

Firm Brochure

(Part 2A of Form ADV)

Private Advisory Group LLC
16880 NE 79th Street
Redmond, Washington 98052
P: 425-498-2320
F: 425-498-2321

This brochure provides information about the qualifications and business practices of Private Advisory Group LLC ("PAG"). If you have any questions about the contents of this brochure, please contact us at 425-498-2320 or by email at douglas@private-advisory.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about PAG is available on the SEC's website at www.adviserinfo.sec.gov. Registration with the SEC does not imply a certain level of skill or training.

January 14, 2014

Private Advisory Group LLC

Material Changes

Material Changes since the Last Update

Private Advisory Group LLC (“PAG”) is an investment adviser that filed for registration with the U.S. Securities and Exchange Commission on January 14, 2014. This is the first disclosure brochure created by PAG and, consequently, there are no material changes to report.

Table of Contents

Material Changes.....	i
Material Changes since the Last Update	i
Advisory Business	3
Firm Description.....	3
Principal Owners.....	3
Types of Advisory Services.....	3
Assets under Management	5
Fees and Compensation	5
Investment Management Fees	5
Other Fees	8
Performance-Based Fees	8
Types of Clients.....	8
Methods of Analysis, Investment Strategies and Risk of Loss.....	9
Methods of Analysis and Sources of Information.....	9
Investment Strategy	10
Risk of Loss	11
Disciplinary Information	13
Other Financial Industry Activities and Affiliations	13
Financial Industry Activities.....	13
Affiliations	15
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	15
Brokerage Practices.....	17
Selecting Broker Dealers	17
Soft Dollars	18
Brokerage for Client Referrals.....	19
Directed Brokerage	19
Aggregation of Orders.....	19
Review of Accounts	20
Account Reviews	20
Regular Reports.....	20

Client Referrals and Other Compensation	20
Custody	21
Investment Discretion	21
Voting Client Securities	21
Financial Information	22

Advisory Business

Firm Description

Private Advisory Group LLC ("PAG") is a Washington limited liability company founded in November 2013. PAG provides personalized confidential financial planning and investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

Principal Owners

71.5% of PAG is owned by Aspen Grove Equity Solutions, LLC, an Oregon limited liability company, which is owned by N. Gary Price (22.5%); Timothy J. Feehan Jr. (22.5%); Ron J. Robertson (5%); and Aequis Capital Management, Inc. (50%). Aequis Capital Management, Inc. is a subsidiary of Aequis Holdings, LLC, which is a subsidiary of Aequis Management, LLC, which is owned by Robert J. Jesenik, Brian A. Oliver, Andrew N. Macritchie, and Craig J. Froude.

25% of PAG is owned by Bean Holdings LLC, a Washington limited liability company, which is owned by Douglas R. Bean (40%, CRD No. 4541916), Chief Operating Officer; Christopher S. Bean (40%, CRD No. 4206985), Chief Executive Officer; and Bean Investment & Consulting, LLC (20%), a Washington limited liability company that is wholly owned by Stephen C. Bean (CRD No. 2138406).

The remaining 3.5% of PAG is directly owned by A. Douglas Maurer.

Types of Advisory Services

INDIVIDUAL PORTFOLIO MANAGEMENT SERVICES

PAG provides continuous asset management of client assets based on the individual needs of the client. Through discussions with the client, PAG determines the client's individual goals and objectives, time horizons, risk tolerances, and liquidity needs, which are then documented in PAG's relationship management system. As appropriate, PAG may also discuss with the client and review their prior investment history and the composition and background of the client's family. PAG then strives to develop a general portfolio allocation that is designed to match the client's objectives and risk tolerances

and to manage the client's assets according to that portfolio allocation, which will change over time as the client's situation and the markets change. PAG manages advisory client assets primarily on a discretionary basis, but accepts non-discretionary accounts as well. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

In addition to the investment management services noted above, advisory clients receive the following services:

- Cash flow management;
- Insurance review;
- Education planning;
- Retirement planning;
- Estate planning; and
- Tax return preparation and filing.

PAG's investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following types of securities:

- Exchange-listed securities, including exchange traded funds;
- Securities traded over-the-counter;
- Securities of foreign issuers;
- Corporate debt securities;
- Commercial paper;
- Certificates of deposit;
- Municipal securities;
- United States government securities;
- Options and futures contracts;
- Warrants;
- Private notes;
- Variable annuities and variable life insurance;
- Interests in partnerships investing in real estate, including private REITs;
- Interests in partnerships investing in other private investment partnerships, e.g. hedge fund of funds; and
- Interests in other pooled investment vehicles, e.g. mutual funds

Because some types of investments involve certain additional degrees of risk, they will only be purchased when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability. Initial public offerings (IPOs) are not available through PAG.

FINANCIAL PLANNING SERVICES

On a very limited basis, PAG provides financial planning services to clients where PAG designs a financial plan, but is not tasked with the responsibility of implementing the financial plan for the client once completed. Financial plans designed by PAG may, but are not required to, include:

- A net worth statement;
- A cash flow statement;
- A review of investment accounts, including an asset allocation review and the provision of repositioning recommendations;
- Strategic tax planning;
- A review of retirement accounts and plans, including recommendations;
- A review of insurance policies and, if necessary, recommendations for changes;
- A review of one or more retirement scenarios;
- An estate planning review and recommendations; and
- Education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan, but implementation of the recommendations is at the discretion of the client. After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary for up to six months.

TAX PREPARATION SERVICES

While tax return preparation and filing services are generally included in the scope of work performed for Individual Portfolio Management clients, PAG may perform such services on a stand-alone basis.

Assets under Management

As of January 14, 2014, PAG had \$0.00 in assets under management.

Fees and Compensation

Investment Management Fees

PAG offers its investment management services on a fee-only basis. The scope of the work to be performed by PAG and the annual fee for such services, based on a percentage of assets under management, is specifically disclosed in writing to clients at the start of the relationship in PAG's Advisory Service Agreement or

Retainer Agreement. Typically, PAG's asset-based advisory fees, for clients signing an Advisory Service Agreement, are based the following schedule, subject to a minimum annual fee of \$5,000.00:

Asset under Management	Annual Fee
\$0.00 to \$1,000,000.00 (first \$1 million)	1.07%
\$1,000,000.01 to \$3,000,000.00 (next \$2 million)	1.03%
\$3,000,000.01 to \$5,000,000.00 (next \$2 million)	0.94%
\$5,000,000.01 to \$10,000,000.00 (next \$5 million)	0.73%
\$10,000,000.01 to \$20,000,000.00 (next \$10 million)	0.61%
\$20,000,000.00 and above	0.49%

All advisory fees are negotiable, including the minimum annual fee, and clients should review their Advisory Service Agreement with PAG for disclosures regarding the specific asset-based advisory fee schedule applicable to their account(s). Advisory fees pursuant to an Advisory Service Agreement are billed quarterly in advance at the beginning of each calendar quarter based on the value of the client's assets under PAG's management, as reported by the custodian(s) of the client's accounts, as of the end of the previous calendar quarter. Generally, these advisory fees are automatically deducted from a single designated custodial account belonging to the client. Clients, however, may request to be invoiced for advisory fees instead. Initial advisory fees are pro-rated based on the number of days remaining in the calendar quarter, as a percentage of the total number of days in the calendar quarter, and are deducted from the client's custodial account(s) within 15 days after account setup and after any additions/deposits made to the account(s) during the initial quarter. Clients who terminate their Advisory Service Agreement with PAG during the middle of a calendar quarter will receive a pro-rata refund of any pre-paid, unearned advisory fees. The amount of the refund will be calculated by dividing the most recent management fee by the number of days in the quarter and multiplying that figure by the number of days left in the quarter following the date of termination.

PAG may also provide investment management services on a fixed-fee basis pursuant to a Retainer Agreement, primarily when asset management is not the most significant part of the relationship. Annual fees related to Retainer Agreements are typically based on the complexity of the work to be provided. While such fees are subject to a \$10,000.00 minimum annual fee, all fees related to Retainer Agreements are negotiable.

Fees for financial planning services are negotiated on a case-by-case basis depending on the degree of complexity associated with the client's situation. Financial planning fees are billed 100% in advance and range from \$0.00 to \$10,000.00 based on the facts known at the start of the engagement. Since,

however, financial planning is a discovery process; situations can be detected where the client is unaware of certain financial exposures or predicaments or fails to initially disclose such exposures or predicaments to PAG. In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

Fees for stand-alone tax preparation and filing services are billed at a fixed rate of \$2,500 per year. Eligible federal and applicable state tax returns are filed electronically without an additional fee.

Fees charged by PAG pursuant to Advisory Service and Retainer Agreements are applicable to all assets under PAG's management, including any securities for which PAG or any of its related persons serve as the investment adviser to the issuer of such securities, including, but not limited to the Granite Harbor Alternative Fund (Sym: GHAFX) and the Granite Harbor Tactical Fund (Sym: GHTFX) (collectively, the "Funds"), both of which may be recommended to clients. Clients should be aware that PAG and/or its related persons may, directly or indirectly, receive a financial benefit, separate from any advisory fees paid to PAG, when client assets are invested in these securities and thus a conflict of interest may exist when PAG recommends these securities to you.

Transactions in securities, such as fixed income securities, private real estate investment trusts and leasing programs, may be executed by RP Capital LLC ("RPC", CRD No. 134768, SEC File No. 8-66862), a broker-dealer under common control with PAG, on behalf of PAG's advisory clients. RPC charges commissions or markups or receives other compensation for effecting these securities transactions, a portion of which may, in turn, be passed down to PAG's officers and/or employees who are licensed as registered representatives of RPC. This compensation is in addition to the advisory fees noted in the fee schedule above. Consequently, PAG has a conflict of interest when recommending transactions to clients that will be placed and/or executed by RPC on the client's behalf because of the incentive to make recommendations based on the receipt of additional compensation, rather than the needs of the client or the quality of the investment. Clients should be aware that while PAG endeavors, at all times, to put the interests of clients first as part of its fiduciary duty as an investment adviser, clients have the option of requiring PAG to place and/or execute all securities transactions for their accounts with broker-dealers that are not related to PAG.

Other Fees

PAG's advisory fees are exclusive of custodial fees, brokerage commissions, transaction fees, bank service fees, interest on loans and debit balances, wire transfer and electronic fund transfer fees, interest on margin accounts, borrowing charges on securities sold short, and any other fees and taxes on brokerage accounts and securities transactions. Please see the "Selecting Broker Dealers" section below for a discussion regarding brokerage that may be relevant to this discussion of fees. Client assets may be invested in mutual funds, including open-end and closed-end mutual funds and exchange-traded funds, as well as other types of pooled investment vehicles, which generally pay an investment management fee, separate from PAG's advisory fees, to another investment adviser. As such, clients with investments in these types of securities may be subject to one or more additional layers of management fees.

Performance-Based Fees

PAG does not enter into performance-based fee arrangements with its advisory clients.

Types of Clients

PAG provides investment advisory services to the following types of clients:

- Individuals (other than high net worth individuals);
- High net worth individuals;
- Trusts and estates of individuals and high net worth individuals;
- Pension and profit sharing plans (other than plan participants);
- Charitable organizations;
- Banks or thrift institutions; and
- Corporations or other business entities not listed above.

PAG imposes a minimum account size requirement of \$500,000 of assets under management. PAG, however, may waive the minimum account size requirement in its discretion, may combine certain related accounts for the purpose of achieving the minimum account size requirement and may agree to manage accounts with less than \$500,000 in assets under management if PAG anticipates that the client will add additional funds to the account(s) to bring the total to \$500,000 within a reasonable time.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Sources of Information

PAG uses the following methods of analysis in formulating its investment advice and/or managing client assets:

- **Third-Party Money Manager Analysis** – PAG examines the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine whether the manager has demonstrated an ability to invest over a period of time and in different economic conditions. PAG monitors each manager's investment recommendations, strategies, concentrations, and leverage as part of our overall periodic risk assessment. A risk of investing based on the recommendations of a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. Additionally, if clients obtain exposure to a third-party manager by investing in a fund, there is a risk that a third-party manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less attractive investment for clients. Moreover, as PAG does not control the third-party manager's daily business and compliance operations, PAG may be unaware of the lack of internal controls necessary to prevent business, regulatory, or reputational deficiencies.
- **Asset Allocation** – Rather than focusing primarily on securities selection, PAG attempts to identify an appropriate ratio of equity securities, fixed income securities, alternative investments and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of equity securities, fixed income securities, alternative investments and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.
- **Fundamental Analysis** – PAG attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not

attempt to anticipate market movements. This presents a potential risk as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

- **Technical Analysis** – PAG analyzes past market movements and applies that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.
- **Charting** – In this type of technical analysis, PAG reviews charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.
- **Cyclical Analysis** – As part of PAG's technical analysis, PAG measures the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

The sources of information used by PAG in performing the analyses noted above include, but are not limited to, financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the U.S. Securities and Exchange Commission, company press releases, information obtained from Morningstar Principia, information obtained from Charles Schwab & Co., Inc.'s "SchwabLink" service, Advisor Intelligence and the Internet.

PAG's securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While PAG is alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Investment Strategy

PAG's primary investment strategy is to blend a mix of fixed income, equities, and alternatives investments in ways which tend to reduce overall portfolio risk while providing less volatile returns over time. Portfolios are globally diversified to control the risk associated with domestic markets. Equity transactions are typically based on the recommendations of selected equity managers who provide their expertise in developing PAG's equity platform. The

investment strategy ultimately applied to each client's account, however, is based upon the unique objectives stated by the client during consultations. The client may change these objectives at any time.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. PAG's investment approach seeks to always respect and, in many ways, minimize the potential risk of loss.

The following is a description of risks that clients should be willing to bear in the management of their accounts by PAG, but is not intended to be a complete description of all risks that clients may be exposed to:

- Market Risk: The price of any security, including ETFs, equities, bonds or mutual funds 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.
- 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.
- 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.
- 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 bonds.
- Call Risk: Bonds that are callable carry an additional risk because they may be called prior to maturity depending on current interest rates thereby increasing the likelihood that reinvestment risk may be realized.
- Credit Risk: The price of a bond depends on the issuer's credit rating, or perceived ability to pay its debt obligations. Consequently, increases in an issuer's credit risk, may negatively impact the value of a bond investment.
- Inflation Risk: When 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.

- Speculation Risk: Commodities and other markets are populated by traders whose primary interest is in making short-term profits by speculating whether the price of a commodity or security will go up or go down. The speculative actions of these traders may increase market volatility that could drive down the prices of commodities or securities.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange-rate risk.
- Foreign Market Risk: The securities markets of many foreign countries, including emerging countries, have substantially less trading volume than the securities markets of the United States, and securities of some foreign companies are less liquid and more volatile than securities of comparable United States companies. As a result, foreign securities markets may be subject to greater influence by adverse events generally affecting the market, by large investors' trading significant blocks of securities, or by large dispositions of securities, than as it is in the United States. The limited liquidity of some foreign markets may affect Toroso's ability to acquire or dispose of securities at a price and time it believes is advisable. Further, many foreign governments are less stable than that of the United States. There can be no assurance that any significant, sustained instability would not increase the risks of investing in the securities markets of certain countries.
- Counterparty and Broker Credit Risk: Certain assets will be exposed to the credit risk of counterparties when engaging in exchange-traded or off-exchange transactions. There may be a risk of loss of assets on deposit with or in the custody of a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions, or the bankruptcy of an exchange clearinghouse.
- Leverage Risk: Although PAG does not employ leverage in the implementation of its investment strategies, some exchange-traded and closed-end funds employ leverage. Leverage increases returns to investors if the investment strategy earns a greater return on leveraged investments than the strategy's cost of such leverage. However, the use of leverage exposes investors to additional levels of risk and loss that could be substantial.

Clients for whom PAG recommends alternative investments, such as private notes and REITS, leasing programs, and mutual funds that utilize alternative investment strategies expose clients to heightened levels of liquidity, credit, interest rate, and counterparty risks.

Disciplinary Information

Neither PAG nor any of its supervised persons have been the subject of any legal or disciplinary events that would be material to your evaluation of PAG or the integrity of PAG's management.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

Some officers and/or employees of PAG are separately licensed as registered representatives of RP Capital LLC, a broker dealer under common control with PAG. These individuals, in their separate capacity as registered representatives, can effect securities transactions on behalf of advisory clients for which they will receive compensation separate from any advisory fees paid by the advisory client. Gary Price, a minority owner of Aspen Grove Equity Solutions, LLC and a member of its Management Committee, is also a Managing Member of RPC and is a registered representative and principal of RPC. RPC offers corporate debt securities, U.S. government securities, municipal securities, mortgage securities, as well as private placements (e.g., private REITs and leasing programs) and limited partnership interests. PAG may place advisory client orders for the sale or acquisition of the types of securities noted above with RPC, which will earn compensation, such as markups/markdowns for debt securities and commissions for private placements, from those transactions. Markups/markdowns on corporate and municipal bond transactions executed by RPC generally range from 1% to 2%. As noted above, officers, employees, and/or related persons of PAG that are licensed as registered representatives of RPC may receive a portion of the compensation received by RPC for executing securities transactions on behalf of PAG's advisory clients.

Gary Price and Ronald Robertson, are also managing members of Genesis Capital LLC ("Genesis", CRD No. 126909, SEC File No. 801-62613) and Strategic Capital Alternatives, LLC ("SCA", CRD No. 153269, SEC File No. 801-71332), both of which are registered investment advisers that are under common control with PAG. Genesis serves as the investment adviser to two open-end registered investment companies (i.e., mutual funds), the Granite Harbor Alternative Fund and the Granite Harbor Tactical Fund, both of which may be recommended to clients. Investments in the Funds involve certain additional risks, and as such, are recommended to clients only when consistent with their stated investment

objectives and tolerance for risk, and are otherwise suitable for the client. A conflict of interest exists when PAG recommends that a client invest in the Funds, since Genesis receives management fees from the Funds based on their average daily net asset value and because these recommendation may increase the Funds' net asset values, which may result in increased advisory fee revenue for Genesis, which, in turn, may benefit Messrs. Price and Robertson. The Funds' management fees are currently set at 1.95% of the Funds' average daily net assets, subject to an expense limitation agreement. Clients invested in the Funds should refer to the Funds' prospectus for full details regarding the Funds' services and fees.

Genesis also provides advisory services to private investment funds, which are all in the process of winding down. Genesis General Partner LLC, another entity under common control with PAG serves as the general partner to one or more of these private investment funds. Although interests in the private investment funds managed by Genesis are no longer being offered, some clients of PAG may continue to own interests in those private investment funds and Genesis and/or Genesis General Partner LLC may receive management and/or performance-based fees from those private investment funds until they are fully dissolved.

Some employees and/or officers of PAG are also licensed as Insurance Producers with various insurance companies, including, but not limited to, Nationwide Life and Annuity Insurance Company, Principal National Life Insurance Company, Protective Life Insurance Company, and Pruco Life Insurance Company. These individuals may offer insurance products and services to advisory clients and receive commissions from the sale of those insurance products that are in addition to any advisory fees charged by PAG.

Advisory clients should be aware that the receipt of additional compensation by PAG and/or its officers or employees, may create a conflict of interest that may impair the objectivity of PAG and/or the individuals making advisory recommendations on PAG's behalf. These individuals may have an incentive to recommend investment products based on the compensation received, rather than the needs of the client or the quality of the investment. PAG endeavors at all times to put the interests of its clients first as part of its fiduciary duty as an investment adviser. To help PAG address these potential conflicts of interest, PAG attempts, at all times, to fully and fairly disclose to clients the existence of all material conflicts of interest so that clients can make informed decisions regarding the management of their advisory client accounts.

Affiliations

In addition to the other financial industry activities noted above, PAG has material relationships and/or arrangements with the following accountants, accounting firms, lawyers, and law firms.

- Carol Didier, CPA, of Summit Account Services in Bellevue, Washington, an accounting firm that provides a full range of tax preparation, accounting and bookkeeping services.
- Michael E. Wiggins of Assure Estate Planning, PLLC, a law firm in Maple Valley, Washington, specializing in estate planning.
- Peterson Sullivan LLP, a certified public accounting firm in Seattle, Washington, that services companies, high net worth individuals and nonprofit organizations.
- Joseph Forde of Forde Financial & Tax, Inc. in Bellevue, Washington, an accounting firm that provides personalized auditing, accounting, tax, and business advisory services to closely-held businesses and high net worth individuals.
- Tax Consultants of Washington, an accounting firm in Federal Way, Washington, that provides tax, business, and estate planning services.

PAG contracts with the persons and/or firms noted above in order to provide estate planning, tax planning, tax preparation, and/or tax filing services to advisory clients. On occasion, PAG may receive an unsolicited referral from one or more of the persons/firms noted above, but does not consider such referrals to be material to PAG's advisory business and does not factor any such referrals in its decision-making process when selecting the person/firm to be used to provide services to any particular client.

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

PAG has adopted a Code of Ethics ("Code") which sets forth high ethical standards of business conduct that PAG requires of its officers and employees, including compliance with applicable federal securities laws. The Code is

administered by PAG's Chief Compliance Officer (the "CCO"), Douglas Bean, and includes policies and procedures for the review of quarterly personal securities transactions reports as well as initial and annual securities holdings reports that must be submitted by PAG's access persons. The Code also requires that access persons obtain pre-clearance from the CCO prior to acquiring interests in a limited offering (e.g., private placement) or an initial public offering. PAG's Code also includes oversight, enforcement and recordkeeping provisions and includes a policy that prohibits the use of material non-public information. A copy of PAG's Code is available upon request to any client or prospective client. You may request a copy by emailing PAG's CCO at douglas@private-advisory.com or calling him at 425-498-2320.

As noted above in the "Other Financial Industry Activities and Affiliations" section, PAG has a material financial conflict of interest when it recommends to advisory clients that they invest in the Granite Harbor Alternative Fund and Granite Harbor Tactical Fund, which are managed by Genesis and when PAG recommends the purchase of securities (e.g., corporate or municipal bonds) to clients and executes those transactions through RPC. In both situations, officers, employees, and/or related persons of PAG may receive direct or indirect compensation from those recommendations that are in addition to the advisory fees paid to PAG, which may create an incentive for PAG to recommend those investments over others that may be more appropriate for clients. To help PAG address these potential conflicts of interest, PAG attempts, at all times, to fully and fairly disclose to clients the existence of all material conflicts of interest so that they can make informed decisions regarding the management of their advisory client accounts.

PAG, officers and employees of PAG, and/or related persons of PAG may buy or sell for their personal accounts, securities identical to those recommended to advisory clients and may buy or sell them at or about the same time they are recommended to clients. This may create potential conflicts of interest because (1) those holdings may create an incentive for PAG and/or its officers and employees to not recommend the sale of those securities to clients in order to protect the value of their personal investment, and (2) PAG and/or its officers and employees may have an incentive to place their orders before those of clients in order to obtain a better price. PAG's Code includes provisions to help address these conflicts of interest. First, the Code prohibits PAG and/or its access persons from purchasing or selling any security prior to a transaction being implemented for an advisory client account in the same security, thereby preventing PAG and its officers and employees from benefiting from transactions placed on behalf of advisory client accounts. Second, PAG may aggregate its or its officers and/or employees personal securities transactions, where possible and when compliant with PAG's best execution obligations, with client transactions. All participants in an aggregated transaction (i.e., block trade)

receive the average share price and transaction costs are generally shared equally and on a pro-rata basis. In instances where a partial fill of the entire order occurs, PAG allocates the completed portion of the transaction on a pro-rata basis, with each account paying the average price. Any accounts belonging to PAG and/or its officers and employees that participated in a block trade will be included in the pro-rata allocation.

Brokerage Practices

Selecting Broker Dealers

PAG recommends that clients use the custodial account services of TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade", CRD No. 7870, SEC File No. 8-23395). While PAG recommends the custodial and brokerage services of TD Ameritrade, clients are ultimately responsible for deciding who they open a custodial account with. Clients are not under any obligation to select TD Ameritrade as their custodian. However, PAG reserves the right to decline the acceptance of any client account, for which the client has selected a custodian other than TD Ameritrade, if PAG believes that the choice would hinder its ability to fulfill its fiduciary duty to the client and/or its ability to service the account. PAG is not affiliated with or a related person of TD Ameritrade.

When clients open an account with a custodian that is also a broker-dealer, and no prime brokerage arrangement exists, PAG generally places all non-fixed income brokerage orders with the custodial broker-dealer for execution. Fixed income orders, however, will generally be placed with RPC for execution. Clients should be aware that when they select a custodial broker-dealer, PAG will not have the authority to negotiate commissions on their behalf or obtain volume discounts, and may not be able to obtain best execution for the client. With respect to TD Ameritrade, PAG has evaluated TD Ameritrade and believes that it generally provides clients with best execution on an overall basis. The factors considered by PAG in evaluating TD Ameritrade included PAG's experience with TD Ameritrade, TD Ameritrade's reputation, the quality of the execution services provided TD Ameritrade to PAG's clients, and the commissions charged by TD Ameritrade to PAG's clients, among other factors. Clients should note that while PAG has a reasonable belief that TD Ameritrade is able to obtain best execution for clients, PAG does not independently seek price improvement through other broker-dealers on an individual transaction basis when a client has selected a custodial broker-dealer, as placing orders with a broker-dealer other than the custodial broker-dealer may cause the client to incur fees for trading away.

Soft Dollars

PAG does not have any formal soft dollar arrangements. However, TD Ameritrade and other custodians that may be used by clients such as Fidelity Brokerage Services LLC ("Fidelity", CRD No. 7784, SEC File No. 8-23292) and Charles Schwab & Co. Inc. ("Schwab", CRD No. 5393, SEC File No. 8-16514) may make available to PAG other products and services that benefit PAG, but may not directly benefit clients. These products and services assist PAG in managing and administering client accounts, and can include investment research, both proprietary and that of third parties. PAG may use this research to service all or a substantial number of client accounts, including accounts that utilize other custodians. In addition to investment research, TD Ameritrade, Schwab, and/or Fidelity also make available software and other technology that:

- Provides access to client account data (such as duplicate trade confirmations and account statements);
- Facilitates trade execution and the allocation of aggregated trade orders to multiple client accounts;
- Provides pricing and other market data;
- Facilitates payment of PAG's fees from clients' accounts; and
- Assists with back-office functions, recordkeeping, and client reporting.

TD Ameritrade, Schwab, and/or Fidelity also offer other services to PAG that are intended to help PAG manage and further develop its business enterprise that generally benefits only PAG. These services include:

- Educational conferences and events;
- Consulting on technology, compliance, legal, and business needs;
- Publications and conferences on practice management and business succession; and
- Access to employee benefits providers, human capital consultants, and insurance providers.

The availability of these services from TD Ameritrade, Schwab, and/or Fidelity are not contingent upon any commitment on the part of PAG with respect to brokerage commissions, loads, or transactions fees, but are generally dependent on PAG meeting minimum aggregate client custodial account balance requirements. As the receipt of these services benefits PAG, because PAG does not have to produce or purchase them, a conflict of interest arises if PAG recommends these custodial broker-dealers to clients as PAG has an incentive to recommend these custodial broker-dealers over others based on PAG's interest in receiving these benefits rather than based on clients' interests in receiving the best value in custody services and/or the most favorable transaction execution. When recommending custodial broker-dealers to clients, however, PAG does so

based on the scope, quality and pricing of the broker-dealer's services independent of any benefits PAG may receive.

Brokerage for Client Referrals

It is PAG's policy not to select for or recommend to clients any broker-dealer for custodial or execution services based on PAG's or a related person of PAG's receipt of client referrals from a broker-dealer or other third party. It is possible, however, that PAG may receive a referral from a broker-dealer. PAG will not pay the broker-dealer for the referral or direct brokerage to that broker-dealer to compensate them for the referral. PAG's receipt of the referral, however, would nonetheless create an incentive for PAG to recommend and/or continue to recommend the custodial and/or brokerage services of that broker-dealer and thus may create a potential conflict of interest for PAG. PAG, however, believes that any such referrals received would have a minimal impact on PAG's business.

Directed Brokerage

PAG does not permit its clients to direct brokerage.

Aggregation of Orders

When it is advantageous to clients, PAG will generally aggregate purchase or sale orders for a security for the accounts of multiple clients into a single transaction, oftentimes referred to as a block or bunched trade. If a block trade is executed, each participating client receives a price that represents the average of the prices at which all of the transactions in a given block were executed. Block trades can lower transaction costs and/or help clients achieve better execution. Accounts participating in a block trade share transactions costs on an equal and pro rata basis, unless a participating client has an agreement with the broker-dealer that specifically dictates the brokerage commissions and/or transaction fees that the client must pay. If the order is not completely filled, the securities purchased or sold are distributed among participating clients on a pro rata basis or in some other equitable manner.

PAG will typically aggregate trades among clients whose accounts are held in custody by the same broker-dealer and whose accounts are managed by the same portfolio manager/investment adviser representative. PAG or the portfolio manager/investment adviser representative will generally rotate or vary the order in which trades are placed with different broker-dealers. PAG is not obligated to include any client account in a block trade. No client participating in a block trade will be favored over any other client that also participates in the same block trade.

Review of Accounts

Account Reviews

Accounts are continually monitored by the respective portfolio manager/investment adviser representative assigned to the client's account. More formal reviews of client accounts, however, are performed quarterly to ensure that accounts appear to be managed in accordance with the client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. Accounts are reviewed by:

Douglas R. Bean
S. Christopher Bean
Craig D. Johnsen
Will Hernandez
Richard P. Conway
Kenneth J. Peterson
Chuck Borquist
Doug Maurer
Tony Ramirez
Harry Maurer
Ryan Finnigan

Regular Reports

In addition to monthly account statements and confirmations of transactions that clients receive from their accounts' custodians, clients have access to daily online reports that include a net worth statement, portfolio statement, performance returns, tax return (if the client relationship includes tax preparation services), and other information. Net worth statements contain approximations of bank account balances provided by the client as well as the value of land and hard-to-price real estate holdings of the client.

Client Referrals and Other Compensation

PAG may, in the future, pay referral fees to independent persons or firms ("solicitors") for introducing clients to PAG. Referral fees will only be paid

pursuant to an executed written solicitation agreement with the solicitor that obligates the solicitor to comply with certain disclosure and delivery requirements. No such arrangements, however, currently exist.

PAG receives certain economic benefits from TD Ameritrade, Schwab, Fidelity, and Genworth that are described above in the “Brokerage Practices” section. PAG’s receipt of marketing reimbursements and other products and services creates a conflict of interest for PAG when it recommends the custodial and/or brokerage services of TD Ameritrade, Schwab, Fidelity, and Genworth to clients as PAG has an incentive to recommend these custodians over others who do not provide marketing reimbursements or other products and services to PAG.

Custody

All client funds and securities are held at qualified custodians, who send monthly account statements directly to clients. Clients should carefully review those statements. Additionally, as noted above, clients have access to daily online reports and are urged to compare the information from those reports with the information contained within statements received from their accounts’ custodians.

Investment Discretion

PAG has the discretionary authority, pursuant to its written investment management agreements with clients to determine, without obtaining specific client consent and the securities to be bought or sold and the amount of the securities to be bought or sold. Clients may change/amend such authority by providing us with revised instructions in writing.

Voting Client Securities

PAG votes proxies for all client accounts; however, clients always have the right to vote proxies on their own behalf. Clients can exercise this right by instructing PAG in writing to not vote proxies for securities in their account. PAG votes proxies in the best interests of clients and in accordance with PAG’s established policies and procedures. If PAG has a conflict of interest in voting a particular action, PAG will notify the client of the conflict and retain an independent third-party to cast the vote. Clients may obtain a copy of PAG’s complete proxy voting policies and procedures and/or request information on how their proxies were

voted by PAG by emailing PAG's CCO at douglas@private-advisory.com or writing to him at 16880 NE 79th Street, Redmond, Washington 98052.

Clients can instruct us to vote proxies according to particular criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). Clients can also instruct us on how to cast their vote in a particular proxy contest. Both types of requests, however, must be made in writing by emailing PAG's CCO at douglas@private-advisory.com or writing to him at 16880 NE 79th Street, Redmond, Washington 98052.

We will neither advise nor act on behalf of a client in legal proceedings involving companies whose securities are held in their accounts, including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct PAG to transmit copies of class action notices to the client or a third party. Upon such direction, PAG will make commercially reasonable efforts to forward such notices in a timely manner.

Financial Information

PAG is not currently subject to any financial condition that is reasonably likely to impair PAG's ability to meet its contractual commitments to clients and PAG has not been the subject of a bankruptcy petition since its inception.