



August 2013

Firm Brochure

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Form ADV Part 2, our “*Disclosure Brochure*” or the “*Brochure*,” is required by the Investment Advisers Act of 1940 and is an important document between Clients (you, and your) and Banyan Partners, LLC (Banyan, us, we, and our). This Brochure provides information about our qualifications, services, and business practices.

If you have any questions about the contents of this Brochure, please contact us at 800.422.6172 or info@banyanpartners.net. 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 Banyan also is available on the SEC’s website www.adviserinfo.sec.gov. Select “*investment adviser firm*” and type in our firm name or our CRD number (#141398). The search results will provide you both Parts 1 and 2 of our Form ADV.

We are a registered investment adviser with the SEC. Our registration as an investment adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, is information for your use in evaluating us as well as other advisers in your decision to hire us or to continue to maintain a mutually beneficial relationship with us.

Item 2 – Material Changes

On August 12, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV,” which requires us to provide clients with this Brochure and a brochure supplement written in plain English. This is an interim update of our Brochure dated July 2, 2013. The last annual updating amendment was dated February 2013. This section summarizes only the material changes to the brochure and does not describe all the changes made in this brochure. These changes include the following items not previously disclosed in our Form ADV:

Effective August 1, 2013, Banyan Partners acquired Silver Bridge Advisors LLC, Silver Bridge Capital Management LLC, and Silver Bridge Family Office Partners, LLC. The Boston-based firm, Silver Bridge has been in business as a registered investment adviser since 1988. As of June 2013, Silver Bridge had approximately 1,500 accounts with assets under management of about \$1.7 billion and an additional \$688 million in assets under advisement.

Item 8 was updated to introduce a new series of investment strategies. This series includes the Lotus US Equity, Lotus Global, and Lotus Tactical Allocation and Lotus Tactical Bond strategies to Banyan’s line of specialty investment strategies. These strategies are ETF-based and designed to be defensive, diversified and actively managed for capital appreciation potential.

In future filings, this section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IARD) www.adviserinfo.sec.gov. We also may, at any time, update this Brochure and either send you a copy or offer to send you a copy via electronic means (email) or in hard copy form.

Currently our brochure may be requested by contacting us at 800.422.6172 or info@banyanpartners.net. Our brochure is also available on our website at www.banyanpartners.net.

A summary of any material changes to our brochure will be made by March 31st of each year. We may also provide updated disclosure information about material changes on a more frequent basis. Any summaries of changes will include the date of our last annual update of our brochure. Note that our last update was July 2013.

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Item 4 – Advisory Business

Description of Advisory Services

Banyan Partners, LLC, is a limited liability company formed under Florida law and has been in business as a registered investment adviser since 2006. We do not have any subsidiary companies. Our firm's corporate headquarters are located in Palm Beach Gardens, FL and we have regional offices in Naples FL, New York NY, Atlanta GA, Boston MA, Fort Worth TX, Miami FL, and San Francisco CA.

Banyan Partners is a private firm with seventy (70) employees. Our President and CEO, Peter J. Raimondi, is a principal owner and holds the largest membership interest. Temperance Partners holds a 33% non-voting interest. David Bottoms, Executive Managing Director, is the largest minority holder with over a 10% interest. Key employees of Banyan Partners also have minority ownership interests in Banyan, each of whom has less than a 10% interest.

As of June 30, 2013, we had approximately 1,800 households representing 4,200 accounts with assets valued at \$3,172,182,643 plus an additional \$688 million in assets under advisement. These values represent both discretionary and non-discretionary accounts using our services. Assets under advisement are the estimated dollar value of all assets held by clients for whom we provide advice or consultation. Advice and consultation include providing clients with a holistic view, through consolidated asset reporting, of their assets in order to help clients make well-informed decisions. We may or may not actively invest the assets or be involved in the investment decision-making process for all of the assets.

At Banyan Partners managing assets has been our core business since our founding and we've earned a national reputation for our customized investment approach and opportunistic investment philosophy. We serve a wide range of clients including individuals, foundations, endowments, corporations and trusts.

Our investment philosophy is to grow wealth and manage risk throughout a full market cycle. We are committed to providing a personalized and unique approach to investment management through thoughtful analysis and understanding of your investment needs and risk tolerance. Banyan Partners investment management and advisory services include giving continuous guidance and directing the investments for each client based upon their unique personal circumstances and objectives. Banyan's investment advisor representatives' work with each client to develop a customized investment portfolio based on prudent asset allocation parameters that are designed to meet those needs.

Discretionary Investment Services

Banyan offers a comprehensive and customized set of investment services and dedicated resources designed to specifically respond to the needs of our clients. These services include investment consulting, investment advisory, proprietary strategy separate account, concentrated holdings and financial planning.

As an investment advisor, Banyan works with the client to develop and execute an appropriate investment strategy for each portfolio. This includes establishing an Investment Policy and an appropriate asset allocation that is aligned with the client's unique investment objectives and constraints. The investment platform includes traditional U.S. and non-U.S. equity and fixed income investment strategies, both active and passive, and alternative investments in hedge funds, private equity, real estate, and commodities.

Banyan may directly manage clients' investment portfolios in accordance with our proprietary investment strategies, as further described under Item 8. In addition, Banyan may select external separate account managers to manage client assets or invest client assets in separate accounts or investment funds managed by other investment advisers. These funds include mutual funds, exchange traded funds ("ETFs"), donor advised funds and unregistered private funds.

Banyan offers both discretionary and nondiscretionary management of client assets, although services are primarily on a discretionary basis. Discretionary services means you give us written authorization to make investment decisions on your behalf and to exercise this discretionary authority. Using that authority, Banyan will make all decisions to buy, sell or hold securities or other investments, including cash, in the managed account based on our discretion without consulting you prior to making those transactions. Clients may place reasonable and limited restrictions on their accounts such as specific investment selections and sectors. However, Banyan may choose not to enter into an investment adviser relationship with a client whose investment objectives may be considered incompatible with our investment philosophy or approach or where the prospective client seeks to impose unduly restrictive investment guidelines.

Prior to developing your investment plan, we will discuss with you: 1) your financial objectives and goals; 2) how long you intend to remain invested; 3) if you anticipate the need to periodically take funds from your account; and 4) your tolerance for risk. We will perform ongoing monitoring of your account, provide you with quarterly reports, and conduct periodic investment reviews. We will also discuss with you any limitations or restrictions you wish to impose on your accounts and make a mutual determination as to their application(s).

Our minimum investment for providing customized, discretionary portfolio services is \$1,000,000 (\$1 million). Our minimum investment for clients establishing a relationship to access our proprietary specialized strategies or our model portfolio management services is \$500,000. Banyan may grant exceptions to these minimums for pre-existing clients, related households, or on a pre-approved basis only. Additional information describing our fees and rates is outlined in Item 5 of this Brochure.

We require an executed investment advisory agreement with all clients, regardless of the services to be provided. Neither party may assign this Agreement without the consent of the other party. Both parties acknowledge and agree that transactions that do not result in a change or actual control of management shall not be considered an assignment.

Furthermore, we understand the importance of ongoing communication and will provide you with quarterly portfolio reports, annual portfolio reviews, and interim reviews as warranted.

At Banyan, we believe that our client's needs are best served by applying a consistent, disciplined investment process supported by independent research and analysis. Our clients' portfolios are managed and monitored by experienced portfolio managers and are supported by a highly skilled investment team that is overseen by senior members who are principals of our firm including:

Peter J. Raimondi, JD – Founder & CEO

Mr. Raimondi is the founder of Banyan Partners, a majority owner in the firm and is Chief Executive Officer. Mr. Raimondi has extensive investment management and wealth management experience serving high net worth clients. As CEO he is responsible for overseeing the investment platform, strategic planning, and managing the overall business day-to-day. After obtaining his bachelor and degree in Law from Boston University, he went on to found The Colony Group, a Boston-based registered investment adviser that grew to over \$1 billion in assets during his tenure as Chief Executive Officer and Chairman of the Board.

R. Thomas Manning, CFA – Chief Investment Officer, Principal

Mr. Manning is the former CEO and CIO of Silver Bridge and is responsible for setting the overall investment policy and directing investment strategies, research, portfolio management, trading, asset allocation and investment risk management functions for the firm. He has more than 20 years of wealth and investment management experience in both institutional and boutique environments. Mr. Manning holds the Chartered Financial Analyst designation, earned a MS in Finance from the Carroll School of Management at Boston College and a BA in Economics from Clark University. He is a member of the Boston Security Analysts Society, the CFA Institute and has served on the Private Wealth Committee of the Boston Analysts Society.

Michael G. Blackmon, CFA Executive Managing Director, Equity and Research, Principal

Mr. Blackmon is a 35-year veteran of the investment management and advisory community. As Banyan's Executive Managing Director, Equity and Research, he is responsible for the firm's investment equity research process and also oversees on a day-to-day basis the firm's portfolio management team located at the firm's corporate headquarters in Florida. Mr. Blackmon has held a number of senior investment management positions during his career, including leadership roles at Merrill Lynch, Capitoline Investment Advisors, Barnett Bank and others. While managing his own investment firm he specialized in servicing hospitals, labor unions, local governments, retirement plans as well as high net worth individuals. Mr. Blackmon holds the Chartered Financial Analyst designation and is a member of the South Florida Analysts Society. He holds a bachelor degree from the University of North Carolina (Chapel Hill).

David Bottoms, JD – Executive Managing Director, Principal

As a practicing attorney, Mr. Bottoms has more than three decades of experience managing portfolios for clients throughout the world and as a trustee for various trusts. Prior to joining Banyan he was the founder and Chief Executive Officer of Oaktree Asset Management in

New York City. He sits on various Boards and has taught “Portfolio Management” at the New York Institute of Finance. He received his undergraduate degree from the College of William and Mary and his JD from the University Of Virginia School Of Law where he was a member of the Editorial Board of the Virginia Law Review.

Banyan’s senior management team is responsible for directing the firm’s investment policy. They are further supported by a team of highly-credentialed and experienced members of the firm’s Investment Committee which include Chartered Financial Analysts, Certified Financial Planners, PhD in Economics and Finance and a number of Masters of Business Administration and Master’s in Economics. The Committee is responsible for reviewing, analyzing and discussing the various forces affecting world financial markets and determining the appropriate investments and asset allocation required to manage client portfolios effectively. Services include investment consulting, customized portfolio management, sophisticated option management, concentrated holdings, proprietary strategy management, model portfolio management, wealth management services and non-discretionary management services.

Banyan offers a comprehensive and customized set of investment services and dedicated resources designed to specifically respond to the needs of our clients. These services include investment advisory, proprietary strategy separate account, model portfolio, concentrated holdings, investment consulting, and wealth management and financial planning services.

Investment Advisory Services

Banyan Partners specializes in both qualitative and quantitative investment analysis and portfolio construction over a broad range of investment styles including growth, value, domestic and global. Our accounts are managed primarily on a discretionary basis which means we have full authority to determine which securities to buy and sell on behalf of our clients. Under our customized solutions, we tailor an investment strategy to meet the defined needs of each client. Clients are able to impose reasonable restrictions on their portfolio for certain types of securities or industry groups or sectors. Our customized platform includes individual equity and fixed income investment strategies, sophisticated options strategies and, where suitable, access to alternative investments in hedge funds, private equity, real estate, and commodities.

Banyan custom portfolio services also include comprehensive guidance and review of existing assets to ensure a streamlined transition of your assets/securities to meet an appropriate asset allocation aligned to your individual investment objectives and constraints. Each client will be serviced by a dedicated portfolio management staff trained and experienced to respond specifically to your unique needs. Access to Banyan’s individually customized strategies requires a relationship be established with a minimum of \$1,000,000.

Banyan’s investment consulting begins with an understanding of your unique financial and investment experience as the framework from which we can guide you to an informed decision about how to utilize our services for your entire net worth or a specific component of your portfolio. We offer a flexible approach which allows clients to select our customized investment management services or a propriety or model-based strategy to meet more specific needs.

Banyan may directly manage clients' investment portfolios in accordance with our proprietary separate account strategies. In addition, Banyan may select external separate account managers to manage client assets or invest client assets in separate accounts or investment funds managed by other investment advisers. These funds include mutual funds, exchange traded funds ("ETFs"), donor advised funds and unregistered private funds.

In constructing and managing the client's portfolio, Banyan takes into account the client's particular tax circumstances. The client can impose reasonable restrictions on the purchase or sale of investments for the portfolio. The services provided under this option include asset allocation, portfolio construction, portfolio management, consolidated reporting, account administration, and custody services. Custody services generally include safekeeping of assets with a designated qualified custodian and collecting and remitting income.

Proprietary Separate Account Strategies

Banyan offers proprietary separate account strategies that utilize exchange traded funds, no-load mutual funds and/or separate accounts. As with all of our portfolios, these solutions are designed to provide a foundation for your investment accounts through diversification and active management. We monitor these accounts and proactively buy and sell positions when we believe it is appropriate to help achieve your investment return objectives and/or to reduce risk.

Our proprietary separate account strategies are available to clients in separately managed accounts. Client assets are managed in a separate account in accordance with the Banyan proprietary strategy that has been chosen by the client. The client may not impose restrictions on the investments selected for a specific proprietary strategy. The investments selected for the proprietary strategy do not take into consideration any other assets that the client may own however, this service does include general advice about asset allocation or which strategy is best-suited for a client's investment objective. In addition, the services provided include transitioning of assets, portfolio management and custody services. Custody services generally include safekeeping of assets with a designated qualified custodian and collecting and remitting income. Our proprietary separate account strategies include:

U S Large Cap Core	ETF Global Rotation
Equity Income	Tactical Opportunities
Small/Mid Cap Equity Income	Global Fixed Income
Covered Call Equity	Managed Annuity
Balanced	Fixed Income Strategies
ETF Strategic Allocation	Enhanced Cash Management

Our proprietary separate account investment solutions each have various objectives and degrees of risk and may be used exclusively or in combination with your aggregate portfolio or your custom portfolio. We will help you determine which one, or combination, is best suited to your investment objectives and risk tolerance. Certain strategies also offer global diversification via worldwide currency diversification and hard asset exposure. They may employ proactive, but limited use of inverse securities and protective cash positions to help reduce the impact of severe market declines.

Access to these strategies requires a relationship be established with a minimum of \$500,000. Please see section Item 8 for detailed descriptions of our specialized strategies which include investment objectives, risk tolerances, and the types of investments that may be included in the portfolios.

Model Portfolio Management

On a limited basis, Banyan has arrangements to participate in model portfolios through a model manager agreement. We receive signals for model portfolios from sub-advisors selected and designated by Banyan Partners. Currently, Banyan's model portfolio management strategies are known as the Lotus Strategies and include:

- Lotus US Equity
- Lotus Global Equity
- Lotus Tactical Allocation
- Lotus Tactical Bond

These strategies are based on indices tracking ETF-based, domestic and international equity, fixed income and alternative asset classes and are rebalanced on a weekly basis at the investment discretion of Banyan Partners. (Please refer to Item 8 Lotus Strategies for more information regarding these strategies.)

From time to time, and as part of Banyan's investment advisory services, Banyan may choose to use independent managers as sub advisers over certain assets or strategies provided to Banyan's clients with our client's permission. The sub-adviser shall be authorized to buy, sell and trade in securities in accordance with client investment objectives as communicated by Banyan and may be allowed to provide instructions to the Broker-Dealer and Custodian. Banyan is authorized to terminate or change independent managers when, in our sole discretion, we believe such a termination or change is in our clients' best interests. Banyan will continue to render investment advice and services to clients relative to the supervision of the independent managers on an ongoing basis. Banyan will also review and monitor account performance, asset allocation and investment objective for which services we shall be paid our management fee.

Concentrated Holdings Services

Banyan provides analysis, research, monitoring, management and diversification strategies to clients with concentrated holdings. Our services may include, where deemed suitable, options strategies to minimize risk and/or generate additional income to enhance portfolio returns.

Investment Consulting Services

As an investment consultant, we provide clients with advice and information required to make informed decisions about their entire net worth or components of their net worth. The consulting platform has a flexible framework, which allows us to customize our offering and the services provided to meet the unique goals and objectives of each of our clients.

Specific investment consulting service options include but are not limited to the following:

- Diagnostic Review
 - Review client's current investment process
 - Review client's current investment advisory engagements
 - Provide executive summary of our observations and recommendations
- Investment Policy and Governance Design
 - Investment council/committee design
 - Investment policy development and design
 - Investment adviser oversight and coordination protocols
- Asset Allocation Services
 - Strategic and tactical asset allocation
 - Asset allocation modeling
 - Custom strategic asset allocation framework design
- Portfolio Construction and Implementation
 - Access to Banyan's open architecture platform
 - Equity and fixed income strategies
 - Concentrated security management
 - Hedge fund advisory services
- Performance Measurement, Reporting and Analysis
 - Custom benchmarking
 - Custom reporting
 - Strategy performance analytics
- Custom Investment Solutions
 - Customized security research
 - Custom manager searches
 - Custom research portal

As appropriate, we may provide investment consulting services in combination with Banyan's other investment services.

Wealth Management & Financial Planning Services

Banyan offers a range of wealth management services for select clients. Our internal wealth management team, along with a global law firm, will provide specific guidance and will work closely with Banyan and our clients to develop tax and wealth management strategies which include: Financial Planning and Retirement Planning; Estate Planning and Wealth Transfer; Philanthropic Planning; and Business Succession Planning. Banyan also provides Executive Planning services.

Financial Planning Services.

Banyan's financial planning services may include a risk assessment, cash flow analysis, asset allocation and correlation analysis. A "Monte Carlo" analysis, which demonstrates the range of possible outcomes given a client's specific circumstances and varying market returns over time, may also be included to help develop and explain portfolio recommendations.

Banyan's financial planning fees are charged at a one-time, flat rate that ranges from \$6,000 to \$15,000, depending on the scope of services. We may also recommend the services of other professionals to assist you with the implementation of our recommendations. It is important to note we rely on you to determine the accuracy of any information we receive from you or that is provided by a third party on your behalf, such as an accountant or banker, in providing our services.

Banyan can provide a one-time financial planning review or provide annual financial planning reviews to assess our clients' current personal goals and objectives that may include:

- Vision statement that pulls together a client's financial, philanthropic, tax and wealth transfer objectives
- Income and retirement planning (cash flow projections, income tax planning, retirement income strategies)
- Protection planning (life insurance, disability insurance, long-term care, property and casualty insurance)
- Investment management planning (risk assessment, asset allocation and correlation analysis, "Monte Carlo" analysis, portfolio recommendations)
- Legacy planning (net worth statement, estate tax planning, gifting to children and heirs, college planning, gifting to philanthropy, wealth transfer)

All recommendations or advice made as part of the financial plan are based upon the information provided by each client. Banyan relies on each client to promptly notify us in writing of any material changes to the client's financial condition including but not limited to; investment objectives, risk tolerance, net worth, annual income, and investment time horizon.

Banyan also provides non-discretionary investment advisory consulting services on a limited and pre-approved basis only. We will make investment recommendations for you based on your investment objectives, risk tolerance and financial circumstances. Our initial investment recommendations will include asset allocations and specific investments. It will be

your decision to implement these recommendations. We will provide ongoing and continuous advice and guidance. The investment minimum and fees for non-discretionary investment services are negotiable.

Item 5 – Fees and Compensation

For access to Banyan's Investment Advisory Services, a relationship must be established with a minimum of \$1 million.

For access to Banyan's Proprietary Separate Account Strategies a minimum relationship size of \$500,000 is required.

Banyan enters into a written investment advisory agreement with each client prior to providing services. This agreement describes the scope of Banyan Partners' services and general terms such as how we calculate and charge our fees.

We assess fees in one of two ways:

- We charge a percentage-based fee based on the market value of your account for both discretionary and non-discretionary investment services.
- We charge a flat fee for financial planning/counseling and wealth management services.

The percentage-based fee is an annual fee, which excludes brokerage commissions, transaction costs, and other related expenses. This fee is prorated and charged in advance at the beginning of each calendar quarter based on the market value of the assets under management as of the last business day of the previous quarter or when your account is funded.

Relationships with pre-existing clients may be at different minimums and fee arrangements and we reserve the right to accept portfolios below our investment minimum on a pre-approval basis only.

We charge an annual fee, which excludes brokerage commissions, transaction costs, and other related expenses. This fee is prorated and charged in advance at the beginning of each calendar quarter based on the market value of the assets under management as of the last business day of the previous quarter or when your account is funded. The fee rates in the schedule below show fees that are a percentage of the market value of assets that are subject to the fee.

Fee Schedule

Service Option	Annual Fee Rates as % of Assets
Investment Advisory Services <i>Custom Equity</i>	1.25% on the first \$1,000,000 1.15% on the next \$1,500,000 0.90% on the next \$7,500,000 0.70% on the next \$10,000,000 0.55% on the next \$15,000,000 0.45% on the balance <i>Minimum relationship size is \$2,500,000</i>
<i>Blended Portfolios</i>	1.25% on the first \$1,000,000 1.15% on the next \$1,500,000 0.90% on the next \$7,500,000 0.70% on the next \$10,000,000 0.55% on the next \$15,000,000 0.45% on the balance <i>Minimum relationship size is \$1,000,000</i>
Option Overlay (additional fee added to Investment Advisory fee as noted above)	0.25% Minimum relationship size is \$2,500,000
Proprietary Separate Account Strategies: <ul style="list-style-type: none"> • U S Large Cap Core • Equity Income • Small/Mid Cap Equity Income • Covered Call Equity • Balanced • ETF Strategic Allocation • ETF Global Rotation • Tactical Opportunities • Global Fixed Income • Managed Annuity 	1.25% 1.25% 1.25% 1.50% 1.25% 1.25% 1.25% 1.25% 1.25% 1.25% 1.25% 1.25% <i>Minimum account size is \$250,000*</i> <i>(Breakpoints available for account sizes over \$1 million)</i> <i>*Minimum relationship size is \$500,000</i>

Service Option	Annual Fee Rates as % of Assets
Proprietary Separate Account Strategies: <ul style="list-style-type: none"> Fixed Income Strategies Enhanced Cash Management 	0.35% on the first \$5,000,000 0.30% on the next \$5,000,000 0.25% on the balance <i>Minimum account size is \$1,000,000</i> 0.20% on the first \$10,000,000 0.15% on the next \$15,000,000 0.10% on the balance <i>Minimum account size is \$1,000,000</i>
Model Portfolio Management Services: <ul style="list-style-type: none"> Lotus US Equity Lotus Global Equity Lotus Tactical Allocation Lotus Tactical Bond 	1.50% <i>Minimum account size is \$250,000</i>
Good Harbor US Tactical Core Strategy	2.00% <i>Minimum account size is \$250,000</i>
Concentrated Holdings Services	Negotiable <i>Minimum account size is \$2,500,000</i>
Investment Consulting Services	0.50% on the first \$25,000,000 0.40% on the next \$25,000,000 0.30% on the next \$50,000,000 0.20% on the balance <i>Minimum relationship size is \$25,000,000</i>
Financial Planning Services	Fixed fee of \$6,000 for initial plan plus \$300/hr over 15 hours Annual updated plans are billed at \$300/hr <i>Minimum relationship of \$2,500,000.</i>

Client accounts established prior to the date of this brochure update may have a different fee schedule. Furthermore, in certain unique relationships, the terms for fees and billing may differ from those described above.

In limited and unique circumstances, Banyan reserves the right to negotiate these management fees based on factors such as the client's financial situation, the amount of assets under management and the overall complexity of the services provided. As a result, Banyan may charge a higher or lower fee than those described in this section. Banyan believes the fees it charges for its customized investment services, proprietary separate account strategies and model portfolio management services are competitive with fees charged by other advisors, however comparable services may be available from others at lower fees.

These assets may include securities that a client has directed us not to sell because we are providing various services (i.e. oversight and custody services) relating to these securities. If a client is billed in advance and ends its relationship with us, any prepaid but unearned compensation is prorated to the date of termination and reimbursed. Legacy clients are billed on a quarterly or monthly basis either in advance or arrears.

You may make additions to and withdrawals from your account at any time. We will perform an interim fee calculation during any quarter after you establish your account in the event you deposit an additional \$500,000 or more in either securities or cash. This fee will be pro-rated based on the number of days remaining in the quarter. We reserve the right to sell any securities that you transfer into your account or we can decline to accept them into your managed account. There are several things you should keep in mind if you transfer a security into one of the accounts we manage for you: 1) Liquidation of securities may have tax implications 2) You may incur transaction fees such as contingent deferred sales charges assessed by mutual fund companies

If you withdraw \$500,000 during the quarter, we will apply a credit for the fees that we would have earned on this amount for the remaining number of days of the quarter. This credit will be applied towards the next quarters fees. It is important to note, we manage your assets as long-term investments and withdrawals can impair the attainment of your investment objectives.

Financial Counseling/Wealth Management Fees

Our flat-rate fees are determined by the scope of services that you request and the number of meetings we expect to have with you to complete the engagement. The fees are determined in advance and can range from \$6,000 to \$15,000. They are due at the beginning of the engagement and may be paid either in one lump sum or in installments. Installments are made by remitting one-half of the fees in advance and the remaining balance when we complete our services.

Non-Discretionary Investment Services Fees

Our fees for non-discretionary investment advisory consulting will be determined at the time you enter into a relationship and execute the investment advisory agreement. Fees are based on the market value of assets under our advisement. We charge an annual rate that is negotiated at, or prior to, the engagement. We will bill you at the beginning of each quarter based on the market value of the assets in the account for which we are making recommendations as of the last business day of the previous quarter. Our fees do not include brokerage commissions, transaction costs and other related expenses.

Fee Payment Method

Our fees for discretionary investment services are set at the time you sign the investment advisory agreement and are based on our standard fee schedule and the market value of assets under our advisement. We charge an annual rate that is determined based on our fee schedule and total value of your portfolio at or prior to the engagement. We will bill you at the beginning of each quarter based on the market value of the assets in the account we are providing investment management services to as of the last business day of the previous quarter. Our fees do not include brokerage commissions, transaction costs and other related expenses.

Automatic Fee Deduction

When client funds and securities are held at a custodian that Banyan Partners has a long-standing relationship with, we will arrange for the deduction of fees directly from the client's account. At the beginning of our relationship and each quarter thereafter, we will notify both you and your custodian of the amount of the fee due and payable to us based on our fee schedule and the written investment advisory agreement. We will mail to you each quarter the exact amount of the proposed fee withdrawal as well as the information that we used in its calculation (balance, rate, etc.).

The custodian will facilitate the deduction of the fee from your account within 45 days of the beginning of the quarter. If you have more than one account with the custodian then you may elect to pay all of our advisory fees from a specific account. You will be required to authorize your custodian to allow us to debit your account(s) for fees. If you do not have a sufficient money market balance in your account to cover our fees, or if you have other debits, then we may redeem investments in your account in the amount necessary to satisfy these obligations. You should be aware that the custodian does not validate or check our fee, its calculation, or the value of assets on which we base the fee. It is the responsibility of the client, not the custodian, to verify that the advisory fee being applied to a client's account is correct.

You will receive account statements directly from your custodian showing all transactions, positions and credits/debits into or from your account. The statements at the beginning of each calendar quarter will reflect these transactions, including the advisory fee paid by you to us – you should always carefully review your statement and confirm our fees. For example, your January monthly statement will show the deduction of our management fees for the first quarter period (January through March).

Payment-by-check is reserved only for existing clients in outside Annuity or 401k products and for whom we provide non-discretionary investment services. At the beginning of our relationship and each quarter thereafter, we will issue you an invoice for our services and you may pay us by check or wire transfer within 15 days of the date of the invoice.

Cancellation Process, Accrued Fees & Refunds

Banyan requires a written notice of termination. For discretionary investment services we will cease making investment decisions for you and implement any reasonable account instructions that you provide upon written receipt of your notice of termination. Your account can be closed and funds withdrawn only after any open trades have been settled. All investments in your account may be sold or redeemed at your direction and cash or money market shares held until you provide us instructions as to how to handle your assets. We will refund to you any fees due by either crediting your account or disbursing a check to you.

If you should terminate your investment advisory relationship within the initial three months of our services, the management fee paid for that period will not be reimbursed. This allows us to cover not only the administrative and operational expenses associated with the establishment of the account but partially helps to offset the costs associated with investment analysis and crafting the portfolio investments.

You shall have five (5) business days from the date of execution of our Agreement to terminate our services for a full refund. Should you terminate this agreement during the first three months of investment management services, the management fee paid through that period will not be reimbursed.

The above pro-rated amounts for discretionary investment services will be calculated using the market value of your account on the last day of the previous quarter and the agreed upon advisory fee rate.

Additional Fees and Expenses

External Separate Account Manager Fees. If Banyan engages an external separate account manager to manage a client's assets, the client will be responsible for paying all fees charged by the separate account manager on those assets in addition to Banyan's Investment Management and advisory fees. Each separate account manager will impose and arrange for the automatic deduction of its own fees from the custody account of each affected client.

Mutual Fund Fees. Mutual funds pay fees to their service providers that are borne proportionately by all of their shareholders, including Banyan clients. Client cash held is also typically swept daily into mutual funds. An explanation of the fees and expenses paid by each mutual fund is contained in that fund's prospectus. Mutual fund fees are in addition to the fees paid directly by clients to Banyan.

Brokerage Fees. Banyan's fees exclude brokerage commissions, transaction fees, exchange fees, SEC fees and other related trading costs and expenses, which will be borne by clients. These fees and commissions are in addition to Banyan's fee. Banyan will not receive any portion of these commissions, fees, and costs.

Brokerage fees may vary depending on the qualified custodian where the account is custody. Certain qualified custodians have specific terms, fees, or commission schedules associated with trading with the qualified custodian's affiliated broker-dealer. For each client account, the trading desk takes into consideration any applicable terms, fees and commission

schedule imposed by the qualified custodian for each client account and executes trades through the most cost effective broker-dealer without sacrificing execution quality.

Item 12 further describes the factors that Banyan considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their commissions and other compensation.

Donor Advised Fund Fees. If client assets are allocated to a donor advised fund, the client will be responsible for paying all fees charged by the fund on those assets in addition to Banyan's advisory fees. The fund will impose and arrange for the automatic deduction of its own fees from the liquidity account of each affected client.

Our advisory fees do not include the costs associated with the purchase or sale of securities for your account(s). The following is a list of additional fees and expenses that may be directly billed or borne proportionately by you by third parties in the event that a security is purchased, sold or held in your account(s) under our management:

Custodial fees

Transfer taxes

Odd-lot differentials

Margin interest

Deferred sales charges (on MF or annuities)

Wire transfer and electronic fund processing fees

Advisory fees and administrative fees charged by mutual funds (MF) and exchange traded funds (ETFs)

The fees listed above are charged by the broker dealer/custodian and we do not directly or indirectly share or receive any portion of these fees. They are paid to your broker, custodian, the mutual fund company, or annuity issuer, as applicable.

Brokerage fees and commissions are in addition to Banyan's management fees and will be borne by clients. Brokerage fees may vary depending on the qualified custodian where your account is held. We may have different arrangements for fees, commission schedules and terms associated with the custodian's broker-dealer.

Banyan participates in various mutual fund platforms through several custodians. Where possible, these may allow us to purchase no load mutual funds, load-waived funds or funds available on respective no-transaction fee programs. In certain instances, you may not pay certain mutual fund transaction or sales charges unless you liquidate a fund that was not purchased through us or you are charged a short-term redemption fee because we believe it is appropriate to liquidate the fund for investment purposes. Note that clients who do not trade through specific custodians may not be eligible for these waived transaction fees or fund loads. An explanation of fees and expenses charged by each mutual fund is contained in that fund's prospectus.

Banyan will assist you in establishing a managed account through a qualified custodian (a broker/dealer, registered investment advisor, bank, etc.). Banyan may recommend a particular custodian based on previously established relationships.

Most Banyan clients hold their accounts at one of four custodians – Fidelity, TD Ameritrade, SEI or Charles Schwab. Clients holding their accounts at any of these custodians may elect to participate in an electronic delivery program (“e-delivery”). E-delivery is available for most account types and allows participants to receive transaction confirmations, statements, prospectuses, financial reports, and similar documents electronically. E-mail notifications are sent with a link or URL address for a secure website where accounts are password protected per individual client.

Banyan may allow a client to direct us to use a specific custodian. When accepted, the client should recognize that Banyan may not be able to obtain best prices for execution. In addition, clients directing the use of a particular custodian may not benefit from Banyan aggregating trades.

We think it is important that you know Banyan does not have any “Employees” who are compensated, directly or indirectly, for selling securities or investments that are purchased or sold for your account or to which we provide consulting expertise/services. This means we are a “fee only” investment adviser and we do not have any potential conflicts of interest regarding any additional or undisclosed compensation.

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

Banyan manages accounts that pay asset-based management fees. We do not currently charge advisory fees based on a share of the capital appreciation of the funds or securities in your account (“performance based fees”), however, we reserve the right to do so on an individual basis.

Item 7 – Types of Clients

Banyan provides advisory and wealth management services to a wide variety of clients.

- Individuals;
- Trusts, estates and charitable organizations;
- Family Offices
- Corporations or other business entities;
- Not-for-profit entities, including foundations
- Retirement and profit sharing plans such as IRAs and 401K accounts

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

Investment Advisory Services

Banyan primarily uses fundamental analysis in evaluating securities. Fundamental analysis involves looking at economic, financial and other qualitative and quantitative factors in an effort to measure a security's intrinsic value. Intrinsic value is the value of a company when considering all aspects of its business; both tangible and intangible factors. We use various financial databases to screen publicly traded companies to identify a smaller universe of candidates that meet our criteria for value and income (dividends). We rely on tools such as Bloomberg Professional, Value Line's Investment Analyzer, Morningstar's Principia software, Morningstar/Ibbotson Associates software and TheStreet.com ratings. We also use commercially available technology, financial periodicals and other publications, SEC filings, and financial statements to assist with our analysis. In certain instances, we may use outside consultants to provide expertise in particular areas or for more in-depth analysis.

Our process includes analysis of balance sheets and income statements, business activities, news and industry developments, as well as a review of available research from various sources. Our investment selection process for fixed-income securities is based on the specific client's/strategy's goal for liquidity, our portfolio manager's outlook, and our view of the interest rate environment.

Banyan's investment selection process for exchange traded funds (ETFs) begins with our use of a proprietary quantitative methodology to choose funds that represent specific industry sectors, baskets of regional and international stocks, fixed-income instruments and commodities. By analyzing ETF data, our portfolio managers seek to identify ETFs that appear to be under accumulation by investors, particularly institutions, early in a trend, and those that appear to be out of favor.

Our investment selection process for mutual funds begins by screening potential funds using various industry sources. We use specific criteria to determine the overall investment merit of a particular fund. Our focus is on the fund's historical performance in both bull and bear markets, current performance, fund purpose and sector, price volatility, standard deviation, its returns over a specific period of time, and overall management stability and integrity.

We also may use technical analysis, chart analysis, and chart interpretation. These three approaches use statistics generated by market activity, such as past price and volume, as indicators of potential future activity. Finally, we consider psychological factors in making decisions to purchase or sell securities.

Portfolio Construction

In constructing client portfolios, Banyan considers an array of investment vehicles across multiple asset classes, geographies and market capitalizations, which make up our open architecture platform. These investment strategies include external traditional and alternative strategies as well as a number of proprietary strategies. We invest in both active and passive investment vehicles as appropriate.

Banyan maintains a spectrum of services ranging from proprietary separate account strategies to customized equity, bond and blended portfolios. We place an emphasis on building long term relationships. We accomplish this by providing personalized investment strategies at a competitive rate. Your financial goals, risk tolerance and your investment profile will drive the construction of your portfolio. We encourage you to contact us for additional detailed information so that we can provide you with individualized assistance in determining which of our services are best suited to meet your needs.

Our investment solutions team uses a rigorous due diligence review process to select external manager strategies that are part of our open architecture platform. This review includes quantitative and qualitative analyses to assess each manager's likelihood of generating strong future returns as well as to measure the risks associated with the generation of those returns. The investment solutions team monitors external managers for adherence to their stated investment process and regularly assesses whether risks are being responsibly managed. The investment solutions team's ongoing screening process is also designed to uncover new external investment strategies. Banyan's open architecture platform consists of:

- External Manager Separate Accounts. Banyan may engage any U.S. registered investment adviser as a separate account manager to manage a client's assets on behalf of a client and at the client's expense. Separate accounts allow investors to own securities directly rather than indirectly through ownership of a fund.
- Mutual Funds and ETF's. Banyan evaluates, selects and monitors mutual funds and ETF's across multiple asset classes and investment styles.
- Donor Advised Funds. If a client has an interest in charitable giving, Banyan may allocate a portion of the client's assets to a donor advised fund. Under our arrangement with each foundation we work with, the foundation administers the donor advised funds for affected clients and Banyan manages the assets in these donor advised funds.
- Alternative Investments. Banyan will evaluate, select and monitor alternative investments for qualified clients.
- Derivative Investments. Banyan will evaluate, select and monitor investments in derivative instruments for qualified clients.
- Proprietary Strategies. For clients who have selected the Investment Advisory Service option, we may utilize our own proprietary strategies as appropriate. Our proprietary

strategy options include the equity, fixed income, enhanced cash management, and other strategies described under “Proprietary Separate Account Strategies” below.

Risk of Loss

Before we provide details of our services, we believe it is important that you understand some of the basic concepts behind our investment solutions and the types of investment instruments that we may include in your account.

As with any investment program, it is possible to lose money and there are no guarantees that any of our offerings will meet their stated objectives. As such, we ask that you take the opportunity to familiarize yourself with the information described in the following paragraphs.

Any investment managed for clients by Banyan or external investment managers could decrease in value as a result of the following events.

Market Risk

- A decline in the stock market could depress the prices of stocks and other equity securities in a client’s portfolio.
- When the stock market strongly favors value or growth stocks, Banyan’s “growth at a reasonable price” style of equity investing could underperform. The performance of external managers could suffer when their particular investment style is out of favor.
- Banyan’s large cap equity strategies could underperform when the market favors smaller capitalization stocks. Banyan’s small/mid cap strategy could underperform when the market favors larger capitalization stocks.

An increase in interest rates or a change in the relationship between different market interest rates could depress the prices of bonds and other fixed income securities in a client’s portfolio.

Event Risk

- An adverse event affecting a particular company or that company’s industry could depress the price of a client’s investments in that company’s stocks or bonds.
- The company, government or other entity that issued bonds in a client’s portfolio could become less able or fail to repay, service or refinance its debts, or the issuer’s credit rating could be downgraded by a rating agency.
- Adverse events affecting a particular country, including political and economic instability, could depress the value of investments in issuers headquartered or doing business in that country.

Liquidity Risk

- Securities that are normally liquid may become difficult or impossible to sell at an acceptable price during periods of economic instability or other emergency conditions. Some securities may be infrequently or thinly traded even under normal market conditions.

Other Risks

Private Fund Investments. Investments in hedge funds and other private investment funds may underperform publicly offered and traded securities because these funds:

- Typically require investors to lock-up their assets for a period of time and may be unable to meet redemption requests during adverse economic conditions.
- Have limited or no liquidity because of restrictions on the transfer of, and the absence of a market for, interests in these funds.
- Are more difficult for Banyan and external managers to monitor and value due to a lack of transparency and publicly available information about these funds.
- May have higher expense ratios and involve more inherent conflicts of interest than publicly traded investments.
- Involve different risks than investing in registered funds and other publicly offered and traded securities. These risks may include those associated with more concentrated, less diversified investment portfolios, investment leverage and investments in less liquid and non-traditional asset classes.

Derivative Instruments. Investing and engaging in derivative instruments and transactions, including commodity funds and commodity exchange traded funds (“ETFs”), may involve different types of risk and possibly greater levels of risk. These risks include, but are not limited to the following:

- Possible Leverage. A derivative instrument or transaction may disproportionately increase an account’s exposure to the market for the assets underlying the derivative position and the sensitivity of an account’s portfolio to changes in market prices for those assets. Leverage will tend to magnify both the positive impact of successful investment decisions and the negative impact of unsuccessful investment decisions on an account’s performance.
- Counterparty Credit Risk. An account’s ability to profit from a derivative contract depends on the ability and willingness of the other party to the contract (a “counterparty”) to perform its obligations under the contract. If the counterparty to an over-the-counter contract fails to perform its obligations, an account may lose the benefit of the contract and may have difficulty reclaiming any collateral that an account may have deposited with the counterparty.
- Lack of Correlation. The market value of a derivative position may correlate imperfectly with the market price of the asset underlying the derivative position. If a derivative position is being used to hedge against changes in the value of assets in an account, a lack of price correlation between the derivative position and the hedged asset may result in an account’s assets being incompletely hedged or not completely offsetting price changes in the derivative position.
- Illiquidity. Over-the-counter derivative contracts are usually subject to restrictions on transfer, and there is generally no liquid market for these contracts. Although it is often possible to negotiate the termination of an over-the-counter contract or enter into an offsetting contract, a counterparty may be unable or unwilling to terminate a contract with an account, especially during times of market instability or disruption. The markets for many exchange traded futures, options and other instruments are quite liquid during

normal market conditions, but this liquidity may disappear during times of market instability or disruption.

- Less Accurate Valuation. The absence of a liquid market for over-the-counter derivatives increases the likelihood that Banyan will be unable to correctly value these interests.

Special Procedures for Alternative Investments

Only eligible clients may invest in alternative investments in hedge funds, private equity, private real estate and certain commodity trading vehicles. Because of tax reporting delays by hedge funds and other private equity funds, clients who invest in these funds will probably need to rely on extensions of federal and state tax filing deadlines.

Before investing in hedge funds and other private funds for a client, Banyan Partners will require the client to provide representations establishing that the client is an “accredited investor” or “qualified purchaser.” Before trading commodity contracts for a client, Banyan Partners will require the client to represent that the client is an “eligible contract participant” as defined in the Commodity Exchange Act.

In either case, Banyan Partners will rely on the accuracy of a client’s representations in making corresponding representations about the client. If the client’s representations become inaccurate, the client must inform us within 30 business days after learning of this inaccuracy.

Types of Securities

There are several main types of investment instruments that we may include in your portfolio. Each has its advantages as well as its risks. Below is a general overview of the instruments that we may use:

Equities: This category represents ownership interest in a company. We use common stocks issued by U.S. and foreign companies as well as American Depositary Receipts (ADRs). In general, four major risks are recognized with equity investments:

Economic/financial risk

Interest rate/inflation risk

Market value risk

Government risk

ADRs are stocks that trade in the U.S. markets and represent a specified number of shares in a foreign corporation. These shares are issued or sponsored by a bank or brokerage. ADRs carry two main types of risk:

Political Risk: The ADR is not insulated from political events that occur in the home country of the foreign company. Revolutions, nationalization, currency collapse or other types of events can have an impact on the security.

Inflation Risk: Countries around the globe may be more, or less, prone to inflation than the U.S. economy at any given time. Companies operating in countries with higher inflation rates may find it more difficult to post profits reflecting its underlying health.

Fixed income securities: We may invest your money in bonds issued by the U.S. government, domestic corporations, and foreign entities. These bonds may have unique features that we believe make them attractive such as: 1) they may be converted into the stock of the issuing company; 2) high-yield (bonds that generally have a higher stated interest rate but are not rated) for bonds with ratings, we may go as low as a B rating; or 3) issued by a country/company in an emerging market (a market in a country that is in the process of rapid growth and industrialization). Risks of fixed income investing include:

Interest rate risk

Credit risk

Inflation risk

Call risk

Prepayment risk

Reinvestment risk

We manage fixed income portfolios proactively with our own internal credit analysis supplemented by various outside credit research sources to help us profit from anticipated ratings upgrades and/or changes in quality perception of certain securities.

Banyan's efforts in uncovering value in equities through its extensive balance sheet-driven work frequently leads us to superior credits regardless of the stock's appeal. We may purchase bonds that are below Investment Grade if we are confident in the underlying company's cash flow generation and its resultant ability to retire debt. We strive to keep these maturities fairly short to further ensure payback and to select non-investment grade allocations in relation to each client's investment objectives, time horizon and risk tolerance among other factors.

Open-end mutual funds: Are units that represent holdings of a portfolio of securities. These securities can be stocks, bonds, or a mix of investment types. Open-end mutual funds are priced at the end of the day and all investors who wish to buy or sell them will do so after pricing has occurred. Their price is determined by the value of each underlying security, which will fluctuate and can lose value. The universe of open-end mutual funds is comprehensive and the types of funds that we may include in your account will be based on your investment objectives and risk tolerance. You should be aware that sudden inflows or redemptions into a fund can have a negative impact on its price.

Closed-end mutual funds: Like open-end mutual funds, closed-end funds hold a portfolio of securities and issue units to investors that represent ownership in the portfolio. Closed-end mutual funds also are similar to stocks in that only a specified numbers of units are issued to investors (open-end funds can issue an unlimited number of units based on investor demand). These units can trade throughout the day, based on supply and demand so their values are not entirely dependent upon the value of the underlying holdings and will fluctuate.

Exchange traded funds (ETFs): ETFs are structured like open-end mutual funds but with several important differences. ETFs do not sell individual shares directly to investors and only issue their shares in large blocks ("Creation Units"). Typically institutions buy these Creation Units, split them up and sell them on a secondary market where they are purchased by

individual investors. There are numerous types of ETFs but most seek to achieve a return similar to that of a particular index (ex: S&P 500 Index).

Equity-based ETFs are subject to risks similar to those of stocks whereas fixed income-based ETFs are subject to risks similar to those of bonds. Investment returns will fluctuate and are subject to market volatility. ETFs investing in foreign securities have unique risk characteristics as previously noted.

Listed options: Options, also known as exchange traded or standardized options, involve the right to purchase or sell an underlying stock at a specific price, within a specific period of time. There are two types of options, puts and calls and there are many strategies with which they can be employed in conjunction with stock positions or independently of portfolio holdings.

Real estate investment trusts (REITs): These entities that invest in different kinds of real estate or real estate-related assets such as shopping centers, office buildings, hotels, and mortgages secured by real estate. Many REITs trade on national exchanges or in the over-the-counter market; we do not select non-traded REITs for clients.

The value of a REIT will fluctuate based on the quality and income-generating potential of the properties held by the trust. They also are affected by interest rates as real estate is sensitive to rate changes. Finally, whether or not the properties are managed efficiently and effectively will affect the REIT's value.

Master limited partnerships (MLPs): MLPs are publicly traded partnerships that can be purchased or sold on an established securities market. MLPs typically provide an investor with a direct interest in a group of assets (ex: oil & gas properties). A limited partnership consists of a general partner who manages the venture and limited partners, those who provide the capital.

MLPs that invest in commodity-type industries or assets can be subject to commodity-price risk. They also can carry interest rate risk and may underperform in a rising interest rate environment. Tax deferred accounts such as IRAs, may be subject to taxation due to the receipt of "unrelated business taxable income," which could result in the need for a separate tax return for the account.

INVESTMENT ADVISORY SERVICES

Customized Equity & Blended Portfolios

We offer customized equity and blended portfolios if you are seeking to invest \$1,000,000 or more. Banyan takes a highly personalized approach to creating custom investment portfolios unique to each client. We will construct a portfolio for you based on your specific risk tolerance, tax situation and your need for liquidity. We also will discuss with you any limitations or restrictions that you wish to impose on your account(s) and make a mutual determination as to their application. We do not limit securities selections based on a company's size and typically will include large, mid, and small-capitalized companies in your portfolio where we deem appropriate. We also may incorporate foreign ADRs (American

Depository Receipts) and stocks of multinational corporations to create exposure to foreign markets. Each portfolio is carefully constructed to help our clients realize their financial objectives and avoid obstacles to their success.

Our customized equity portfolios are created using one of the following two primary approaches:

Core Equity: The investment objective is to outperform the market over a full market cycle while maintaining value during prolonged market declines. This portfolio is constructed to achieve specific growth attributes, depending on market conditions, the economic environment and the particular needs of the client. Growth portfolios include securities that we believe are superior to their industry peers, sector and the overall market. They are actively managed with a well-defined sell discipline based on technical and fundamental criteria that signals when to reduce holdings and raise cash to lessen the impact of prolonged market declines.

Equity Income: The focus is on creating a target level of income while also taking into consideration long-term capital appreciation. These portfolios invest in dividend paying stocks, master limited partnerships, and select real estate investment trusts. Preference is for high quality companies with stable and consistent profitability, attractive valuations and dividend growth. The portfolio is broadly diversified across industry sectors according to Banyan's investment guidelines on sector weightings and allocation and applies a defined sell-discipline to help mitigate risk during declining markets.

Customized Option Overlay Strategies

At the client's discretion and where deemed suitable, the two equity approaches may be augmented with a custom "option overlay" strategy. The option overlay is designed to enhance either a Core Equity or Equity Income portfolio. The goal with an option overlay strategy is to help reduce risk, generate income, or to use options as an equity substitute, providing similar total return potential with less capital outlay. Banyan can implement option strategies that are:

Defensive – writing covered calls on select holdings to help mitigate risk in declining markets.

Strategic – write covered calls to bring in additional income to a portfolio and also mitigate overall risk. This is also ideal for clients who may own concentrated legacy positions and want to unlock additional value by generating premium income to their portfolio from writing call options but want to maintain the specific holding due to other considerations, tax consequences, legacy, etc.

Tactical – sell puts to bring additional income into the portfolio or establish an entry price we are willing to pay for a stock we wish to own in the portfolio while we limit the amount of capital outlay required to get exposure in the stock.

Any one or a combination of the above options strategies may be applied to equity accounts for clients where suitable.

Customized Bond Portfolio

We offer customized individual bond portfolios if you are seeking to invest \$1,000,000 or more. Similar to our customized equity portfolios, we also offer customized fixed income portfolios tailored to each individual's risk tolerance. These accounts may include treasuries, agencies, municipals, corporate bonds, convertible bonds and preferred stocks. We construct these portfolios based on your income needs, tax situation and level of risk tolerance.

Asset Allocation Strategies

Banyan Partner's proprietary asset allocation framework seeks to create an optimal balance between the expected risk and the expected return for a given client's goals and objectives. We utilize forward looking projections for expected returns, expected standard deviations of those returns as well as correlations among asset classes by asset class and at the portfolio level.

Strategic Long-Term Asset Allocation. Based on a full understanding of client goals, we initially establish a strategic long-term asset allocation policy that we believe will generate strong investment returns given an expected level of risk over multiple market cycles by investing across asset classes, capitalizations, and styles.

Tactical Asset Allocation. In an effort to take advantage of perceived market imbalances and inefficiencies between asset classes, we may make tactical shifts to each client's asset allocation in an effort to enhance long-term rates of return, to reduce portfolio risk levels or both.

Proprietary Separate Account Strategies

Banyan may use its proprietary strategies to manage accounts of clients who have selected either the Investment Advisory Service option or the Proprietary Separate Account Strategy Service option. Banyan's proprietary strategies are designed to out perform their stated benchmark over a four to five year investment cycle. One of the goals of our risk management process is to outperform market returns during poor investment climates.

Large Cap Equity Strategy: The Large Cap Equity Strategy is designed to preserve capital in volatile markets through a top-down/bottom-up investment approach. Its focus is on quality with a goal of delivering excess returns versus its benchmark, the Standard & Poor's 500 index, over the course of an economic cycle. The strategy uses a disciplined investment process supported by quantitative tools for stock selection, portfolio construction, and portfolio risk control, while adhering to a sell discipline that is sensitive to annual turnover and tax efficiency. These portfolios typically containing 40- 60 U. S. large capitalization stocks broadly diversified across economic sectors and industries. The strategy is an actively managed blend style utilizing a growth at a reasonable price stock selection and sale methodology.

Equity Income Strategy: Is designed to preserve capital in volatile markets through a top-down/bottom-up investment approach. It focuses on quality with a goal of delivering excess returns versus its benchmark, the Standard & Poor's 500 index, over the course of an economic cycle. The strategy seeks to achieve a dividend yield equal to 150% of the S & P 500. It uses a disciplined investment process supported by a quality screen, cash flow metrics, and a proprietary quantitative relative valuation model to select securities.

Small/Mid Cap Equity Strategy: Is designed to preserve capital in volatile markets through a top-down/bottom-up investment approach. It focuses on quality with a goal of delivering excess returns versus its benchmarks, the Russell 2000 and Russell 2500 stock indexes, over the course of an economic cycle. It uses a disciplined investment process supported by quantitative tools for stock selection, portfolio construction, and portfolio risk control. These portfolios typically contain 40 – 60 U. S. small to medium capitalization stocks broadly diversified across economic sectors and industries. The strategy is an actively managed blend style utilizing a growth at a reasonable price stock selection and sale methodology.

Covered Call Equity: The primary goal of the Covered Call Equity is to provide capital appreciation from a portfolio of 20-30 stocks of well established companies preferably paying dividends and are diversified across industry sectors. Stocks are selected that demonstrate stable, consistent and profitable growth potential with attractive valuation. We then strategically write covered calls on the underlying stocks in the portfolio. The frequency and number of stocks that will be covered at any one time will vary based on many factors including the overall market conditions and conditions unique to the company, industry and option environment. The goal is to produce additional income from the premium in the options to augment the cash flow from the stock dividends. In addition, a covered call writing strategy can help reduce overall portfolio volatility. Finally, the strategy has been designed to reduce equity holdings and raise cash to lessen the impact of market declines. This strategy is appropriate for clients who seek both capital appreciation and income but that have a moderate or greater risk tolerance.

Balanced Strategy: Balanced Strategy is designed to offer you capital appreciation and current income by investing in stocks and bonds. We select dividend-paying common stocks that have demonstrated earnings consistency and dividend growth. We also may include international mutual funds in order to obtain equity exposure outside of the U.S. Fixed income securities generally will be represented by mutual funds although we also may purchase individual bonds and preferred stocks.

ETF Strategic Allocation Portfolio: The ETF Strategic Allocation Portfolio consists of an actively managed, diversified portfolio of exchange traded funds. We invest in ETFs that invests in equities, fixed-income securities and commodity investments. Our construction of the portfolio is based on qualitative as well as quantitative models that track long-term trends in asset prices to determine the percentage of allocations across these three groups. We also may use inverse ETFs to hedge/protect the portfolio in certain market conditions. We believe this strategy is best suited for investors seeking capital appreciation while accepting a moderate level of risk.

ETF Global Rotation Strategy: Our ETF Global Rotation Strategy invests in ETFs that track the performance of broad global asset classes including: equities, fixed income, alternative investments (diversified commodities, gold, global currencies) and real estate. Each month we rank asset classes based on historical returns over time periods ranging from one to twelve months. We then rank these ETFs based on historical price volatility over various periods. The portfolio is adjusted or rebalanced monthly as needed, selling ETFs that drop out of the top rankings and buying those that move up in the listing. This strategy is designed to shift to cash and short-term equivalents during prolonged market declines. The ETF Global Rotation Strategy is best suited for moderate risk investors seeking long-term capital growth.

Tactical Opportunities Strategy (closed to new investors): The Tactical Opportunities Strategy is designed to preserve capital in volatile markets through a top-down/bottom up investment approach. It allocates investments across equity fixed income, commodity and liquid alternative investment vehicles. It benchmarks returns against the HFRI Fund of Funds Index and against a blend of 60% MSCI ac World Index and 40% Barclay's Aggregate Bond Index.

Global Fixed Income Strategy: The primary goal of our Global Fixed Income Strategy is to produce ordinary income in excess of 1.5%-2% of the average yield for the 5-year U.S. Treasury note. We invest 100% in fixed income mutual funds in this strategy. We select both open- and closed-end mutual funds that hold domestic and international bonds, convertible bonds, and other income-producing securities. This strategy is for clients who seek both income and global diversification.

Managed Annuity Strategy: Under this strategy, we manage the investment options offered under a variable annuity issued by Fidelity Investments Life Insurance Company. This option will provide you with the potential for tax-deferred growth and generous contribution limits. Banyan selects from over 50 mutual fund type investments (sub-accounts) offered under the annuity based on your risk tolerance and investment time-frame, and actively manages these options. Our target allocation under this total return approach is 60% to fixed income, 20% to equity and 20% to alternative or specialty funds. We monitor these investments and make changes to them based on market cycles and trends.

It is important to note that Banyan associates are not appointed agents of Fidelity Investments Life Insurance Company or any of Fidelity's related insurance companies; our associates only manage the investment options offered under the contract and do not give specific tax advice. You will receive information directly from Fidelity if you invest in this strategy and it is important that you carefully review it.

Fixed Income Strategies: Are intermediate term strategies designed to maximize total return with controlled risk. They involve active management and commitment to producing high-quality, call-protected, and well-diversified portfolios. We use a disciplined, research-based investment selection process utilizing fundamental credit research performed internally with a macroeconomic overlay and supplemented by third-party independent research providers. The strategy includes taxable and tx-exempt strategies and are customized to meet specific client objectives.

Enhanced Cash Management: Strives to produce high current yield relative to other cash equivalents with modest principal volatility. The strategy is designed to protect portfolio principal from potential negative impact of fluctuating interest rates. We utilize high-quality, low risk cash equivalent investments. We use a disciplined, research-based investment selection process utilizing fundamental credit research performed internally with a macroeconomic overlay and supplemented by third-party independent research providers. Each portfolio is customized to meet specific client objectives.

Banyan also offers select specialty strategies that utilize exchange traded funds or primarily no-load mutual funds. As with all of our portfolios, these solutions are designed to provide a foundation for your investment accounts through diversification and active management. We manage and monitor these accounts proactively, executing buy and sell decisions when we believe it is appropriate to help achieve your investment return objectives and/or to reduce risk.

Our specialized investment solutions have various objectives and degrees of risk and may be used exclusively or in combination with your aggregate portfolio. They are designed as either core strategies or as a complement to your portfolio. We will help you determine which one, or combination, is best suited to your investment objectives and risk tolerance. Some of these strategies may also offer global diversification via worldwide currency diversification and hard asset exposure and may employ proactive use of inverse securities and protective cash positions to help reduce the impact of severe market declines.

Access to Banyan's specialized strategies requires a relationship be established with a minimum of \$500,000. The following pages briefly describe our specialized strategies and include their respective objective, risk tolerance, and investment type, as well as the types of investments that may be invested in the portfolios. Fees for these strategies vary and are described in Section #5, Fees and Compensation.

We select mutual funds based on characteristics such as strong historical performance, price stability, and low expenses compared to similar funds. We may opportunistically use mutual funds that are inversely correlated to the U.S. equity markets to hedge the portfolio in various market conditions. We also may invest in mutual funds and/or exchange traded funds (ETFs) that invest in non-traditional investments for further diversification.

Model Portfolio Management

Lotus US Equity

Lotus US Equity is designed for investors seeking long term growth of capital through participation in positive domestic markets and proactively limiting losses in negative markets. Nine US equity sector ETFs and one short term US Treasury ETF are rotated based upon a quantitative algorithm model and are rebalanced weekly to respond tactically to changing market conditions. To defend the portfolio, in severe market downturns the strategy may go to 100% cash by using a cash equivalent ETF.

Lotus Global Equity

Lotus Global Equity is designed for investors seeking long term growth of capital by taking advantage of opportunities throughout the globe. The universe of investments includes nine US equity sector ETFs, two international ETFs and one short term US Treasury ETF. These are actively rotated based upon a quantitative algorithm model and are rebalanced weekly to respond to changing domestic and foreign conditions. To defend the portfolio, in severe market downturns the strategy may go to 100% cash by using a cash equivalent ETF.

Lotus Tactical Allocation

Lotus Tactical Allocation is designed for investors seeking to invest in sectors and asset classes that are expected to outperform and avoid sectors and asset classes that are expected to underperform. The universe of investments includes nine US equity sector ETFs, two international ETFs, six fixed income ETFs, two alternative ETFs, and one short term US Treasury ETF. These are actively rotated based upon a quantitative algorithm model and are rebalanced weekly to respond to changing domestic and foreign conditions. To defend the portfolio, in severe market downturns the strategy may go to 100% cash by using a cash equivalent ETF.

Lotus Tactical Bond

Lotus Tactical Bond is a multi-sector bond solution designed for investors seeking to invest in fixed income. The strategy's objective is to reduce risk in negative interest rate and credit climates. It invests in the fixed income sectors that are expected to outperform and avoids those sectors that are expected to underperform. The universe of investments includes six US bond ETFs, and one short term US Treasury ETF. These are actively rotated based upon a quantitative algorithm model and are rebalanced weekly to respond to changing domestic interest rate conditions. While the strategy is also designed to maintain effectiveness during low-rate environments, it has the potential to perform in rising rate environments as well. To defend the portfolio, in severe market downturns the strategy may go to 100% cash by using a cash equivalent ETF.

Good Harbor US Tactical Core

Banyan Partners has selected Good Harbor Financial as a sub-advisor for its US Tactical Core strategy. US Tactical Core is a long-only, tactical allocation program designed to outperform the S&P500 through an asset allocation approach that includes domestic stocks, domestic bonds and money market instruments. The portfolio invests in ETFs with further allocations made across market capitalization and duration and is rebalanced on a monthly basis.

The underlying concept of the strategy is that equity prices are driven by changes in investor equity risk premiums and these premiums vary with time and the business cycle. However, equity risk is not easily measured, so the manager develops a viewpoint on the direction of risk premium through careful analysis on two key elements: cash flows and discount rates. This is further augmented by additional analysis of momentum, economic conditions and

yield curve dynamics as a determination for exposure to domestic equity, bonds or cash. The strategy attempts to further enhance returns through the moderate use of leveraged ETFs, yet seeks to defend against weak market conditions by reducing exposures during more stressful economic conditions.

Strategies Closed to New Investors

For pre-existing clients, we continue to maintain the following primarily mutual fund based strategies that were in place prior to January 2011 but that are no longer available for new investors.

Global Income Plus Strategy (closed to new investors): The Global Income Plus Strategies a mutual fund-based strategy, in a style that is similar to the Global Fixed Income Strategy; the difference is that we include a modest allocation to specialty stock mutual funds for capital appreciation potential. Generally, we look to allocate 80% of investments to income producing investments and 20% in equities. Our objective with this allocation is to generate a higher level of income for you than a portfolio of government and corporate bonds and also provide potential principal growth through the equity investments.

Your fixed income holdings may include mutual funds that invest in corporate, high-yield, U.S., global, emerging market and convertible bonds. Your equity mutual funds may include general U.S. and global stocks and the specialty segment of your account may include funds that contain commodities, real estate, currencies, natural resources, and precious metals. On occasion, we also may include inverse index funds in the strategy.

Global Growth & Income Strategy (closed to new investors): Our approach to managing the Global Growth and Income Strategy, a mutual fund based strategy, is to allocate approximately 60% of investments to income producing investments and 40% to equity funds. We believe this investment approach creates the opportunity for price appreciation of the funds while also creating cash flow. Our objective is to generate a higher level of current income than a portfolio of U.S. Treasury bills and bonds and also provide for potential growth of your principal by investing in equities.

Your fixed income holdings typically will include mutual funds that invest in corporate, high-yield, U.S., global, emerging market, and convertible bonds. Your equity mutual funds may include general U.S. and global stocks and the specialty segment of your account may include funds that contain commodities, real estate, currencies, natural resources and precious metals. We also may include inverse index funds to the account.

Managed Treasury Strategy (closed to new investors): The Managed Treasury Strategy is designed to preserve capital while potentially providing you with a higher level of current income and total return than a money market fund. We primarily invest in U.S. Treasury securities, which are backed by the full faith and credit of the U.S. government. These securities are purchased with short, intermediate, and long-term maturities and we make adjustments based on our interest rate outlook.

Risk of Loss

All investments involve the risk of loss of your principal (invested amount) and any profits that have not been realized (the securities have not been sold to “lock in” the profit). Markets can be volatile and prices of stocks, bonds, commodities and other investments can fluctuate substantially over time. Other factors such as economic and political events also can affect the performance of your investments. There is no guarantee that you will not lose money or that you will meet your investment objectives. We encourage you to discuss any questions with us that may arise regarding our investment philosophy and your portfolios throughout the course of our relationship.

In Item 4 we provided a general overview of the types of securities that we may include in our investment solutions. We would like for you to know that we also invest in certain instruments that are more complex and also can pose additional risk. In particular, we may use the following where appropriate:

Inverse and Leveraged ETFs: Inverse ETFs (also called “short” funds) seek to deliver the opposite of the performance of the index or benchmark that they track. Leveraged inverse ETFs (also known as “ultra short” funds) seek to achieve a return that is a multiple of the inverse performance of the underlying index. Most leveraged and inverse ETFs “reset” daily, meaning that they are designed to achieve their stated objectives on a daily basis. Their performance over longer periods of time – weeks, months, or years – can differ significantly from the performance of their underlying index or benchmark during the same period. This effect can be magnified in volatile markets.

Specialty mutual funds and ETFs: Mutual funds and ETFs that invest in commodities and commodity-linked derivative instruments may experience greater volatility than those that hold traditional securities. Overall market movement, volatility in the commodities markets, changes in interest rates, and factors affecting a particular industry or commodity can have a material, adverse effect on value.

Call Options: Covered call writing involves selling the right to purchase a stock at a specified price for a defined period of time. The owner of the stock receives a premium for selling this right and is now obligated to deliver the stock to the call purchaser if the purchaser elects or “exercises” the right. Should this occur, the call purchaser will pay the stock owner the specified price and will take possession of the shares. Should the call purchaser elect not to exercise the option then it will expire worthless and the stock holder will retain the shares. The option contract must be purchased or “closed out” by the stock holder if he/she wishes to sell the stock prior to the expiration date of the option.

Some of our recommendations involve international investing, which may carry risks that are not associated with investing solely in the United States. Some of the more prevalent risks include fluctuations in the value of the U.S. dollar relative to values of other currencies, custody arrangements made for foreign securities, political risks, differences in accounting procedures and the potential for less public information to be available on foreign companies.

Certain strategies may generate short-term capital gains or losses and may not be suitable for you. It is important that you consult with your tax adviser before investing in a strategy that involves active trading. We rebalance portfolios as we deem necessary and this rebalancing may generate additional fees.

Additionally, some of our investment strategies require that you maintain a margin account. Clients who purchase securities may pay for them in full or may borrow part of the purchase price from the broker-dealer that holds his/her account. Clients generally use margin to leverage their investments and increase their purchasing power. At the same time, clients who trade securities on margin incur the potential for higher losses. We will discuss the risks of using margin with you to determine if it is appropriate for your portfolio but, in general, would like for you to know about some of the major risks of trading on margin.

- You can lose more funds than you deposit in a margin account;
- The broker-dealer holding your account can force the sale of securities in your account;
- The broker-dealer can sell your securities without contacting you; and
- You are not entitled to an extension of time on a margin call.

Finally, when appropriate we may use option strategies for qualified clients. These strategies are actively managed and do not consider the tax consequences from trading. Tax accounting can be complex and may require the assistance of a qualified tax advisor. You also should know that our annual management fees are in addition to transaction costs and other expenses that may be charged by your broker-dealer or custodian. These brokerage charges can negatively impact performance.

Certain option transactions require you establish a margin account. Using margin may magnify any gains or losses sustained by you. The facts and risks of margin trading are discussed in the Margin Disclosure Statement, a document provided by your broker-dealer or custodian. You should read this information carefully before establishing a margin account.

The option strategies that we employ use standardized stock options. Option trading involves a number of inherent risks, including the potential for the loss of funds, and is not suitable for everyone. You should be aware of your risk tolerance level and financial situations at all times. Finally, you should read the Option Clearing Corporation's Characteristics and Risks of Standardized Options disclosure document provided by your brokerage firm or custodian prior to investing.

Item 9 – Disciplinary Information

Under this section we provide any legal or disciplinary events that could be material to you when evaluating our firm and services. Information relating to all of our employees who provide advisory services or manage assets is included in the supplement to this Brochure (a separate document). Please refer to this supplemental document for additional information.

Banyan Partners has not been involved in any material, reportable legal or disciplinary proceeding before a court, regulatory agency or self-regulatory organization since its founding.

Item 10 – Other Financial Industry Activities and Affiliations

Banyan Partners LLC is an independent investment advisory firm and is not a securities broker-dealer, futures commission merchant, or investment company. Except as noted within this document, Banyan does not have other arrangements that are material to its advisory business and its clients.

Banyan has partnered with Fidelity Investments Life Insurance Company to offer an annuity issued by Fidelity that utilizes our professional investment management of the underlying sub-accounts (our Managed Annuity Strategy). Banyan does not receive any special compensation or financial incentive from Fidelity, any of its affiliates, or any sub account managers.

Our portfolio managers may invest in mutual funds from the Rydex family of funds in some of our investment solutions. In August 2009, Steven P. Chapman, our Director of Fixed Income and a portfolio manager, was named to the Guggenheim Dynamic Advisory Board. Mr. Chapman is not compensated for his role on the board but is reimbursed for travel and related expenses as they relate to his advisory functions. Banyan does not receive commissions or any other compensation for choosing Guggenheim and/or Rydex funds in its strategies.

David Bottoms, our Executive Managing Director and a principal of the firm, is a practicing attorney. He primarily performs trust work for individuals but does not extend this service to our clients.

Item 11 – Code of Ethics

Section 204A-1 of the Investment Advisers Act of 1940 requires all investment advisers to establish, maintain and enforce a Code of Ethics. Accordingly, the Act places a fiduciary standard on the adviser to act in the best interest of each client.

Banyan has adopted a Code of Ethics whereby all employees (officers, and other associated persons) are considered “Access Persons” of the Firm. Access Persons are individuals who may have access to non-public information, or regarding our investment strategies and advice. All of our employees are subject to this Code and are expected to comply with applicable laws, exhibit high ethical standards and to place clients' interests first. The fiduciary duty of an advisor and its representatives is a core principal underlying the advisor's Code of Ethics and sets out the responsibility of the advisor to place the interests of clients ahead of its own.

Our employees are required to report all personal securities transactions and holdings initially when we deem them to be an Access Person. They also must provide their holdings going forward on at least a quarterly basis. Our Chief Compliance Officer is responsible for reviewing these transactions.

Banyan employees are required to report all securities transactions except for:

U.S. government obligations; Money market funds; Bankers acceptances; Bank CDs; Commercial paper; High quality short-term debt instruments; Commodities and commodity futures and Open end investment companies.

Banyan has implemented procedures relating to personal securities transactions and insider trading. They are designed to identify and prevent or mitigate actual conflicts of interest and to resolve such conflicts appropriately, if they do occur. Any person who fails to observe our Code of Ethics and related firm policies risks serious sanctions, including dismissal.

You may request a complete copy of our Code by contacting us at the address, telephone or email address on the cover page of this Brochure.

Item 12 – Brokerage Practices

Selecting Broker-Dealers

Banyan Partners uses independent brokers and dealers to purchase and sell securities for client accounts. In selecting brokers and dealers to effect client transactions, we try to obtain for clients (1) the prompt execution of client transactions while market conditions still favor the transaction and (2) the most favorable net prices reasonably obtainable. This is called “best execution.”

Banyan generally recommends that clients utilize one of three custodians - Fidelity Investments, TD Ameritrade or Charles Schwab. As described below, we also may agree to implement our investment management services with any other brokerage firm or custodian of your choice. Regardless of custodian selection, we cannot implement our investment recommendations until after you have provided us with the necessary information and authorization regarding your account.

Under the oversight of our investment policy committee, the Chief Investment Officer reviews the due diligence performed and approves or rejects the selection of each broker. Banyan evaluates various factors when recommending one of the aforementioned custodians. In particular, we may consider any of the following factors:

- The quality of services provided (including commissions, which may not be the lowest available but which ordinarily will not be higher than the generally prevailing competitive range).
- The extent of coverage of the various markets Banyan trades in.
- The broker’s ability to communicate effectively with us.
- The broker’s ability to execute and settle difficult trades.
- Whether or not the broker offers lower cost electronic trading.
- The broker’s clearance and settlement efficiency.
- Whether or not the broker can handle Banyan’s range of order sizes.

- The broker's ability to maintain confidentiality and anonymity.
- The reputation of the broker.
- The stability and financial strength of the broker.

The aforementioned custodians have programs that allow us to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by these custodians may be higher or lower than those charged by other custodians and/or broker-dealers.

If you request us to arrange for execution services for your trades we will direct your transactions through a broker we believe will provide best execution. These transactions may be cleared through other custodians and/or broker-dealers with whom we and your custodian have entered into an agreement (this is known as "prime brokerage clearing services" and is done to facilitate trading). We will periodically review our policies and procedures regarding our custodian recommendations as part of our best execution duties.

The commissions that you pay will be in line with our duty to obtain "best execution." You may, however, pay a commission that is higher than another qualified custodian or broker-dealer might charge to effect the same transaction. Banyan will make a good faith determination in these instances that the commission you pay is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution. In making this assessment we consider the full range of a custodian's services, including the value of research provided, execution capability, commission rates, and responsiveness. While we always will seek competitive rates, we may not necessarily obtain the lowest commission rates for our clients.

Fixed Income Securities Transactions

Fixed income securities (i.e. bonds) are generally traded in an over-the-counter market. In this market, bond dealers place bids and make offers to buy and sell bonds on a net basis with no stated commission plus accrued interest. Any commission or net mark up is implied by the difference or "spread" between the price the dealer purchases the bond for and the price the dealer sells the bond at. A new issue bond is sold to purchasers at a net price with a fixed sales credit paid to the underwriter by the issuers of the bond.

Dealers identified and approved as fixed income trading partners are listed on Banyan's "Fixed Income Approved Dealer List." Before Banyan selects a new fixed income dealer, the Director of Fixed Income identifies the new dealer to be considered and provides due diligence material to the Chief Investment Officer for approval. Under the oversight of the investment policy committee, the Chief Investment Officer reviews this due diligence material and approves or rejects the selection of the dealer. We may consider any of the following factors:

- The quality of services provided
- The extent of coverage of the various markets Banyan trades in.
- The dealer's ability to communicate effectively with us.
- The dealer's ability to execute and settle difficult trades.

- Whether or not the dealer offers lower cost electronic trading.
- The dealer's clearance and settlement efficiency.
- Whether or not the dealer can handle Banyan's range of order sizes.
- The dealer's ability to maintain confidentiality and anonymity.
- The reputation of the dealer.
- The stability and financial strength of the dealer.

If a new dealer is approved, the Director of Fixed Income provides the new dealer and our operations department with the necessary information to integrate the dealer into our trading process. On an ongoing basis, the Director of Fixed Income monitors our relationships with dealers on our Fixed Income Approved Dealer List and documents any issues involving a particular dealer.

Research and Other Soft Dollar Benefits

While we always seek best execution, we may direct trades to certain custodians or broker-dealers in return for investment research products and/or services that assist us with our investment decision-making process. Generally, the research that we receive is used to service all of our clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that particular client's portfolio. The client commissions used to acquire these services are known as "soft dollars." Banyan Partners seeks to comply with Section 28(e) of the 1934 Act, which provides a "safe harbor" allowing investment advisers to pay more than lowest available commission for brokerage and research services if it determines in good faith that: (1) the broker or research services all within the definitions set forth in Section 28(e); (2) the brokerage or research services provide lawful and appropriate assistance in the investment decision-making process; and (3) the commission paid is reasonable in relation to the brokerage and research services provided. Our receipt of these services as well as our allocation of the benefit of these services pose conflicts of interests and are described below.

We may receive computer software and related systems support from Fidelity, TD Ameritrade and Charles Schwab because we provide investment services to the clients who have selected these custodians. These tools allow us to better monitor client accounts maintained with these custodians and may provide some benefits to us that do not have direct benefits for the clients. We always strive to put the interests of our clients first but you should be aware that our receipt of these economic benefits from a custodian creates a conflict of interest since these benefits may influence our choice of custodian over another custodian that does not furnish similar software, systems support, or services.

In addition to the above, Banyan may receive benefits from Fidelity, TD Ameritrade and Charles Schwab through these custodian's respective institutional or advisory group divisions. These benefits include: 1) receipt of duplicate client confirmations and bundled duplicate statements; 2) access to a trading desk that exclusively services Charles Schwab institutional participants; 3) access to block trading which provides the ability to aggregate securities

transactions and then allocate the appropriate shares to client accounts; and 4) access to an electronic communication network for client order entry and account information.

Banyan also participates in TD Ameritrade's Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc., an independent and unaffiliated FINRA registered broker-dealer. TD Ameritrade, Inc. offers services to independent investment advisors, such as Banyan, to include the custody of securities, trade execution, as well as trade clearance and settlement. We receive certain benefits as a participant in this program. Many of the benefits that we receive are the same as those extended to us by Fidelity and Charles Schwab and listed in the above paragraph. Additionally, we may receive discounts on compliance, marketing, research, technology and practice management products.

Client Directed Brokerage

Certain clients have directed Banyan to use a particular broker or dealer who has an existing relationship with or provides custodial or other services to a client. Banyan requires any directed brokerage instructions to be in writing. Before choosing to enter into a directed brokerage arrangement, clients should be aware of the following disadvantages:

- Banyan Partners will not be able to negotiate commission rates with the designated broker because we will not have the negotiating leverage that results from the ability to trade away from a designated broker.
- Directed brokerage may cost clients more money. Directed brokerage clients may pay higher commission rates than those paid by other clients, may receive less favorable trade executions and may not obtain best execution on their transactions.
- Directed brokerage accounts will not be able to participate in aggregated or block transactions with other clients. This will preclude directed brokerage accounts from obtaining the volume discounts or more favorable terms that might be available from aggregated transactions.
- If Banyan Partners is placing orders in the same security for both directed brokerage clients and clients that use the brokers on our Equity Broker Approved List, Banyan Partners will usually place orders for directed brokerage clients after it has placed orders for other clients.

It is important to understand that, as a registered investment adviser, we have a duty of best execution to our clients. Accordingly, we retain the right to decline your request for directed brokerage if, in our sole discretion, it would result in additional operational difficulties or violate restrictions imposed by other broker-dealers.

Trade Aggregation & Order Handling

As previously noted, we manage both customized portfolios and specialized strategies. Clients in our specialized strategies hold the same securities. Clients with customized portfolios may hold the same securities. We block or aggregate orders when buying and selling securities held in our specialized strategies. This results in one transaction where we distribute or allocate the shares to the respective clients' accounts. This practice may result in more favorable pricing

than would occur with individual trades. When securities are distributed to more than one client, the execution price will be the average of the price of these securities. This will result in the same trade price for all clients but there can be differences between accounts due to commission charges, which often are related to the number of shares allocated.

Securities purchased or sold in a block transaction are allocated pro rata, when possible, to the participating client accounts in proportion to the size of the order for their respective accounts. In all cases, we distribute the securities equitably across the accounts. If circumstances are such that it is impractical for us to allocate a small number of securities across accounts then we may allocate in a manner that we believe is fair to all clients.

Generally we place trades on a client-by-client basis for our customized portfolios unless we decide to purchase or sell the same securities for several clients at approximately the same time. In these instances we may, but are not obligated to, combine or “block” these orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably differences in prices and commission among our clients if the trades had been placed separately. Like our process with the specialized strategies, we average the price of the transaction and allocate the positions on a pro-rata basis across the participating clients’ accounts. Banyan does not receive any additional compensation as a result of aggregating or blocking trades.

Banyan does not have an affiliated broker-dealer. Accordingly we never purchase or sell securities for our clients on a “principal” basis. A principal trade, by definition, involves a broker-dealer buying or selling from its own inventory to clients. Additionally we do not engage in “agency cross” trades between clients, i.e., acting on behalf of our client as well as the party on the other side of the transaction.

Proprietary Strategy Directed

Security transactions in accounts that participate in one of Banyan’s proprietary equity strategies are aggregated together, by custodian. Each aggregated block receives the average price. Transactions are allocated pro-rata across client accounts in accordance with the pre-allocation of the blocked order in an attempt to ensure the same percentage allocation for each account. If an account cannot participate in a block trade for any reason (i.e. lack of available cash), the trading desk will notify the Client Advisor assigned to the account and the trade will be excluded from the block.

Balancing the Interests of Multiple Client Accounts

Banyan manages accounts for multiple clients who may invest and trade in the same securities. This means that clients may be competing for the same limited investment opportunities. It is our policy to allocate these opportunities in a manner that we believe to be fair to all clients over time. In allocating investments among clients, we consider such factors as:

- The investment goals of the clients;
- The amount of investable cash available to each client;
- Existing holdings of the same investment; and

- The riskiness of the investment in light of the clients' relative risk tolerance.

For purchases of less liquid publicly traded securities (such as certain small cap securities) or oversubscribed public offerings, it may not be feasible to allocate a transaction proportionately to all eligible clients, especially if clients' accounts vary greatly in size. Therefore, not all clients will necessarily participate to the same extent in all investment opportunities.

Even when client accounts have the same investment goals, Banyan may make different investment decisions for them, and the performance resulting from these decisions may differ. We will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible clients. The amount of a client's assets under our management or the amount of cash available for investment may affect what we buy and sell for client accounts.

Trade Errors

Although Banyan's goal is to execute trades seamlessly in the intended manner and consistent with its investment decisions, errors can occur for a variety of reasons. Banyan's policy in dealing with trade errors is to:

- Identify any errors in a timely manner.
- Correct all errors so that any affected account will be in the same position it would have been in had the error not occurred.
- Bear all costs associated with correcting an error (or obtain reimbursement from the broker, depending on who was at fault). The cost of taking corrective action will not be passed on to clients.
- Evaluate how the error occurred and whether any procedural change or continuing education is required. The consequences of, and corrective action required for, a trade error may vary depending upon the nature of the error or the affected account.

Item 13 – Review of Accounts

Banyan believes that ongoing client account reviews should be an integral part of our process and has implemented several processes conducted by different groups within our firm. These groups bring varying expertise to the process and help us maintain our high service standard.

Banyan's investment consultants manage the firm's client relationships and are responsible for clients' investment plans and positioning of accounts based on market conditions and risk tolerances. In addition, to our ongoing review of managed clients, the advisors annually review client portfolios to determine if the allocation is in line with stated objectives and is being managed in accordance with Banyan's stated strategy objective, policies and procedures. Banyan's Operations Team conducts a review of new account paperwork at the beginning of this relationship. This pre-review ensures that we have obtained all the appropriate documents such as trust documents, corporate resolutions, etc.

Banyan's Chief Investment Officer or Executive Vice President will also conduct a review of the services selected and their suitability based on the information provided in new account

documentation. At a minimum, accounts are reviewed by senior management on an annual basis to ensure that your current investments remain consistent with your stated objectives. Significant changes in the market, as well as any changes in your financial circumstances that you notify of us, can trigger a review of your investments. Furthermore, client accounts are reviewed when a major event or shift in market conditions are likely to impact holdings.

Our clients receive statements from their custodians detailing all transactions made on behalf of their accounts including: 1) contributions and withdrawals; 2) all fees and expenses charged to the accounts; and 3) the value of the accounts at both the beginning and the end of each reporting period. At a minimum, you will receive quarterly statements if there is absolutely no activity in your account. You will receive a monthly statement if there has been activity (activity includes receipt of a dividend, a deposit, withdrawal, etc.). Additionally, the custodian will produce a year-end summary and related tax reporting documents, as applicable.

Financial planning and consulting services clients are reviewed by our investment consultants on an “as needed” or pre-decided basis. We may provide these clients with summaries of our analyses and related conclusions as well as special reports that we mutually agree are necessary. We encourage our clients to discuss their needs, goals and objectives and keep us informed of any material changes.

Should you desire, you can have access to your account via your custodian's internet website. This on-line service is made available by the custodian, who controls access and maintains the necessary privacy protections.

Banyan Partners provides advisory clients standard quarterly reports containing pertinent information related to their managed assets and the services we are providing. Those reports may contain a listing of holdings, a summary of inflows and outflows, performance summary and asset allocation breakdown in addition to other relevant data.

Item 14 – Client Referrals and Other Compensation

Banyan Partners has relationships with four primary custodians, Fidelity Investments, TD Ameritrade, Charles Schwab and SEI. We are part of the Fidelity Wealth Advisor Solutions network and TD Ameritrade's AdvisorDirect program. Our participation in these programs allows us to receive client referrals from these firms. We do not share commissions with either of these custodians but this arrangement can pose a conflict of interest as we likely will continue to custody these clients at the respective referring firms.

Banyan participates in the Fidelity Wealth Advisor Solutions Program (the “WAS Program”), through which Banyan receives referrals from Strategic Advisers, Inc. (“SAI”), a registered investment adviser and subsidiary of FMR LLC, the parent company of Fidelity Investments. Banyan is independent and not affiliated with SAI or FMR LLC. SAI does not supervise or control Banyan, and SAI has no responsibility or oversight for Banyan's provision of investment management or other advisory services. The WAS Program is designed to help investors find an independent investment advisor, and any referral from SAI to Banyan does not

constitute a recommendation or endorsement by SAI of Banyan's particular investment management services or strategies.

Under the WAS Program, SAI acts as a solicitor for Banyan, and Banyan pays referral fees to SAI for each referral received based on Banyan's assets under management attributable to each client referred by SAI or members of each client's household. These referral fees are paid by Banyan and not the client. Banyan will not increase its fee to the client to cover the cost of the referral. As of November 2012, for a period of 7 years from the date the referral assets are funded at Banyan Partners, Banyan has agreed to pay SAI an amount equal to the sum of an annual percentage ranging from 0.10% - 0.25% of all assets held in such accounts. Fee is dependent on whether the referral was for fixed income or not and whether it was a legacy Banyan client or not.

To receive referrals from the WAS Program, Banyan must meet certain minimum participation criteria, but Banyan may have been selected for participation in the WAS Program as a result of its other business relationships with SAI and its affiliates, including Fidelity Brokerage Services, LLC ("FBS").

As a result of its participation in the WAS Program, Banyan may have a potential conflict of interest with respect to its decision to use certain affiliates of SAI, including FBS, for execution, custody and clearing for certain client accounts, and Banyan may have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to Banyan as part of the WAS Program. Under an agreement with SAI, Banyan has agreed that it will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to SAI as part of the WAS Program. Pursuant to these arrangements, Banyan has agreed not to solicit clients to transfer their brokerage accounts from affiliates of SAI or establish brokerage accounts at other custodians for referred clients other than when Banyan's fiduciary duties would so require; therefore, Banyan may have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of SAI. However, participation in the WAS Program does not limit Banyan's duty to select brokers on the basis of best execution.

Banyan also participates in TD Ameritrade's AdvisorDirect national referral program. Banyan pays TD Ameritrade 25% of the advisory fees that it receives from referred clients. Banyan's an independent investment advisor and is not affiliated with TD Ameritrade, nor does TD Ameritrade supervise or have responsibility to oversee Banyan's investment management or other advisory services. We have attached as Exhibit 1 at the end of this Brochure, a disclosure that is required by TD Ameritrade and provides additional details of these ancillary services. We encourage you to read this information and to contact us with any questions.

Banyan has a policy that allows us to accept clients referred by unaffiliated solicitors and to pay these solicitors a percentage of our fee without any additional charge to the client. This arrangement is not exclusive between Banyan and the solicitors and we may accept or reject any prospective client. We require each solicitor to disclose its relationship with us as well as our compensation arrangement to the client.

Item 15 – Custody

Banyan Partners does not maintain direct custody or possession of your funds or securities; they are held at an unaffiliated qualified custodian. Although we do not hold your assets, we are deemed to have custody for purposes of amended Rule 206(4)-2 of the Advisors Act due to client authorization to debit our management fees directly from their accounts. In limited circumstances, we do have custody over client assets where one of our associates has been named as a trustee of a trust account which we manage. Because of this relationship, we are required to submit to an annual surprise exam by a nonaffiliated CPA and file form ADV E

Clients contracting for discretionary investment services will receive trade confirmations and statements directly from the custodian. It is important that you carefully review your account statements as they will summarize your trading activity, withdrawals and deposits, dividend and interest payments and our withdrawal of fees (for accounts set up with automatic billing). Our automatic billing process is described in greater detail in Item 5 of this Brochure.

Item 16 – Investment Discretion

Banyan supervises and directs investments primarily on a discretionary basis for our clients. These activities include overseeing the appropriate mix of investments in various strategies based on the client's investment objectives, policies, restrictions and other instructions. Clients can impose restrictions that are reasonable and limited on their accounts. As described in our written discretionary investment management agreement, the scope of our authority varies and may include:

Determine specific securities to be bought or sold; Determine amount of these securities to be bought or sold; Select the custodian broker or dealer to be used; select external separate account managers and/or broker/dealers without advance approval; Have your account debited for our fees (with your written authorization)/

As a result of these responsibilities, we endeavor to:

Make reasonable investment recommendations that are independent of outside influences; Select broker-dealers/custodians based on their ability to provide best execution; Make recommendations based on a reasonable inquiry into our clients' respective investment objectives, financial situation and other relevant factors; and always place client interests ahead of our own.

Privacy Policy

Banyan has adopted a policy to protect the privacy and security of the personal information that we obtain about our clients. We also know that you expect us to service your account in an accurate and efficient manner. To do so, we must collect and maintain certain personal information. We believe that it is important that you know our policy.

What we collect: We collect certain nonpublic personal identifying information about you (such as your name, address, social security number, etc.) from the information that you provide on applications and other forms as well as communications (electronic, telephone, written or in person) with you or your authorized representatives (such as your attorney, accountant, etc.). We also collect information about your brokerage accounts and transactions (purchases, sales, account balances, inquiries, etc.).

What information we disclose: We do not disclose the nonpublic personal information we collect about you to anyone except: (i) in the furtherance of our business relationship with you and then only to those persons necessary to effect the transactions and provide the services that you authorize (such as broker-dealers, custodians, independent managers, etc.); (ii) to persons accessing our compliance with industry standards (e.g., professional licensing authorities, etc.); (iii) our attorneys, accountants, and auditors; and (iv) as otherwise provided by law.

We are permitted by law to disclose the nonpublic personal information about you to governmental agencies and other third parties in certain circumstances (such as third parties that perform administrative or marketing services on our behalf or for joint marketing programs). These third parties are prohibited to use or share this information for any other purpose. If you decide at some point to either terminate our services or become an inactive client, we will continue to adhere to our privacy policy, as may be amended from time to time.

Security of your information: We restrict access to your nonpublic personal information to those employees who need to know that information to service your account. We maintain physical, electronic and procedural safeguards that comply with applicable federal and state standards to protect your nonpublic personal information.

Our policy about obtaining and disclosing information may change from time to time. We will provide you notice of any material change before it is implemented.

We will mail you an updated copy of our policy on an annual basis. You may, however, request a copy at any time via the contact information provided on the cover of this Brochure.

Item 17 – Voting Client Securities (i.e., Proxy Voting)

Unless otherwise agreed upon in writing, Banyan Partners does not accept authority for voting client securities (proxy voting).

We maintain records relating to proxy voting for clients of former acquisitions including: (1) a copy of the related policies and procedures; (2) proxy statements received regarding client securities, which were satisfied by relying on the third party vendor contracted to provide voting services, (3) a record of each vote cast, which the third party vendor maintains on our behalf; and (4) each written client request for proxy voting records and our written response.

For those clients where proxy voting exist, Banyan will be responsible for the voting of all proxies related to securities that we manage on behalf of our clients. We use a third party proxy

voting service, Risk Metrics Group, to vote client proxies in accordance with one of its two adopted standard proxy voting guidelines. We typically have our proxy voting service vote all proxies in accordance with the Standard ISS Governance Services – U.S. Proxy Voting Policy Guidelines.

Banyan may, but is not required to, authorize external separate account managers to vote any proxies relating to the sub-advised assets in accordance with the external separate account manager's proxy voting policy.

Conflicts can arise when Banyan, an external separate account manager, any of their affiliates, or any of their employees has any financial, business or personal relationship with the issuer of a proxy proposal for a security held in a client's account. To avoid potential conflicts of interest, Banyan votes proxies in accordance with one of our predetermined guidelines. In limited situations, we may consider voting under our own initiative for a particular issue, if we believe that it is in the best interest of the client. Before we reclaim proxy voting authority from Risk Metrics, we will determine and confirm that no potential conflict of interest exists

A client may obtain the following information by submitting a request to Banyan Partners, LLC, Attn: Chief Compliance Officer, 11376 N. Jog Rd, Suite 101, Palm Beach Gardens, FL 33418 or by telephone at 561-630-4600.

- A copy of the Standard ISS Proxy Voting Manuals, which detail the policies and procedures for casting proxy votes.
- Information about how the client's proxies were voted.

If a client prefers to vote proxies for securities in the client's account, the client should contact a Client Advisor to make the appropriate arrangements.

Class Action Suits

Banyan ordinarily will not advise or act on behalf of clients in any legal proceedings, including bankruptcies or securities shareholder class action litigation involving securities held or previously held in client accounts. We will not be responsible for responding to or forwarding to clients any class action settlement offers relating to securities currently or previously held in client accounts. Separate account managers selected by us are not required to, but may, participate in class action settlements on behalf of clients for the assets under their management.

Banyan will not advise or act for the client in legal proceedings, including class actions or bankruptcies, involving securities purchased for or held in the client's account. The client (or client's agent) will have the responsibility for class actions or bankruptcies, involving securities purchased for or held in the client's account.

Item 18 – Financial Information

In certain instances SEC registered advisors are required to provide financial information. These situations involve arrangements where clients are required to pre-pay fees of \$1,200 or more, six (6) months in advance. As described in Item 5 of this Brochure, we bill for each quarter in advance and will rebate fees for the remainder of the subject period in the event our advisory agreement is cancelled. Accordingly, we are not required to provide financial

data. Banyan Partners is not subject to any financial condition that is reasonably likely to impair its ability to meet its contractual obligations to clients.

Exhibit 1 – TD Ameritrade Disclosure Statement

Banyan Partners participates in TD Ameritrade's AdvisorDirect program. A requirement to participate is providing you with the below disclosure. Please read this information carefully and also refer to Items 12 and 14 of this Brochure for additional information.

Part 2A Brochure, Item 12, Brokerage Practices

Banyan participates in the institutional adviser program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional¹ is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Banyan receives some benefits from TD Ameritrade through its participation in the Program. (Please see the disclosure under Item 14. below.)

Part 2A Brochure, Item 14, Client Referrals and Other Compensation

As disclosed under Item 12, Banyan participates in TD Ameritrade's institutional customer program and Banyan may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Banyan's participation in the program and the investment advice it gives to its Clients, although Banyan receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Banyan participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Banyan by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Banyan's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Banyan but may not benefit its Client accounts. These products or services may assist Banyan in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Banyan manage and further develop its business enterprise. The benefits received by Banyan or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Banyan endeavors at all times to put the interests of its clients first.

¹TD Ameritrade Institutional, Division of TD Ameritrade, Inc., member FINRA/SIPC/NFA. TD Ameritrade is a trademark jointly owned by TD Ameritrade IP Company, Inc. and The Toronto-Dominion Bank. © 2011 TD Ameritrade IP Company, Inc. All rights reserved. Used with permission.

Clients should be aware, however, that the receipt of economic benefits by Banyan or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Banyan's choice of TD Ameritrade for custody and brokerage services.

Part 2A Brochure, Item 14, Client Referrals and Other Compensation

Banyan may receive client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, Banyan may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with Banyan and there is no employee or agency relationship between them. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise Banyan and has no responsibility for Banyan's management of client portfolios or Banyan's other advice or services. Banyan pays TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to Banyan ("Solicitation Fee"). Banyan will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by Banyan from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired Banyan on the recommendation of such referred client. Banyan will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

Banyan's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, Banyan may have an incentive to recommend to clients that the assets under management by Banyan be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, Banyan has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. Banyan's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.