Private
Advisor Group

Part 2A – Brochure

Private Advisor Group, LLC

SEC File Number 801–72060

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This brochure ("Brochure") provides information about the qualifications and business practices of Private Advisor Group, LLC. If you have any questions about the contents of this Brochure, please contact us at (973) 538-7010 or **riacompliance@privateadvisorgroup.com**. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Private Advisor Group, LLC also is available on the SEC's website at **www.adviserinfo.sec.gov**.

Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

When a registered investment adviser provides investment advisory services, it is a fiduciary under the Investment Advisers Act of 1940 ("Advisers Act") and has a duty to pursue its clients' best interest and to make full and fair disclosure to its clients of all material facts and conflicts of interest. The purpose of our disclosure documents is to disclose those material facts and conflicts of interest.

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Item 2: Material Changes

This section describes all material changes to this Brochure since its last annual update filed on March 31, 2026:

- While not material, this Brochure contains several changes in order to enhance readability and accessibility of information about the Firm's investment advisory services.

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Item 4: Advisory Business

Private Advisor Group, LLC ("PAG" or the "Firm") is a limited liability company formed on September 2, 2010 in the State of New Jersey. The Firm became registered as an investment adviser firm with the U.S. Securities and Exchange Commission ("SEC") in January 2011. The Firm is principally owned by PAG Holdings, LLC which is owned by PAG Partnership Holdco, LLC. PAG Partnership Holdco, LLC is principally owned by PAG Legacy Partners, LLC, and by Merchant Wealth Management Holdings 2, LLC, and LPL Capital Partners, Inc. PAG Legacy Partners, LLC is principally owned by Patrick J. Sullivan, John Hyland, RJ Moore, James Perhacs, James D. Sullivan and Frank Smith. PAG Holdings, LLC is the Firm's Managing Member.

LPL Capital Partners, Inc. is an affiliate of LPL Financial LLC ("LPL") and its ownership in the Firm's indirect parent company presents a conflict of interest through which the Firm could be incentivized to direct more of its business to LPL. The Firm mitigates this conflict through its best execution reviews, due diligence, and independent structure whereby its investment adviser representatives are able to select from a number of custodial options.

A. Investment Advisory Services

The Firm and its investment adviser representatives ("IARs") offer a variety of discretionary and/or non-discretionary investment advisory services on a wrap or non-wrap fee basis. This Brochure describes the advisory programs and advisory services offered by the Firm on a non-wrap fee basis.

IAR Advisory Services

When providing investment services, PAG acts as a fiduciary and has a duty to advise the Client as a prudent person would in accordance with the Client's investment objectives and risk tolerance, and to pursue the Client's best interests. As discussed below, the Firm offers to its clients (individuals, business entities, trusts, estates and charitable organizations, etc.):

- Investment advisory services, which can be provided on a discretionary or nondiscretionary basis. Discretionary advisory services are available on a wrap and non-wrap-free basis;
- Retirement plan consulting; and
- Financial planning and related consulting services.

The Firm works to provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an IAR discusses the client's particular investment objectives and risk tolerances. The IAR (under the Firm's supervision) will assess the information provided by the client to determine which advisory programs or advisory services offered through the Firm, if any, are appropriate to recommend. The Firm's advisory programs and services differ in that the Firm and its IARs participate in varying capacities, whether as portfolio manager, adviser, co-adviser, or solicitor, depending on the program and the needs of or direction provided by its clients. Any custodian or additional adviser involved in providing advice does so in varying capacities as well, including sub-adviser, co-adviser, strategist or other advisory role. In addition, not all programs or services available through the Firm are available through all of the Firm's IARs. Clients should discuss with their IAR what type of relationship and advice they seek from the Firm, the programs and services available through their IAR, paying particular attention to what programs are appropriate for their investment objectives and risk tolerances and, if anyone other than the Firm is providing investment advice, in what capacity each party is acting Clients select a portfolio manager with the help of their IAR. Clients

can select either (1) their IAR to act as their portfolio manager, (2) another person or entity to act as their portfolio manager from among the programs available through the Firm, or (3) the WealthSuite program offered by the Firm where PAG acts as portfolio manager. Clients may select more than one portfolio manager and assign different assets to each portfolio manager. Regardless of the portfolio manager selected, the IAR will serve as the communication channel for the client and the Firm will supervise the relationship. Where the client selects WealthSuite as portfolio manager, the Firm's WealthSuite Investment Committee acts as supervisor.

Clients can at any time impose certain restrictions in writing on the Firm's services. Each client is advised that it remains his or her responsibility to promptly notify the Firm if there is ever any change in his or her financial situation or investment objectives, so the Firm and its IARs can review and revise PAG's previous recommendations and services. The Firm and its IARs will maintain channels of communication with clients to be available to discuss clients' investments, investment objectives and risk tolerances. To the extent the Firm utilizes a third-party manager, the Firm shall provide the third-party manager with each client's particular investment objective and risk tolerance. Any changes in the client's financial situation or investment objectives reported by the client to the Firm shall be communicated to the third-party manager within a reasonable period of time.

If the Firm becomes aware that any activity described in this Brochure is no longer permitted under any relevant law, the Firm will cease engaging in such activity.

WealthSuite

WealthSuite is a separately managed account program offered by the Firm, where the Firm acts as the portfolio manager. WealthSuite is supported by the technology platforms developed and maintained by Orion Advisor Solutions, Inc., Orion Advisor Technology, LLC, and/or Orion Portfolio Solutions, LLC (collectively, "Orion"). WealthSuite portfolio offerings leverage the advice and expertise of the following strategists (the "Strategists") provided to the Firm in the form of model portfolios:

1. Fidelity Institutional Wealth Adviser LLC (Fidelity Institutional Wealth Adviser LLC is an indirect, wholly owned subsidiary of FMR LLC. As listed below, another division of FMR LLC acts as one of the custodians for WealthSuite.),
2. BlackRock Fund Advisors,
3. Invesco Distributors, Inc.,
4. WisdomTree Asset Management, Inc.,
5. First Trust Advisors, L.P.,
6. State Street Global,
7. LoCorr Funds,
8. Capital Group,
9. Franklin Templeton,
10. Orion, and
11. Goldman Sachs.

WealthSuite portfolios are currently available through the following custodians: LPL, Fidelity Brokerage Services LLC, and Charles Schwab & Co., Inc. Clients may access WealthSuite in either wrap or non-wrap fee accounts.

IARs using WealthSuite for their clients are assessed a program fee by the Firm, which decreases as the amount of client assets managed by the IAR in WealthSuite increase. This creates a conflict of interest for the IAR to recommend WealthSuite to his or her clients in order to decrease the cost of the program fee to the IAR.

WealthSuite is a proprietary program of the Firm. As a result, PAG receives a higher percentage of the revenue from WealthSuite than it would with most other portfolio management programs, such as the ones managed or sponsored by others (including the Custodian Programs or TAMPs). Generally, IARs (as opposed to the Firm) are primarily responsible for assisting clients on the selection of the WealthSuite product, as opposed to a non-proprietary program. IARs are primarily responsible for this type of decision regardless of whether the client selects WealthSuite or a non-PAG program. The conflict of interest arising from the fact that WealthSuite is a proprietary product of the Firm is mitigated because the IAR (as opposed to PAG) selects the program, as well as the fact that IARs do not directly receive a portion of the revenue that the Firm receives from WealthSuite. Furthermore, WealthSuite has lower asset management fees than certain Custodian Programs or TAMPs. As a result, clients investing in non-WealthSuite products usually pay higher asset management fees. Additionally, a conflict of interest arises from Fidelity, BlackRock, WisdomTree, First Trust, State Street Global Advisors and LoCorr Funds payments to the Firm of a share of revenue, pursuant to each of their agreements to provide model portfolios to the Firm that the Firm leverages as part of WealthSuite. In turn, PAG uses the payments to offset the cost of the technology platform (maintained by Orion) that allows the delivery of WealthSuite to clients, as well as to IARs to use with clients. There can be differences in the mutual fund share classes available through different custodians, though PAG requires that WealthSuite strategists select the lowest cost share classes available.

As noted above, the relationships with Fidelity, BlackRock, WisdomTree, First Trust, State Street Global Advisors and LoCorr Funds present a conflict of interest in connection with the Fidelity, BlackRock, Invesco, WisdomTree, First Trust, State Street Global Advisors and LoCorr Funds payments to the Firm of a share of revenue. A similar conflict of interest also arises in connection with Invesco, which also makes a payment to the Firm of a share of revenue. However, pursuant to the agreement between the Firm and Invesco to provide model portfolios to the FIrm, Invesco begins to make the payment of a share of revenue to the Firm only when the WealthSuite portfolios holds a certain threshold of shares of Invesco no-load mutual funds and ETFs. This threshold is calculated based on the annual rate of the net asset value of these shares (no-load mutual funds and ETFs) and is calculated as a total of assets across WealthSuite portfolios (not on a per-portfolio basis). PAG uses any share of revenue from its relationship with Invesco to offset the cost of the technology platform (maintained by Orion) that allows the delivery of WealthSuite to clients, as well as to IARs to use with clients.

Wrap Fee Advisory Programs

The Firm is a wrap fee program sponsor and participates in wrap fee programs sponsored by other firms. In a wrap fee account, a client is charged a single bundled fee as a percentage of the assets managed in the wrap fee program that can include advisory fees, transaction fees, and other expenses related to the wrap fee program.

The Firm offers advisory programs and advisory services on a wrap fee basis through: (1) the Private Advisor Group Wrap Program (the "Program") or (2) through a variety of managed portfolios or other advisory programs available through the Firm's custodians ("Custodian Programs", also referred to as "Third Party Advisory Programs"). The Firm also provides access to TAMPs (turnkey or third-party asset management programs) to its

clients on wrap fee basis. The Firm's wrap fee programs are described in detail in PAG's Wrap Brochure (see below for a description of each). Each client will be provided with a copy of the appropriate brochure before or at the time of the client entering into any such advisory program, which provide detailed information, disclosures, and potential conflicts of interest related to each wrap fee program offered through The Firm.

- **PAG Wrap Fee Brochure (the "Wrap Brochure"):** Through the Program, the Firm's IARs advise clients on their account assets on a wrap fee basis. In addition to the Program, the Firm offers the Custodian Programs and TAMPs on a wrap fee basis. Each of these wrap fee programs are further described in the Wrap Brochure, a copy of which you may obtain at **privateadvisorgroup.com/pag-disclosure-documents** or by contacting your IAR.

The Firm also offers clients access to wrap fee programs by other firms for which the Firm is neither a sponsor nor compensated by the sponsor.

- **Managed Account Solutions by SEI ("MAS"):** Through our relationship with SEI Investment Management Corp. ("SIMC"), The Firm offers MAS, a wrap fee program sponsored by SIMC. The Firm's advisory fee is separate from the wrap fee charged by SIMC for MAS. Under MAS, the client enters into a tri-party investment management agreement ("Managed Account Agreement"), which explains each party's responsibilities and provides for the management of client assets allocated to MAS in accordance with the terms of the Managed Account Agreement. Through this agreement, the client appoints the Firm as their investment adviser to assist the client in selecting an appropriate investment strategy for their portfolio. In MAS, clients pay a bundled wrap fee to SIMC for its advisory services, the trade execution provided by SIMC's affiliate SEI Investments Distribution Co. ("SIDCO"), a registered broker-dealer. The Firm's fee for its advisory services is separate from the fees charged to the client by SIMC, and SIMC does not establish, review or approve the Firm's fee (see Item 5 for more details on the Firm's fee). For additional detail on MAS, clients should review the current SIMC Wrap Fee Program Brochure: Managed Account Solutions – Independent Advisor Solutions by SEI (available at **adviserinfo.sec.gov/firm/brochure/105146**), and any agreements or other disclosure documents provided to client in connection with MAS.

IAR-Managed Program Wrap Accounts and Non-wrap Accounts

There is no significant difference between how the Firm's IARs manage wrap fee accounts and IAR-managed non-wrap fee accounts. However, as stated above, if a client determines to engage PAG on a wrap fee basis the client will pay a single fee for investment management and most transaction fees. The services included in a wrap fee agreement will depend upon each client's particular need. If the client determines to engage The Firm on a non-wrap fee basis the client will select individual services on an unbundled basis, paying for each service separately.

> **Note:** When managing a client's Program account on a wrap fee basis, the Firm shall receive, as payment for its investment advisory services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted. This presents a potential conflict of interest in that the Firm has a potential disincentive to trade securities in the client account. In addition, the amount of compensation received by the Firm as a result of the client's participation in the Program may be more than what the Firm would receive if the client paid separately for investment management and transaction fees.

Financial Planning and Consulting Services

To the extent requested by a client, the Firm can provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. PAG's planning and consulting fees are negotiable and depend upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

Prior to engaging the Firm to provide planning or consulting services, clients are generally required to enter into a Financial Planning and Consulting Agreement with PAG setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to PAG commencing services. If requested by the client, PAG recommends the services of other professionals for implementation purposes, including the Firm's IARs in their individual capacities as registered representatives of LPL and as licensed insurance agents. (See disclosures in Item 10). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Firm.

Discretion on Held-away Assets

When requested by a client, the Firm can provide discretionary investment management and periodic monitoring by leveraging the order management system provided by Pontera Solutions Inc. with respect to certain accounts (primarily 401(k) participant accounts, health savings accounts and other assets identified by the client) held with custodians other than those referenced in Item 12 ("Held-Away Management Services"). In such instances, the Firm will regularly review the available investment options in these accounts, monitor them, and rebalance and implement its strategies as necessary in the same manner as if such accounts were held with a custodian referenced in Item 12.

Clients contract directly with Pontera and should carefully review its terms of service. Further, clients should be aware that Pontera may or may not have a relationship with the custodian or recordkeeper of the clients' held-away assets.

American Funds 529-F-2 Direct-at-fund Program

The Firm has entered into an agreement with American Funds Service Company ("AFS") through which it makes available to clients the 529-F-2 Direct-at-Fund program. The program is a non-discretionary, fee-based program that facilitates investments into American Funds' 529-F-2 share class offerings directly held at the American Funds. AFS serves as the transfer agent for the program, and provides quarterly statements with automated fee-debiting. Shares in this class do not have upfront or a contingent deferred sales charges and do not carry a 12b-1 fee but may have slightly higher administrative costs than other share classes. Clients in this program should consult the fund's prospectus to have a better understanding of the costs and expenses of the specific mutual fund, including the expenses of the 529-F-2 share class.

Annuity Allocation Services

Clients may grant the Firm discretion to: (a) select investment strategy allocations for clients' existing or new variable annuity and fee-based variable annuity products; and (b) allocate among the investment strategy allocations available from the specific annuity sponsor (collectively (a) and (b) are referred to as the "Annuity Allocation Services"). In performing Annuity Allocation Services, the Firm will only consider the sub-account options available within the specific annuity purchased by the client.

If an annuity was purchased with retirement account assets, the client acknowledges that PAG did not exercise discretionary control with respect to the purchase of the annuity. The Firm's Annuity Allocation Services are limited to the ongoing management of investment allocations within the existing annuity contract.

Any changes in the client's annuity investments (re-allocations among investment strategy allocations) are subject to the terms and conditions imposed by the applicable annuity sponsor, including any limitations on the frequency of transfers, waiting periods, or restrictions on specific sub-account options.

The assets invested in any annuity product for which the Firm is providing Annuity Allocation Services are included in the total assets on which the Firm's advisory fee is calculated. The Firm's advisory fee is separate from, and in addition to, the management fees and expenses charged on a continuing basis by the annuity sponsor, insurance company, and/or associated investment manager. Clients should understand that these layered fees reduce the overall return on the annuity investment and should consider the cumulative cost of the advisory fee, mortality and expense charges, sub-account management fees, and any rider costs when evaluating whether Annuity Allocation Services are appropriate for their circumstances.

Certain insurance companies provide advisory annuities whereby the insurance company will deduct the advisory fee directly from the client's annuity. Any advisory fee disbursement will impact any applicable living benefit feature and will reduce the cash surrender value of the annuity contract and the net death benefit payable under the contract. Clients should verify with their IAR whether the insurance company has been granted a Private Letter Ruling from the Internal Revenue Service that allows advisory fee disbursements on variable annuity and registered index-linked non-qualified contracts to not be considered distributions for federal income tax purposes, provided they do not exceed an amount equal to an annual rate of 1.5% of the contract's value. Advisory fee disbursements from nonqualified multi-year guaranteed contracts are considered distributions and may be taxable to the client who owns the contract.

Generally, advisory fee disbursements are partial withdrawals under the terms of the contract, and the amount of the advisory fee disbursement is included in the calculation of the free partial withdrawal amount permitted each year without surrender charges. However, clients should refer to their annuity contract for specific details regarding withdrawal provisions, surrender charges, and the impact of fee disbursements on contract benefits.

Annuities have inherent risks, will fluctuate in value, may incur losses based on the performance of selected investments or investment strategy allocations, are suitable only as long-term investments, and should not be viewed as short-term trading vehicles. Clients should carefully review the prospectus and other offering documents for more information on annuities.

Fee-based variable annuities, due to their unique nature, must be maintained directly with the variable annuity sponsor. Neither the IAR nor the Firm creates or forwards client account statements or confirmations relating to variable annuities. This responsibility remains exclusively with the variable annuity sponsor. All subaccount reallocations are directed to and executed at the variable annuity sponsor. Clients should discuss the benefits, risks, and other disadvantages of fee-based variable annuities with their IARs.

Annuity Allocation Services are available only through the Firm's approved annuity platforms. For IAR-Only Advisors, approved platforms currently include DPL, Lincoln Financial, and Nationwide. Dually Registered Persons

must follow LPL's annuity order-entry and supervisory procedures for annuity transactions conducted through LPL.

Alternative Investments

Through an arrangement with CAIS Capital, LLC and Capital Integration Systems LLC (collectively, "CAIS"), the Firm makes available to eligible clients access to alternative investment offerings, including private equity funds, private credit funds, hedge funds, and other privately offered investment vehicles. CAIS conducts initial and ongoing due diligence (both investment and operational) on the offerings made available through its platform.

Alternative investments involve substantial risks that differ from traditional investments, including limited liquidity, restrictions on transferability, complex tax considerations, limited regulatory oversight, and potential loss of principal. Clients must meet applicable accredited investor, qualified client, or qualified purchaser standards in order to invest, as set forth in the offering documents for each investment. Each client is required to review and execute the relevant subscription documents and offering materials, which contain a detailed description of the investment, its fees, its risks, and the qualifications required to invest.

Alternative investments held in client accounts are typically valued based on information received from the issuer, fund manager, or third-party administrator, which valuations are generally received on a delayed basis (often a month or more following the valuation date). The Firm relies on these valuations for purposes of calculating advisory fees on assets allocated to alternative investments, and clients should understand that valuations of these holdings may not reflect current market conditions at the time the advisory fee is calculated.

Third-party Asset Management Programs ("TAMPS")

The Firm recommends or selects other investment advisers for its clients generally through Third-party Asset Management Programs ("TAMPs"). Through these TAMPs, the Firm's IARs provide ongoing investment advice to clients that is tailored to the individual needs of those clients. As part of these TAMP services, the IAR typically obtains the necessary financial data from the client, assists the client in determining the suitability of the program, assists the client in setting an appropriate investment objective and risk tolerance and assists the client in opening an account with the TAMP. In addition, depending on the type of program, the IAR is available to assist the client to select a model portfolio of securities designed by the TAMP or select a portfolio management firm to provide discretionary asset management services. It is the third-party investment adviser (and not PAG's IARs) that has client authority to purchase and sell securities on a discretionary or non-discretionary basis pursuant to investment objective chosen by the client. This authorization will be set out in the TAMP client agreement. The brochure for the particular TAMP will explain whether clients can impose restrictions on investing in certain securities or types of securities. In particular, the Firm currently offers advisory services through TAMPs sponsored by, among others: AssetMark, Brinker Capital, BTS Asset Management, Envestnet, Flexible Plan Investments, Orion Portfolio Solutions, Manning & Napier, SEI Investments Management, Symmetry Partners LLC and Townsquare Capital LLC.

Clients should refer to the brochure, client agreement and other account paperwork for each TAMP for more detailed information about the services available under the program. In addition, the Firm offers the same or similar TAMPs on a wrap fee basis, which are described in the Wrap Brochure, a copy of which you may obtain at **privateadvisorgroup.com/pag-disclosure-documents** or by contacting your IAR.

Co-advisory, Referral and Solicitor Services

The Firm and its IARs act as referral agents or solicitors on behalf of certain third-party investment advisers pursuant to a referral or solicitor agreement. Currently, the IAR provides the referred client a disclosure statement regarding the role of the Firm and its IAR as a referral agent or solicitor, and the client engages the third-party investment adviser for advisory services. See Item 14 below for more information about these referral services and the related compensation.

Retirement Plan Consulting Services

The Firm's IARs, at times, assist clients that are trustees of retirement plans or other fiduciaries to retirement plans ("Plans") by providing fee-based consulting and/or advisory services. IARs perform one or more of the following services, as selected by the client in the client agreement:

- Assistance in the preparation or review of an investment policy statement ("IPS") for the Plan based upon consultation with client to ascertain Plan's investment objectives and constraints.
- Acting as a liaison between the Plan and service providers, product sponsors or vendors.
- Ongoing monitoring of investment managers or investments in relation to the criteria specified in the Plan's IPS or other written guidelines provided by the client to the IAR.
- Preparation of reports describing the performance of Plan investment manager(s) or investments, as well as comparing the performance to benchmarks.
- Ongoing recommendations, for consideration and selection by client, about specific investments to be held by the Plan or, in the case of a participant-directed defined contribution plan, to be made available as investment options under the Plan.
- Training for the members of the Plan Committee with regard to their service on the Committee, including education and consulting with respect to fiduciary responsibilities.
- Assistance in enrolling Plan participants in the Plan, including conducting an agreed upon number of enrollment meetings. As part of such meetings, IARs generally provide participants with information about the Plan, which includes information on the benefits of Plan participation, the benefits of increasing Plan contributions, the impact of pre-retirement withdrawals on retirement income, the terms of the Plan and the operation of the Plan.
- Assistance with investment education seminars and meetings for Plan participants. These meetings occur on a group or individual basis and include information about the investment options under the Plan (e.g., investment objectives, risk/return characteristics, and historical performance), investment concepts (e.g., diversification, asset classes, and risk and return), and how to determine investment time horizons and assess risk tolerance. Such meetings do not include specific investment advice about investment options under the Plan as being appropriate for a particular participant.
- Assistance at client's direction in making changes to investment options under the Plan.
- As part of the ongoing investment recommendation service set out above, assistance in identifying investment options in connection with the "broad range" requirement of Section 404(c) of the Employee Retirement Income Security Act of 1974 ("ERISA").
- As part of the ongoing investment recommendation service set out above, assistance in identifying an investment fund product or model portfolio in connection with the definition of a "Qualified Default Investment Alternative" ("QDIA") under ERISA.

- Assistance with the preparation, distribution and evaluation of Request for Proposals, finalist interviews, and conversion support in connection with vendor analysis and service provider support.
- Preparation of comparisons of Plan data (e.g., regarding fees and services and participant enrollment and contributions) to data from the Plan's prior years and/or a benchmark group of similar plans.
- Assistance in identifying the fees and other costs borne by the Plan for, as specified by client, investment management, recordkeeping, participant education, participant communication and/or other services provided with respect to the Plan.
- When engaged by the Plan or the participant to do so, IARs meet at times with Plan participants, upon reasonable request, to collect information necessary to identify Plan participants' investment objectives, risk tolerance, time horizon, etc. Advisor will provide recommendations to assist the participant with his/her Plan account. Plan participants retain sole discretion over the investment decisions in their accounts and sole responsibility for implementing investment decisions in their accounts.

If the Plan makes available publicly traded employer stock ("company stock") as an investment option under the Plan, IARs do not provide investment advice regarding company stock and are not responsible for the decision to offer company stock as an investment option. In addition, if participants in the Plan have the option to invest the assets in their accounts through individual brokerage accounts, a mutual fund window, or other similar arrangement, or can obtain participant loans, IARs do not usually provide any individualized advice or recommendations to the participants regarding these decisions. Furthermore, unless engaged by the Plan or the participant to do so, IARs do not provide individualized investment advice to Plan participants regarding their Plan assets.

If a client elects to engage the Firm and its IARs to perform ongoing investment monitoring and ongoing investment recommendation services in the client agreement, such services will constitute "investment advice" under Section 3(21)(A) of ERISA. Therefore, PAG and its IARs will be deemed a "fiduciary" as such term is defined under Section 3(21)(ii) of ERISA in connection with those services. Clients should understand that to the extent PAG and its IARs are engaged to perform services other than ongoing investment monitoring and recommendations, those services are not "investment advice" under ERISA and therefore, PAG and its IARs will not be a "fiduciary" under ERISA with respect to those other services.

If a client elects to engage the Firm and its IARs to perform discretionary investment management services in the client agreement, such services will be performed as an "investment manager" under Section 3(38) of ERISA. Therefore, PAG and its IARs will be deemed a "fiduciary" as such term is defined under Section 3(38) of ERISA in connection with those services. Clients should understand that to the extent PAG and its IARs are engaged to perform services other than ongoing investment management, the Firm is not acting as an "investment manager" under ERISA and therefore, PAG and its IARs will not be a "fiduciary" under ERISA with respect to those other services.

Additional Information

- **Non-Investment Consulting/Implementation Services.**

  If requested by the client, the Firm can provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. The Firm's IARs may provide these services in their individual capacities, separate and apart from the Firm, or arrange for a third-party to provide them, either at an additional cost, included in an agreed upon fee, or at no addition cost to the Client. See Item 10 for additional discussion of these IAR activities. The Firm itself does not provide accounting, legal, or insurance services.

The Firm has engaged DPL for insurance consultation services. See Item 5 for further details.

To the extent requested by a client, the Firm can recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including IARs of the Firm in their separate registered/licensed capacities as discussed below. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Firm.

Note: If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

- **Client Obligations.**

  In performing its services, PAG shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Firm if there is ever any change in his or her or its financial situation or investment objectives for the purpose of reviewing, evaluating or revising PAG's previous recommendations and services.

- **Non-tradable Assets in Advisory Accounts.**

  Where appropriate, the Firm can recommend non-tradable assets such as annuities or structured products for purchase in an advisory account. These assets are generally not subject to commissions, and no commissions are paid to the IAR. Rather, such assets are included in the advisory fee calculation, and are limited to a proportion that does not impair the PAG's ability to allocate assets in the account.

401(K) Plan Participants Considering IAR Rollover

A participant in a qualified employer sponsored retirement plan ("Employer Retirement Plan") can roll those assets over into an Individual Retirement Account ("IRA"). Plan participants are encouraged to consider the advantages and disadvantages of an IRA rollover from their existing Employer Retirement Plan. A plan participant leaving an employer typically has four non-exclusive options:

- Leave the money in the former Employer Retirement Plan, if permitted;
- Transfer the assets to the new employer's plan, if one is available and if rollovers are permitted;
- Rollover the assets to an IRA;
- Cash out (or distribute) the assets and pay the taxes due.

Investors usually face increased fees when they transfer retirement savings from their current Employer Retirement Plan to an IRA. Investors should be aware that even if there are no costs associated with the IRA rollover itself, there will be costs associated with account administration and investment management. In addition to the fees charged by the Firm or another advisor, the underlying investment products (mutual fund, ETF, annuity, or other investment) typically also charge management fees. Custodial fees also apply. Investing through an IRA managed by the Firm is more expensive than the current Employer Retirement Plan.

Prior to electing to rollover assets from the current Employer Retirement Plan to an IRA, an investor should consider:

- The type of account investment management desired. For example, is assistance in the management of investments desired on a discretionary or non-discretionary basis; or is a self-managed account preferred.
- Available investment choices.
- The professional assistance available to participants in the current Employer Retirement Plan when compared to the advisory services offered by the Firm in an advised IRA account.
- The cost of advisory fees.
- Management expenses associated with the underlying investments in an IRA advisory account in comparison to the underlying investment expenses associated with the current Employer Retirement Plan. Often, the management expenses in the current Employer Retirement Plan are less expensive than in a rollover IRA advisory account.
- Custodial charges in the advised IRA account in comparison to the current Employer Retirement Plan.
- Transaction charges associated with the advised IRA in comparison to the current Employer Retirement Plan.
- The rules pertaining to the required minimum distributions ("RMD") in the current Employer Retirement Plan when compared to the advised IRA.
- Legal protections afforded to current Employer Retirement Plan participants in comparison to rollover IRA account owners. Employer Retirement Plans have significant liability protection.
- The rules pertaining to beneficiaries of an IRA in comparison to the current Employer Retirement Plan (inherited accounts).
- The loan provision associated with the current Employer Retirement Plan, if any. IRA accounts do not have loan provisions.
- Employer Retirement Plans available from a new employer.
- Clients and prospective clients are encouraged to consult with an accountant, a tax advisor, the plan administrator and/or legal counsel prior to rolling over assets from the current Employer Retirement Plan to an advised IRA with the Firm.

B. Assets Under Management

As of June 30, 2026 the Firm had $57,703,120,794 in Assets Under Management with $12,084,550 managed on a non-discretionary basis and $57,677,178,448 managed on a discretionary basis.

Item 5: Fees and Compensation

A. General Discussion of Fees

The client can determine to engage the Firm to provide discretionary and/or non- discretionary investment advisory services on a wrap or non- wrap fee basis.

The Firm generally charges a fee based on a percentage of the assets to be managed, which is typically negotiated between the client and the IAR within in a range set by the Firm. The Firm may also charge fixed, hourly, other fee arrangements as set forth in the client's written agreement.. The Firm supervises its IARs and these types of fee arrangements to address the conflicts of interest inherent in each fee type

Fee Differentials.

As indicated above, the Firm prices its services based upon various objective and subjective factors. As a result, PAG's clients could pay diverse fees based upon the market value of their assets, the complexity of the engagement, and the level and scope of the overall investment advisory and/or consulting services to be rendered. As a result of these factors, the services to be provided by the Firm to any particular client could be available from other investment advisers at lower fees. All clients and prospective clients should be guided accordingly.

Advisory Program Cost Differentials.

The Firm participates in several advisory programs with third-parties (e.g., LPL and other custodians), including the Custodian Programs and TAMP Programs, which charge varying levels of program fees. When a client invests through such advisory programs, an investment advisory or management fee is deducted from the assets placed in that advisory program. The third-party advisory program retains a portion of the program fee, and a portion of the program fee is paid to the Firm and its IARs. These varying levels of program fees provide an incentive or disincentive for the Firm and its IARs to participate in or to recommend a particular advisory program. The recommendation by a IAR that a client select a particular advisory program presents a conflict of interest, as the Firm and IAR's compensation provides an incentive to recommend an advisory program which pays the Firm and IAR a higher portion of the program fee. All clients and prospective clients should be aware of these factors in selecting an advisory program and in negotiating an investment advisory fee with their IAR and the Firm. The Firm's Custodian Programs are further described in the Wrap Brochure, a copy of which you may obtain at **privateadvisorgroup.com/pag-disclosure-documents** or by contacting your IAR.

Securities-based Loans and Margin Loans.

Clients can have the opportunity to use margin loans in their investment accounts and be offered the opportunity to obtain loans or lines of credit based on or secured by the assets held in their investment accounts. When the Firm charges a fee based directly or indirectly on the amount of assets under management in an investment account, the Firm and its IARs have an incentive to maintain a high level of assets in those accounts, and PAG and its IARs have a conflict of interest when they advise a client to utilize a margin loan or a securities based loan or assist the client to obtain such a loan for some specific purpose, rather than advising the client to or assisting the client with withdrawing funds from such an investment account for that specific purpose.

Advisory Services vs. Brokerage Services

Clients should understand that the compensation the Firm receives for providing investment advisory services differs from the compensation a broker-dealer receives for providing brokerage services on the same assets. Advisory fees are typically calculated as a percentage of assets under management and are charged on an ongoing basis, regardless of trading activity. Brokerage compensation, by contrast, is typically transaction-based, paid through commissions or other transaction-related charges at the time a trade is executed.

Over time, the total compensation the Firm receives for managing a client's assets in an advisory account may exceed the total compensation a broker-dealer would receive on the same assets in a brokerage account, particularly for client portfolios with low trading frequency. Conversely, for some clients — such as those with concentrated holdings, infrequent investment changes, or commission-based products such as certain annuities — a brokerage relationship may result in lower total compensation than an advisory relationship.

Certain of the Firm's investment adviser representatives are also registered representatives of LPL and, in that capacity, can offer brokerage services to clients in addition to the investment advisory services offered through the Firm. These dually-registered persons have a financial incentive to recommend an advisory relationship through the Firm rather than a brokerage relationship through LPL, or vice versa, based on the compensation each capacity generates rather than on the client's specific circumstances. The Firm addresses this conflict by requiring its investment adviser representatives to consider each client's specific facts and circumstances — including the client's investment objectives, expected trading activity, time horizon, and the relative cost of each option — in determining the most appropriate type of account for the client. Clients are not obligated to engage the Firm for advisory services and are free to maintain a brokerage relationship through LPL or any other broker-dealer of their choosing.

B. Investment Advisory Services Fees

If a client determines to engage the Firm to provide discretionary and/or non-discretionary investment advisory services on a non-wrap fee basis, the Firm's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under the Firm's management to be charged quarterly in advance, and PAG's IARs have discretion to negotiate a fee with a maximum of 2.00% (two percent) for non-wrap accounts and 2.25% for wrap accounts. PAG's annual investment advisory fee includes investment management.

The client can negotiate the annual advisory fee based upon various objective and subjective factors including, but not limited to, the types of assets being managed, the amount of the assets placed under the Firm's direct management and/or advisement, the complexity of the engagement, the level and scope of the overall investment advisory services to be rendered, the amount of additional assets to be placed with the advisor under management, and the existence of relationships with associations, organizations, or groups that may generate additional assets.

Client accounts will be billed by the custodian directly for brokerage commissions and/or transaction fees charged by the custodian. The Firm has the option to mutually agree with a client to charge that client a flat fee, not based on a percentage of value and assets under the Firm's management but rather a specific dollar amount for a particular set of services for a specific period of time or for the duration of the relationship. As part of this alternative fee, the Firm at times also agrees to charge a client an hourly fee for a particular set of services.

Fees for the Firm's wrap fee programs are discussed in the Wrap Brochure, available at **privateadvisorgroup.com/pag-disclosure-documents** or by contacting your IAR.

C. Financial Planning and Consulting Services Fees

PAG, through its IARs, provides personal financial planning and consulting services tailored to the individual needs of the client. The scope and duration of services varies and is determined between the client and IAR, and may range from comprehensive financial planning to consulting on a particular issue, including focus on topics such as retirement planning, education planning, estate planning, risk management planning, personal wealth planning, tax planning, business planning, investment planning, divorce planning, or such other financial planning or consulting services needs and may include delivery of a written financial plan or report depending upon the scope of agreed upon services. Clients may elect to compensate PAG through a one-time fee, a fixed hourly rate, installment payments, or may enroll in a subscription-based payment plan.

Client remains solely responsible for determining whether or not to implement an IAR's recommendations and taking all necessary steps to do so. PAG and IAR will not exercise investment discretion or implement any investment advice or recommendations provided as part of the services. Rather, the services are offered as point-in-time based consultations that are provided either on a one-time basis or periodically at such frequency as requested by client, and do not include providing ongoing active investment management or monitoring services. Moreover, to the extent that the services include consideration of a client's group or individual qualified retirement plan assets, this is not intended to result in PAG or IAR acting as a "fiduciary" as such term applies under ERISA. Clients may elect to retain PAG and IAR to provide various securities and/or ongoing investment management or monitoring services by enrolling in other programs available through PAG.

D. Ticket Charges/Ticket Fees

There are conflicts of interest to consider in connection with the selection of mutual funds and a specific transaction cost commonly known as ticket charge or ticket fee associated with each mutual fund transaction. Clients do not pay any ticket charges in their Program accounts or TAMP wrap fee program accounts, but IARs pay these ticket charges to the custodian where the trades occur for each client account.

As background, custodians often make available mutual funds that offer various classes of shares. Some share classes of a fund charge higher internal expenses, whereas other share classes of a fund charge lower internal expenses. Institutional and advisory share classes (collectively, "institutional shares" or "institutional share classes") typically have lower expense ratios and are less costly for a client to hold than Class A shares or other share classes that are eligible for purchase in an advisory account. In some instances, a mutual fund offers only Class A Shares, but another similar mutual fund may be available that offers institutional shares.

Whether a mutual fund or a specific share class of a mutual fund incurs a ticket charge often depends on whether the mutual fund or the mutual fund share class has 12b-1 fees (fees paid by the mutual fund to distributors of the funds to cover the cost of distribution and/or shareholder services). For instance, where a mutual fund or mutual fund share class has 12b-1 fees can correlate with no ticket charge. Additional fees that could have an impact on whether a mutual fund or mutual share class have a ticket charge or not also include recordkeeping fees to the custodian. Mutual funds and mutual fund share classes with no ticket fees (which can be described as NTF shares) usually have higher fees and expense ratios, and the associated costs would be incurred by the client. Mutual funds and mutual fund shares with ticket fees (which can be described as TF shares) usually have

lower fees and expenses, which would lessen the associated fees and expense costs on the client. IARs will generally pay lower fees to custodians in the event that Clients hold NTF shares rather than TF shares; this presents a conflict of interest for certain IARs in favor of recommending NTF shares. Clients should discuss the rationale behind the recommendation of NTF/TF shares with IARs.

As noted above, IARs, not the Firm, pay these ticket charges with respect to client Program accounts and TAMP wrap fee program accounts. However, in the unlikely event of an IAR failing to make payment to the Custodian, the Firm can be contractually responsible for the unpaid ticket charges. Clients should understand that the cost to IARs of transaction charges can be a factor that influences IARs when deciding which securities to select and how frequently to place transactions in these accounts. Client should understand that another investment adviser may offer the same mutual fund at a lower overall cost to the investor than is available through the custodian platforms with which the Firm has relationships.

The Firm has a policy that IARs recommend the lower cost share class reasonably available at the time through the custodian where a client account is located. Furthermore, the Firm conducts surveillance to test this policy and maintains a process to reasonably conduct conversions to the lower cost share class, where applicable and possible depending on availability with an individual custodian.

We strongly encourage you to discuss with your IAR whether lower cost share classes are available with a particular custodian or a particular managed account program; why the particular funds or other investments that will be purchased or held in your account are appropriate for you in consideration of their expected holding period, investment objective, risk tolerance, time horizon, financial condition, amount invested, trading frequency, the amount of the advisory fee charged; whether you will pay higher internal fund expenses in lieu of transaction charges that could adversely affect long-term performance; and relevant tax considerations.

E. Third-party Asset Management Programs

For Third-party Asset Management Programs ("TAMPs"), clients pay an advisory fee as set out in the client agreement with the TAMP sponsor. The fee is typically negotiated among the TAMP sponsor, the IAR and the client. The TAMP sponsor establishes a fee schedule or sets a minimum or maximum fee. The TAMP fee schedule will be set out in the Disclosure Brochure provided by the TAMP sponsor. The advisory fee typically is based on the value of assets under management as valued by the custodian of the assets for the account and will vary by program. The advisory fee typically will be deducted from the account by the custodian and paid quarterly in arrears or in advance. The advisory fee is often paid to the TAMP sponsor, who in turn pays a portion to the Firm. Generally, the Firm shares between 90% and 100% of the Firm's portion of the fee with the IAR based on the agreement between the Firm and the IAR. A TAMP account can be terminated by a party pursuant to the terms outlined in the TAMP client agreement. The TAMP client agreement will explain how clients can obtain a refund of any pre-paid fee if the agreement is terminated before the end of a billing period.

TAMP accounts are subject to additional fees and charges beyond the TAMP advisory fee, including, custodian transactions charges, custody fees, and where the TAMP invests in mutual funds, ETFs or other pooled funds, the underlying fund expenses borne by the client as the shareholder. While these underlying fund expenses are not paid to the Firm or its IARs, they represent a second layer of fees in addition to the TAMP advisory fee, and

clients should be aware that the same underlying funds may be available for direct purchase outside of the TAMP programs.

If a client transfers into a TAMP account a previously purchased mutual fund, and there is an applicable contingent deferred sales charge on the fund, client will pay that charge when the mutual fund is sold. If the account is invested in a mutual fund that charges a fee if a redemption is made within a specific time period after the investment, client will be charged a redemption fee. If a mutual fund has a frequent trading policy, the policy can limit a client's transactions in shares of the fund (e.g., for rebalancing, liquidations, deposits or tax harvesting).

If the TAMP program is a wrap fee program, clients should understand that the wrap fee can cost the client more than purchasing the program services separately, for example, paying fees for the advisory services of the TAMP and IAR, plus commissions for each transaction in the account. Factors that bear upon the cost of the account in relation to the cost of the same services purchased separately include the:

- type and size of the account
- types of securities in the account
- historical and or expected size or number of trades for the account, and
- number and range of supplementary advisory and client-related services provided to the client.

The investment products and services available to be purchased in TAMP program accounts can be purchased by clients outside of a TAMP program account, through the Firm or through broker-dealers or other investment firms not affiliated the Firm or the TAMP.

Alternative Investment Fees

Clients invested in alternative investments (including private equity funds, private credit funds, hedge funds, and other privately offered investment vehicles) will be subject to management fees, performance-based fees, and other fees and expenses charged by the fund manager or sponsor in addition to the Firm's advisory fee. These fees and expenses are set forth in the offering materials for each investment and are in addition to the advisory fee calculated on the client's account value. Clients should review the offering materials carefully to understand the complete fee structure before investing.

F. Discretion on Held-away Assets Fees

The fee for Held Away Management services will be assessed and billed quarterly. Specifically, the exact amount charged is determined by the daily average over the course of the quarter. The current exception for this is directly managed held-away accounts (such as 401(k) plan participant accounts), which are determined by the account value at the end of the quarter. In either case, if the Firm only manages the client's assets for part of a quarter, the charge will be prorated. The advisory fee is a blended fee and is calculated by assessing the percentage rates using the predefined levels of assets as set forth in the Client's Investment Advisory Agreement or Financial Planning and Consulting Agreement (as applicable) and applying the fee to the daily average of the account value or the account value as of the last day of the previous quarter (per the paragraph above), resulting in a combined weighted fee. For example, an account valued at $2,000,000 would pay an effective fee of 1% with the annual fee being $20,000 (a quarterly fee of $5,000). Investment management fees are generally directly debited on a pro rata basis from client accounts. The exception for this

is directly managed held-away accounts, such as 401(k)'s. As it is impossible to directly debit the fees from these accounts, those fees will be assigned to the client's taxable accounts on a pro-rata basis. If the client does not have a taxable account, those fees will be billed directly to the client. Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 15 calendar days in advance. Since fees are paid in arrears, no rebate will be needed upon termination of the account.

G. Retirement Plan Consulting Fees

Retirement Plan Consulting Fees are negotiated between the Plan and the IAR and are usually based on (i) a percentage of Plan assets, (ii) an hourly rate, or (iii) a flat rate. Fees are payable in advance or in arrears on the frequency (e.g., quarterly, monthly, etc.) agreed upon among the client, the Firm, and the IAR. For asset-based fees, payment is calculated based on the value of the Plan assets as of the close of business on the last business day of the period as valued by the custodian of the assets, unless the fee is paid through a third-party service provider, in which case the provider's calculation methodology applies. If fees are paid in advance and the client agreement is terminated, the Plan will receive a prorated refund of any prepaid fees for services not yet rendered.

Clients pay fees directly to the Firm or authorize a Plan service provider or custodian to debit the fee from the Plan's account and remit it to the Firm. Plans will incur additional fees and expenses imposed by third parties in connection with investments recommended by the Firm, including fund or annuity subaccount management fees, 12b-1 fees, and administrative servicing fees, plan recordkeeping, and variable annuity charges (such as mortality, expense, administrative, rider, and excessive transfer charges) or pooled GIC fund management and administrative fees. These fees are in addition to the Firm's advisory fee and are disclosed in the applicable prospectus or offering materials, which Plans should review before investing. Because the Firm's fee is charged in addition to these underlying investment expenses, Plans effectively pay two layers of fees on assets invested in funds or annuity products.

H. Deducting Advisory Fees from Accounts Held with Custodian

Clients can elect to have the Firm's advisory fees deducted from their account(s) held with the relevant custodian. Both PAG's Investment Advisory Agreement and the custodian/clearing agreement authorize the custodian to debit the account for the amount of the Firm's investment advisory fee and to directly remit that management fee to the Firm in compliance with regulatory procedures. In the limited event that the Firm bills the client directly, payment is due upon receipt of the Firm's invoice. The Firm shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.

I. Dually Registered Persons and Custody of Accounts

Clients have the option of purchasing many of the securities and investment products that the Firm makes available through another broker-dealer, another custodian, registered investment adviser or another financial institution. However, if clients purchase these securities and investment products away from the Firm, clients will not receive the benefit of ongoing advice and other services that the Firm provides. To determine whether an IAR is a Dually Registered Person, clients should review his or her Part 2B Brochure Supplement, and if a client

has not received a copy of that document, the client should contact the Firm using the information on the cover page.

LPL is affiliated with The Private Trust Company, N.A., ("PTC") a trust company licensed in all 50 states. When a client elects to utilize LPL as custodian, LPL will direct the client's IRA assets to be held at PTC to qualify for IRA tax-advantaged status under the Internal Revenue Code. As such, clients may incur an annual IRA maintenance fee charged by PTC, which is in addition to the Firm's investment management fee. PTC may waive its annual maintenance fee for certain conditions, and other custodians may charge similar fees that may be higher or lower PTC's.

J. Calculation of Advisory Fees

PAG's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. The Firm does not generally require an annual minimum fee or asset level for investment advisory services. However, PAG, in its sole discretion, can reduce its annual minimum fee and/or charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). The Firm can participate in programs sponsored by other entities that require a minimum asset level or

that charge a minimum fee, and clients should be aware that the imposition of minimum fees by another entity can result in a higher fee being charged than is described in this brochure, particularly where partial withdrawals by the client reduce asset levels.

The Investment Advisory Agreement between the Firm and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. Following receipt of notice of termination, the Firm shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

Calculation of Advisory Fees Includes Cash Assets.

The Firm calculates advisory fees on all assets placed under its management, including cash held in advisory accounts. Clients can consent to asset allocations that include certain amounts being held as cash for short or long-term reasons, or can direct that assets be held in cash based on personal risk tolerance or market conditions. The Firm will calculate advisory fees based on total assets in advisory accounts, and all clients and prospective clients should be guided accordingly. Holding large cash balances for more than six months is not an effective investment strategy and the Firm discourages clients from using investment accounts in this manner

K. Commission Transactions

In the event that the client desires, the client can engage certain of the Firm's IARs, in their individual capacities as registered representatives of LPL, an SEC-registered and FINRA member broker-dealer, to implement investment recommendations on a commission basis. In the event the client chooses to purchase investment products through LPL, LPL will charge brokerage commissions to effect securities transactions, a portion of which commissions LPL shall pay to the LPL registered representatives who effectuated the purchase. Any

payment of commissions to Dually Registered Persons would be through their role as registered representatives of LPL, and the Firm would receive no part of those commissions.

The brokerage commissions charged by LPL can be higher or lower than those charged by other broker-dealers. In addition, LPL, relative to mutual fund purchases with commissions, also receives, at times, additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment in a brokerage relationship, and the Firm's IARs who are Dually Registered Persons may receive a portion of those additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company in their roles as registered representatives of LPL. In the event that the Dually Registered Person collects a 12b-1 fee, it is not in his or her capacity as an IAR of the Firm, but rather in his or her capacity as a registered representative of LPL.

Conflict of Interest: The recommendation that a client purchase a commission product from LPL presents a conflict of interest to a Dually Registered Person, as the receipt of commissions provides an incentive to recommend investment products based on commissions received in his or her role as a registered representative of LPL, rather than on a particular client's need. No client is under any obligation to purchase any commission products from LPL.

When PAG's IARs sell an investment product on a commission basis, the Firm does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, the Firm's IARs do not also receive commission compensation for such advisory services. However, a client may engage the Firm to provide investment management services on an advisory fee basis and separate from such advisory services purchase an investment product from PAG's IARs on a separate commission basis.

In addition to the fees charged by the Firm, clients can incur brokerage, custodian or mutual fund fees and expenses. Some investments have additional fees embedded within the product. Please discuss your individual account with your IAR. For additional information, please see Item 12-Brokerage Practices. In addition to advisory fees, IARs who are Dually Registered Persons and/or licensed as insurance agents or brokers receive additional compensation. These individuals implement investment recommendations for advisory clients and receive separate yet customary compensation including, commissions, 12b-1 fees or other transaction related compensation. These additional fees and expenses will increase the overall investment cost to the client. In the event that the Dually Registered Person collects a brokerage commission, an insurance commission or 12b-1 fee, it is not in his capacity as an IAR of the Firm, but rather in his capacity as a registered representative of LPL or licensed insurance agent.

Receipt of commissions and other transaction-based compensation presents a conflict of interest, as it gives the Firm and Dually Registered Persons an incentive to recommend products based on compensation received. The Firm addresses this conflict by disclosing brokerage and other expenses to clients, and clients receive notification of brokerage commissions charged by the broker-dealer through which transactions are affected.

L. Insurance Consultation Services

The Firm has engaged for a fixed annual fee with DPL Financial Partners, LLC ("DPL") to obtain membership access to DPL's platform of insurance consultation services. For providing platform services, DPL receives service fees from the insurers that offer their products through the platform. These service fees are based on the insurance premiums received by the insurers from DPL members' clients. The Firm and its IARs receive a portion

of the service fees from DPL for ongoing management and investment advisory services related to the insurance products. The receipt of these fees and the payment of the membership fee present a conflict of interest where PAG and its IARs have an incentive to recommend that clients purchase insurance products through DPL. Clients are reminded that they can purchase insurance products from other insurance companies and platforms where premiums may be higher or lower and features of policies may differ. DPL's representatives are licensed insurance producers and registered representatives of The Leaders Group, Inc., an unaffiliated SEC-registered broker-dealer and FINRA member.

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

The Firm does not charge performance-based fees. Certain investment products that the Firm may recommend to clients, including private funds, hedge funds, and certain alternative investments, charge performance-based fees at the product level. These performance-based fees are charged by the product sponsor or fund manager and are separate from the Firm's advisory fee. Information about any product-level performance fees is set forth in the offering materials for the specific investment

The Firm and its IARs manage multiple client accounts with varying investment mandates and fee structures (referred to as 'side-by-side management'). This is a conflict of interest, as it creates a financial incentive for providing preferential treatment to one account over others in terms of allocation of management time, resources, investment opportunities, and trade execution. The Firm mitigates this conflict of interest by adopting and implementing a Code of Ethics, by disclosing this conflict to clients, and by endeavoring to act in each client's best interest as a fiduciary. Additionally, IARs utilize similar research and resources for their client accounts and aggregate client trades whenever possible.

Item 7: Types of Clients

The Firm's clients shall generally include individuals, business entities, trusts, estates, charitable organizations, pensions, and profit-sharing plans. The Firm does not generally require an annual minimum fee or minimum asset level for investment advisory services. Certain investment programs or investment products require annual minimum fees or minimum asset levels for participation. Clients should thoroughly review disclosure materials or brochures and consult with their IAR about implications of such minimum requirements before investing in such programs or products.

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

A. Methods of Analysis

The Firm utilizes the following methods of security analysis:

- **Charting:** analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices
- **Fundamental:** analysis performed on historical and present data, with the goal of making financial forecasts
- **Technical:** analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices

- **Cyclical:** analysis performed on historical relationships between price and market trends, to forecast the direction of prices
- **Asset Allocation:** identifying an appropriate ratio of asset classes that are consistent with the client's investment goals and risk tolerance

B. Investment Strategies

The Firm utilizes the following investment strategies when implementing investment advice given to clients:

- Long-term Purchases (securities held at least a year)
- Short-term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)

C. Risks

Investing in securities involves investment risks. Asset allocation, rebalancing, and diversification do not guarantee against risk in broadly declining markets.

Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Firm) will be profitable or equal any specific performance level(s).

The Firm's investment strategies range from long-term to short-term holdings periods. Shorter-term strategies, including trading strategies (which involve the purchase and sale of securities within a 30-day period), incur higher transaction costs than longer-term strategies, which can adversely affect net returns over time.

The Firm allocates client investment assets across a range of investment vehicles, including individual equity and fixed income securities, mutual funds, exchange-traded funds (ETFs), closed-end funds, and where appropriate for qualified clients, alternative investments (including structured products, private funds, hedge funds, and other privately offered investment vehicles). Allocations are made on a discretionary or non-discretionary basis in accordance with the client's investment objectives, risk tolerance, time horizon, and other relevant factors.

As disclosed above, the Firm may utilize leveraged long and short mutual funds and/ or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct the Firm, in writing, not to employ any or all such strategies for his or her or its accounts.

While not an all-inclusive list, the following are types of investment risks that could affect the value of your portfolio, depending on the selected investment product(s) and the portfolio of investments:

- **Market Risk.** This is the risk that the value of securities owned by an investor may go up or down, sometimes

rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.

- **Interest Rate Risk.** This is the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Credit Risk.** This is the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- **Liquidity Risk.** This is the risk that an investor would not be able to sell or redeem an investment quickly, or would not be able to sell or redeem an investment quickly without significantly affecting the price. Liquidity risk is heightened when markets are distressed. Generally, alternative investments have higher liquidity risk than equities, fixed income securities or mutual funds or ETFs.
- **Issuer-Specific Risk.** This is the risk that the value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.
- **Investment Company Risk.** To the extent a client account invests in ETFs or other investment companies, the account's performance will be affected by the performance of those investment companies. Investments in ETFs and other investment companies are subject to the risks of the investment companies' investments, as well as to the investment companies' expenses. If a client account invests in investment companies, the client account may receive distributions of taxable gains from portfolio transactions by that investment company and may recognize taxable gains from transactions in shares of that investment company, which would be taxable when distributed.
- **Concentration Risk.** To the extent a client account concentrates its investments by investing a significant portion of its assets in the securities of a single issuer, industry, sector, country or region, the overall adverse impact on the client of adverse developments in the business of such issuer, such industry or such government could be considerably greater than if they did not concentrate their investments to such an extent.
- **Sector Risk.** To the extent a client account invests more heavily in particular sectors, industries, or sub-sectors of the market, its performance will be especially sensitive to developments that significantly affect those sectors, industries, or sub-sectors. An individual sector, industry, or sub-sector of the market may be more volatile, and may perform differently, than the broader market. The several industries that constitute a sector may all react in the same way to economic, political or regulatory events. A client account's performance could be affected if the sectors, industries, or sub-sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries may adversely affect performance.
- **Alternative Investment Risk.** Alternative investments (including private funds, hedge funds, private equity funds, and similar privately offered vehicles) involve risks that differ from traditional investments, including limited liquidity and restrictions on transferability, valuation uncertainty (because valuations are typically provided by the fund manager on a delayed basis and may not reflect current market conditions), restricted redemption rights, complex fee structures including performance-based fees, limited regulatory oversight,

and the potential for loss of the entire amount invested. Investors must meet applicable accreditation, qualified client, or qualified purchaser standards to invest in these products.

- **Interval Fund Risk**. Interval funds are a category of closed-end fund that offer periodic (typically quarterly) repurchase opportunities to investors rather than continuous redemption. The amount of shares an interval fund will repurchase in any given period is generally limited (often to 5% of outstanding shares), which can prevent investors from exiting their position when they wish, particularly during periods of market stress. Investors should generally consider interval fund investments to be illiquid.

- **Cybersecurity Risk.** The Firm's information and technology systems, and those of its custodians and service providers, may be vulnerable to damage, interruption, or unauthorized access from cyber-attacks, which could impair the Firm's operations or compromise the confidentiality of client information. The Firm has implemented measures intended to address these risks, but no system can be guaranteed to be fully secure.

- **Artificial Intelligence and Technology Risk.** The Firm, its custodians, service providers, and the companies in which clients are invested may utilize artificial intelligence and related technologies ("AI Technology") in their operations, including in the areas of investment research, data analysis, client servicing, and portfolio management. AI Technology is reliant on large volumes of data, which may contain inaccuracies, biases, or gaps that could degrade the quality of outputs and lead to flawed analysis or decision-making. The use of AI Technology may also raise privacy and data security concerns, as confidential information — including client information — could be inadvertently exposed through input into AI systems or through unauthorized access to AI platforms. Intellectual property, licensing, and regulatory frameworks governing AI Technology are evolving rapidly, and new laws or regulations could affect the operations of the Firm, its service providers, or the companies in which clients are invested. To the extent that competitors of such companies adopt AI Technology more effectively, those companies could be placed at a competitive disadvantage. The Firm has implemented internal policies governing the use of AI Technology by its personnel but cannot guarantee that all risks associated with AI Technology will be fully mitigated.

Item 9: Disciplinary Information

Below is a summary of PAG's material legal and disciplinary events during the last ten years. As of the date of this Brochure, there are no such reportable events for PAG's senior management personnel or those individuals in senior management responsible for determining the general investment advice provided to PAG's clients.

Securities and Exchange Commission

On July 21, 2022, pursuant to a settlement, in which the Firm neither admitted or denied to the findings, the SEC issued an administrative order ("the Order") that found, among other things, the Firm failed to provide full and fair disclosure regarding the conflicts associated with share classes with no transaction fees, or NTF shares, in wrap accounts. The Order found that the Firm did not fulfill its duty of care and other obligations in connection with the conflict. The Order also found that the Firm had not adopted and implemented written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder in connection with its mutual fund selection practices in its wrap program and the related disclosures of its associated conflicts of interest. The Order includes findings that PAG violated Section 206(2) of the Advisers Act, as well as Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. These are not scienter-based violations. As part of the settlement,

the Firm agreed to pay a civil penalty of $5.8 million, to be disbursed to affected investors, along with other undertakings.

As further highlighted in the Order, in 2017, the Firm proactively instituted a policy as a remedial measure that mitigated the conflict. The full text of the order is available here: **sec.gov/litigation/admin/2022/ia-6069.pdf**.

Commonwealth of Pennsylvania

The Firm paid a $20,000 administrative penalty in 2017 to the Pennsylvania Department of Banking and Securities in connection with its failure to register an IAR with a place of business in Pennsylvania.

Item 10: Other Financial Industry Activities and Affiliations

A. PAG's Other Financial Industry Activities and Affiliations

- **Affiliated Broker-dealers.**
    - PAG Financial, LLC is a FINRA registered broker-dealer, and is under common control with the Firm. PAG Holdings, LLC owns 100% of PAG Financial, LLC. PAG Financial, LLC does not have any retail or institutional customers, and does not serve as custodian for any investment adviser assets. The Firm has not identified any conflicts of interest that could impact the Firm's relationship with its clients but continues to periodically evaluate any potential conflicts of interest that could arise based on this affiliate relationship.
    - LPL, is a FINRA registered broker-dealer and an SEC-registered investment adviser. LPL Capital Partners, Inc. an affiliate of LPL, holds an indirect ownership interest in the Firm through PAG Partnership Holdco, LLC, the Firm's indirect parent. This ownership relationship presents a conflict of interest in that the Firm could be incentivized to direct more of its business to LPL than it otherwise would. The Firm addresses this conflict through its best execution reviews, due diligence, and independent structure under which the Firm's investment adviser representatives are able to select from a number of custodians (see Item 12).
- **Affiliated Investment Adviser.**
    - Private Advisor Network, LLC is an SEC-registered investment adviser, and is under common control with the Firm. PAG Holdings, LLC owns 100% of Private Advisor Network, LLC. Private Advisor Network, LLC does not have any retail or institutional customers, and is not currently providing advisory services. The Firm has not identified any conflicts of interest that could impact the Firm's relationship with its clients but continues to periodically evaluate any potential conflicts of interest that could arise based on this affiliate relationship.
- **Recommendation or Selection of Other Non-Affiliated Investment Advisers**. As described in Item 4, the Firm recommends or selects other investment advisers for its clients, generally through Third-party Asset Management Programs (TAMPs). The Firm also may refer clients to other investment advisers under a solicitor or promoter arrangement (see Item 14).
- Other Activities and Affiliations. The Firm is required to disclose that it does not engage in certain activities. The Firm, its management persons, and its IARs, are not registered as a futures commission merchant,

commodity pool operator, a commodity trading adviser, or a representative of the same, and no such applications are pending.

B. PAG's IARs Other Financial Industry Activities and Affiliations

- **Affiliations and Activities of Individual IARs**
  - **Registered Representatives of LPL.** Certain of the Firm's IARs are Dually Registered Persons with LPL. LPL is an SEC-registered and FINRA member broker-dealer. As discussed above, the LPL Capital Partners, Inc (an affiliate of LPL) holds an indirect ownership interest in the Firm. Please refer to Item 12 of this Brochure for a discussion of the benefits that Dually Registered Persons can receive from LPL and the conflicts of interest associated with receipt of such benefits. Clients can choose to engage PAG's Dually Registered Persons in their individual capacities as registered representatives of LPL, to implement investment recommendations on a commission basis.
  - **Licensed Insurance Agents.** Certain of PAG's IARs, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4.B above, clients can engage certain of PAG's IARs to purchase insurance products on a commission basis.

    Conflict of Interest: The recommendation by PAG's IARs that a client purchase a securities and/or insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission-based products from PAG's IARs. Clients are reminded that they can purchase investment products recommended by PAG through other, non-affiliated broker-dealers or insurance agents.
  - **Licensed Attorneys.** Certain of PAG's IARs are licensed attorneys and may, in their individual capacities, provide legal services to PAG's clients. To the extent that a client specifically requests legal or estate planning services, the Firm can recommend the services of an attorney, including certain of PAG's IARs in their individual capacities as licensed attorneys. Any such legal services shall be rendered independent of the Firm pursuant to a separate agreement between the client and the attorney. The Firm shall not receive any of the fees charged by the attorney, referral or otherwise.
  - **Employees or Affiliates of Banks.** Certain of PAG's IARs are employees or affiliates of banks, and can recommend the use or purchase of certain bank products or services.

    Conflict of Interest: The recommendation by these IARs that a client use or purchase of certain bank products or services presents a conflict of interest, as a bank employee may have an incentive based on his employment to recommend the use or purchase of certain bank products or services rather than on a particular client's need. No client is under any obligation to use or purchase of any bank products or services. Clients are reminded that they may patronize any bank and are not required to use or purchase any banking products or services recommended by the IAR. In addition, a IAR's employment by a bank does not mean that investments made through him are deposits with the bank, or obligations of the bank or are guaranteed by the bank or any governmental agency. Investments are subject to investment risks, including possible loss of the principal amount invested.

- **Other Investment Adviser Firm.** Certain of PAG's IARs also serve as investment adviser representatives of other registered investment advisers. These IARs may refer certain clients to those other investment advisers for advisory services.
- **Conflict of Interest:** The recommendation by these IARs that a client engage the investment advisory services of another investment adviser presents a conflict of interest, as these IARs may receive a direct economic benefit from any such referral. No client is under any obligation to engage the services of another investment adviser. **Real Estate broker or dealer**. Certain of PAG's IARs also serve as real estate brokers or dealers or as owners or investors in real estate investments. These IARs may recommend the purchase, sale, rental of or investment in real estate.

  Conflict of Interest: The recommendation by these IARs of the purchase, sale, rental of or investment in real estate Such advice presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend real estate based on commissions to be received, rather than on a particular client's need. In addition, holding an ownership interest in real estate investment being offered to a client also presents a conflict of interest. No client is under any obligation to purchase or rent any real estate from or invest in real estate with these IARs. Clients are reminded that they may purchase or rent any real estate recommended by these IARs through other real estate agents, and that they may invest in other real estate ventures.
- **Accountants and Certified Public Accountants.** Certain of PAG's IARs are accountants, Certified Public Accountants and/or Enrolled Agents. To the extent that these IARs provide accounting services (which may include tax advice) to any clients, including clients of the Firm, all such services shall be performed by those IARs in their individual professional capacities, independent of the Firm, for which services PAG shall not receive any portion of the fees charged by the IAR (referral or otherwise). It is expected that these IARs, solely incidental to their practices as accountants, may recommend the Firm's services to certain of their clients. No client of PAG is under any obligation to use the accounting services of these IARs.

- **Determining Affiliations and Activities of Individual IARs**

  PAG prepares a Form ADV Part 2B Brochure Supplement ("Brochure Supplement") for each of PAG's IARs, which includes information regarding the IAR's education, business experience, disciplinary information, other business activities, conflicts of interest, additional compensation, and supervision. PAG's IARs are required to provide clients with a current Brochure Supplement when commencing an advisory relationship. Please contact the Firm or your IAR if you did not receive your IAR's Brochure Supplement. Clients also may obtain additional information about PAG's IARs, such as licenses, employment history, their regulatory disciplinary information (if any), and whether he or she has received reportable complaints from investors from the SEC at adviserinfo.sec.gov. To determine whether any of the Firm's IARs servicing a client's accounts are engaged in any activities that may create a conflict of interest, clients should review the Brochure Supplements for those IARs. Clients of the Firm have their primary contact with the IAR of the Firm who brings them onboard as a client. The IAR may recruit the client while with the Firm, or may have recruited them while the IAR was affiliated with a previous broker-dealer or registered investment adviser, and induced the client to continue that relationship with the IAR when the IAR became affiliated with the Firm. PAG's IARs have made individual decisions to affiliate with the Firm. Because each affiliation decision

was made solely based on the business determination of the individual IAR and client, The Firm may be limited in its ability to negotiate fees, etc., on behalf of its clients. Notwithstanding these limitations, the Firm makes best effort attempts to negotiate fees with custodians, however, in certain instances, the Firm's IARs themselves have obtained discounted fees from a custodian. The Firm encourages clients to discuss custodial fees and pricing with IARs.

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

The Firm has adopted a Code of Ethics pursuant to Rule 204A-1 under the Advisers Act that applies to all supervised persons of the Firm, including IARs. Among other things, PAG's Code of Ethics serves to establish, maintain and enforce (i) a standard of business conduct for all of PAG's supervised persons that is based upon fundamental principles of openness, integrity, honesty and trust; (ii) compliance by PAG's supervised persons with Federal securities laws; and (iii) an investment policy relative to personal securities transactions of PAG's access persons. A copy of the Code of Ethics, which is part of PAG's Compliance Manual, is available upon request.

In accordance with Section 204A of the Advisers Act, the Firm also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Firm or any person associated with the Firm.

Neither the Firm nor any related person of PAG acts as a principal in transactions with client accounts, serves as a general partner of any partnership in which client accounts are solicited to invest, or serves as an investment adviser to any investment company that is recommended to client accounts.

The Firm and its IARs may from time to time buy or sell securities that are also recommended to clients, which creates a situation creates a potential conflict of interest because the Firm and its IARs may benefit from market activity following such recommendations. The Firm's Code of Ethics and related policies and procedures address this conflict by prohibiting practices such as "scalping" (recommending a security and then selling it at a profit following the price movement caused by the recommendation), trading on material non-public information, "front-running" (executing personal trades in advance of client trades in the same security).

The Firm has adopted a personal securities transaction policy that requires each Access Persons to submit to the Chief Compliance Officer or designee an initial holdings report upon becoming an Access Person, an annual holdings report each year thereafter, and quarterly transaction reports as required by Rule 204A-1 under the Advisers Act. The Chief Compliance Officer reviews these reports for compliance with the Firm's Code of Ethics and personal trading policies.

Item 12: Brokerage Practices

A. Selection and Recommendation of Custodians, and Best Execution

The Firm recommends to all clients that all client investment funds be held by a custodian with which the client's account is carried on a fully-disclosed basis, and about which the client will receive regular statements from the custodian. The Firm does not accept engagements with clients where clients' funds are pooled into an omnibus account. See Item 15.

Clients may open brokerage accounts or advisory accounts, or some combination of each type of account based on their individual needs. The ultimate decision to custody assets with a particular custodian is made by the Firm's clients (including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder). However, PAG's IARs have significant impact on the decision of which custodian is used. An IAR uses at least one custodian, and certain IARs use multiple custodians.

PAG's IARs who are Dually Registered Persons with LPL are not permitted to be registered with a broker-dealer other than LPL, and generally may not advise on brokerage accounts away from LPL. However, when such IARs desire to use a custodian other than LPL, the IAR must receive approval from LPL. PAG's IARs who are not Dually Registered Persons may advise on brokerage accounts at any custodian approved by the Firm. It is possible that a client may wish their assets to be held by a custodian that the IAR does not have access to, though the Firm does. In that event, the client could choose to switch IARs in order to access the particular custodian through the Firm.

In the event that the client requests that the Firm recommend a custodian for execution and custodian services (exclusive of those clients that may direct the Firm to use a specific custodian), the Firm's IAR may recommend that investment accounts be maintained at a custodian with which that IAR has experience. Prior to engaging PAG to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with PAG setting forth the terms and conditions under which PAG shall manage the client's assets, and a separate custodian agreement with each designated custodian.

From time to time, the Firm evaluates its existing custodians and whether to permit use of additional custodians by IARs. The custodians currently used by the Firm's IARs include:

- LPL
- Charles Schwab & Co., Inc.
- Fidelity Brokerage Services, LLC
- Interactive Brokers LLC
- US Bank
- SEI Private Trust Company
- AssetMark Trust
- TIAA-CREF Individual & Institutional Services, LLC

As noted in Item 4, AFS serves as the transfer agent to the 529-F-2 Direct-at-Fund programs and provides the custodian services for clients invested in the American Funds 529-F-2 share classes.

Best Execution Considerations

Factors that the Firm considers in recommending a custodian (LPL and/or any other custodian) include historical relationship with the Firm, eligible account types, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and transaction fees paid by PAG's clients shall comply with the Firm's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Firm determines, in good faith, that the commission and transaction fee 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, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness.

Accordingly, although PAG will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer or custodian are exclusive of, and in addition to, PAG's investment management fee.

Mutual Fund Share Class

The Firm's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close. Custodians may make various share classes of mutual funds available to the Firm and its clients. Even though multiple share classes are available from an investment product sponsor, a custodian may only make available a single share class or a limited number of share classes on its platform. The Firm will select for purchase only share classes that are no-load or load-waived share classes and therefore not subject to any upfront sales charge paid to the investment sponsor, but may be subject to a transaction fee paid to the custodian.

Custodians may not choose to offer the least expensive share class that an investment product sponsor makes available, but instead may select a share class that pays the custodian compensation for the administrative and recordkeeping services that the custodian provides to the investment product sponsor. Other custodians and financial services firms may offer the same mutual fund at a lower overall cost to the investor than is available through the Firm or a particular custodian and the client should consider these factors in deciding between types of investments, types of investment products and types of investment accounts. In reviewing mutual fund share class holdings in existing portfolios, the Firm evaluates the transaction costs of switching between share classes and the investment horizon of the client to determine whether a client will benefit from a particular transaction.

LPL Access to Client Information

As discussed in Item 10, certain associated persons of the Firm are registered representatives of LPL, and LPL Capital Partners, an LPL affiliate, holds an indirect ownership interest in the Firm. As a result, LPL may have access to certain confidential information (including financial information, investment objectives, transactions and holdings) about the Firm's clients, even if the client does not establish any account through LPL. A copy of the LPL privacy policy is available at www.lpl.com.

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular custodian, the Firm may receive from LPL, without cost (and/or at a discount) support services and/or products, certain of which assist the Firm to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Firm may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management- related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by PAG in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and products that may be received may assist the Firm in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Firm to manage and further develop its business enterprise.

PAG's clients do not pay more for investment transactions effected or assets maintained at LPL or PTC as a result of this arrangement. There is no corresponding commitment made by the Firm to LPL, PTC or any custodians to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

In the event that the Firm's clients utilize the services of Charles Schwab & Co., Inc. ("Schwab") or Fidelity Brokerage Services, LLC ("Fidelity") as a custodian, each may provide the Firm with access to its institutional trading and custody services, which are typically not available to retail investors of those custodians. Schwab's services generally are available to independent registered investment advisers like the Firm on an unsolicited basis, at no charge to them so long as a total of at least $10 million of the registered investment advisor's clients' assets are maintained in accounts at Schwab Institutional. Other custodians may provide similar services based on maintaining similar levels of client assets with them, and clients should be aware that other custodians may charge lower fees or higher fees for making services available, or may require a lower or higher level of assets to be custodied with them. Fidelity and Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For client accounts of the Firm that are maintained in their custody, Schwab and Fidelity do not generally charge separately for custody services but are compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or Fidelity or that settle in Schwab of Fidelity accounts. Custodians also make available to the Firm other products and services that benefit the Firm but may not benefit its clients' accounts. These benefits may include national, regional or PAG-specific educational events organized and/ or sponsored by the custodian.

Custodian benefits may also include occasional business entertainment of the Firm's personnel, including meals, attendance at sporting events, and similar gifts or entertainment, which the Firm addresses through its gifts and entertainment policy. Other potential benefits may include occasional business entertainment of personnel of the Firm by the custodian, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other such products and services assist the Firm in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at the particular custodian.

The custodian also may make available to the Firm other services intended to help the Firm manage and further develop its business enterprise. These services may include professional, compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession,

regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, custodians may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent third parties. The custodian may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the Firm. The Firm's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to the Firm of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by the custodian, which may create a potential conflict of interest. From time to time, certain IARs of the Firm or groups of those IARs may receive specific benefits from broker-dealers generally for those IARs to custody client assets with those broker-dealers at a time when those IARs are changing their affiliations. LPL provides transition assistance payments in the form of forgivable and non-forgivable loans to certain IARs of the Firm who are also registered representatives of LPL. All such transition assistance payments are made to those persons in their capacities as registered representatives of LPL.

The Firm and its IARs from time to time also receive reduced cost or free admission to educational events sponsored by custodians.

Brokerage for Client Referrals

The Firm does not receive referrals of clients from broker-dealers.

Directed Brokerage

The Firm does not generally accept directed brokerage arrangements (i.e., where a client requires that account transactions be affected through a specific broker-dealer). As discussed above, the Firm's IARs who are Dually Registered Persons are not generally permitted to participate in brokerage arrangements away from LPL. In addition, the Firm has determined to follow a policy of requiring client assets to be held with its custodians on a fully-disclosed basis, instead of in an omnibus account in the Firm's name, to increase transparency and security for clients, but at the cost of reducing the Firm's capability and leverage to negotiate brokerage arrangements. In client directed arrangements, the client will negotiate terms and arrangements for their account with their broker-dealer, and PAG will not seek better pricing from other broker-dealers. PAG does not generally execute trades as a block and allocate to individual accounts. The Firm also can execute away and pay to settle at a custodian, currently the firm only does so in certain structured product transactions. In addition, custodying client assets in individually identified accounts at specific custodians may limit the choice of investment products, such as classes of mutual funds that are available on that custodian's platform and may result in a client not being able to invest in particular investment products or paying higher transaction fees based on the products that are made available. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the client directs PAG to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through PAG. The Firm's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above arrangement.

Trade Error Policy.

PAG reimburses accounts for losses resulting from the Firm's trade errors, but does not credit accounts for such errors resulting in market gains. When applicable, the gains and losses are reconciled within the Firm's custodian firm account and the Firm and the custodian may retain the net losses, the custodia retains net gains.

Brokerage Commissions and/or Transaction Fee Differentials.

In most instances, custodians charge a brokerage commission or transactional fee or an asset-based fee, and based on the investment product selected, that commission or transactional fee or asset-based fee is not identical to other commissions or fees. Other products have higher or lower or zero commissions when compared at the commission or fee level. Most custodians offer mutual funds with transactions fees and mutual funds without transaction fees. Some custodians offer commission-free ETFs. Clients can inquire as to whether a transaction incurred a transaction cost.

Custodian Cash Sweep Programs

Custodians operate cash sweep programs that automatically deposit uninvested client funds into depository accounts at financial institutions affiliated with the custodian. The interest rate paid to clients on swept cash may vary significantly across custodians is generally lower than the rate available from money market mutual funds, treasury bills, or other cash equivalent investments available on the same platform. The Firm does not receive direct compensation from custodian cash sweep programs, but the custodians' revenue from these programs may subsidize other services that the custodians provide to the Firm at no charge or at a discount, which creates an indirect financial incentive for the Firm to maintain client cash balances in custodian sweep programs rather than alternative cash equivalents. Clients should consider the impact of cash and cash equivalent allocations on their overall portfolio and discuss with their IAR whether higher-yielding cash alternatives may be appropriate for their circumstances.

B. Aggregating Transactions

To the extent that the Firm provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Firm decides to purchase or sell the same securities for several clients at approximately the same time. The Firm may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Firm shall not receive any additional compensation or remuneration as a result of such aggregation.

C. Opening Brokerage or Advisory Accounts with LPL or Another Custodian

The Firm's IARs will generally assist clients in establishing brokerage accounts and/or advisory accounts with LPL or another custodian to maintain custody of clients' assets and to effect trades for their accounts.

- **LPL**

  LPL provides brokerage and custodian services to independent investment advisory firms, including the Firm. For the Firm's accounts custodied at LPL, LPL generally is compensated by clients through

commissions, trails, or other transaction-based fees for trades that are executed through LPL or that settle into LPL accounts. In order for IRA accounts to qualify as for tax-favorable treatment under section 408(h) of the Internal Revenue Code, LPL arranges for them to be held in custodial accounts with PTC, a banking subsidiary of LPL, and PTC charges an annual account maintenance fee for its services. PTC waives its annual account maintenance fee in certain circumstances. In addition, LPL also charges clients miscellaneous fees and charges, such as account transfer fees. LPL may charge certain Dually Registered Persons an asset-based administration fee for administrative services provided by LPL. Such administration fees are not directly borne by clients, but may be taken into account when the Dually Registered Persons negotiate the advisory fee with a client. As discussed in Items 4 and 10, LPL Capital Partners, an LPL affiliate, holds an indirect ownership interest in the Firm.

While LPL does not participate in, or influence the formulation of, the investment advice that the Firm provides, certain supervised persons of the Firm are Dually Registered Persons. Dually Registered Persons are restricted by certain FINRA rules and policies from maintaining client accounts at another custodian or executing client transactions in such client accounts through any broker-dealer/ custodian that is not approved by LPL. As a result, the use of other trading platforms by Dually Registered Persons must be approved not only by the Firm, but also by LPL.

Clients should also be aware that for accounts where LPL serves as the custodian, the Firm is limited to offering services and investment vehicles that are approved by LPL, and may be prohibited from offering services and investment vehicles that may be available through other broker-dealers and custodians, some of which may be more suitable for a client's portfolio than the services and investment vehicles offered through LPL. Clients should also be aware that Dually Registered Persons are limited to offering services and investment vehicles that are approved by LPL, even if those services or investment vehicles are offered on a custodian platform away from LPL where the client maintains an account.

Clients should understand that other investment advisers may not require accounts to be custodied with specific broker-dealers, may not employ Dually Registered Persons, or may maintain assets in individually identified accounts.

Clients should also understand that LPL is responsible under FINRA rules for supervising certain business activities of the Firm and its Dually Registered Persons that are conducted through custodians other than LPL. LPL can charge a fee for its oversight of activities conducted through these other custodians, although LPL may agree to waive this fee for certain Dually Registered Persons. This arrangement presents a conflict of interest because the Firm and its Dually Registered Persons have a financial incentive to recommend that clients maintain their accounts with LPL rather than with another broker-dealer/ custodian to avoid incurring the oversight fee.

- **Benefits Received by The Firm's Personnel**

  LPL makes available to the Firm various products and services designed to assist the Firm in managing and administering client accounts. Many of these products and services may be used to service all or a substantial number of the Firm's accounts, including accounts not held with LPL. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitate trade execution (and aggregation and allocation of trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate

payment of the Firm's fees from its clients' accounts; and assist with back-office functions; recordkeeping and client reporting.

LPL also makes available to the Firm other services intended to help the Firm manage and further develop its business. Some of these services assist the Firm to better monitor and service program accounts maintained at LPL, however, many of these services benefit only the Firm, for example, services that assist the Firm in growing its business. These support services and/or products may be provided without cost, at a discount, and/or at a negotiated rate, and include practice management-related publications; consulting services; attendance at conferences and seminars, meetings, and other educational and/or social events; marketing support; and other products and services used by the Firm in furtherance of the operation and development of its investment advisory business.

Where such services are provided by a third-party vendor, LPL will either make a payment to the Firm to cover the cost of such services, reimburse the Firm for the cost associated with the services, or pay the third-party vendor directly on behalf of the Firm.

The products and services described above are provided to the Firm as part of its overall relationship with LPL. While as a fiduciary the Firm endeavors to act in its clients' interest at all times, the receipt of these benefits creates a conflict of interest because any advice from the Firm's IAR that leads clients to custody their assets at LPL is based in part on the benefit to the Firm of the availability of the foregoing products and services and not solely on the nature, cost or quality of custody or brokerage services provided by LPL. The Firm's receipt of some of these benefits may be based on the amount of the Firm's advisory assets custodied on the LPL platform. The receipt of some of these benefits by a Dually Registered Person is based on that person's relationship with LPL and is provided to him or her through his or her role as a registered representative of LPL.

- **Transition Assistance Benefits**

  LPL provides various benefits and payments to Dually Registered Persons that are new to the LPL platform to assist the Dually Registered Person with the costs (including foregone revenues during account transition) associated with transitioning his or her business to the LPL platform (collectively referred to as "Transition Assistance"). The proceeds of such Transition Assistance payments are intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to assist in funding the Dually Registered Person's business, satisfying any outstanding debt owed to the Dually Registered Person's prior firm, offsetting account transfer fees (ACATs) payable to LPL as a result of the Dually Registered Person's clients transitioning to LPL's custodian platform, technology set-up fees, marketing and mailing costs, stationery and licensure transfer fees, moving expenses, office space expenses, staffing support and termination fees associated with moving accounts.

  The amount of the Transition Assistance payments are often significant in relation to the overall revenue earned or compensation received by the Dually Registered Person at his or her prior firm. Such payments are generally based on the size of the Dually Registered Person's business established at his or her prior firm and/or assets under custody on the LPL. Please refer to the relevant Part 2B Brochure Supplement for more information about the specific Transition Payments a specific Dually Registered Person is receiving.

Transition Assistance payments and other benefits are provided to Dually Registered Persons in their capacity as registered representatives of LPL. However, the receipt of Transition Assistance by such Dually Registered Persons creates a conflict of interest relating to the Firm's advisory business because it creates a financial incentive for the Firm's IARs to recommend that its clients maintain their accounts with LPL. In certain instances, the receipt of such benefits is dependent on a Dually Registered Person maintaining his or her clients' assets with LPL, or maintaining a certain level or client assets with LPL, and therefore the Firm and its IARs have an incentive to recommend that clients maintain their account with LPL in order to generate such benefits.

The Firm attempts to mitigate these conflicts of interest by evaluating and recommending that clients use LPL's services based on the benefits that such services provide to our clients, rather than the Transition Assistance earned by any particular Dually Registered Persons. The Firm considers LPL' s historical relationship with the Firm, financial strength, reputation, execution capabilities, pricing, research, and service when recommending or requiring that clients maintain accounts with LPL.

The Firm does not receive any part of the Transition Assistance paid to Dually Registered Persons, but the Firm benefits from the Transition Assistance paid by LPL to Dually Registered Persons because the payment of such Transition Assistance increases the Firm's ability to attract new Dually Registered Persons and thereby increase its assets under management. However, clients should be aware of this conflict and take it into consideration in making a decision whether to engage the Firm for investment advice and whether to custody their assets in a brokerage or advisory account at LPL.

The Firm provides Transition Assistance to certain registered persons in the form of forgivable loans conditioned on the registered person remaining with the Firm to obtain the full value of the loan forgiveness. The opportunity for loan forgiveness presents a conflict of interest by presenting a financial incentive for the registered person to remain with the Firm whether or not it is advantageous to his clients.

- **Custodians Other than LPL**

  The Firm participates in various programs offered by its custodians that offer certain services to independent investment advisers, including custody of securities, trade execution, clearance, and settlement of transactions. (Please see additional disclosures under Item 14 below). In addition, some of the same custodians used by the Firm and referenced in this Brochure are also used by the Firm through the Custodian Programs. The Custodian Programs are further described in the Wrap Brochure, a copy of which you may obtain at **privateadvisorgroup.com/pag-disclosure-documents** or by contacting your IAR.

Item 13: Review of Accounts

For those clients to whom PAG provides investment supervisory services, account reviews are conducted on a periodic basis by the Firm and its IARs. All investment supervisory clients are advised that it remains their responsibility to advise the Firm of any changes in their investment objectives and/or financial situation. Part of the periodic reviews include whether the client's account type remains in the best interest of the client and, if not, the client can be switched to an account with a different fee structure and investment options.

All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives, and account performance with the Firm on an annual basis.

IARs conduct account reviews on an other-than-periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections, and client request. A client can request a meeting with their IAR at any time.

Clients receive written transaction confirmations from the custodian after each transaction and written account statements from the custodian on at least a quarterly basis. The Firm may also provide written periodic reports summarizing account activity and performance.

Item 14: Client Referrals and Other Compensation

Custodian Arrangements

As part of its fiduciary duties to clients, the Firm endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by the Firm or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Firm's choice of a particular custodian for custody and brokerage services.

- **LPL**

  As discussed in Items 10 and 12, LPL Capital Partners, Inc. (an LPL affiliate) holds an indirect ownership interest in the Firm, and the Firm receives support services and/or products from LPL, without cost or at a discount. PAG's clients do not pay more for investment transactions effected or assets maintained at LPL as a result of this arrangement, and there is no corresponding commitment by the Firm to LPL to invest any specific amount or percentage of client assets in any specific products. The conflicts of interest arising from these relationships are discussed in further detail in Items 10 and 12.

- **Custodians other than LPL**

  The Firm also receives economic benefits from custodians other than LPL, including software, related support systems, cash compensation to defray the Firm's technology costs, financial start-up support, reimbursement of clients transfer costs, and access to institutional trading, execution capabilities, and free or reduced attendance at events sponsored by custodians. These benefits may influence the Firm's recommendation of a particular custodian, which creates a conflict of interest that is discussed in further detail in Item 12.

- **Solicitor or Promoter Arrangements**

  From time to time, the Firm and/or its IARs enter into arrangements with clients, third parties or other financial intermediaries for lead generation, client referrals or solicitation for program accounts (collectively, "solicitation arrangements"). These solicitation arrangements range from largely impersonal referrals to specific client introductions to Firm and its IARs. Under solicitation arrangements, the third parties and financial intermediaries are independent contractors. In most cases, third parties are not advisory clients of PAG and do not refer clients based on their experience with the Firm as advisory clients. The compensation paid under the solicitation arrangements is structured in various ways, including a one-time fee, a flat fee per lead or referral, and sharing a portion of the ongoing account fee. The Firm and its IARs may refer a clients other investment advisers or investment managers, in which case the Firm is typically paid a referral fee by the other advisor. In

the case of compensated referrals to or from the Firm or its IARs, compensation creates a conflict of interest that can reasonably be assumed to bias the referrer in favor of the referee.

Some IARs have relationships with other professionals, such as accountants, lawyers, or tax advisors, in which the professionals refer clients to IARs and in exchange the IARs refer clients to the professionals for their services. These cross-referral arrangements are quid pro quo relationships that can give rise to similar conflicts as compensated referrals.

Clients who are referred to the Firm by through a solicitation arrangement are required receive specific disclosures at the time of the referral and should review such disclosures carefully to understand the referrer's relationship with the Firm.

- **LPL Transition Assistance**

  LPL Compensation to Dually Registered Persons. In addition to the Transition Assistance described in Item 12, LPL provides various other forms of compensation to the Firm's Dually Registered Persons, including bonus payments, forgivable and non-forgivable loans, stock awards and other benefits. These payments may be based on participation in LPL advisory programs or derived from advisory fees paid to LPL. The receipt of this compensation creates a financial incentive for Dually Registered Persons to recommend LPL as custodian or advisory program sponsor, in addition to the incentives created by the Transition Assistance. Clients should discuss any such conflicts with their IAR before choosing to custody assets at LPL or use an LPL advisory program.

- **Gifts and Entertainment**

  The Firm, its employees, and IARs receive additional compensation, business entertainment and gifts from product sponsors. However, such compensation may not be tied to the sales of any products. Compensation includes such items as gifts valued at less than $500 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with conferences, educational meetings, customer appreciation events, marketing events or advertising initiatives. Product sponsors also pay for, or reimburse PAG and its IARs for the costs associated with, education and training events that are attended by PAG's employees and IARs and for PAG-sponsored conferences and events. Any such support payments are not tied to the sales of any products or client assets in the products. IARs do not receive any portion of these payments. The Firm, its employees, and IARs also receive reimbursement from product sponsors for technology-related costs, such as those to build systems, tools and new features to aid in serving customers. Receipt of gifts and entertainment from product sponsors creates a potential conflict of interest that may influence the Firm's or IARs' recommendations of those sponsors' products. The Firm addresses this conflict through its gifts and entertainment policy, which imposes limits on the types and values of gifts that may be accepted and requires reporting of gifts above applicable thresholds.

- **Other PAG Compensation**

  As detailed above, the Firm provides transition assistance to certain IARs, which creates a conflict of interest in that an IAR has a financial incentive to recommend that a client open and maintain an account with the Firm and to recommend switching investment products or services where a client's current investment options are not available through the Firm or its custodians, in order to receive the transition assistance, and in

cases of businesses or products not supported by the Firm or its custodians, to further recommend that a client's current holdings be reinvested in an option that the Firm does support.

In limited cases, the Firm provides loans and other financial assistance to IARs. This presents a conflict of interest as the Firm has an interest in collecting on the loan, which impacts its ability to objectively supervise the IAR.

- **Ownership Interest in Doing-Business-As ("DBA") Entities**

  Some IARs operate through independent practices with a separate Doing-Business-As (or "DBA") designation. In some cases, the Firm may partially or wholly own such practices, and have a financial interest in the business success of the DBA as a whole, or in a particular element of the DBA via specific ownership interests in its brokerage, advisory, insurance, or other financial services business (or any combination thereof). Clients should ask their IAR about the extent to which the Firm has a financial interest in the IAR's practice.

- **Outside Business Activities**

  The Firm permits its IARs to engage in approved outside business activities ("OBA"). Disclosable OBAs are listed on an individual IAR's Brochure Supplement. In certain instances, IARs also engage in one-off business transactions with clients, which do not qualify for disclosure as an OBA. As the existence of an OBA presents the potential for a conflict of interest with the IAR's advisory advice to clients, clients should review the IAR's Brochure Supplement and ask the IAR about any listed OBAs.

Item 15: Custody

The Firm does not have custody of client funds or securities–except in the limited circumstances detailed below. All client investment funds are held by a custodian in accounts identified individually to the client and about which the client will receive regular statements. Any funds being deposited for investment should be payable to the custodian where the account is held, not to the Firm or one of its IARs. Although consolidating client assets in an omnibus account could create some marketplace advantages, the Firm has determined to adopt a policy of using individual client accounts at an independent custodian to provide greater security and transparency to its clients.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer, custodian or program sponsor for the client accounts. The Firm has the ability to have its advisory fee for each client debited by the custodians on a quarterly basis. Where the Firm has the ability to have its fees debited in this manner, it is deemed to have custody, but is not subject to surprise audit. In some cases, payment of fees may be made directly to the Firm by clients, but never to IARs.

In February 2017, the SEC issued a no action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The Letter provided guidance on the Custody Rule as well as clarified that an advisor who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with our qualified custodians:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third-party's name, and either the third-party's address or the third-party's account number at a custodian to which the transfer should be directed.

- The client authorizes the investment advisor, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third-party, the address, or any other information about the third-party contained in the client's instruction.
- The investment adviser maintains records showing that the third-party is not a related party of the investment adviser or located at the same address as the investment advisor.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

The Firm may also provide a written periodic report summarizing account activity and performance.

Note: To the extent that the Firm provides clients with periodic account statements or reports, clients are urged to compare any statement or report provided by the Firm with the account statements received from the account custodian.

Note: The account custodian does not verify the accuracy of the Firm's advisory fee calculation.

Item 16: Investment Discretion

The client can determine to engage the Firm to provide investment advisory services on a discretionary basis. Prior to the Firm assuming discretionary authority over a client's account, the client executes an Investment Advisory Agreement, naming the Firm as the client's agent and attorney-in-fact, granting the Firm full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account. Clients who engage the Firm on a discretionary basis may, at any time, impose restrictions, in writing, on the Firm's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Firm's use of margin, etc.).

D. Non-Discretionary Service Limitations.

Clients that determine to engage the Firm on a non-discretionary investment advisory basis must be willing to accept that the Firm cannot effect any account transactions without obtaining prior verbal consent from the client for each transaction. Thus, in the event of a market correction during which the client is unavailable, the Firm will be unable to effect any account transactions (as it would for its discretionary clients) without first obtaining the client's verbal consent.

Item 17: Voting Client Securities

- The Firm does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events

pertaining to the client's investment assets.

- Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Firm to discuss any questions they may have with a particular solicitation.

Item 18: Financial Information

- The Firm is not required to include its balance sheet for the most recent fiscal year.
- The Firm is unaware of any financial condition that is likely to impair its ability to meet its commitments to clients.
- The Firm has not been the subject of a bankruptcy petition.

Any Questions?

The Firm's Chief Compliance Officer, James Hooks, is available to address any questions that a client or prospective client can have regarding the above disclosures and arrangements. Should a client or prospective client have any questions, please contact Mr. Hooks at 973-538-7010.