Lotus US Equity

ETF-BASED ▪ DEFENSIVE ▪ LOWER VOLATILITY ▪ SECTOR ROTATION

Portfolio Summary

Investment Objective
Long-term growth

Risk Tolerance
Moderate

Benchmark
S&P 500 Total Return

Recommended Holding Period
Three to five years

Portfolio Composition
U.S. sector-specific exchange traded funds (ETFs) and a cash equivalent ETF

Minimum Initial Investment
$500,000

Annual Management Fee
1.50%

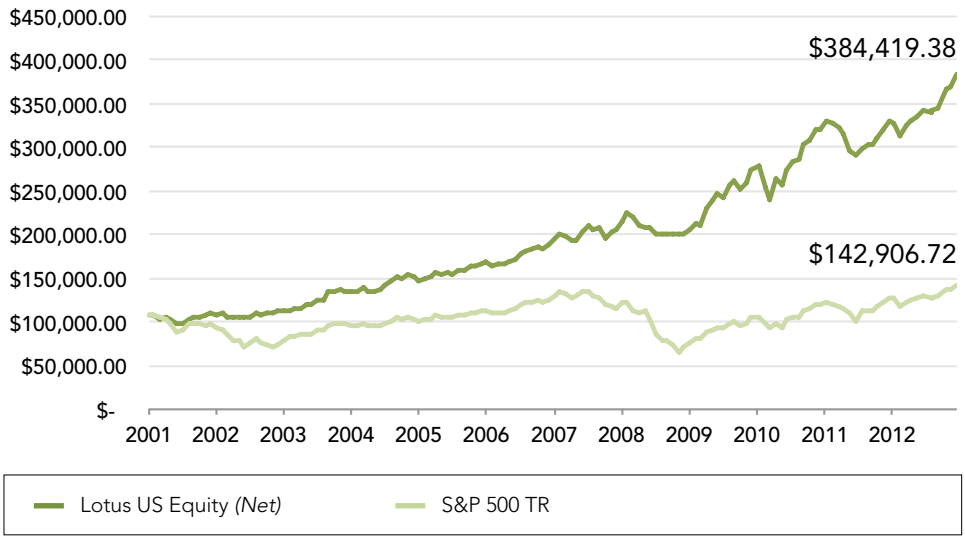
An ETF-based tactical investment strategy designed to achieve consistent, repeatable returns by avoiding significant losses.

Key Features

- Diversification across nine major sectors of the US stock market.
- Seeks to invest in sectors that are expected to outperform and avoid sectors that are expected to underperform.
- Ability to move to 100% "cash" in a severe downturn using a cash equivalent short-term Treasury ETF.
- Low volatility and less severe draw downs (change from peak to trough) relative to benchmark.
- Seeks long-term outperformance — participates in rising markets with the potential to outperform in down markets.
- Responds tactically in times of increased volatility; lets investments participate in stable markets.
- Reacts weekly to changing market conditions.
- Actively managed to avoid downside risks.
- No shorting, leverage, derivatives, or margin.
- Suitable strategy for most investors.

Growth of $100,000 Since Inception

April 2001 – March 31, 2013



Performance*

Performance Results as of 3/31/13

	Lotus US Equity *(Net)*	S&P 500 Total Return
Cumulative Return	284.42%	71.03%
YTD Return	11.13%	10.61%
1-Year Return	16.79%	13.95%
3-Year Return *(Annualized)*	11.98%	12.67%
5-Year Return *(Annualized)*	13.42%	5.81%
10-Year Return *(Annualized)*	13.01%	8.53%
Standard Deviation	10.44%	15.59%
Maximum Drawdown	-13.39%	-50.95%
Up Capture Ratio	85.61%	N/A
Down Capture Ratio	38.40%	N/A

Yearly Returns as of 3/31/13

	Lotus US Equity *(Net)*	S&P 500 Total Return	Plus/Minus Benchmark Return
3/31/13	11.13%	10.61%	0.52%
2012	13.81%	15.99%	-2.18%
2011	0.16%	2.11%	-1.95%
2010	15.99%	15.06%	0.92%
2009	30.39%	26.46%	3.92%
2008	-3.33%	-37.00%	33.66%
2007	13.27%	5.49%	7.78%
2006	14.97%	15.79%	-0.82%
2005	5.28%	4.91%	0.37%
2004	13.19%	10.88%	2.31%
2003	22.99%	28.68%	-5.70%

* See important disclaimers and disclosures.

About Banyan Partners

At over $1.2 billion in assets under management and growing, Banyan Partners has been recognized by *Barron's*, *InvestmentNews*, *Financial Advisor*, *Financial Planning*, and *REP.* magazines as one of the top independent registered investment advisors in the nation, and our Chief Market Strategist is regularly featured by major financial media such as CNBC and Fox Business.

We provide comprehensive wealth management, including custom-built portfolios and specialty strategies, for high net worth individuals, families, trusts and organizations. With seven offices in key financial regions — New York, Boston, Atlanta, Naples, Miami, Dallas/Fort Worth, and our headquarters in Palm Beach Gardens, Fla. — our relationship managers and portfolio managers are available to meet with clients nationwide.

We are driven by our opportunistic investment philosophy and commitment to delivering exceptional returns for our clients in all market conditions.

MarketWatch

THE WALL STREET JOURNAL.

CNBC

YAHOO! FINANCE

FOX BUSINESS

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Investment Vehicles

Lotus US Equity offers exposure to the nine major sectors of the US stock market: Consumer Discretionary, Consumer Staples, Energy, Financials, Health Care, Industrials, Materials, Technology, and Utilities through the use of low-cost exchange traded funds (ETFs) from the SPDR and iShares fund families. Lotus US Equity also uses a short-term Treasury ETF (SHV) as a cash equivalent.

US Equity:



Investment Process

Lotus US Equity's goal is to be IN the sectors that are performing and OUT of the sectors or in "cash" when underperforming. The strategy is based on a quantitative algorithm that delivers signals on when to eliminate or include a sector from the portfolio or move to a cash equivalent.

Each week, the quantitative model evaluates the nine US sectors and predicts which sector has a higher probability of producing a positive or negative return. In other words, it asks the question: What are the chances that a given sector is going to outperform cash?

- If the analysis shows a particular ETF is going to outperform Treasuries, it remains in the portfolio.
- If the analysis shows a particular ETF is going to underperform Treasuries, it is eliminated entirely from the portfolio.

ETFs are always equally weighted with a maximum 25% weighting across ETFs at time of rebalancing. For example:

- When all nine sectors are in the portfolio, each has an 11.1% allocation.
- If the portfolio draws down to four ETFs, each is weighted at 25%.
- If the portfolio draws down to three ETFs, Lotus begins to add a cash position. Each ETF is weighted at 25% and the other 25% is allocated to a cash equivalent ETF.
- At two ETFs, the portfolio holds 50% cash. At one, 75% cash, and when the analysis suggests that no sector will outperform cash, the strategy holds a 100% cash equivalent position.

Number of ETFs	Sector Weighting	Cash Weighting
9	11.10%	0%
8	12.50%	0%
7	14.30%	0%
6	16.70%	0%
5	20%	0%
4	25%	0%
Lotus starts building cash		
3	25%	25%
2	25%	50%
1	25%	75%
0	0%	100%

Important Disclaimers and Disclosures

Lotus US Equity (the "Strategy"), offered by Banyan Partners, LLC (the "Adviser"), seeks to track the AlphaSector™ Premium Index ("Index"), owned and published by F-Squared Investments, Inc. ("F-Squared"). The AlphaSector™ Premium Index ("Index") is derived through a quantitative approach that evaluates 10 exchange traded funds ("ETFs") — nine which are sector-based and one which represents short-term US Treasury securities. The Index produces a weekly protocol to either invest in a combination of the nine sector ETFs, a combination of the sector ETFs and the short-term Treasury ETF, or it can be 100% invested in the short-term Treasury ETF. Note that it is not possible to invest directly in an index including the AlphaSector Index. In addition, effective June 15, 2012, four SSgA Sector SPDR ETFs in the US Equity sleeve will transition to four sector iShares ETFs as the sectors are "turned off" and "turned on" during the natural trading windows for the affected ETFs. XLF (Financials) will be replaced with IYF; XLV (Healthcare) with IYH; XLK (Technology) with IYW; and XLU (Utilities) with IDU. New accounts will continue investing in the sector SPDR ETFs until the sector is "turned off" and "turned on" as described above. Note that **it is not possible to invest directly in an index** including the AlphaSector Index.

AlphaSector is a service mark of F-Squared, and is not affiliated with the Strategy or the Adviser. The Adviser has entered into a Model Manager Agreement with F-Squared for its analysis and weekly trading instructions reflecting any changes made to the Index holdings and weightings. The Strategy, while based on the Index, is not sponsored by F-Squared. Further F-Squared does not make any representation to the advisability of investing in the Strategy.

There is no guarantee that the Strategy managed by the Adviser will be successful in achieving returns similar to the AlphaSector Indices noted above and client returns will be lower than Index returns due to management fees, brokerage commissions and transaction costs, or other administrative fees and expenses. The results portrayed reflect the reinvestment of dividends and other income. Index returns cited show past performance and are not indicative of future returns and there are no guarantees that the Strategy will achieve its objectives.

Hypothetical Performance

The returns presented reflect hypothetical performance an investor would have obtained had it invested in the manner shown and do not represent returns that an investor actually attained. There are inherent limitations to hypothetical back-tested performance including: Results are based on a model-portfolio and show pro-forma performance. In general, back-tested results are also subject to the fact that they have been prepared with the benefit of hindsight and reflect certain assumptions. The returns presented are based on an active strategy with an inception date of April 1, 2001.

Potential investors in the Strategy should recognize the inherent limitations with theoretical and hypothetical results as presented. It is not possible to invest in an Index and no real money has been invested in the Index. The results presented herein for the Index do not represent actual funded trades and may not reflect prices paid or received for actual funded trades.

Additional disclosures related to hypothetical results presented in charts and graphs herewith must also be considered when reviewing the performance figures cited. Illustrated historical results for the Strategy do not indicate future performance. Performance results are from an Index, not an actually funded portfolio and may not reflect the impact of material economic and market factors which could have influenced the Adviser's investment decisions if the Adviser were actually managing client's money. As such the returns may be greater than what a potential investor would have experienced over the same time frame.

Net returns portrayed for Lotus US Equity are also based on hypothetical results of the Index cited, however, they do include investment advisory fees paid to the Adviser equal to 1.50% annually but do not include transaction costs, brokerage commissions or other expenses that a client may pay. Fees may vary depending on the account size and estimated trading costs will be a greater percentage for smaller accounts. ETFs invested in the model portfolios have their own expenses that are included in the returns presented.

All investments carry risk and have the potential for partial or complete loss. The results of the Index were obtained during a period that included both improving and deteriorating economic and financial market conditions in the US. There is no assurance that favorable market conditions will occur again in the future.

In addition, the results identified herein for the Index do not represent all of the advisory services currently offered by the Adviser. The securities on which the Index is based do not reflect all of the securities which may be purchased, sold or recommended for client accounts. The Adviser may have positions in the securities mentioned and may purchase and sell such securities without notice.

The information provided herein is for informational purposes only and Banyan Partners (the "Adviser") did not calculate the statistical information included for the AlphaSector Index. F-Squared is the source for all performance data related to the AlphaSector Indexes cited in this report. Information contained herein is believed to be reliable although Banyan Partners (the "Adviser") does not guarantee its accuracy or completeness.

Benchmark

The benchmark for this strategy is the S&P 500® Index. The S&P 500® Index is a capitalization-weighted index that consists of 500 large-cap US stocks, which assumes the reinvestment of dividends and capital gains, and excludes management fees, transactions costs and expenses. Because the S&P 500 Index is the most widely recognized index of equity prices and commonly used benchmark for investors, it is believed to be an appropriate broad-based securities market index against which to compare the model's long-term performance. It is not possible to invest in an index. Index return data source: Bloomberg.

We believe this an appropriate index against which to compare the AlphaSector Premium Index's long-term hypothetical performance. Depending on market conditions, the Index may vary its exposure to the sectors. As a result, the Index's returns may differ from the performance of the broad-market indexes, particularly over the short term. Other important differences between the index, relative to the Strategy are that an investment in the Strategy may reflect 1) material management fees, 2) concentrated investments in relatively few ETFs, sectors or asset classes, 3) additional costs for transactions and brokerage commissions due to the potential for significant trading activity, 4) be significantly more or less volatile than the indexes.

Historical performance results for investment indices have been provided for general comparison purposes only.

Past performance is no guarantee of future results. For additional information about the Strategy, the Adviser, Banyan Partners, LLC, our fees and services, please read the firm's ADV Part II before investing by visiting our website: www.BanyanPartners.net or by calling us at 1-800-422-6172.