

**Firm Brochure
(Part 2A of Form ADV)**

PORTLAND GLOBAL ADVISORS, LLC

CONTACT INFORMATION:

ADDRESS	217 Commercial Street Portland, Maine 04101
TELEPHONE NUMBER	(207) 773-2773
FAX NUMBER	(207) 773-2602
E-MAIL	info@portlandglobal.com
WEBSITE	www.portlandglobal.com

This brochure provides information about the qualifications and business practices of Portland Global Advisors, LLC. If you have any question about the contents of this brochure, please contact us at (207) 773-2773, or by e-mail at info@portlandglobal.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.

Portland Global Advisors, LLC is registered as an investment adviser with the SEC. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about Portland Global Advisors, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

March 9, 2015

Material Changes

There are no material changes to the Firm Brochure on Part 2A since the last annual update of the Firm Brochure.

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Advisory Business

Firm Description

Portland Global Advisors, LLC (“PGA”), a registered investment adviser with the SEC, manages, on a discretionary basis, equity, fixed income and balanced investment portfolios (e.g. portfolios allocated amongst both equity and fixed income securities), for high net worth and other individuals, trusts, charitable organizations, businesses, and municipal governments (“Discretionary Management Services”).

On occasion, upon the specific request of a client, PGA may provide advice regarding the hiring, retention and termination of one or more other investment advisers registered under the Advisers Act of 1940, as amended (each a “Third Party Adviser”), to manage certain client’s assets (“Consulting Services”). Consulting Services are provided on a non-discretionary basis.

PGA and its predecessor companies have been in business since 1994.

Registration does not imply a certain level of skill or training.

Principal Owners

The principal owners of PGA are John Barker Sullivan and Richard S.F. Strabley.

Types of Advisory Services

PGA’s portfolio management services include Discretionary Management Services, Consulting Services and Other Services (collectively, “Portfolio Management Services”).

Discretionary Management Services. PGA renders portfolio management services by working with each client to develop an individualized, cost effective and objective asset allocation plan which PGA implements over a period of time taking into consideration numerous factors including tax and estate considerations. This plan is flexible and may be adjusted as a client’s financial needs change. PGA’s portfolio management services are provided on a fully discretionary basis. While clients may impose restrictions on investing in certain securities or types of securities, these limitations must be expressed in and agreed to in writing by PGA and the client.

Consulting Services. Upon request of a client to perform Consulting Services, PGA shall: (1) advise on the retention and termination of Third Party Advisers; (2) monitor the performance of client assets managed by Third Party Advisers (in addition to assets managed by PGA); (3) provide advice on the allocation of client assets among PGA and each Third Party Adviser; and (4) maintain and implement procedures reasonably designed to help ensure that each Third Party Adviser, in providing portfolio management services to the client account, complies with any account investment objective, investment policies, and investment restrictions as documented in

directions provided by the client to PGA. The client is responsible for retaining and terminating Third Party Advisers and for issuing instructions relating to the allocation and reallocation of client assets among PGA and each Third Party Adviser for investment based on any recommendations made by PGA in rendering these Consulting Services.

Other Services. In addition to portfolio management services, PGA publishes a quarterly global market analysis entitled, “The Portland Global Advisor,” which is made available, free of charge to clients.

NOTE: This Firm Brochure (Part 2A of Form ADV) describes the Discretionary Management Services, Consulting Services and Other Services provided by PGA to its clients. To the extent that a Third Party Adviser is retained by a client to manage a portion of the client’s assets, those assets will be managed consistent with that Third Party Adviser’s investment practices. Clients that receive Third Party Advisory Services should review the Firm Brochure (Part 2A of Form ADV) of each Third Party Adviser for a description of its investment advisory services and related information including, but not limited to, management fees and charges, types of clients serviced, investment processes/strategies and risks of loss, disciplinary information and affiliations, transaction and brokerage practices, custody arrangements for client accounts and oversight of client account activity.

Investment Advisory Agreement

PGA requires that each client enter into an Investment Advisory Agreement (“Agreement”) prior to PGA’s performance of any Portfolio Management Services for the benefit of the client. The Agreement is a written contract between PGA and the client and sets forth the terms of the Portfolio Management Services to be rendered to the client.

Generally. As an investment adviser, PGA owes a fiduciary duty to each client and must act in the best interests of each client when rendering Portfolio Management Services. Under the Agreement, the client agrees to hold PGA harmless from any liability or expense incurred by reason of any action or decision by PGA made under the agreement, or any failure to act or decide, made in good faith unless otherwise provided by applicable federal and state laws.

An Agreement between PGA and a client may be terminated upon 30 days’ prior written notice to the other party. In the absence of termination, the investment discretion and/or other duties conferred to PGA under an Agreement between PGA and a client shall continue after the client’s or authorized representative’s death, disability, or legal incompetence. Pursuant to the terms of the Agreement between PGA and a client, the agreement shall not be assigned without the client’s or authorized representative’s consent.

Pursuant to the Agreement, PGA shall not maintain custody of securities or any other assets of the client. Custody of client securities and other assets shall be maintained by a bank, broker-dealer or other institution which shall be designated by the client.

Discretionary Management Services. Under the Agreement, the client appoints PGA as its agent and attorney-in-fact, with full authority and discretion, on the client's behalf and risk, to purchase and sell securities in such amounts, at such prices and in such manner as PGA may deem advisable for the client's investment portfolio. As the client's agent and attorney-in-fact, PGA is granted full power and discretion to transfer the client's portfolio securities and to temporarily invest cash balances in money-market or other short-term investments. The Agreement, however, requires the client to retain all proxy-voting responsibilities with respect to the client's securities and other assets managed by PGA. The Agreement also provides that the client has the right to designate brokers-dealers through which securities transactions will be executed on behalf of the client's investment portfolio. In the absence of specific instructions from the client, PGA may select one or more brokers-dealers to effect such securities transactions.

Consulting Services. The Agreement provides that Consulting Services are rendered on a non-discretionary basis and that the client, not PGA, is responsible for retaining and terminating Third Party Advisers and for issuing instructions relating to the allocation and reallocation of client assets among PGA and each Third Party Adviser for investment. The Agreement requires that management services provided by a Third Party Adviser shall be rendered pursuant to terms and conditions set forth in a separate investment advisory agreement between the client and the Third Party Adviser.

Assets Under Management

As of December 31, 2014, PGA managed \$326,471,230 on a discretionary basis. As of the same date, PGA managed \$34,536,214 on a non-discretionary basis.

Fees and Compensation

Investment Management Fees/Compensation

PGA's fees for Portfolio Management Services are billed quarterly in arrears based on the net asset value of a client's portfolio as of the last business day of each calendar quarter (the "Management Fee"). Typically, the Management Fee is deducted from a client's account held at the client-designated custodian pursuant to an invoice prepared and presented to the custodian by PGA and consistent with the terms of the client's investment advisory agreement with PGA. A client may, however, request PGA to bill the Management Fee to the client rather than deducting the fees from a custodial account under PGA's management.

Generally, the Management Fee for equity and balanced portfolios (e.g. portfolios allocated amongst both equity and fixed income securities) is 1% of assets under management and 0.25% of assets under management for a fixed income portfolio. Neither PGA nor its employees accept compensation for the sale of securities or other investment products.

The Management Fee is negotiable for equity and balanced portfolios of \$1,000,000 or more and for fixed income portfolios of \$5,000,000 or more. A different fee may be negotiated if Consulting Services are contemplated, under other select instances (e.g. for smaller individual accounts that are part of a larger family advisory relationship) and for limited Portfolio Management Services or advice.

If Consulting Services are rendered to a client, the client shall be responsible for all fees charged by a Third Party Adviser for portfolio management services rendered to the client (each a “Third Party Advisory Fee”) in addition to PGA’s Management Fee. This fee structure will result in the client paying management fees to both PGA and a Third Party Adviser with respect to client assets managed by the Third Party Adviser and the performance of the client’s assets managed by PGA and each Third Party Adviser, collectively, may be adversely affected by the imposition of these multiple management fees.

Generally, the Management Fee to be charged to a client that receives both Discretionary Management Services and Consulting Services shall equal a percentage of the net asset value of that client’s assets subject to such services (e.g., assets managed directly by PGA and assets managed by each Third Party Adviser, collectively). In lieu of an asset-based fee, PGA may charge a Management Fee based on a fixed dollar amount for Discretionary Management and Consulting Services, collectively.

Neither PGA nor its employees accept compensation for the sale of securities or other investment products.

Other Fees

In addition to the Management Fee, each client is responsible for all custodial fees as well as brokerage and other transaction costs incurred in connection with PGA’s provision of Portfolio Management Services. The Management Fee is not reduced to offset these fees.

To the extent that a client invests in a pooled investment vehicle such as a mutual fund or an exchange-traded fund, the client will indirectly bear fees and expenses charged by the underlying pooled investment.

Performance-Based Fees and Side-By-Side Management

PGA does not charge performance-based fees. Since all accounts managed by PGA are charged either an asset-based or fixed management fee, PGA is not in a position to favor performance-based fee accounts over other accounts.

Types of Clients

Description of Clients

PGA provides Portfolio Management Services to high net-worth and other individuals, trusts, charitable organizations, businesses, and municipal governments.

Requirements for the Provision of Investment Management Services

PGA requires that each client enter into an Agreement prior to PGA's performance of any Portfolio Management Services for the benefit of the client. The Agreement is a written contract between PGA and the client and sets forth the terms of the portfolio management services to be rendered to the client. For more information about the Agreement, see "*Advisory Business - Investment Advisory Agreement*."

The Agreement requires that management services provided by a Third Party Adviser shall be rendered pursuant to terms and conditions set forth in a separate investment advisory agreement between the client and the Third Party Adviser.

The client must open an account with a third-party broker-dealer/custodian to hold the client's portfolio securities and other assets subject to the Portfolio Management Services. For more information about the selection of a broker-dealer/custodian and the implication of such selection on PGA's ability to effectively execute portfolio transactions on a client's behalf, see "*Brokerage Practices - Best Execution*."

Account Minimums

PGA does not impose account minimums.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

PGA stresses the importance of asset allocation in determining an appropriate investment strategy. During initial meetings with a client, PGA attempts to determine the client's investment goals, investment time horizon, expected future expenses, income and tolerance for investment risk. Based on these criteria, PGA will recommend a customized asset allocation model for the client's investment portfolio.

Discretionary Management Services. The asset allocation model is utilized by PGA to create an investment portfolio comprised of an optimal mix of fixed income securities, equity securities and cash that compliment a client's specific investment needs.

Equity Securities. PGA analyses broad economic trends to identify business sectors (e.g. utilities, healthcare, financial, and information technology) that may most likely benefit from current or anticipated changes to economic conditions.

PGA then uses in-house research to identify quality companies operating within these business sectors. Quality companies include businesses that PGA believes, among other things, have:

- Sustainable competitive advantages (e.g. they are leaders or potential leaders in their respective markets based on current or anticipated proprietary products and/or services);
- Effective and innovative management teams; and
- Relatively strong balance sheets.

PGA uses a variety of valuation techniques including analyses of price/earnings ratios and price/cash flows to identify those quality companies whose equity securities are attractively valued relative to the market, their peer group and/or their price history.

Fixed Income Securities. PGA monitors interest rate outlooks, the shape of the yield curve and other economic factors to determine the appropriate maturity profile for each client's fixed income portfolio. In particular, PGA monitors the yield spread between different business sectors and between different types of fixed income securities to identify those securities that provide the highest yield at the best price consistent with capital preservation and the client's overall investment objectives, policies, income and tax needs and risk profile.

Sale of Portfolio Securities. PGA monitors the securities in each client's portfolio to determine if there have been any fundamental changes in their issues. PGA may sell a security if, among other things:

- The security subsequently fails to meet PGA's initial investment criteria;
- A more attractive investment opportunity arises or funds are needed for other purposes;
- It believes that the security has reached its appreciation potential; or
- Revised economic forecasts or interest rate outlooks require a repositioning of the securities held by a client.

Consulting Services. The asset allocation model may also be utilized by PGA to identify one or more Third Party Advisers whose management style and investment strategies compliment a client's investment goals. PGA analyzes a variety of quantitative and qualitative factors (e.g. investment process, performance and other statistical analytics) to identify these Third Party Advisers. PGA, on at least a quarterly basis, monitors client assets allocated to PGA and each

Third Party Adviser (“Allocated Assets”) by, among other things, assessing: (1) the performance of PGA and each Third Party Adviser’s Allocated Assets; (2) the composition of PGA’s and each Third Party Adviser’s Allocated Assets and the strategies employed by each to invest such assets; and (3) the current market conditions and the global macro-economic outlook and the potential effect of such conditions and the outlook on the investments comprising the Allocated Assets and the strategies utilized to manage those assets. As a result of this periodic review, PGA may recommend that the client increase or reduce PGA’s or a Third Party’s Allocated Assets for various reasons including changes in economic forecasts or interest rate outlooks, changes in the performance of PGA and/or a Third Party Adviser or changes to a client’s objectives, financial circumstances or risk tolerance.

Investment Strategies

Discretionary Management Services. PGA’s equity strategy focuses on identifying quality companies with prospects for sustainable growth in the future. Subject to individual client investment objectives, investment restrictions and risk profiles, PGA may invest in equity securities of domestic and foreign companies of all sizes. Potential equity or equity-related investments may include, but are not limited to, exchange traded common stock, exchange-traded funds and mutual funds.

PGA’s fixed income strategy focuses on identifying domestic and foreign fixed income opportunities that provide preservation of capital and tax efficiency while satisfying client income requirements. PGA aligns the maturity and credit quality of fixed income investments with each client’s investment objectives and risk profile. Potential fixed income securities may include, but are not limited to, corporate debt securities, commercial paper, certificates of deposit, municipal securities and U.S. government securities.

Consulting Services. See “*Method of Analysis, Investment Strategies and Risk of Loss – Method of Analysis – Consulting Services.*”

Risk of Loss

Investing in securities involves risk. A client’s investment portfolio will fluctuate in value as market conditions change and the client could lose all or a portion of the value of the investment portfolio over short or even long periods of time.

Discretionary Management Services. The principal risks of investing in equity and fixed income securities are:

Equity Securities Risk. Investments in equity securities are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of issuers change. These investor perceptions are based on various and unpredictable factors including: expectations regarding government, economic, monetary and fiscal policies;

inflation and interest rates; economic expansion or contraction; global or regional political, economic and banking crises; and factors affecting specific industries, sectors or companies in which PGA invests on behalf of clients. The value of a client's investment portfolio and the corresponding investment return will fluctuate based upon changes in the value of its portfolio securities.

Foreign Securities Risk. The risks of investing in securities of foreign companies involves risks not generally associated with investments in securities of U.S. companies, including risks relating to political, social and economic developments abroad and differences between U.S. and foreign regulatory requirements and market practices. Securities that are denominated in foreign currencies are subject to the further risk that the value of the foreign currency will fall in relation to the U.S. dollar and/or will be affected by volatile currency markets or actions of U.S. and foreign governments or central banks. Foreign securities may be subject to greater fluctuations in price than securities of U.S. companies because foreign markets may be smaller and less liquid than U.S. markets.

Large-Cap Company Risk. Investments in larger, more established companies are subject to the risk that larger companies are sometimes unable to attain the high growth rates of successful, smaller companies, especially during extended periods of economic expansion. Larger, more established companies may be unable to respond quickly to new competitive challenges such as changes in consumer tastes or innovative smaller competitors potentially resulting in lower markets for their common stock.

Mid-Cap and Small-Cap Companies Risk. Investments in mid-cap and small-cap companies may not have the management experience, financial resources, product diversification and competitive strengths of large-cap companies. Therefore, their securities may be more volatile and less liquid than the securities of larger, more established companies. Mid-cap and small-cap company stocks may also be bought and sold less often and in smaller amounts than larger company stocks. Because of this, if PGA wants to sell a large quantity of a mid-cap or small-cap company stock, it may have to sell at a lower price than it might prefer, or it may have to sell in smaller than desired quantities over a period of time. Analysts and other investors may follow these companies less actively and therefore information about these companies may not be as readily available as that for large-cap companies.

Fixed Income Securities Risks. Debt securities are subject to the following risks:

- *Credit Risk.* Issuers of fixed income securities may be unable to make principal and interest payments when they are due. There is also the risk that the securities could lose value because of a loss of confidence in the ability of the issuer to pay back debt. The degree of credit risk for a particular security may be reflected in its credit rating. Lower rated fixed income securities involve greater credit risk, including the possibility of default or bankruptcy.

- *Interest Rate Risk.* Fixed income securities could lose value because of interest rate changes. For example, bonds tend to decrease in value if interest rates rise. Fixed income securities with longer maturities sometimes offer higher yields, but are subject to greater price shifts as a result of interest rate changes than debt securities with shorter maturities.
- *Prepayment Risk.* Prepayment occurs when the issuer of a debt security repays principal prior to the security's maturity. During periods of declining interest rates, issuers may increase prepayments of principal causing PGA to invest in fixed income securities with lower yields thus reducing income generation. Similarly, during periods of increasing interest rates, issuers may decrease pre-payments of principal extending the duration of debt securities potentially to maturity. Fixed income securities with longer maturities are subject to greater price shifts as a result of interest rate changes. Also, if PGA is unable to liquidate lower yielding securities to take advantage of a higher interest rate environment, its ability to generate income on behalf of clients may be adversely affected. The potential impact of prepayment features on the price of a debt security can be difficult to predict and result in greater volatility.
- *Government-Sponsored Entities Risk.* Investments in U.S. government obligations include securities issued or guaranteed as to principal and interest by the U.S. government, its agencies or instrumentalities, such as the U.S. Treasury. Payment of principal and interest on U.S. government obligations may be backed by the full faith and credit of the United States or may be backed solely by the issuing or guaranteeing agency or instrumentality itself. Investments in debt securities issued by U.S. government sponsored entities such as the Federal National Mortgage Association, the Federal Home Loan Mortgage Association, and the Federal Home Loan Banks are not backed by the full faith and credit of the U.S. government. There can be no assurance that the U.S. government will provide financial support to its agencies or instrumentalities (including government-sponsored enterprises) where it is not obligated to do so.
- *Junk Bonds Risk.* Investments in bonds that are rated below investment grade, commonly known as "junk bonds" generally provide high income in an effort to compensate investors for their higher risk of default, which is the failure to make required interest or principal payments. Investments in junk bonds have speculative or predominately speculative characteristics. Junk bonds are not investment grade securities and involve greater risk of default or price changes due to changes in the issuers' creditworthiness than do higher quality securities. In addition, the market prices of lower rated securities may decline significantly in periods of general economic difficulty or rising interest rates. As a result, junk bonds present a significant risk for loss of principal and interest. The market for these securities may also be thinner and less active than that for higher quality securities, which may adversely affect the ability to sell the bonds as well as the price at which they can be sold. Due to the potential for limited liquidity, the prices for junk bonds may also not be readily available.

Consulting Services. The investment risks associated with the employment of the multi-manager structure contemplated by the Consulting Services include the investment risks associated with

the securities/interests in which a Third Party Adviser invests the client's assets. Such risks may, but are not necessarily limited to, the principal risks of investing in equities and fixed income securities summarized in "*Risk of Loss*." In addition, the assets subject to the Consulting Services involve the following additional risks:

Multi-Manager Risk. The methodology used by PGA to identify Third Party Advisers and to make recommendations regarding the allocation of client assets among PGA and Third Party Advisers may not achieve desired results and may cause the client to lose money or underperform investment accounts with similar investment objectives to that of the client. In addition, PGA and the Third Party Advisers make their trading decisions independently. As a result, the client may be exposed to the same investment through different managers causing its investment portfolio to be less diversified and thus exposing it to greater market risk and potential losses. Conversely, PGA and the Third Party Advisers could implement opposite positions in the same security which would result in higher transaction costs with the possibility of profits. Reallocation of client assets amongst PGA and the Third Party Advisers may result in transaction costs to the client which could affect the performance of the client's overall investment portfolio.

Fee Layering Risk. If Consulting Services are rendered to a client, the client will pay management fees to both PGA and a Third Party Adviser with respect to client assets managed by the Third Party Adviser and the performance of the client's assets managed by PGA and each Third Party Adviser, collectively, may be adversely affected by the imposition of these multiple management fees.

Disciplinary Information

There are no legal or disciplinary events involving PGA or its officers and employees that are material to a client or a prospective client's evaluation of PGA's advisory business or the integrity of PGA's management.

Other Financial Industry Activities and Affiliations

Neither PGA nor its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither PGA nor its management persons are registered, or have an application pending to register, as a futures commission merchant, a commodity pool operator, a commodity trading advisor, or an associated person of any of these entities.

PGA does not have any advisory affiliates and is not under common control with any other entity.

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

Code of Ethics and Personal Securities Trading Policy and Procedures

PGA has adopted a Code of Ethics (“Code”) and a Personal Securities Trading Policy and Procedures (“Personal Trading Policy”). Under the Code, each PGA employee must conduct the business of the Company and all interaction with clients honestly and with integrity. The Code requires each employee to comply with the letter and spirit of applicable securities laws, and in particular, laws relating to manipulation, fraud, misinformation and insider trading. Under the Code and Personal Trading Policy, PGA and each employee is prohibited from executing personal transactions upon confidential or nonpublic information from clients or others. Further, under the Code, no employee may participate in initial public offerings or private placements without the prior approval of PGA’s Compliance Officer. The Code also prohibits employees from having any significant interest in any firm that does business with PGA or any company which PGA recommends to clients for investment and requires employees to report any interest in such entities as soon as possible so appropriate action, where necessary, may be taken.

Under the Code and the Personal Trading Policy, each employee is required to report to the Compliance Officer all investment holdings at commencement of employment and at least annually thereafter. In addition, each employee must also submit to the Compliance Officer monthly reports of his/her transactions in reportable securities as such term is defined under the Advisers Act (“Transaction Reports”). Under the Personal Trading Policy, Transaction Reports are not required for accounts over which the employee has no direct or indirect influence or control or for transactions in an automatic investment plan.

The Code requires employees to report violations of the Code to the Compliance Officer.

A copy of the Code and the Personal Trading Policy will be provided to each client upon request.

Interest in Client Transactions

PGA and its employees may own, purchase and sell securities that PGA also recommends to clients for investment. It is a conflict of interest to recommend any security to a client, or to direct any transaction for a client in a security, if any employee has a significant interest in that security. To address this conflict, the Code prohibits employees from having any significant interest in any company which PGA recommends to clients for investment. Further, the Personal Trading Policy requires all client trades in a security to be executed prior to the execution of any personal trades in the same security or related securities (e.g. warrants, options or futures) by PGA employees. Compliance with these requirements is monitored by the Compliance Officer through the review of periodic reports of investment holdings and transactions submitted by employees (see “*Code of*

Ethics, Participation or Interest in Client Transactions and Personal Trading – Code of Ethics and Personal Securities Trading Policies and Procedures”).

PGA does not, as principal, buy securities from or sell securities to clients.

Brokerage Practices

Best Execution

As an investment adviser, PGA has a fiduciary obligation to obtain the most favorable execution (e.g. “best execution”) of client transactions effected by PGA on behalf of a client. Each client must designate a broker-dealer to custody the securities and assets to be directly managed by PGA and to execute transactions effected by PGA on the client’s behalf (each a “Broker-Dealer Custodian”). PGA will discuss with a client, prior to providing Discretionary Management Services, various options for a Broker-Dealer Custodian and the pros and cons of each and shall make recommendations, upon request. Broker-Dealer Custodian alternatives and related recommendations, as applicable, are based on PGA’s perception of the broker-dealer’s ability to execute trades, overall service, the broker-dealer’s competitive commission structure, and the specific customer’s investment needs and requirements.

Pursuant to PGA’s best execution policy, PGA seeks to ensure that client orders placed by PGA on behalf of a client receive competitive execution services at reasonable commission rates. On a real time basis, the best execution policy requires questionable stock executions to be promptly researched and reviewed and a secondary price obtained from another broker-dealer for bond investments when bids and offers look out of line. With respect to such bond investments, the best execution policy requires the price offered to be challenged with the goal of negotiating a more favorable price. Annually, PGA accesses the execution services of each Broker-Dealer Custodian used by PGA to execute client transactions based on a review of the Broker-Dealer Custodian’s quality of execution, overall level of service (e.g. responsiveness, accessibility, problem solving capabilities and specific expertise or strengths), and infrastructure and technology.

Soft Dollars

As an investment adviser, PGA has a fiduciary obligation to obtain the most favorable execution for transactions it effects on behalf of clients. Applicable law, however, permits PGA to pay a higher commission rate or spread to a broker that provides proprietary or third-party brokerage or research services if PGA has determined in good faith that the commission rate or spread is reasonable in relation to the brokerage and/or research services provided by that broker (“Soft Dollars”). During PGA’s most recently completed fiscal year, PGA did not maintain any soft dollar relationships. In addition, PGA does not currently maintain any soft dollar relationships.

Each client designates a Broker-Dealer Custodian. While PGA has access to proprietary research (e.g. company specific and general market research) of Broker-Dealer Custodians, this access is not contingent upon the execution of client portfolio transactions through or the payment of commissions to these broker-dealers. Rather, the proprietary research, which is primarily accessible through Broker-Dealer Custodian websites, is available upon a client opening a custodial account with the broker-dealer.

The receipt of proprietary research from a client's designated Broker-Dealer Custodian results in an economic benefit to PGA in that it has access to the broker-dealer's research free of charge and is not otherwise required to separately produce that research. While the receipt of proprietary research from a broker-dealer may appear to create an incentive for PGA to present a certain broker-dealer as an alternative for custodial and trade execution services or to recommend the broker-dealer to provide such services, PGA does not materially rely on broker-dealer research as part of its overall investment process. While, on occasion, PGA may consider research available through a client's designated Broker-Dealer Custodian as part of its investment process performed on behalf of all clients, PGA focuses on its own research and other sources to identify suitable investment opportunities for its clients. In addition, since the provision of research is not a factor considered by PGA in determining Broker-Dealer Custodian alternatives to present or recommend to a client, the receipt of such research does not create a conflict of interest between PGA and its clients with respect to trade execution (see "*Brokerage Practices – 'Best Execution'*").

Brokerage for Client Referrals

PGA may provide Portfolio Management Services to clients of certain broker-dealers or broker-dealers may refer prospective clients to PGA. These relationships may create an incentive for PGA to present a certain broker-dealer as an alternative for custodial and trade execution services or to recommend the broker-dealer to provide such services.

As an investment adviser, PGA has a fiduciary obligation to obtain the most favorable execution available for client transactions. For information about how PGA monitors broker execution, see "*Brokerage Practices - Best Execution.*"

Directed Brokerage

PGA requires that each client direct PGA to execute transactions through the client's designated Broker-Dealer Custodian. PGA believes that execution of a client's portfolio transactions through the Broker-Dealer Custodian alternatives presented or recommended to the client will result in best execution of those transactions. Broker-Dealer Custodian alternatives presented by PGA are based on PGA's perception of the Broker-Dealer Custodian's ability to execute trades, overall service, the Broker-Dealer Custodian's competitive commission structure, and a specific client's investment needs and requirements. Not all investment advisers require their clients to direct portfolio transactions through a specific broker-dealer.

A client has the right to designate any Brokers-Dealer Custodian through which their securities transactions may be executed. To the extent that a client directs the execution of transactions through a Broker-Dealer Custodian that is not included in the Broker-Dealer Custodian alternatives presented by PGA, the client may pay higher brokerage commissions because PGA may not be able to aggregate orders to reduce transaction costs or the client may receive less favorable execution prices.

Aggregation of Client Transactions

If PGA desires to purchase or sell the same security for one or more client accounts at a particular time, a client's orders will be aggregated and executed with those of other clients where possible and consistent with the client's interests and investment requirements. An aggregated purchase or sale order shall be executed at the average execution price with transaction costs allocated to the participants on a pro rata basis. If an aggregated order is not completely executed, securities purchased or sold will be allocated on an equitable basis.

Review of Accounts

Daily Review

On a daily basis, the Chief Compliance Officer reviews the daily trade blotter to identify unauthorized or inappropriate transactions in client portfolios subject to Discretionary Management Services. A Compliance Committee member or his designee conducts a similar review of electronic account data for the prior business day as provided by certain Broker-Dealer Custodians for client accounts subject Discretionary Management Services. This review also focuses on any unreconciled cash items noted in the electronic activity.

A small number of broker-dealers utilized to custody client accounts subject to Discretionary Management Services do not provide daily electronic account activity ("Other Brokers"). Transactions affected by these broker-dealers and corresponding cash movements are reviewed during the monthly reconciliation process.

Monthly Review

On a monthly basis, the Head of Client Services or their designee reconciles the securities and cash activity of each client account subject to Discretionary Management Services and held with the Other Brokers to identify unauthorized or inappropriate transactions and to verify the propriety of related cash movements.

Quarterly Review

Discretionary Management Services. On a quarterly basis, the Head of Asset Allocation and Chief Compliance Officer reviews each client account subject to Discretionary Management Services to confirm that the composition is consistent with the portfolio allocation target selected by PGA based on, among other things, the client's investment goals, investment time horizon, expected future expenses, income and tolerance for investment risk.

Consulting Services. Client assets subject to Consulting Services are monitored on a periodic basis. At least quarterly, the Head of Asset Allocation, together with the Heads of Equity and Fixed Income Research, monitor client assets allocated PGA and each Third Party Adviser for investment by, among other things, assessing: (1) the performance of PGA and each Third Party Adviser's allocated assets; (2) the composition of PGA's and each Third Party Adviser's allocated assets and the strategies employed by each to invest such assets; and (3) the current market conditions and the global macro-economic outlook and the potential effect of such conditions and the outlook on the investments comprising the allocated assets and the strategies utilized to manage those assets. As a result of this periodic review, PGA may recommend that the client increase or reduce PGA's or a Third Party's allocated assets for various reasons including changes in economic forecasts or interest rate outlooks, changes in the performance of PGA and/or a Third Party Adviser or changes to a client's objectives, financial circumstances or risk tolerance.

Annual Review

Annually, each client is asked to disclose any change in circumstances that may require an adjustment to the portfolio allocation model utilized by PGA to manage the client's account.

Ongoing Review

The Head of Equity Research and the Head of Fixed Income Research review securities comprising client accounts subject to Discretionary Management Services on an ongoing basis to monitor the continued viability of such investments. These employees, together with the Head of Asset Allocation and Relationship Management review each client account on an ongoing basis to ensure that the asset allocation and investments continue to reflect the client's investment goals, investment time horizon, expected future expenses, income and tolerance for investment risk.

As a client's economic circumstances or comfort level with the market changes, the asset allocation and securities comprising the client's investment portfolio may be reviewed and updated to reflect the change in the client's circumstances.

Periodic Reports

Each client receives a quarterly report that includes updated account performance, a summary of all client holdings and general market commentary provided by PGA.

Client Referrals and Other Compensation

PGA does not receive cash or any other economic benefit from a third party who is not a client for providing investment advice or other advisory services to clients.

PGA does not directly or indirectly compensate any person for client referrals.

Custody

PGA does not have custody over client securities or other assets except pursuant to its authority to deduct investment advisory fees from certain client accounts. Each client account is maintained at a client-designated custodian.

Each client to whom Discretionary Management Services are provided will receive periodic account statements from both PGA and the custodian with respect to client assets managed on a discretionary basis and should review these account statements carefully. PGA urges each client to review the periodic statements provided by the custodian against the statements it provides for the corresponding time periods.

Investment Discretion

Discretionary Management Services. PGA provides Discretionary Management Services on a fully discretionary basis. Under the Agreement, the client appoints PGA as its agent and attorney-in-fact, with full authority and discretion, on the client's behalf and risk, to purchase and sell securities in such amounts, at such prices and in such manner as PGA may deem advisable for the client's investment portfolio.

While clients may impose restrictions on investing in certain securities or types of securities, these limitations must be expressed in and agreed to in writing by PGA and the client.

Consulting Services. The Agreement provides that Consulting Services are rendered on a non-discretionary basis and that the client, not PGA, is responsible for retaining and terminating Third Party Advisers and for issuing instructions relating to the allocation and reallocation of client assets among PGA and each Third Party Adviser for investment. The Agreement requires management services provided by a Third Party Adviser shall be rendered pursuant to terms and conditions set forth in a separate investment advisory agreement between the client and the Third Party Adviser.

For more information about the Agreement, see "*Advisory Business - Investment Advisory Agreement.*"

Voting Client Securities

Discretionary Management Services. Under the Agreement between PGA and a client, the client retains all proxy voting responsibilities with respect to assets subject to Discretionary Management Services. Each client will receive proxies or other solicitations relating to securities and other assets held in its investment portfolio managed by PGA directly from the third-party broker-dealer providing custody of those assets. Using the contact information set forth on the cover sheet of this brochure, a client may contact PGA with questions regarding a particular solicitation.

Consulting Services. The investment advisory agreement between a client and a Third Party Adviser shall set forth the respective parties' responsibilities regarding the voting of proxies related to client assets managed by the Third Party Adviser.

Financial Information

PGA does not require or solicit pre-payment of the Management Fee from clients and therefore is not obligated to disclose a balance sheet for its most recently completed fiscal year.

PGA has not been the subject of a bankruptcy petition during the past 10 years and is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.