UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

SEC FILE NUMBER
8-36915

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/17 (MM/DD/YY) AND ENDING 12/31/17 (MM/DD/YY)

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Portfolio Brokerage Services, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

1801 California Street, 23rd Floor
(No. and Street)

Denver	CO	80202
(City)	(State)	(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Dale J. Seier — (303) 824 8175
(Area Code – Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

KPMG LLP
(Name – *if individual, state last, first, middle name*)

200 East Randolph Drive, Suite 5500	Chicago	IL	60601-6436
(Address)	(City)	(State)	(Zip Code)

CHECK ONE:

- ☑ Certified Public Accountant
- ☐ Public Accountant
- ☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

**Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)*

OATH OR AFFIRMATION

I, Dale J. Seier, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Portfolio Brokerage Services, Inc., as of December 31, 20 17, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

LISA A GRAY
Notary Public – State of Colorado
Notary ID 20094035047
My Commission Expires Nov 27, 2021

Notary Public

Signature

Senior Vice President - Treasurer

Title

This report ** contains (check all applicable boxes):

- ☑ (a) Facing Page.
- ☑ (b) Statement of Financial Condition.
- ☑ (c) Statement of Income (Loss).
- ☑ (d) Statement of Changes in Financial Condition.
- ☑ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☑ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☑ (g) Computation of Net Capital.
- ☑ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☑ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☑ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☑ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☑ (l) An Oath or Affirmation.
- ☑ (m) A copy of the SIPC Supplemental Report.
- ☑ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

***For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).*

PORTFOLIO BROKERAGE SERVICES, INC.

Financial Statements and Supplemental Schedules

December 31, 2017

(With Report of Independent Registered Public Accounting Firm Thereon)

These financial statements and schedules should be deemed confidential pursuant to subparagraph (e) (3) of Rule 17a-5 of the Securities Exchange Commission.

CONFIDENTIAL

PORTFOLIO BROKERAGE SERVICES, INC.

Table of Contents

KPMG LLP
Aon Center
Suite 5500
200 E. Randolph Street
Chicago, IL 60601-6436

Report of Independent Registered Public Accounting Firm

The Shareholder
Portfolio Brokerage Services, Inc.:

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Portfolio Brokerage Services, Inc. (the Company) as of December 31, 2017, the related statements of operations, changes in stockholders' equity, and cash flows for the year then ended, and the related notes (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

KPMG

Accompanying Supplemental Information

The supplemental information contained in Schedules I, II, and III has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. § 240.17a-5 (*and 17 C.F.R. § 1.10*). In our opinion, the supplemental information contained in Schedules I, II, and III is fairly stated, in all material respects, in relation to the financial statements as a whole.

KPMG LLP

We have served as the Company's auditor since 2013.

Chicago, Illinois
February 28, 2018

PORTFOLIO BROKERAGE SERVICES, INC.

Statement of Financial Condition

December 31, 2017

Assets

Cash and cash equivalents	$	785,948
Deposits with clearing organizations		614,641
Receivables from affiliate		318,499
Other assets		51,412
Total assets	$	1,770,500

Liabilities and Shareholder's Equity

Accounts payable	$	313
Accrued expenses		40,250
Payable to clearing organizations		5,600
Other liabilities		15,121
Total liabilities		61,284
Shareholder's Equity:		
Common stock, $0.01 par value; authorized 100,000 shares; issued and outstanding 1,000 shares		10
Additional paid-in capital		1,205,190
Retained earnings		504,016
Total shareholder's equity		1,709,216
Total liabilities and shareholder's equity	$	1,770,500

See accompanying notes to financial statements.

PORTFOLIO BROKERAGE SERVICES, INC.

Statement of Operations

Year ended December 31, 2017

Revenues:		
Brokerage fees and commissions	$	1,096,155
Other income		1,210
Total revenues		1,097,365
Expenses:		
Data processing		308,011
Compensation and related benefits		461,368
Clearing and related fees		96,650
Management fees		120,000
Regulatory costs		46,807
Communications		7,424
Occupancy and equipment costs		6,000
Other expenses		41,189
Total expenses		1,087,449
Income before income tax expense		9,916
Income tax expense		33,537
Net loss	$	(23,621)

See accompanying notes to financial statements.

PORTFOLIO BROKERAGE SERVICES, INC.

Statement of Changes in Shareholder's Equity

Year ended December 31, 2017

	Shares	Amount	Additional paid-in capital	Retained earnings	Total shareholder's equity
Balance, December 31, 2016	1,000	$ 10	$ 1,205,190	$ 527,637	$ 1,732,837
Net loss	-	-	-	(23,621)	(23,621)
Balance, December 31, 2017	1,000	$ 10	$ 1,205,190	$ 504,016	$ 1,709,216

See accompanying notes to financial statements.

PORTFOLIO BROKERAGE SERVICES, INC.

Statement of Cash Flows

Year ended December 31, 2017

Cash flows from operating activities:		
Net loss	$	(23,621)
Adjustments to reconcile net loss to net cash used in operating activities:		
Deferred taxes		33,138
Changes in operating assets and liabilities:		
Deposits with clearing organizations		(102,808)
Receivables from affiliate		19,230
Other assets		11,414
Accounts payable		(467)
Accrued expenses		4,526
Other liabilities		(10,081)
Net cash used in operating activities		(68,669)
Net decrease in cash and cash equivalents		(68,669)
Cash and cash equivalents:		
Beginning		854,617
Ending	$	785,948

See accompanying notes to financial statements.

(1) Nature of Business and Significant Accounting Policies

Portfolio Brokerage Services, Inc. (the Company or PBS) is a registered broker dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority, Inc. (FINRA). The Company is a wholly-owned subsidiary of PMC International, Inc. (PMCI), which is a wholly owned subsidiary of Envestnet, Inc. (the Parent). The Company's primary business includes the execution of securities transactions for Envestnet Asset Management, Inc. (EAM) as well as facilitation of manager directed transactions at various custodians where EAM has established agreements. EAM is a registered investment adviser under the Investment Advisers Act of 1940 and is a wholly-owned subsidiary of its parent company Envestnet, Inc. (NYSE: ENV), a publicly held company.

The Company operates under the provisions of Paragraph (k)(2)(i) of Rule 15c3-3 (Customer Protection Rule) of the Securities and Exchange Commission (SEC) and, accordingly, is exempt from the remaining provisions of that rule, including the requirement to make the reserve computations and to disclose information relating to possession or control requirements under Rule 15c3-3. The Company is exempt from the provisions of SEC Rule 15c3-3 because it meets the conditions set forth in paragraph (k)(2)(i) of the Customer Protection Rule. The requirements of Paragraph (k)(2)(i) provide that a broker-dealer carry no margin accounts; promptly transmits all customer funds and delivers all securities received in connection with its activities as a broker or dealer; does not otherwise hold funds or securities for, or owe money or securities to, customers; and effectuates all financial transactions between the broker or dealer and its customers through one or more bank accounts, each to be designated as Special Account for the Exclusive Benefit of Customers of the Company.

The following is a summary of the Company's significant accounting policies:

(a) Accounting Policies

The Company follows accounting standards established by the Financial Accounting Standards Board (the FASB) to ensure consistent reporting of financial condition, results of operations, changes in shareholder's equity and cash flows. References to Generally Accepted Accounting Principles (GAAP) in these footnotes are to the *FASB Accounting Standards Codification*, sometimes referred to as the Codification or ASC.

(b) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments (See Note 2) with an original maturity of three months or less at the time of purchase.

(d) ***Revenue Recognition***

Revenue is generated primarily from a Related Party agreement whereby PBS is paid either a monthly minimum fee or a monthly transaction based fee, whichever is greater. The brokerage fees and commissions noted in the Statement of Operations were earned from EAM.

(e) ***Income Taxes***

The Company is included in the consolidated federal and state income tax returns filed by the Parent. Federal income taxes are calculated as if the Company filed on a separate return basis, and the amount of current tax or benefit calculated is either remitted to or received from the Parent. Deferred income taxes are provided using the liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences.

Temporary differences are the differences between reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of the change in tax laws and rates as of the date of enactment.

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely of being realized upon settlement with the applicable taxing authority.

The Company incurred income tax expense of $11,394 arising from adjustments of deferred tax assets with the signing of H.R.1 – the Tax Cuts and Jobs Act in December 2017.

(f) ***Recent Accounting Pronouncements***

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, "Revenue from Contracts with Customers," which amends the existing accounting standards for revenue recognition. ASU 2014-09 is based on principles that govern the recognition of revenue at an amount an entity expects to be entitled when products are transferred to customers.

The original effective date for ASU 2014-09 would have required the Company to adopt beginning in 2017. However, in August 2015, the FASB issued ASU 2015-14 to amend ASU

2014-09 by approving a one-year deferral of the effective date as well as providing the option to early adopt the standard on the original effective date. Accordingly, the Company will adopt the standard in 2018.

The new revenue standard may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of initial adoption. The Company will apply the modified retrospective method of adoption to contracts that are not completed as of the date of initial adoption. The Company has substantially completed its evaluation of the impact of adopting the new revenue standard. Based on its assessment, the Company does not expect the adoption of ASU 2014-09 to have an impact on its financial statements. Further, the Company does not expect significant changes to its business processes, systems, or internal controls as a result of adopting the standard.

(2) Fair Value Measurements

Management estimates the fair value of financial instruments recognized in the statement of financial condition (including cash and cash equivalents, receivable from affiliate, accounts payable, and other liabilities) approximate their fair value, as such financial instruments are either reported at fair value or are short-term in nature, bear interest at current market rates or are subject to frequent repricing.

ASC 820-10, *Fair Value Measurements* establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. This guidance also addresses fair value of an instrument when the volume and level of activity for an asset or liability have decreased significantly and provides guidance for determining the concurrent weighting of the transaction price relative to fair value indications from other valuation techniques when estimating fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date;

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active; and

Level 3 Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, and liquidity statistics, among other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Company assesses its financial instruments on a quarterly basis to determine their appropriate classification within the fair value hierarchy. Transfers between fair value classifications occur when there are changes in pricing observability levels. Transfers of financial instruments among the levels are deemed to occur at the end of the reporting period. There were no transfers between the Company's Level 1, Level 2 and Level 3 classified instruments during the year ended December 31, 2017.

The Company did not own any financial assets or liabilities that would be considered Level 3 within the fair value hierarchy as of or during the year ended December 31, 2017.

The Company periodically invests excess cash in money market funds. The fair values of the Company's investments in money market funds are based on the daily quoted market prices for the net asset value of the various money market funds and classified as Level 1 in the fair value hierarchy. As of December 31, 2017, money market funds, pledged as collateral, of $101,676 were included in cash and cash equivalents on the statement of financial condition.

(3) Deposits with Clearing Organizations

The Company maintains deposits with the Depository Trust Company (DTC) and National Securities Clearing Corporation (NSCC) of $16,641 and $598,000, respectively, which are included in deposits with clearing organizations on the statement of financial condition.

(4) Related Party Transactions

The Company has its management service agreement with its affiliate EAM, whereby such affiliate provides the Company with various services, including certain personnel, administrative, office rent and other operating expenses within the statement of operations (see Note 1). The total expense incurred for such services amounted to $138,000 for the year ended December 31, 2017.

The Company has its brokerage service agreement with its affiliate EAM, whereby the Company provides all securities brokerage services required with respect to the managed assets of the affiliate (see Note 1). For the year ended December 31, 2017, revenues from affiliate were $1,095,000. As of December 31, 2017, the receivable from affiliate, EAM, in the amount of $318,499, primarily represented brokerage fees receivable and a cash transfer for intercompany charges related to this agreement.

(5) Income Taxes

For the year ended December 31, 2017, the components of the income tax expense are summarized as follows:

Federal:	
Deferred tax expense	$ 31,782
	31,782
State:	
Current tax expense	$ 399
Deferred tax expense	1,356
	1,755
	$ 33,537

The Company files a consolidated tax return with the Parent. Due to the first in, first out utilization of NOLs, a portion of the Company's NOLs could be utilized by another subsidiary of the consolidated group. However, no NOLs have been used as of December 31, 2017 by another subsidiary. The NOLs will begin expiring in 2021.

As of December 31, 2017, net deferred tax assets consist of the following:

Future deductible expenses and net operating loss carryforwards:	
Net operating loss carryforwards	$ 22,881
Future deductible expenses	914
Total deferred tax assets	23,795
Future taxable income arising from:	
Prepaid expenses	(6,625)
Total deferred tax liabilities	(6,625)
Net deferred tax assets	17,170
Valuation Allowance	(17,170)
Total deferred tax assets after valuation allowance	$ -

The income tax expense differs from the income tax determined by applying the federal tax rate to pretax income for the year ended December 31, 2017, due to the following:

Tax provision, at federal statutory tax rate	34.0 %
State income taxes	3.5 %
Permanent Items	0.1 %
Valuation allowance	173.1 %
Rate change	115.8 %
Provision to Return True Up	8.8 %
Other	2.9 %
Net income tax expense	338.2 %

The Company's tax returns for the years ended December 31, 2016, 2015 and 2014 remain open to examination by the Internal Revenue Service in their entirety. They also remain open with respect to state taxing jurisdictions. As of December 31, 2017, the Company has no uncertain tax positions, and accordingly, has not recorded a liability for the payment of interest or penalties.

(6) Net Capital Requirements

The Company is a broker-dealer subject to the SEC Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. SEC Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2017, the Company had net capital of $1,237,629 which was $1,137,629 in excess of its required net capital of $100,000. At December 31, 2017, the Company's net capital ratio was .05 to 1.

(7) Off-Balance Sheet Risk, Commitments and Contingencies, and Concentration of Credit Risk

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. The Company's exposure to credit risk associated with nonperformance of the customers in fulfilling their contractual obligations pursuant to securities transactions can be directly affected by the volatile trading markets that may impair the customer's ability to satisfy their obligations to the Company.

The Company does not anticipate nonperformance by clients or counterparties in the preceding situations. If either a customer or a counterparty fail to perform, the Company may be required to discharge the obligation of the nonperforming party and, in such circumstances, the Company may sustain a loss. The Company has a policy of reviewing, as considered necessary, the credit standing of each counterparty with which it conducts business.

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Company maintains its cash accounts with creditworthy financial institutions. The total cash balances of the Company are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per bank. The Company had cash and cash equivalents at December 31, 2017, that exceeded the balance insured by the FDIC. The Company monitors such credit risk and has not experienced any losses related to such risks.

The Company is required to maintain cash in the amount of 40% of its collateral requirements as designated by the NSCC. As the amount of the Company's collateral requirement is $100,000, the corresponding cash requirement would be $40,000. The Company is in compliance with this requirement at December 31, 2017.

In the normal course of business, the Company indemnifies and guarantees certain service providers, such as clearing brokers, against specified potential losses in connection with their acting as an agent of, or providing services to, the Company. The maximum potential amount of future payments that the Company could be required to make under these indemnifications cannot be estimated. However, the Company believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statements for these indemnifications.

Additionally, the Company enters into contracts and agreements that contain a variety of representations and warranties and which provide general indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. The Company expects the risk of any future obligations under these indemnifications to be remote.

(8) Subsequent Events

The Company has performed an evaluation of subsequent events through February 28, 2018 which is the date the financial statements were available to be issued, and did not identify any subsequent events which would require adjustment to or disclosure in these financial statements.

Schedule I

PORTFOLIO BROKERAGE SERVICES, INC.

Computation of Net Capital Pursuant to Rule 15c3 1 of the Securities and Exchange Commission

December 31, 2017

Computation of net capital:		
Shareholder's equity	$	1,709,216
Deductions and or charges:		
Nonallowable assets:		
Receivables from affiliates		318,499
Money market funds held as collateral		101,676
Other assets		51,412
Total nonallowable assets	$	471,587
Net capital		1,237,629
Minimum dollar net capital requirement		100,000
Excess net capital	$	1,137,629
Aggregate indebtedness:		
Accounts payable		313
Accrued expenses		40,250
Payable to clearing organizations		5,600
Other liabilities		15,121
Total aggregate indebtedness	$	61,284
Ratio of aggregate indebtedness to net capital		.05 to 1

Note: There are no material differences between the above computation and the Company's corresponding unaudited Form X-17A-5 as of December 31, 2017, filed on January 23, 2018.

See accompanying report of independent registered public accounting firm.

Schedule II

PORTFOLIO BROKERAGE SERVICES, INC.

Computation for Determination of Customer Account Reserve Requirements and PAB Reserve Requirements Under Rule 15c3 3 of the Securities and Exchange Commission

December 31, 2017

None, as the Company is exempt from Rule 15c3-3 pursuant to the provisions of subparagraph (k)(2)(i) thereof.

See accompanying report of independent registered public accounting firm.

Schedule III

PORTFOLIO BROKERAGE SERVICES, INC.

Information Relating to Possession or Control Requirements Under

Rule 15c3 3 of the Securities and Exchange Commission

December 31, 2017

None, as the Company is exempt from Rule 15c3-3 pursuant to the provisions of subparagraph (k)(2)(i) thereof.

See accompanying report of independent registered public accounting firm.

KPMG LLP
Aon Center
Suite 5500
200 E. Randolph Street
Chicago, IL 60601-6436

Report of Independent Registered Public Accounting Firm

The Shareholder
Portfolio Brokerage Services, Inc.:

We have reviewed management's statements, included in the accompanying Portfolio Brokerage Services Inc. Exemption Report (the Exemption Report), in which (1) Portfolio Brokerage Services, Inc. (the Company) identified the following provisions of 17 C.F.R. § 15c3-3 (k) under which the Company claimed an exemption from 17 C.F.R. § 240.15c3-3 (k)*(2)(i)* (the exemption provisions); and (2) the Company stated that it met the identified exemption provisions throughout the year ended December 31, 2017 without exception. The Company's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)*(2)(i)* of Rule 15c3-3 under the Securities Exchange Act of 1934.

KPMG LLP

Chicago, Illinois
February 28, 2018

PMC
Portfolio Brokerage Services Incorporated

February 28, 2018

EXEMPTION REPORT
SEC Rule 17a-5(d)(4)

Portfolio Brokerage Services, Inc. (the "Company" or "PBS") is a registered broker-dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). The Company's primary business includes the execution of securities transactions for Envestnet Asset Management, Inc. ("EAM") as well as the facilitation of manager-directed transactions at various custodians of record. The below information is designed to meet the Exemption Report criteria pursuant to SEC Rule 17a-5(d)(4).

To the best of its knowledge and belief, the Company states the following:

- Company is a broker-dealer registered with the SEC and FINRA.
- Company claimed an exemption under paragraph (k)(2)(i) of SEC Rule 15c3-3 for the fiscal year ended December 31, 2017.
- Company is exempt from the provisions of SEC Rule 15c3-3 because it meets conditions set forth in paragraph (k)(2)(i) of the rule, of which, the identity of the specific conditions are as follows:

  The provisions of the Customer Protection Rule shall not be applicable to a broker or dealer who, carries no margin accounts, promptly transmits all customer funds and delivers all securities received in connection with its activities as a broker or dealer, does not otherwise hold funds or securities for, or owe money or securities to, customers and effectuates all financial transactions between the broker or dealer and its customers through one or more bank accounts, each to be designated as "Special Account for the Exclusive Benefit of Customers of Portfolio Brokerage Services, Inc.

- Company has meet the identified exemption provisions in paragraph (k)(2)(i) of SEC Rule 15c3-3 throughout its most recent fiscal year, January 1, 2017 through December 31, 2017, without exception.

Portfolio Brokerage Services, Inc.
Name of Company

By: ______________________
Dale J. Seier

Title: Senior Vice President - Treasurer

1801 California St., 23rd Floor, Denver, Colorado 80202
Phone: 866/924-8913 303/824-8100 Fax: 303/824-8290

KPMG

KPMG LLP
Aon Center
Suite 5500
200 E. Randolph Street
Chicago, IL 60601-6436

Report of Independent Registered Public Accounting Firm on Applying Agreed-Upon Procedures Pursuant to SEC Rule 17a-5(e)(4)

The Shareholder
Portfolio Brokerage Services, Inc.:

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and with the Securities Investor Protection Corporation (SIPC) Series 600 Rules, we have performed the procedures enumerated below with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) for the year ended December 31, 2017, which were agreed to by Portfolio Brokerage Services, Inc. (the Company) and SIPC, solely to assist you and SIPC in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). The Company's management is responsible for the Company's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries, and noted no differences;

2. Compared the Total Revenue amount reported on the Annual Audited Form X-17A-5 Part III for the year ended December 31, 2017, with the Total Revenue amount reported in Form SIPC-7 for the year ended December 31, 2017, and noted no difference;

3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, and noted no differences;

4. Recalculated the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related supporting schedules and working papers supporting the adjustments, and noted no differences

We were not engaged to, and did not, conduct an examination or a review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

KPMG

This report is intended solely for the information and use of the specified parties referred to in the first paragraph of this report, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

Chicago, Illinois
February 28, 2018

173240

PORTFOLIO BROKERAGE SERVICES, INC.
Securities Investor Protection 1/23/2018 173240

REFERENCE NO.	DESCRIPTION	INVOICE DATE	INVOICE AMOUNT	DISCOUNT TAKEN	AMOUNT PAID
01/23/18	SIPC 7 PAYMENT-PBS-2017	1/23/2018	$853.20		$853.20

CHECK DATE	CHECK NO.	PAYEE	DISCOUNTS TAKEN	CHECK AMOUNT
		173240 $853.20		$853.20

173240

PORTFOLIO BROKERAGE SERVICES, INC.
1801 CALIFORNIA ST., SUITE 2300
DENVER, CO 80202

CITYWIDE BANKS
AURORA, CO 80010

82-107-1070

EZShield™ Check Fraud Protection for Business

CHECK NO.	DATE	AMOUNT
	1/23/2018	$853.20

Eight Hundred Fifty Three Dollars And 20 Cents

PAY TO THE ORDER OF:
Securities Investor Protection
PO BOX 92185
ATTN: NASD SIPC COORDINATOR
WASHINGTON DC 20090-2185

AUTHORIZED SIGNATURE

⑈173240⑈ ⑆107001070⑆ 110900376⑈

PORTFOLIO BROKJERAGE SERVICES, INC.
1/23/2018 Securities Investor Protection 173240

173240

REFERENCE NO.	DESCRIPTION	INVOICE DATE	INVOICE AMOUNT	DISCOUNT TAKEN	AMOUNT PAID
01/23/18	SIPC 7 PAYMENT-PBS-2017	1/23/2018	$853.20		$853.20
			$853.20		$853.20

CHECK DATE	CHECK NO.	PAYEE	DISCOUNTS TAKEN	CHECK AMOUNT
		173240		

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SIPC-7

(35-REV 6/17)

SECURITIES INVESTOR PROTECTION CORPORATION

P.O. Box 92185 Washington, D.C. 20090-2185
202-371-8300

General Assessment Reconciliation

SIPC-7

(35-REV 6/17)

For the fiscal year ended 12|31|2017

(Read carefully the instructions in your Working Copy before completing this Form)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

36915 FINRA
Portfolio Brokerage Services Inc.
1801 California Street, 23rd Floor
Denver, CO 80202-2658

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

____

2. A. General Assessment (item 2e from page 2) $ 1,592.84
   B. Less payment made with SIPC-6 filed (**exclude interest**) (739.64)
      7/21/17
      Date Paid
   C. Less prior overpayment applied (______)
   D. Assessment balance due or (overpayment) ______
   E. Interest computed on late payment (see instruction E) for______days at 20% per annum ______
   F. Total assessment balance and interest due (or overpayment carried forward) $ 853.20
   G. **PAYMENT: √ the box**
      Check mailed to P.O. Box ☐ Funds Wired ☐
      Total (must be same as F above) $______
   H. Overpayment carried forward $(______)

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

____

____

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Portfolio Brokerage Services, Inc.
(Name of Corporation, Partnership or other organization)

[signature]
(Authorized Signature)

SVP - Treasurer
(Title)

Dated the 23rd day of January, 20 18.

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates: ______ Postmarked ______ Received ______ Reviewed

Calculations ______ Documentation ______ Forward Copy ______

Exceptions:

Disposition of exceptions:

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DETERMINATION OF "SIPC NET OPERATING REVENUES" AND GENERAL ASSESSMENT

Amounts for the fiscal period
beginning 1/1/2017
and ending 12/31/2017

Eliminate cents

Item No.	
2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)	$ 1,097,365
2b. Additions:	
(1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.	
(2) Net loss from principal transactions in securities in trading accounts.	
(3) Net loss from principal transactions in commodities in trading accounts.	
(4) Interest and dividend expense deducted in determining item 2a.	
(5) Net loss from management of or participation in the underwriting or distribution of securities.	
(6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.	
(7) Net loss from securities in investment accounts.	
Total additions	
2c. Deductions:	
(1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.	
(2) Revenues from commodity transactions.	
(3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.	35,470-
(4) Reimbursements for postage in connection with proxy solicitation.	
(5) Net gain from securities in investment accounts.	
(6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.	
(7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).	
(8) Other revenue not related either directly or indirectly to the securities business. (See Instruction C): ______ (Deductions in excess of $100,000 require documentation)	
(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income. $______	
(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960). $______	
Enter the greater of line (i) or (ii)	
Total deductions	35,470-
2d. SIPC Net Operating Revenues	$ 1,061,895-
2e. General Assessment @ .0015 Rate effective 1/1/2017	$ 1,592.84
	(to page 1, line 2.A.)

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