mark-ups or markdowns, and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers. Each year, we may consider the amount and nature of research services provided by brokers as well as the extent to which such services are relied upon, and attempt to allocate a portion of our brokerage business on the basis of that consideration. In addition, subject to obtaining best execution, we may direct business to brokers that are willing to provide for the payment of non-28(e) expenses utilizing soft dollars. As a result, soft dollar arrangements may provide an incentive for us to select a broker on the basis of the research or ancillary brokerage services provided rather than the quality of the execution of trades (although we take care to assure that that does not occur). Brokers also 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 will) exceed the suggestions, because total brokerage will be

allocated on the basis of all the considerations described above. We do not exclude a broker from receiving business because it has not been identified as providing research or other soft dollar services.

We may use the investment information and brokerage services that we receive from brokers in servicing all of our clients and reserve the right to utilize those services in a manner that does not necessarily benefit any particular account. We note in that connection, however, that we manage all of our clients' accounts pro rata using the same investment strategy. We believe that such an allocation of brokerage business helps us to obtain research and execution capabilities and provides other benefits to our clients.

Our investment strategy emphasizes active management. Consequently, the portfolio turnover and brokerage commission expenses that we incur on our clients' behalves may exceed those of other investment entities of comparable size.

Allocation

Because we seek to manage all of our clients' accounts on a pro rata basis, we almost always seek to purchase or sell the same investments on behalf of all clients at the same time. On occasion, however, due to the size of the trade we may not be able to allocate investments on an altogether pro rata basis. If we are unable to do so, the performance of a client's account may vary from the performance of other client accounts, with a particular possibility that the performance of a Separate Account may vary from the performance of the Master Fund.

Item 13: Review of Accounts

We engage in active management and frequent transactions on behalf of our clients and, accordingly, review our transactions on a daily basis. Our Separate Account clients and certain investors in the Banyan Funds have direct access to their account information through Internet links to their accounts and receive additional reports from us in the manner specified in their respective investment management agreements. Investors in the Banyan Funds receive audited financial statements for the Feeder Fund in which they invest within 120 days of the end of the applicable Fund's fiscal year.

Item 14: Client Referrals and Other Compensation

The Far Hills Group, LLC ("**Far Hills**") currently serves as a non-exclusive placement agent for the Banyan Funds and receives a portion of certain of our management and incentive fees as compensation for its services. Far Hills is not authorized to, and does not, solicit Separate Account clients for us; however, if an institutional client requests a Separate Account arrangement and we agree to that request, we pay Far Hills compensation with respect to such a Separate Account client as well as with respect to investors in the Banyan Funds. The fees we pay to Far Hills do not result in an increase in the management and incentive fees paid by our clients, and our clients do not pay fees to Far Hills directly.

Item 15: Custody

As a result of Mr. Benedict's control of the general partner of the Domestic Feeder Fund and his influence over the management of the Offshore Feeder Fund and the Master Fund, we are deemed to have custody of the assets in the Banyan Funds under Advisers Act Rule 206(4)-2. In compliance with that rule, we assure that the assets of the Banyan Funds are held at qualified custodians, as defined in the rule, and that investors in the Banyan Funds receive audited financial statements of the Feeder Fund in which they invest within 120 days of the end of the Fund's fiscal year. We do not have or accept custody of Separate Account assets.

Item 16: Investment Discretion

We obtain discretionary trading authority over all assets we manage pursuant to powers of attorney granted by our investment management agreements. We do not tailor our investment management strategies to suit the needs of individual clients and will not enter into investment management agreements that impose restrictions on our trading frequency or the volatility of our trading results, but we have periodically entered into investment management arrangements that provide that we will not trade in certain kinds of securities that do not figure in our trading strategies.

Item 17: Voting Client Securities

While many of the instruments in which we trade do not confer voting rights on any matter, we do trade in common stocks and other securities that typically have voting rights. However, because of the short-term nature of our usual trading strategy, we seldom hold such a security on the record date when a voting right accrues. Accordingly, while we occasionally may have voting rights with respect to client securities, historically we have not voted proxies. If we do have such a right and determine to exercise it, we will analyze the issues presented and vote in what we consider to be the best interests of our clients. We do not have affiliations with any issuer of a security in which we invest on behalf of clients and believe we do not have conflicts of interest in making voting decisions. We do not solicit or accept voting recommendations from our clients. We will provide clients with a copy of our proxy voting policies and procedures and information concerning how we have voted securities (if we have) upon request.

Item 18: Financial Information

We are not required to provide a balance sheet in response to this item and are not subject to any financial condition that is reasonably likely to impair our ability to meet our financial obligations to our clients.