

Item 1 – Cover Page

Portfolio Resources Advisor Group, Inc.

800 Brickell Avenue, Suite 903

Miami, FL 33131

Phone: (305) 372-0299

Fax: (305) 372-0499

Email: info@prg-group.net

<http://www.prginc.net>

March 23, 2012

Wrap Fee Brochure

This wrap fee program brochure provides information about the qualifications and business practices of Portfolio Resources Advisor Group, Inc. ("PRAG" or "we"). If you have any questions about the contents of this Brochure, please contact us at (305) 372-0299. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Portfolio Resources Advisor Group, Inc. is a Registered Investment Adviser (RIA). Registration of an Investment Adviser does not imply any level of skill or training. This Brochure is intended, in part, to provide information that can be used to make a determination to hire or retain an Adviser.

Additional information about Portfolio Resources Advisor Group, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

There are no material changes since our last brochure dated November 2, 2011.

Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Our Brochure may be requested by contacting us at the number above.

Additional information about Portfolio Resources Advisor Group, Inc. is also available via the SEC's website www.adviserinfo.sec.gov. The SEC's website provides information about any persons affiliated with Portfolio Resources Advisor Group, Inc. who are registered, or are required to be registered, as investment adviser representatives of Portfolio Resources Advisor Group, Inc.

Item 3 -Table of Contents

Item 1 – Cover Page	1
Item 2 – Material Changes.....	1
Item 3 -Table of Contents	1
Item 4 – Services, Fees and Compensation	1
Services	1
Advisory Program Fees	2
Item 5 – Account Requirements and Types of Clients.....	3
Item 6 – Portfolio Manager Selection and Evaluation.....	3
Performance-Based Fees and Side-By-Side Management	3
Methods of Analysis, Investment Strategies and Risk of Loss.....	3
Risk of Loss.....	3
Voting Client Securities	3
Item 7 – Client Information Provided to Portfolio Managers	3
Item 8 – Client Contact with Portfolio Managers	3
Item 9 – Additional Information.....	3
Disciplinary Information.....	3
Other Financial Industry Activities and Affiliations	3
Code of Ethics	3
Review of Accounts.....	4
Client Referrals and Other Compensation.....	4
Financial Information.....	4
Item 10 – Requirements for State-Registered Advisors	4

Item 4 – Services, Fees and Compensation

PRAG also offers non-wrap fee programs, which are disclosed in ADV Part 2A.

Pershing LLC, and National Financial Services ("NFS") provide custody, transaction and banking services through PRAG's affiliated broker-dealer, Portfolio Resources Group, Inc. ("PRG"). NFS custody will be available until January 18, 2012 at which time Pershing LLC will become PRG's sole clearing agent.

Services

PRAG offers Managed Account Solutions (Program). Under the Program, the client and the investment adviser representative ("IAR") compile pertinent financial and demographic information to develop an investment program that will meet the client's goals and objectives. The programs offered are through third party money managers or platform managers in association with Envestnet Asset Management, Inc. PRAG will deliver an Investment Management Agreement (IMA), an Investment Policy Statement (IPS) or a Statement of Investment Selection (SIS) that provides details on fee structures and account services to be provided. These programs typically function under a "wrap-fee" billing program which means that there is one total fee covering the cost of the portfolio manager, platform fees, transaction (custodial) costs, and the advisor fee. There are no additional charges to the client, other than the wrap-fee the client agrees to pay for the investment program selected, unless otherwise disclosed in the IMA and agreed to by the client.

- **Separately Managed Account Program (SMA):** In this program, assets are managed by institutional and/or independent money managers. This program includes Envestnet's manager due diligence (for approved managers only), assistance in evaluating separate account managers, and provides access to a range of managers and investment disciplines, including available managers not directly approved by Envestnet (available managers). The program also includes professional money management, performance reporting, and associated services and support.
- **Unified Managed Accounts (UMA) and Multi-Manager Account (MMA) Programs:** These programs combine multiple investment styles facilitating diversification within an individually-managed account. The program includes professional money management, manager due diligence, and performance reporting. Additionally, the UMA and the MMA may include Envestnet as overlay portfolio manager to manage the asset allocation of the account and coordinate trading across investment sleeves.
- **Third Party Strategist-ETF/Mutual Fund Wrap Program:** In this program, assets are allocated across a range of mutual funds. Clients may select one or more asset allocation portfolio strategies consisting of either mutual funds or exchange-traded funds (ETFs). Accounts are managed on a discretionary basis. Envestnet develops the portfolio asset allocation, selects the underlying funds populating the respective model strategy and annually rebalances the client's account to the original allocation. This program offers investment strategies including, Aggressive Equity, Growth Equity, Balanced with Growth, Balanced, Equity Income and Income portfolios.
- **Advisor Directed Models/Representative as Portfolio Manager:** PRAG advisors are provided a set of tools to construct and manage model portfolios. This program allows selected financial advisors to manage client portfolios on a wrap-fee basis in accordance with client objectives. PRAG will enter into an Investment Management Agreement with the client, under which PRG and its clearing firm provide services in association with Envestnet.

Clients that participate in the Program are required to grant full discretionary investment authority to the IAR. The IARs use their discretion to replace investment vehicles, including sub-managers, when such a change is deemed necessary; to rebalance a client's account as agreed between the client and IAR; and to liquidate sufficient assets to pay the Program Fee when necessary and any other actions that the IAR deems appropriate.

The IAR recommends an asset allocation and constructs a portfolio based upon the client's needs and objectives. In some cases, managers supply the IAR with a model portfolio, and the IAR invests client assets accordingly.

The IAR reviews the investment strategies and performance of a wide range of managers. From time to time, managers of non-traditional or alternative investment strategies are recommended to clients meeting the appropriate suitability criteria.

Clients are advised and should understand that:

- A manager's past performance is no guarantee of future results;
- There is a certain market, interest rate, and political risk which may adversely affect any advisor's objectives and strategies, and could cause a loss in a client's account(s); and
- Client risk parameters or comparative index selections provided to the firm are guidelines only - there is no guarantee that index performance will be met or that risk parameters will not be exceeded.

All accounts are managed by the selected independent or firm managers. Information collected by PRAG regarding selected managers is believed to be reliable and accurate but the firm does not independently review or verify it on all occasions. All performance reporting will be the responsibility of the respective managers and as provided by Envestnet Asset Management, Inc. Such performance reports will be provided directly to the clients and the firm. The firm does not audit nor verify that these results are calculated on a uniform or consistent basis as provided by a manager

directly to the firm or through the consulting service utilized by the manager or the firm.

Advisory Program Fees

The specific manner in which fees are charged by PRAG is established in a client's written agreement (IMA) with PRAG. Fees are based on the assets in the account per the fee schedule and in some instances, may be negotiated.

Clients in the Program pay a Program Fee from which Envestnet pays the sub-managers and any third-party service provider, and PRAG. The Program Fee also includes investment management services which may include client profiling, strategic asset allocation, style allocation, research and evaluation of asset managers, ongoing monitoring of manager and account performance, asset manager hiring and termination, account rebalancing, account reporting, and other operational and administrative services. Not all Programs offer all of the services listed above. No portion of Adviser's compensation shall be based on capital gains or capital appreciation.

Fees are charged quarterly in advance and calculated by multiplying the fair market value of the assets in the account as of the last trading day of each calendar quarter by the annual fee and then dividing that result by four, which represents each quarter. Fees for the initial quarter are adjusted pro rata, based upon the number of calendar days in the calendar quarter that the adviser agreement goes into effect. Fair market value of assets for this purpose is normally as reflected on the account statement as received from the custodian, although on occasion adjustments may be necessary to reflect such items as interest accrued but not yet paid. Securities for which fair market values are not readily available are valued in good faith by the custodian. As authorized in the Client Agreement, the account custodian withdraws advisory fees directly from the clients' accounts according to the custodian's policies, practices, and procedures. The custodian sends the client a statement at least quarterly indicating the amount disbursed from the account including the amount of advisory fees paid to PRAG. The custodian of the account, not PRAG, holds all customer assets. Annual management wrap-fees for accounts utilizing firm sponsored or independent third party managers in association with the firm's management platform will not exceed the following rates:

Fee Schedule:	
<u>Account Value</u>	<u>Annual Fee</u>
First \$500,000	2.75%
Next \$500,000	2.75%
Next \$4 million	2.25%
Above \$5 million	2.00%

Fees are outlined in each respective manager's Form ADV and Advisory Contract. The firm will be paid an on-going fee based upon a percentage of each client's assets under management with respect to each manager. Each client will receive a copy of such an advisory agreement (IMA or SIS) that will disclose the fee. The firm negotiates each fee directly with the client. The firm has a potential **conflict of interest** in that its advisors could be motivated to recommend management styles and managers that would result in higher fees to the advisor and/or the firm. PRAG will make all recommendations independent of such fee considerations. The firm's recommendations will be based solely on its obligation to consider first and foremost a client's objectives and needs.

If there is insufficient cash in the account at the time the Program fee is to be debited from the account, the Advisor may sell assets to generate sufficient cash to pay the Program fee. This may create a taxable gain or tax loss for the client.

Minimum Fees

The custodian that executes transactions and holds securities, and the technology platform that provides performance reporting and other functions, may have minimum fees that can impact the asset-based fee (expressed in basis points or percentages) that is charged for a particular program. Minimum fees become effective if the account assets under management fall below the recommended minimum investment size. Minimum fees need to be considered when selecting an investment program. Depending on the amount of funds available for investment, minimum fees can raise the percentage cost of assets under management of a particular program.

Certain Investments may charge their own fees, such as mutual funds, ETFs, and alternative investments. Please see the prospectus or related disclosure document for information regarding these fees.

Generally, PRAG purchases no-load mutual funds that do not generate sales charges. Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as 12b-1 fees. 12b-1 fees come from fund assets, therefore, indirectly from client assets. 12b-1 fees may be paid to PRAG's affiliated broker/dealer, PRG, and a portion passed to Advisory Representatives who are also Registered Representatives. The receipt of such fees could represent an incentive for Advisory Representatives to recommend funds with 12b-1 fees over funds that have no fees or lower fees. As a result, there is a potential conflict of interest. PRAG will disclose payment of such fees to clients in the Investment Management Agreement (IMA). Clients must approve that an advisor receive such fees.

All fees may be subject to negotiation. When negotiating fees, factors considered, but not limited to, include: (i) clients with multiple accounts; (ii) size of the account; (iii) a

prior or existing relationship; and (iv) a client's particular needs or financial characteristics. Due to the fact that fees may vary, clients with existing accounts may be charged fees that do not match precisely the foregoing fee schedules or the fees paid by other clients.

Other costs that may be assessed and that are not part of those outlined above include fees for portfolio transactions executed away from the broker/custodian selected by the client, dealer mark-ups, electronic fund and wire transfers, spreads paid to market-makers and/or a bond desk, and exchange fees, among others. The broker/custodian may charge client certain additional and/or minimum fees and such fees will be disclosed to the client by the custodian of the Program, or in the IMA.

The Program wrap fee does not include: (i) annual account fees or other administrative fees, such as wire fees, charged by custodians (ii) certain odd-lot differentials, transfer taxes, transaction fees mandated by the Securities Act of 1934, postage and handling fees, and charges imposed by law with regard to transactions in the client's account; and (iii) advisory fees, expenses or sales charges (loads) of mutual funds (including money market funds), closed-end investment companies or other managed investments, if any, held in client's account.

PRG may receive compensation from its clearing firm based on the value of credit balances in accounts. If cash is swept into a money market fund, PRG receives compensation based on the value of assets in these funds as broker-dealer. Thus, PRAG and/or PRG may have an incentive to recommend that clients select money market funds as a sweep vehicle that pays more compensation to PRG than other funds.

PRAG has the right to change any or all of its fee schedules with 30 days written notice.

Although PRAG believes its fees are reasonable in light of the services provided, clients should be aware that the wrap program may cost the client more or less than purchasing such services separately and will depend on the trading activity in the client's account. The cost of non-wrapped investment advisory services may be lower than investment advisory services provided under the wrap program. Because PRAG could in some instances receive more compensation from a client from the client's participation in the Program than if the client received advisory services and brokerage services separately, PRAG may have a financial incentive to recommend the Program to clients over other types of advisory services. PRAG may give advice to others that may be different from the advice given to Program clients.

Clients should consider the value of the additional consulting services when making such comparisons. The combination of custodial, consulting, and brokerage services may not be available separately or may require multiple accounts, documentation, and fees. In addition, certain advisors may not be available to certain clients outside the consulting relationship because of minimum account sizes, fee schedules, geographic availability, or other factors. A non-wrapped pricing arrangement may be more cost effective for accounts that do not experience frequent trading activity. Because of the single fee charged to a Program account, PRAG may be regarded as having a conflict of interest in that it may realize a greater profit on a Program account with a relatively low rate of portfolio turnover compared to other types of accounts, assuming the same level of fees. On the other hand, market conditions may make such separate services more expensive if a manager suddenly finds it necessary to increase trading activity in a volatile market. Wrap fees are intended to protect clients against such unknown variables.

ACCOUNT TERMINATION

Account agreements may be terminated by either party upon written notice in accordance with the respective managers' disclosure documents. Pre-paid fees will be refunded in accordance with each respective manager's agreement and disclosure documents. If a client terminates his participation in the Program within five business days of inception, the client will receive a full refund of the Fee, less any transaction or service fees that may have been incurred due to the purchasing of securities in the account.

Upon written receipt of notice to terminate its Client Agreement with any of PRAG's investment advisory Programs, and unless specific transfer instructions are received, PRAG and its agent will, in an orderly and efficient manner, proceed with liquidation of the Client's account. There will not be a charge by PRAG for such redemption; however, the Client should be aware that certain mutual funds impose redemption fees as stated in each company's fund prospectus in certain circumstances. Also, maximum annual transactions permitted in a wrap-fee program may be exceeded if the investments in an account are liquidated in a particular month. In such cases, an extra "fee per transaction" will be charged, but only for those transactions that exceed the maximum yearly limit. Clients must also keep in mind that the decision to liquidate securities or mutual funds may result in tax consequences that should be discussed by the client with their own tax advisor.

Factors that may affect the orderly and efficient manner of such liquidations would be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities' markets be unavailable and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate client's investment advisory service and communicate the instructions to client's Investment Advisor or managers, termination orders received from clients are not market orders; it may take several business days under normal market conditions to process the client's request. During

this time, the client's account is subject to market risk. PRAG and its agent are not responsible for market fluctuations of the client's account from time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner.

Item 5 – Account Requirements and Types of Clients

PRAG generally provides portfolio management services to individuals, high net worth individuals, and corporations or other businesses. The minimum account size for opening an account is \$100,000. In certain cases, these minimums may be waived based upon business considerations.

Item 6 – Portfolio Manager Selection and Evaluation

Clients make the decision to select PRAG as their portfolio manager. PRAG evaluates individual portfolio managers in terms of performance goals and replaces managers as appropriate. PRAG uses industry standards to measure the performance of its portfolio managers; however, it does not use a third party auditor to review and verify the performance of portfolio managers. Investnet does, however, provide reviews for "approved managers" on its platform. Clients may select from both "approved" and/or "available" managers, on which audit reviews are not made.

Performance-Based Fees and Side-By-Side Management

PRAG does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Methods of Analysis, Investment Strategies and Risk of Loss

Our investment strategy begins with an understanding of a client's financial goals. Advisors use demographic and financial information provided by the client to assess the client's risk profile and investment objectives in determining an appropriate plan for the client's assets. Investment strategies ordinarily include long or short-term purchases of stock portfolios, mutual funds and fixed income securities.

Investment recommendations are based on an analysis of the client's individual needs, and are drawn from research and analysis. Security analysis methods may include fundamental analysis, technical analysis, charting, and cyclical analysis. Information for this analysis may be drawn from financial newspapers and magazines, research materials prepared by others, annual reports, corporate filings, prospectuses, company press releases, and corporate ratings services.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. Some of the primary risks of investing are summarized below:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Political Risk:** Inflation is considered by many economists to be a strictly monetary phenomenon. Too much money chasing too few goods causes prices to go up. Governments may print money in an attempt to inflate their way out of the debt they have incurred through too much spending. Likewise, governments can enact legislation that restricts free markets and stifles economic growth.
- **Regulatory Risk:** Clients should not expect SRO's or government regulators to always be there to protect them against fraud or bad investments. It is a client's responsibility to carefully evaluate their investments and the risks associated, to regularly review their investment statements, and to ask questions if they don't understand an investment product or strategy. It is likewise recommended that clients carefully select an advisor based on reputation, knowledge, experience, and shared ethical values.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the

terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Voting Client Securities

PRAG does not vote proxies. Clients can authorize investment managers to vote proxy requests on their behalf in their Client agreements. Please refer to the respective investment manager's Form ADV for a full disclosure of its proxy voting policies and procedures. Clients should contact their financial consultant if they have any questions and/or to obtain this information.

Item 7 – Client Information Provided to Portfolio Managers

PRAG may forward new account documents to other portfolio managers in which you express an interest. Your information will be used as needed for settling of trades, transfer of fund or securities or other information necessary to satisfy your financial activity. Updated information will be sent to the portfolio managers.

Item 8 – Client Contact with Portfolio Managers

You may not generally communicate with portfolio managers directly. Your advisor may, however, arrange for such communications to help you better understand a particular strategy or even arrange for you to participate in a conference call with a manager discussing market conditions. Consultations beyond normal business practices may require additional negotiated fees.

Item 9 – Additional Information

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of PRAG or the integrity of PRAG's management. PRAG has no information applicable to this Item.

Other Financial Industry Activities and Affiliations

PRAG is affiliated with Portfolio Resources Group, Inc. ("PRG"), a Miami-based FINRA, SIPC, MSRB, and SIFMA member broker/dealer. Some Associated persons of the firm conduct broker/dealer commission related business through PRG. In this capacity, some associated persons are involved in the sale of various types of securities, including, but not limited to, stocks, fixed income, options, variable annuities, mutual funds, REITs, and managed futures. As a broker/dealer, PRG, its clearing firm and/or custodians may have trade errors that result in a profit or loss to them. Broker/dealers and custodians have controls in place to limit such trade errors and E&O insurance to cover losses. Such errors should not impact segregated client accounts.

Certain IARs are separately licensed as insurance agents/brokers for various independent insurance companies. These individuals may spend as much as 75% of their time with these aforementioned non-advisory activities. In their capacities as registered representatives or as independent insurance agents, clients will be charged separately from their advisory services.

Additionally, PRAG is affiliated with Capital Management Resources, Ltd., a British Virgin Islands money management firm that services non-U.S. clients. PRAG does not refer U.S. domestic clients to CMR.

PRAG may recommend that clients establish brokerage accounts at PRG with custody at Pershing or NFS. It may also recommend that clients open accounts at Schwab Institutional, TD Ameritrade Institutional or at other custodians with whom PRAG may have a relationship (collectively "the custodians") to maintain custody of client assets and to effect trades for their accounts. The custodians are FINRA registered broker-dealers, and members of SIPC. However, it is the client's decision to custody assets with a particular custodian. PRAG is independently owned and operated, and not affiliated with any custodian or clearing firm.

Code of Ethics

PRAG has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of "rumor-mongering," restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at PRAG must acknowledge the terms of the Code of Ethics annually, or as amended.

PRAG advisors may buy or sell securities that are recommended to clients. PRAG's employees and persons associated with PRAG are required to follow the Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of PRAG and its affiliates may trade for their own accounts in securities that are recommended to and/or purchased for PRAG clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of PRAG will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of PRAG's clients. In addition, the Code requires pre-approval of many transactions, and restricts trading in

close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between PRAG and its clients.

Block Trades: Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with PRAG's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive equity securities at a total average price. PRAG will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order. Fixed-income trades by related persons may be done at the same time as client trades as long as limited allocations are done on a pro-rata basis. Spreads may vary according to the allocation size.

The accounts of certain employees, or related persons, may be managed similarly to, or differently from, many client accounts. As a result, securities held in employee portfolios may be substantially the same as securities owned by clients of the firm. In any purchase or sale by the firm and/or employees of the firm, client transactions are completed prior to the initiation of any transaction for employees or related person accounts, or at the same time as those of clients. The latter case should occur only where the client is either not negatively impacted, or may actually be helped by achieving a better price or greater liquidity. Related persons or employees who are in model driven investment programs will be executed under equal conditions with clients. Employees or related persons are prohibited from trading ahead of clients in either buys or sells.

PRAG or its personnel may recommend to clients or effect transactions for client accounts in securities in which a director, officer or employee of PRAG, or another related person of PRAG, may also be invested. This poses a possible conflict of interest to the extent that transactions in such securities on behalf of PRAG clients may advantage such related persons. However, PRAG and its personnel are constrained by fiduciary principles to act in their clients' best interests when managing their accounts. PRAG monitors activity in client accounts in an effort to ensure that transactions are appropriate and any such conflicts are resolved in a manner that is fair and equitable to clients.

Access persons are required to report their trading activities. Access persons, have restrictions on personal trading in securities in which the firm purchases for clients. The firm has adopted a Code of Ethics to govern the personal trading by such access persons. In addition, the firm has an Insider Trading Policy applicable to all its employees, which prohibits the use of material inside information in connection with personal transactions.

The Code of Ethics and trading policies are overseen by the Chief Compliance Officer, who is responsible for the review of such transactions. A copy of the firm's Code of Ethics is provided to all employees. The firm's Code emphasizes the firm's philosophy of honesty, integrity and professionalism, setting forth standards of conduct expected of the firm's personnel, promoting honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships, and promoting compliance with applicable government laws, rules and regulations. The firm's investment advisors are fiduciaries that have the responsibility to render professional, continuous, and unbiased investment advice to clients. Advisors owe clients a duty of care, loyalty, honesty and good faith, and fair dealing and must act at all times in the client's best interest. All personnel have the obligation to uphold this duty. A free copy of the firm's Code of Ethics is available to clients upon request.

PRAG clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Nancy Baquero at 305-372-0299 Extension 404 or at nbaquero@inres.net.

Review of Accounts

Investment Advisor Representatives are required to review all managed accounts on an annual basis or more frequently if warranted. PRAG requires that all client managed accounts be linked to Envestnet Asset Management, Inc. for purposes of billing and performance reporting, except in those cases where an independent manager is providing their own billing and performance reporting which has been approved by PRAG. This approach provides third party reporting of asset values independent of both the firm and the advisor representative, assuring clients of impartial portfolio valuations.

The Investment Committee is a consultative body that confers, from time to time, to analyze market conditions and discuss general investment ideas and/or review specific products that may be suitable for clients. Members of the committee are available to Investment Advisor representatives for consultations regarding individual client portfolios, or the suitability of specific products. The Committee recommends that Investment Advisor Representatives review the following with clients at least once a year: investment objectives, targeted allocation, current asset allocation, suitability, performance, number of trades, monthly distributions, concentrated positions, diversification, and outside holdings.

Following a supervisory review, a decision may be made as to the required frequency of subsequent reviews, such as either quarterly or semi-annually. Examples of situations that could warrant monthly account reviews include the following: performance that is not in line with the client's "downside risk tolerance"; change in investment objective; significant addition or withdrawal of capital from the account; current allocation and targeted allocation inconsistency; frequency of trades not in line with objectives and current account type; concentrated positions that could lead to volatility; important changes in market conditions; and notification of a material change in the client's financial status. The firm will only guarantee an annual review, unless quarterly or monthly reviews of account activity are requested in writing by the client. The firm will not be responsible for monthly reviews if the client does not request it. There may be additional charges for monthly performance reporting if requested by client.

With respect to all of the Programs, the firm or its agent will provide to each client quarterly portfolio performance reports of the client's account(s) which will include a review and evaluation of the client's portfolio in light of the client's investment goals and objectives. Each performance report will include a reminder to the client to contact the firm if there are any changes in the client's financial situation or other pertinent information, and will disclose the method by which the client may make such contact.

For all managed accounts, in addition to the portfolio performance reports as described herein, the firm, through its clearing broker/dealer or TAMP, will transmit to clients (and where appropriate to the applicable investment advisor) the following reports:

- Trade confirmations reflecting all transactions in securities;
- Monthly statements of client's account(s) itemizing all transactions in cash and securities, and all deposits and withdrawals of principal and income during the preceding calendar month; however, if there is no activity in such account, then quarterly statements will be provided in lieu of monthly reports; and
- Annual summary of transactions and dividend and interest statement.

Client Referrals and Other Compensation

PRAG does not compensate third parties for client referrals.

Financial Information

Registered Investment Advisers are required to provide you with certain financial information or disclosures about PRAG's financial condition. PRAG has no financial obligations that impair its ability to meet contractual and fiduciary commitments to clients, and it has not been the subject of any bankruptcy proceeding.

Item 10 – Requirements for State-Registered Advisors

The following is the educational and business background of the officer of PRAG.

Antonio Camejo, born in 1942, is a Registered Representative (RR) of Portfolio Resources Group, Inc. since November 1992, President and Chair of the Investment Committee of Portfolio Resources Advisor Group (PRAG) since April 2007 and an Investment Advisor Representative (IAR) of Portfolio Resources Advisor Group since January 2008.

Business Experience:

Mr. Camejo has been a registered representative since April 1987. From 1987 to 1991 he was an Associate Vice President at Prudential-Bache Securities, Inc. where he was a registered representative and also served as an advisor to the Investment Banking Division. From February 1991 to September 1991 he was Director of International Investments at Progressive Asset Management, Inc., Oakland, California, a firm specializing in Socially and Environmentally Responsible Investing. From August 1991 to the present he has been a shareholder and director of the Portfolio Resources group of companies of which he is currently Co-Chair. From 1992 to 1998 he served as an outside advisor to the Paine Webber Municipal Airport Finance Group. From June 2005 to December 2008 he was Director of America Israel Investment Associates, LLC. Since October 1996 he has been a Managing Director and Co-Chair of the Investment Committee at Capital Management Resources Ltd., Tortola, BVI.

Educational Background:

Mr. Camejo earned a B.A. degree in Philosophy (major) and Economics (minor) in 1964 from Tufts University, Medford, MA. From 1965 to 1966 he attended Graduate Studies at Boston University in Philosophy and Pedagogy. In 1968, he helped found the first bilingual program in the California Public School System, and in 1969 co-founded and served as instructor in the Latin & Mexican-American Studies Department at Merritt College, California.

Media and Professional Activities:

Mr. Camejo has appeared on numerous occasions on 'CNN en Español' as a guest on financial news programs such as "Nuestro Mundo" and "Dinero." He has also been interviewed in financial publications such as Financial Advisor Magazine. Mr. Camejo is Member of the Envestnet Alliance Council in Chicago, Illinois since July 2008. From 1987 to 1989 he served as Special Advisor to the Secretary of Commerce of the State of Florida as a VOICE Member.

Professional Designations and Licenses:

Mr. Camejo has a Series 7 Securities License (General Securities Representative Examination) since April 1987, a Series 63 (Uniform Securities Agent State Law Examination) since May 1987, a Series 24 (General Securities Principal) since March 1994, a Series 66 (Uniform Combined State Law Examination) since March 2005, an Investment Banking Representative License since May 2010 and an Operations Professional License since November 2011.