

## **FORM ADV PART 2A: Firm Brochure**

### **BANYAN GLOBAL INVESTMENT ADVISORS, LLC Form ADV Part 2A**

7280 W. Palmetto Park Road, Suite 304-N  
Boca Raton, FL 33433

(561) 338-8711

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This Brochure provides information about the qualifications and business practices of Banyan Global Investment Advisors, LLC (“BGIA”). If you have any questions about the contents of this Brochure, please contact the Chief Compliance Officer (“CCO”), David Horowitz, at (561) 338-8711 or [dhorowitz@banyancap.com](mailto:dhorowitz@banyancap.com). 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.

Additional information about BGIA can be found on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration of an investment adviser does not imply that Banyan Global Investment Advisors, LLC or any of our principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

**Item 2: Material Changes**

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We have amended the disclosures in this Brochure to reflect the changes to our advisory business since our initial filing in June 2012. Initially, we filed our registration with the SEC as a newly formed adviser where we expected to be eligible for registration within 120 days of the filing. This amendment confirms our eligibility for SEC registration and reflects the updated assets under management.

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**Item 4: Advisory Business**

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Banyan Global Investment Advisors, LLC (“**BGIA**”, “**we**”, “**us**”, or “**our**”), a Delaware limited liability company, was formed in 2011 but did not commence operations until 2012. Laurence R. Benedict is our sole manager and 100% owner.

We provide discretionary asset management services to clients (“**Clients**”) through separately managed account arrangements (“**Client Accounts**” or “**Accounts**”). While we expect our initial Clients to be high net worth individual, in the future we may advise additional kinds of Clients, including businesses, and may establish or enter into investment management arrangements with private pooled investment vehicles.

We manage each Client Account separately and only in accordance with the characteristics, investment objectives, strategies, restrictions and guidelines set by the Client in the applicable investment management agreement. We interview our Clients at the opening of an Account concerning their investment experience, liquidity requirements, objectives and risk tolerance, as well as to obtain general financial information. We ask our Clients to update us with regard to those matters when they change and periodically check with our Clients as to whether any of the information they have provided to us has changed. We use the information obtained in the initial interview to assist the Client in specifying applicable restrictions and guidelines.

While we will, if requested, provided fully customized portfolio management services within the characteristics set by a Client, we also offer the following general investment programs:

- A municipal bond portfolio investment strategy in which we manage all investments ourselves. At the Client’s request we may supplement this strategy through investment in mutual funds that invest in equity securities. Clients using this strategy may also direct us to invest in specific equity securities, in which case we typically recommend the sale of covered call options for hedging purposes and to generate additional income.
- Tailored bond investment portfolios in which, in collaboration with the Client, we develop the guidelines to be followed (relating to factors such as maturity, ratings and the desired mix of taxable versus nontaxable (municipal) bonds) in constructing a portfolio of U.S. treasury and other countries’ government securities and high quality corporate and municipal bonds. In this case we engage another investment manager, at the Client’s expense, to select and manage the Client Account within the Client’s specified guidelines and monitor the performance of the portfolio on behalf of the Client.
- Balanced bond and exchange-traded fund (ETF) portfolios with an “options overlay”. Client Accounts utilizing this option will designate a proportion of the Account to be invested in bonds, to be selected and managed by another investment manager in the manner described above, with the remainder of the Account to be invested, subject to restrictions specified by the Client, in long and short positions in the shares of ETFs that invest in equity securities and options of all kinds on those shares. The options overlay in this program may include (1) the sale of covered call options on ETF share long positions and covered put options on ETF share short positions, (2) the purchase of long and short options on ETF shares and (3) the disciplined sale of uncovered long and short options on ETF shares. Depending on the Client’s profile and restrictions, a portion of certain Client Accounts using this

option may also be invested in mutual fund shares, with respect to which option transactions are not available and will not be utilized.

- Customized global investment strategy portfolios. Subject to Client-specified restrictions, this strategy utilizes both technical and fundamental analysis to select investments in a wide variety of financial instruments based on our views concerning global long-term economic prospects and short-term trading opportunities. Using this strategy we may trade on behalf of a Client Account in any kind of security and may (although we do not currently expect to do so) engage in the sale or purchase of financial futures and options on futures.

We describe these options further, including the related risks of loss, under Item 8, "Methods of Analysis, Investment Strategies and Risk of Loss."

Prior to engaging us to provide investment management services, our Clients enter into formal investment management agreements with us setting forth the terms and conditions under which we will manage the Client Account, as well as one or more separate custodial/clearing agreements with designated broker-dealer or bank custodians. The investment management agreement continues in effect until terminated by either party by written notice in accordance with the agreement's terms.

As of August 31, 2012 we managed US\$112,200,443, all on a discretionary basis.

#### **Item 5: Fees and Compensation**

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We generally charge each Client Account a management fee, payable in advance on the first day of each quarter, at an annual rate ranging from 40 to 150 basis points of the net asset value of the Client Account at the beginning of the quarter (including net unrealized appreciation or depreciation of investments and cash, cash equivalents and accrued interest). Some Clients may, however, arrange to pay their fees in arrears. Our management fees are negotiable and can vary based upon the investment products utilized by a particular Client Account. Most Clients authorize us in their investment management agreements to calculate our investment management fee and to require the custodian for their Account to pay our fee to us. If a Client's investment management agreement is terminated during a quarter, the unearned portion of our investment management fee (if paid in advance) is returned to the Client, based on the number of days during the quarter during which we provided our management services.

As noted under Item 4, "Advisory Business," we will advise a Client on specifying the characteristics of certain bond portfolios but will not necessarily manage those portfolios ourselves. In that case the Client will pay a separate investment management fee to the manager of the bond portfolio in addition to the management fee the Client pays to us.

Clients also pay for their organizational expenses (if any), as well as custodial, accounting, auditing, tax preparation, legal and trading expenses (including brokerage commissions) incurred in connection with entry into and the operation of their Accounts. With respect to brokerage and other transaction costs, please see the discussion below under Item 12, "Brokerage Practices."

If a portion of an Account is invested in a mutual fund, a closed-end investment fund or an exchange-traded fund, the Account will bear its pro rata portion of the investment management and other fees paid by that fund in connection with its management.

See Item 10, "Other Financial Industry Activities and Affiliations," below.

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**Item 6: Performance-Based Fees**

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We do not charge performance-based fees to our Clients.

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**Item 7: Types of Clients**

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As discussed in Item 4, we provide investment management services to high net worth individuals. In the future, we may offer our services to other kinds of Clients.

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

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The nature of our analyses and investment strategies varies depending on the type of Account management program that is chosen by our Client. See Item 4, "Advisory Business," above.

When we directly manage municipal bond portfolios, we concentrate on investment rated securities that a Client Account typically holds to maturity although we may replace a bond if we see an opportunity to improve the yield through investment in another bond that meets the Client's investment criteria. Our research consists of reading the relevant prospectus and monitoring ratings. With regard to the mutual fund portion of such portfolios (if permitted by the Client), we consult rating services for mutual funds and examine track records and information concerning a mutual fund's holdings.

When we assist a Client in defining the characteristics of a bond portfolio that will be managed by another investment manager, we assess the Client's needs in light of his investment goals, tolerance for risk of loss and our analysis of yield curves in light of the overall economic environment. We monitor the performance of the managers selected by our clients to manage their bond investment portfolios and may recommend the retention of a different manager if we believe that would be in the Client's best interest.

With respect to the ETF portion of mixed bond/ETF portfolios, we typically purchase for Client Accounts, or (if permitted by the Client's investment restrictions) engage in short sales with respect to, widely traded ETFs that invest in broad stock indices (of both U.S. and foreign stocks), based on our assessments of market conditions founded upon long experience in the equity markets. However, on occasion we may purchase ETFs for Client Accounts with more narrow concentrations of investments in particular industries. Frequently we will manage ETF holdings as long term investments for a Client Account, but market factors may lead to an earlier disposition than originally anticipated. In determining how to apply our related "option overlay" strategy, we assess the premiums that may be received through the sale of covered call or put options of varying maturities in relation to our assessment of the prospects of the related ETF. In the case of covered option strategies, if we sell the

ETF shares, or close out the related short position, before the exercise or expiration of the option, we will close out the option position.

If we are authorized by a Client to purchase options on ETF shares, we engage in the same kind of analysis that we use in determining to purchase or sell short the underlying shares and assess the desirability of utilizing options rather than share transactions to express a view based upon our assessment of market volatility and the Client's indicated risk tolerance.

If we are authorized by a client to engage in uncovered, "naked" call or put options transactions on ETF shares, which inherently pose a greater degree of risk than engagement in covered option transactions or the purchase of options, we engage in a rigorous assessment of probable market movements to take a view as to whether the premium received in the sale of the option will offset the enhanced risk of loss if, during the period when the option is outstanding, the price of the underlying shares exceeds (on the case of a put option) or is less than (in the case of a call option) the option's strike price. If authorized by the Client, we may also engage in complex offsetting option strategies to mitigate the risk of engaging in naked option transactions.

In our customized global investment strategy portfolios, we strive to create short and long-term capital appreciation in both rising and falling markets. Employing this strategy we may engage in long and short Client Account transactions in a variety of investment instruments, including ETFs, individual stocks and debt instruments, options (covered, uncovered, as well as option purchases), futures transactions on securities indices and, occasionally, options on futures, to express a view with regard to both long-term and short-term market trends.

A Client's investment management agreement may impose limitations on the types of securities or other instruments in which we may cause a Client Account to invest and may set limits on the number and nature of positions, concentration of investments (whether by sector, industry, country, asset class or otherwise), the amount of leverage the Account may incur and other aspects of the Account's management. Subject to such limitations, in pursuit of our investment objective for our Clients, we may buy, hold, sell or sell short (on margin or otherwise), on either a short or long term basis, and otherwise deal in U.S. and non-U.S. securities of all kinds and other financial instruments, including futures contracts and options on futures contracts. Particularly, but not exclusively, in the case of Accounts utilizing our customized global investment strategy, compliance with the Client's restrictions may have a substantial impact (either positive or negative) on the Account's investment results.

As an investment adviser registered with the SEC, we may trade on behalf of Clients in commodities, such as futures and options on futures traded on a commodities exchange, without registration as a commodity trading advisor ("CTA") under the Commodity Exchange Act (the "CEA") so long as we qualify for the exemption from CTA registration provided by Section 4(m)(3) of the CEA. We are exempt from CTA registration under that provision so long as our business does not consist primarily of acting as a CTA and we do not act as a CTA to a commodity pool that is engaged primarily in trading commodity interests. We do not expect to exceed the Section 4(m)(3) limits in trading commodity interests on behalf of our Clients, but we in any event will not do so without registering as a CTA.

***Risk of Loss Factors***

All investments entail a risk of loss, including substantial or even total loss. No assurances can be given that we will achieve our objective on behalf of our Clients, and our investment management performance may vary substantially over time and from period to period. In addition, the performance of Client Accounts may vary substantially as a result of differing restrictions and the employment of differing investment strategies.

The following are certain of the material risks involved in our investment strategy.

***Limited Operating History***

While our current advisory personnel have substantial experience in managing investments and we expect that personnel that we subsequently hire will also have substantial experience in managing investments, we are newly formed and do not have an operating history. Furthermore, the experience of our personnel may lie in different areas of investment management, utilizing different kinds of strategies, than the strategies that we will employ on behalf of any particular Client.

***Dependence on Key Individual***

Particularly in the case of our customized global investment strategy, the performance of a Client Account is likely to depend on Mr. Benedict's judgment. Therefore, if Mr. Benedict was unable to oversee the investment of such a Client Account, the performance of that Account could be adversely affected.

***Debt Securities, including Municipal Securities***

Investment in debt securities, including municipal bonds, are subject to the risk that issuers, guarantors or insurers of the bonds (which even in the case of municipal bonds may be private entities that are the actual obligees on the bonds) may default on their obligations under the bonds, or that the credit quality of those issuers, guarantors or insurers may decline significantly. If the credit of an issuer, guarantor or insurer declines, or is perceived to have declined by investors, that could have a negative impact on the pricing of the debt of such issuer. Further, the market's perception of the creditworthiness of bond issuers, guarantors or insurers in general may affect the pricing of debt from any or all issuers in the market. Such defaults or declines in credit quality could lead to material losses by a Client Account. Defaults on interest payment obligations would have a direct adverse effect on the income generated by an Account, and declines in market value of the debt securities held in an Account would have at least a temporary adverse impact on the Account's value even if the security is held to maturity and ultimately paid off in accordance with its terms.

Furthermore, as interest rates rise, the market value of a debt security falls. This effect of rising interest rates can be general across all debt instruments in the case of a generic rise in interest rates but can also arise with respect to particular types of bonds if market participants change their assessments of the risks of investing in, for instance, corporate issuers or issuers in particular industries. As noted above, such declines in value could have at least a temporary adverse effect on an Account's value even if a security is held to maturity and paid off in accordance with its terms.

In addition, both municipal and corporate debt securities may be subject to "call risk" -- i.e., a right on behalf of the security's issuer to redeem the security earlier than its



full term if the issuer determines it to be advantageous to do so (such as, for example, when an issuer determines that it can replace the money borrowed pursuant to a bond with other money borrowed at a more advantageous interest rate). In such a circumstance we (or the Account's other investment manager) may be required to reinvest an Account's assets at a less favorable interest rate. Further, even if a bond does not by its terms provide for early call rights, corporate issuers in particular may be able to utilize tactics, such as making a tender offer for a bond contingent upon changing certain of its terms, that can have the effect of forcing an early redemption of the bonds, including by altering protective covenants in a manner that causes a change in the bond's credit rating.

Debt securities are generally traded on "dealer" markets rather than securities exchanges. In dealer markets there is generally no obligation on the part of any market participant to "make a market" in the security in question, with the consequence that a market can "freeze" or that bid and offer spreads with respect to a security can widen such that sales cannot be made at an attractive price. Also, the implementation of the "Volcker Rule," enacted as part of the Dodd Frank Wall Street Reform and Consumer Protection Act, may decrease the liquidity of corporate debt markets because investment banks, which generally provide market making services in corporate debt securities, may find it difficult to determine when they are engaging in market making for customers (which is permitted under the Volcker Rule) and when they are trading as principals for their own accounts (which generally will not be permitted under the Volcker Rule).

If a Client so permits, a portion of a Client Account may be invested in a municipal bond that we believe to be undervalued. The identification of investment opportunities in undervalued securities is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued municipal securities offer the opportunities for above-average capital appreciation, such investments can involve a high degree of financial risk and can result in substantial losses. Returns generated from such investments may not adequately compensate for the business and financial risks assumed. In addition, a Client Account may be required to hold such securities for a substantial period of time before realizing their anticipated value. During this period, a portion of the Client Account's capital would be committed to the securities purchased, thus possibly preventing the Account from investing in other opportunities.

### **ETFs**

The ETFs in which we will invest on behalf of our Clients are investment companies registered under the Investment Company Act of 1940 that invest in portfolios consisting of both the stocks constituting broad-based securities industries and stocks concentrated in particular industry sectors or geographical regions. Although such ETF portfolios are more diversified than investments in individual stocks, they are subject to general market risk and all risks that attend investments in a particular industry sector or region, including market timing risks. Accordingly, Client Accounts that invest in ETF portfolios may suffer substantial losses.

### **Short Selling Increases Risk of Capital Losses**

Subject to restrictions established by a Client, in the case of Client Accounts invested in a global investment strategy portfolio we intend to make short sales for Accounts. Short selling – the sale of securities not owned by the Account, in the expectation that the price of the security will fall – involves additional risks. Such transactions may expose an Account to the risk of loss in an amount greater than the initial

investment, and such losses can increase rapidly and without effective limit. In addition, the lender of securities borrowed in connection with a short sale may require the return of the borrowed securities on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a “short squeeze” can occur, wherein we could be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received in the short sale.

### ***Use of Leverage***

If a Client authorizes us to incur leverage in managing his Account, the Account’s investment positions may be leveraged by borrowing funds from broker-dealers, banks or others. While the use of leverage presents opportunities for increasing the total return on an Account’s investments, it has the effect of allowing larger investments in relation to the net value of the Account (which is determined by taking into account both the value of the Account’s investments and borrowings against those investments) and, therefore, of magnifying the effect of losses on net value.

### ***Options***

The purchase or sale of an option by a Client Account involves the payment or receipt of a premium payment and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument does not change price in the manner expected, so that the option expires worthless and the investor loses its premium. Selling options on an unhedged basis, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security or other instrument in excess of the option premium payment received. The risks of the purchase or sale of options are exacerbated if the option transactions are uncovered. If we enter into an uncovered option transaction on behalf of an Account, the Account will not own the underlying shares it has pledged to sell to the buyer of the option (or, if the option is an uncovered put option, will not have sold short the underlying shares) and will be forced to buy the shares at the higher market price to fulfill its obligation to sell to the buyer at a lower price (or, in the case of an uncovered put option, will be forced to buy the shares from the option holder at an above-market price) if the option buyer chooses to exercise its option. The amount of loss of such a transaction can greatly exceed the premium received in the sale of the option.

### ***Derivatives Generally***

Subject to restrictions established by a Client, in the case of Client Accounts invested in a global investment strategy portfolio we may invest Account assets in traded derivative instruments, or “derivatives,” including futures, options on stocks and futures, structured securities and other instruments and contracts that derive their value from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark, currency or index at a fraction of the cost of investing in the underlying asset. Because the value of a derivative depends largely upon price movements in the underlying asset or assets, many of the risks applicable to trading the underlying assets are also applicable to derivatives of such asset. However, price movements in the underlying assets typically give rise to higher, and perhaps much higher, price

movements in related derivatives, thereby exposing the investing Account to risks of substantial loss. In addition, certain kinds of derivatives may be traded in dealer markets that can, as noted below under “Illiquid Portfolio Investments,” suffer from a lack of liquidity.

***Non-Diversification***

If authorized by a Client, we may not be subject to limitations on the percentage of an Account's assets that we may invest in a particular security, commodity, industry sector or geographical region or to limitations in utilizing a strategy that from time to time takes a particular view (for example, long or short) concerning market prospects (either with respect to particular securities or commodities, industries, geographical areas or on a global basis). An Account's concentration in any of these respects can expose the Account to disproportionate risks in relation to the risks applicable to a more diversified portfolio, either by the nature of the portfolio's investments or the portfolio's exposure to a particular kind of market movement.

***Illiquid Portfolio Investments***

Subject to restrictions established by a Client, we may cause an Account to invest in instruments that are thinly traded or traded on relatively illiquid markets (although we will not invest in instruments that are subject to legal, contractual or other restrictions on their resale). We may invest Account assets in debt securities that are traded on “dealer” markets rather than regulated exchanges; in such markets no participant is obligated to make a market that will provide liquidity to persons who wish to sell their securities. Furthermore, investments in certain securities, especially those of financially distressed companies, may require a long holding period prior to profitability. These and other factors may give rise to situations in which an Account position either cannot be readily sold or, if sold rapidly, must be sold at a substantial discount to the price that might otherwise be obtainable.

***Non-U.S. Investments***

Subject to restrictions established by a Client, we may invest Account assets in the securities of non-U.S. issuers or securities principally traded outside the United States. Such investments involve certain special risks due to economic, political and legal developments, including favorable or unfavorable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments, and possible difficulty in obtaining and enforcing judgments against non-U.S. entities. Furthermore, issuers of non-U.S. securities are subject to different, often less comprehensive accounting reporting and disclosure requirements than domestic issuers, and the regulation of non-U.S. securities markets, particularly in emerging market countries, is frequently less comprehensive and less effectively administered than regulation in the United States and other developed country markets. The markets in the securities of some foreign governments and companies may be less liquid and at times more volatile than comparable U.S. markets.

***Foreign Currency and Exchange Rate Risks***

If Account assets are invested in the securities that are denominated in a currency other than the U.S. dollar, changes in the applicable exchange rate may result over time from the interaction of many factors directly or indirectly affected by economic and political conditions. Changes in currency values may affect both the U.S. dollar

value of the instruments in which an Account invests and the prospects of the issuers of those instruments. National governments rarely voluntarily allow their currencies to float freely in response to economic forces. Sovereign governments use a variety of techniques, such as intervention in the currency markets by a country's central bank or imposition of regulatory controls or taxes, to affect the exchange rates of their currencies. We may use hedging techniques on behalf of an Account with the objective of protecting against loss resulting from fluctuations of the valuation of foreign currencies, particularly the forward market in foreign exchange, currency options and currency futures. For certain currencies, however, there may not be a reliable and cost efficient method of hedging currency risk. Consequently, currency exchange rate fluctuations, currency devaluations and exchange control regulations may adversely affect the performance of an Account's portfolio companies and the return realized on an Account's investments. The costs of currency hedging may not offset any advantages gained by engaging in hedging transactions. We do not intend to engage in currency speculation on behalf of Clients.

### ***Frequent Trading***

Certain of the strategies we employ (including but not limited to certain options overlay strategies and customized global investment strategies) may involve frequent trading in securities and other instruments. The transactional costs of engaging in such trading are borne by the Client Account and may offset, or more than offset, any gains achieved by engaging in such trading.

### ***Impact of Geopolitical Events***

Geopolitical events such as the ongoing turmoil in countries in the Euro zone, the volatility of the price of oil, developments in the Middle East, Iran and elsewhere, and other geopolitical and domestic developments; the continued threat of terrorism both within the United States and abroad; the ongoing military and other actions and heightened security measures in response to these threats; international tensions between the United States and other nations; and other unanticipated global events may cause disruptions to commerce, reduced economic activity and continued volatility in markets throughout the world. Some of the assets in an Account's portfolio may be adversely affected by declines in the securities markets and economic activity because of these factors. We cannot predict the extent and timing of any decreased commercial and economic activity resulting from the above factors, or how any such decrease might affect the value of securities and other assets held by an Account.

### ***Operational Risk***

Operational risk is the potential for loss caused by a deficiency in information, communication, transaction processing and settlement and accounting systems. We (or our agents) maintain controls that include systems and procedures to record and reconcile transactions and positions, and to obtain necessary documentation for trading activities. However, our, and our agents', systems may not always be effectively designed or administered to control those risks, and losses may result from failures in that respect.

**Item 9: Disciplinary Information**

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We have no legal or disciplinary events to report in response to this item.

**Item 10: Other Financial Industry Activities and Affiliations**

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Mr. Benedict is the sole owner and the principal manager of Banyan Equity Management, LLC ("BEM"), which is registered as an investment adviser with the SEC. BEM currently provides discretionary investment advisory services and management services to Banyan Capita Fund, LP (the "Domestic Fund"), Banyan Capital Fund Limited (together with the Domestic Fund, the "Feeder Funds") and the "master fund" through which the Feeder Funds invest, Banyan Capital Master Fund Limited (the "Master Fund" and, together with the Feeder Funds, the "Banyan Funds"). The Banyan Funds are private hedge funds. BEM also provides discretionary investment management services to certain private pooled investment vehicles and separately managed institutional accounts that invest on a pari passu basis with the Master Fund. In addition, Mr. Benedict solely owns and controls the general partner of the Domestic Fund and certain other vehicles that have been formed to facilitate the investment and compensation arrangements associated with the management of the Master Fund and the vehicles and accounts that trade on a pari passu basis with it.

BEM employs a "global macro" strategy in managing the Master Fund that, we believe, is likely to be quite different from the strategies we utilize in managing Client Accounts. However, in certain circumstances we may determine that some of instruments in which BEM trades on behalf the Master Fund are also appropriate investments for a Client Account that invests in ETFs or in a global investment strategy portfolio. Except in the case of management of Account assets by Mr. Benedict, we will establish information barriers, policies and procedures preventing our advisory personnel from having access to information concerning the trading activities of the Master Fund, and BEM will establish similar barriers, policies and procedures with respect to its advisory personnel. To the extent that Mr. Benedict is involved in or has responsibility for the management of Client Accounts, the establishment of such information barriers will not be feasible. Because the instruments in which BEM trades on behalf of the Master Fund are generally highly liquid, we believe it unlikely that BEM's trading on behalf of the Master Fund would present possible conflicts of interest with regard to the allocation of investment opportunities. However, we will establish policies and procedures for the allocation of investment opportunities that are designed to treat our Clients fairly in relation to BEM's trading on behalf of the Master Fund and BEM's separately managed accounts that trade on a pro rata basis with the Master Fund. Those policies and procedures, and their implementation, will be overseen by our chief compliance officer, who also serves BEM in that capacity.

While we will not recommend an investment in the Banyan Funds to our Clients, a Client could separately seek to invest in one of the Feeder Funds. If such an investment were accepted, we would not receive fees in connection with it; rather, the fees paid by such a Client in connection with such an investment would be governed by the terms of the Banyan Funds.

Notwithstanding their other obligations, our personnel are committed to devote such of their time as is needed to the management of the Client Accounts.



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

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***Code of Ethics and Employee Investment Policy***

Pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 (the “Advisers Act”), we have adopted a Code of Ethics and Employee Investment Policy that establishes various procedures with respect to investment transactions in accounts in which our employees and other persons who have access to information concerning Client Accounts (“Access Persons”) or related persons (such as members of their immediate household) have a beneficial interest or exercise investment discretion.

Our Code of Ethics is based on the principles that:

- Employees must at all times place the interests of our Clients first;
- Access persons must make sure that all personal securities transactions are conducted consistent with the Code of Ethics; and
- Access persons should not take inappropriate advantage of their positions with us or knowledge of our activities on behalf of our clients.

All Access Persons are required to adhere to the Employee Investment Policy set forth in the Code of Ethics, which imposes duties of confidentiality as well as setting forth our personal trading policies and procedures. All Access Persons are required to certify their adherence to the Code of Ethics annually.

In addition, Access Persons must obtain the approval of our chief compliance officer (the “CCO”) before acquiring securities for their own account in an initial public offering, before engaging in any outside business activities and before buying privately placed securities.

All of our employees must direct their brokers to send duplicate brokerage statements to the CCO. These records are used to monitor compliance with the Employee Investment Policy.

Our Employee Investment Policy applies to all personal transactions involving equity, debt, options, or futures. It does not apply to transactions involving government securities, open-end mutual funds, money market funds or other securities with respect to which reporting of transactions is not required under Rule 204A-1 under the Advisers Act.

Our Code of Ethics is available to clients upon request.

**Item 12: Brokerage Practices**

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We have discretionary authority to manage the Client Accounts, including the authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and the commissions paid. Our authority is governed by the terms of the investment management agreement governing the Account..

In selecting an appropriate broker-dealer to affect a Client trade, we seek to obtain “best execution,” meaning generally the execution of a securities transaction for a client in such a manner that a Client’s total cost or proceeds in the transaction are

most favorable under the circumstances. Accordingly, in seeking best execution, we take into consideration the price of a security obtained by the broker-dealer (or offered, in the case of a principal transaction), as well as a broker-dealer's full range and quality of services, including, among other things, its trading facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to us, brokerage and research services provided to us (e.g., research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance and settlement and custodial services.

***No Soft Dollar Usage***

Although, as noted above, we may take into account broker-dealers' research ideas, analysis and thoughts concerning investment strategies in selecting which broker-dealers to use, we do not enter into "soft dollar" arrangements with brokers – that is, we do not cause an account to pay a higher brokerage fee than is necessary to obtain best execution for client transactions in order to obtain research and additional brokerage services from a broker.

***Aggregation of Orders***

When we purchase or sell the same security or commodity for the account of two or more Client Accounts, we generally aggregate trade orders for the participating Accounts in order to achieve more efficient execution or to provide for equitable treatment among the Accounts. The Accounts participating in aggregated trades on a day will be allocated securities based on the average price achieved for such trades.

***Allocation***

Our policy prohibits any allocation of trades in a manner that favors our proprietary accounts, affiliated accounts or any particular client(s) or group of Clients over other Clients.

We have adopted a policy for the fair and equitable allocation of transactions that generally analyzes each trade on an investment by investment basis, taking into consideration the specifics of each trade and the characteristics of each Client Account. To the extent that multiple Accounts participate in a particular transaction and it is not feasible to purchase or sell the instrument in question for all such Accounts in the full desired quantity or at the best obtainable price, purchases or sales will generally be allocated pro-rata among such Client Accounts, with no allocation to proprietary accounts, unless facts specific to the transaction and the trade warrant an alternative allocation methodology.

***Trade Errors***

As a fiduciary, we have the responsibility to effect orders correctly, promptly and in the best interests of the Client Accounts. If an error occurs in the handling of any transactions due to our actions, or inaction, or the actions of others, our policy is to assess each trade error on a case-by-case basis.

**Item 13: Review of Accounts**

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***Review of Accounts***

We review the Client Accounts on a continual basis to assess their investment performance, positions and cash balances and to assure conformity with the Accounts' investment objectives and guidelines. We provide monthly or quarterly reports (as requested by a Client) to our Clients concerning the performance of their Accounts and are available for Client consultation at any time during normal business hours.

**Item 14: Client Referrals and Other Compensation**

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We do not currently utilize any third party marketers or solicitors and do not receive an economic benefit from any other person for providing our investment management services to our Clients.

**Item 15: Custody**

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If we are paid our investment management fee directly by the custodian for a Client Account without additional Client authorization, we are deemed to have "custody" of the assets in that Account under Rule 206(4)-2 under the Advisers Act.. Accordingly, under such circumstances we are required to assure, and do assure, that the assets in such an Account are held by an independent custodian (such as a bank, broker or futures commission merchant) that sends quarterly account statements to the Client. While we may suggest a independent custodian to our Clients, a Client remains free to choose select its own custodian (so long as that custodian meets the requirements of Rule 206(4)-2). In addition, we follow the same practice with regard to other Client Accounts regardless of whether we are deemed to have custody of the Account assets.

**Item 16: Investment Discretion**

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Subject to restrictions set forth in the applicable investment management agreement, our management agreements contain a power of attorney granting us discretionary authority to determine, without obtaining specific consent, securities to be bought or sold, the amount of securities to be bought or sold, the broker-dealer to be used and the commission rates paid. Clients may change the applicable restrictions at any time.

**Item 17: Voting Client Securities**

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***Proxy Voting Policy***

Clients may or may not delegate proxy voting authority to us with respect the securities held in their Accounts. If that authority is delegated to us, we exercise the applicable voting rights in a manner that we believe to be in the Client's best interest and do not seek (and will not accept) the Client's instruction as to how to vote. If a Client does not delegate such powers, we assure that the Client's custodian is instructed to send proxy materials to the Client and do not offer the Client advice as



to how to vote. We believe we do not generally have conflicts of interest in voting securities on behalf of our Clients because we have no affiliations with the issuers of the securities that we vote. If, unusually, one of our principals or employees holds another class of securities in an issuer whose securities are held in a Client Account and the interests of holders of that other class of securities could be adversely affected by a vote of the Client Account's securities, we will take measures to assure that the principal or employee in question does not participate in or influence the decision as to how to vote the Client Account's securities.

Upon request, we will provide our clients with a copy of our proxy voting policies and procedures and/or a record of all proxy votes cast for such client.

**Item 18: Financial Information**

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We are not required to provide a balance sheet or other disclosures under this item.