

Private Capital Group, LLC

FORM ADV PART 2A – DISCLOSURE BROCHURE

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This disclosure brochure provides clients with information about the qualifications and business practices of Private Capital Group, LLC, an investment advisory firm registered with the United States Securities and Exchange Commission ("SEC"). It also describes the services Private Capital Group, LLC provides as well as background information on those individuals who provide investment advisory services on behalf of Private Capital Group, LLC. Please contact Benjamin Kille, a Managing Member of Private Capital Group, LLC, at (860) 561- 1162 if you have any questions about the contents of this disclosure brochure.

The information in this disclosure brochure has not been approved or verified by the SEC or by any state securities authority. Registration with the SEC does not imply that Private Capital Group, LLC or any individual providing investment advisory services on behalf of Private Capital Group, LLC possess a certain level of skill or training. Additional information about Private Capital Group, LLC is available on the Internet at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Private Capital Group, LLC is 126665.

Item 2 – Material Changes

This item discusses specific material changes to the Private Capital Group, LLC brochure.

Pursuant to current SEC Rules, Private Capital Group, LLC will file any changes to its Form ADV within 90 days of the close of its fiscal year. A summary of the material changes to our disclosures are stated below. Private Capital Group, LLC will amend its brochure within 30 days of any material changes throughout the year. The firm will provide or offer to provide clients with an updated brochure without charge within 30 days of filing an amended Form ADV.

Since the date of its last update (March 29, 2016) Private Capital Group, LLC has made the following material change to this disclosure brochure:

- We have made a change to our AUM.

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Item 4 – Advisory Business

A. The Company

Private Capital Group, LLC is a privately-held Connecticut limited liability company that has been providing investment advisory services as an SEC-registered investment adviser since 2003. Throughout this disclosure brochure, Private Capital Group, LLC is referred to as “PCG”.

The principal owners of PCG are Benjamin D. Kille, William T. Rabbitt.

Investment Professionals

Marc E. Austin, CPA, CFP®

Marc joined PCG in May 2004 as an Investment Advisor Representative with PCG. A Certified Public Accountant since 1987, Marc joined CIGNA Financial Advisors (later to become Sagemark Consulting) in 1989 as a Financial Advisor.

He is a member of the Connecticut Society of CPA's and is an active member of both the Personal Financial Planning Committee and the Hartford Estate and Business Planning Council. Marc is on the Quinnipiac University Athletic Advisory Board.

Marc specializes in investments, retirement planning, estate planning and tax planning. His focus is on the goals and objectives of his clients.

Marc graduated from Quinnipiac University with a B.S. in Accounting. He became a Certified Public Accountant in 1987 and obtained his CERTIFIED FINANCIAL PLANNER™ (CFP®) certification in 1993 and holds investment and insurance licenses.

Neil T. Hartzog, CFP®, CMFC

Joining PCG in 2005 as a Financial Advisor, Neil's responsibilities soon expanded to support the wealth management planning department, compliance and supervisory responsibility. Currently, Neil is an Investment Advisor Representative with PCG.

Neil began his post graduate career as a Regional Accountant for Sunrise Healthcare, a nursing care facility. In 1999, he joined Waddell & Reed as an advisor, and in 2003 joined Capital Financial Planning, LLC, an independent advisory firm.

Neil's primary focus is on wealth management and retirement planning.

Neil received his Bachelor's degree in Finance from Central Connecticut State University in 1995. He received his Chartered Mutual Fund Counselor (CMFC) certification in 2001. He received his CERTIFIED FINANCIAL PLANNER™ (CFP®) certification in 2013 and holds investment and insurance licenses.

Benjamin D. Kille, CFP®, AIF®

As one of the original founders of PCG in 2003, Ben's knowledge of the financial marketplace and his experience applying specific investment strategies to the construction and management of client portfolios provides the foundation for a strong long-term relationship. He is currently an Investment Advisor Representative with PCG.

Ben began his career in the Financial Services industry in 1984. As Regional Director of

Investments for CIGNA Financial Services from 1988 to 2001, he assisted investment advisers in the New England region with portfolio development and implementation. Ben starts with a thorough understanding of a client's overall investment objectives. He constructs an individual plan utilizing multiple investment strategies to help guide a client while giving consideration to tax implications and lifestyle options.

Ben was a double major in Finance and Real Estate at the University of Arizona and has held the professional designation of CFP® (CERTIFIED FINANCIAL PLANNER®) since 1987 along with being licensed in investments and insurance. He is an Accredited Investment Fiduciary® (AIF®). Ben serves on the board of the CT. 4-H Education Center (AuerFarm). Ben is also an active member of the Hartford Estate and the Business Planning Council.

William T. Rabbitt, CFP®, ChFC

As one of the original founders of PCG, Bill specializes in estate, business and insurance planning and is currently an Investment Advisor Representative with the firm.

He began his career in 1993 with CIGNA Financial Advisors (later to become Sagemark) eventually rising to the position of Regional CEO for Sagemark.

Bill's expertise is in Family Wealth and Business Succession Strategies.

He is an active member of the Hartford Estate and Business Planning Council. A graduate of West Point, Bill holds the professional designations of CFP® (Certified Financial Planner®) and ChFC (Chartered Financial Consultant).

Amy B. Miller, CFP®

Amy joined PCG in 2014 as a Financial Advisor. She is currently an Investment Advisor Representative with PCG. Amy is also the primary resource for the firm for wealth management planning. She received her Certified Financial Planner designation in 2011 and holds a Series 66 license.

Amy came to PCG after 16 years with Webster Bank, N.A. Most recently she worked with Webster Private Bank as a Relationship Manager and Wealth Advisor in the Hartford market. Amy received her bachelor's degree from the University of Illinois at Urbana/Champaign, and her M.B.A. in Finance from the University of Connecticut.

Amy is a past member of the Board of Directors for the Tunxis Community College Foundation in Farmington, and is a member of the Board of Corporators for Hartford's iQuilt Plan. Amy is also an active member of the Hartford Estate & Business Planning Council.

B. Advisory Services

PCG provides the following investment advisory services:

Private Wealth Management Services

In the Private Wealth Management Services, PCG will create a portfolio consisting of one or all of the following: no-load and load-waived mutual funds, exchange-traded funds (ETFs), individual fixed-income holdings, individual equities, and alternative investments. PCG will allocate the client's assets among various investments taking into consideration the client's investment objectives. The investments will be selected on the basis of any or all of the following criteria (as applicable): performance history; industry sector; manager's track record;

investment objectives; management style and philosophy; and management fee structure. Portfolio weighting between market sectors will be determined by the client's particular investment adviser representative based on the client's individual needs, circumstances and preferences, as well as current economic and financial market conditions.

PCG will conduct a review with Private Wealth Management Services clients at least annually to discuss the client's personal and financial information. However, each client is advised that it remains their responsibility to promptly notify PCG if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising PCG's previous recommendations and/or services.

Separate Account Access Program

PCG will also provide Private Wealth Management Services clients with access to a wide array of independent institutional investment managers and services through the Separate Account Access Program. The Separate Account Access Program is a flexible, open-architecture platform that allows PCG to choose investment managers from among all major market capitalizations, fixed-income, alternative investments and certain private investment vehicles (e.g., hedge funds).

Based on a client's individual circumstances, PCG selects one or more independent managers to manage all or a portion of the client's portfolio. PCG may utilize various unaffiliated investment advisers to assist PCG in the initial due diligence, selection, retention, trading and ongoing monitoring of investment managers. PCG monitors the selected investment manager(s) on an ongoing basis and, when appropriate, PCG may make the decision to replace one investment manager with another or add an additional manager to the portfolio.

PCG will ensure that the client receives all related disclosure documents, including each investment manager's disclosure brochure. Clients are urged to carefully read and review the disclosure brochure(s) of all investment managers to fully understand the services, fees and any further conditions associated with the selected investment manager(s). For example, an investment manager may have participation conditions such as minimum account size and minimum annual fee which may or may not be negotiable. PCG will take such requirements into consideration when evaluating and recommending the specific investment manager.

Financial Planning Services

PCG also provides advice in the form of financial planning. Clients obtaining this service may receive either a written document or on-line access to the financial plan, providing the client with a financial analysis designed to address his or her financial goals and objectives. In general, the financial analysis will address any or all of the following areas of concern:

- *Personal:* Family records, estate and financial planning.
- *Tax & Cash Flow:* Income tax and spending analysis for current and future years.
- *Death:* Estate planning analysis regarding survivors and charities.
- *Retirement:* Analysis of strategies and investment plans to help guide a client with his or her retirement objectives.
- *Investments:* Analysis of investment holdings.

PCG gathers required information through personal interviews. PCG will conduct a review with the client to form an evaluation of the client's current financial status, future goals and objectives. Related documents supplied by the client are carefully reviewed, including any

questionnaire completed by the client and a financial plan is developed. Should a client choose to implement the recommendations contained in the plan, PCG suggests the client work closely with his or her attorney, accountant, insurance agent, and/or investment advisor. Implementation of financial plan recommendations is entirely at the client's discretion. Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company.

In performing its services, PCG shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. If requested by the client, PCG may recommend the services of other professionals for implementation. The client, however, is under no obligation to engage the services of any such recommended professional.

Endowment Consulting Services

PCG also provides guidance to non-profit organizations and their endowment or corporate assets. PCG's Endowment Consulting Services may include:

Develop or Review of an Investment Policy Statement (IPS)

- Investment objectives and risk tolerance
- Portfolio reporting standards

Analyze and/or establish asset allocation parameters

- Asset allocation among principal asset classes
- Asset Allocation within principal asset classes

Investment Research and Portfolio Construction

- Evaluate existing investment assets
- Determine gaps and potential opportunities for a portfolio
- Analyze all costs and services provided

Reporting

- Evaluate the quality and content of reports
- Provide quarterly performance reporting
- Attend regular meetings or conference calls with Board Members and/or Investment Committees

Consulting Services

Clients can also receive advice on a more limited basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, reviewing a client's existing portfolio, or any other specific topic. PCG also provides specific consultation and administrative services regarding investment and financial concerns of the client. Additionally, PCG provides advice on non-securities matters. Generally, this is in connection with the rendering of estate planning, insurance, and/or annuity advice. Consulting recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

Retirement Plan Consulting Services

PCG provides consulting services to corporate retirement plans (401k and defined benefit plans). Services include management of the plans' vendor relationships; leading the RFP processes and negotiating vendor proposals; assisting in plan design strategies; and investment management services, including developing overall asset allocation strategies for the plans. PCG does not have any discretion, trading or otherwise, with respect to any decisions made by or on behalf of the Plans.

Sub-Advisory Services

PCG also provides investment management and/or financial planning services on a sub-advisory basis to other registered investment advisers.

C. Client Tailored Services and Client Imposed Restrictions

Generally, clients are permitted to impose reasonable restrictions on investing in certain securities or types of securities in their advisory accounts, provided, however, that some restrictions may not be accommodated when utilizing Exchange Traded Funds, mutual funds or with respect to certain third-party products or services made available through PCG. In addition, a restriction request may not be honored if it is fundamentally inconsistent with PCG's investment philosophy, runs counter to the client's stated investment objectives, or would prevent PCG from properly servicing client accounts.

Whether clients will be able to place reasonable restrictions on the types of investments which will be made on the client's behalf is at the discretion of the separate account manager and/or independent money manager.

D. Wrap Fee Programs

Under a wrap fee program, advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and transaction services (*e.g.*, execution of trades) are provided for one fee. These portfolio solutions are generally pre-configured with limited flexibility. This is different than traditional investment management programs whereby services are provided for a fee, but transaction services are billed separately on a per-transaction basis.

PCG had previously made available to clients participation in a wrap fee program. While certain existing clients of PCG still participate in the wrap fee program, PCG does not typically offer this investment option to new clients. A wrap fee arrangements typically involves a non-customized standard model portfolio.

E. Assets Under Management

As of December 31, 2016, the total amount of client assets managed by PCG is approximately \$648,700,065. The total amount of client assets managed by PCG are managed on a discretionary basis.

Item 5 – Fees and Compensation

A. Advisory Fees

Private Wealth Management Services

The annual fee is charged either as (i) a flat percentage of assets under management and will not exceed 1.50% of the value of the client's portfolio or (ii) a tiered schedule as follows:

Total Assets Under Management**	Annual Fee
First \$500,000	1.50%
Next \$1 Million	1.25%
Next 1.5 Million	1.00%
Amounts over \$3 Million	0.85%

Clients will be billed in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value) of the client's account at the end of the previous quarter. For the initial calendar quarter, fees will be adjusted pro rata based upon the number of calendar days in the calendar quarter that the advisory agreement was effective. Client accounts and/or clients may be aggregated in certain situations to reduce fees. Fees are earned as of the commencement of the investment advisory contract and are prorated when assets were not managed for the entire quarter.

Details of the investment advisory fee charged are more fully described in the advisory agreement entered into with each client.

Separate Account Access Program

In addition to the advisory fees disclosed above, for those clients in the Separate Account Access Program, the independent service provider will charge a fee for their services. Typically, this fee ranges from .05% to 1.25% of the assets managed by such independent service provider. In those situations where a client pays a fee in addition to PCG's advisory fees, the client is required to sign a separate statement acknowledging and authorizing the payment of such additional fees. A client may choose to pay all transaction costs on an asset-based pricing schedule which will be defined and agreed to in writing by the client.

The above fees are calculated and deducted from the client's account quarterly in advance based on the value of the portfolios at the beginning of the quarterly billing period. New accounts started at other than a calendar quarter will be billed a pro rata amount from the date the service began to the end of the quarter. Certain custodians may apply charges on a monthly basis.

For those clients participating in the Separate Account Access program and for which PCG has retained independent service providers to perform initial or ongoing due diligence and monitoring or administrative assistance, such independent service providers are authorized to deduct all or a portion advisory fees directly from the client's brokerage account. The independent service provider will then remunerate PCG, any selected independent investment manager(s), and, when applicable, the custodian for their services. Any fees charged by the service provider are separate and in addition to the fees charged by PCG for its services. If

PCG has not retained an independent service provider, PCG will deduct all or some of the applicable fees and distribute such fees accordingly.

Clients are requested to refer to the disclosure document(s) of utilized independent managers for a complete description of services and fees offered and minimum account sizes required (if any) by those entities.

Endowment Consulting Services

The fee for Endowment Consulting Services is charged as a fixed fee based on the specific needs and complexity of each client's circumstances and typically ranging from \$2,500 to \$25,000. A retainer of up to 50% of the fee may be due at the inception of the advisory relationship, with the balance due upon completion of the services.

Financial Planning/Consulting Services Fees

PCG may be compensated for Financial Planning and Consulting Services in one or both of two ways:

1. As a fixed fee based on the individual needs and complexity of each client's circumstances and typically ranging from \$2,500 to \$10,000. A retainer of up to 50% of the fee may be due at the inception of the advisory relationship, with the balance due upon completion of the financial planning or consulting services; and/or
2. On an hourly basis, ranging from \$150 to \$250 per hour, depending on the nature and complexity of each client's circumstances. An estimate of total hours may be determined at the start of each engagement, and upon mutual agreement with the client, up to 50% of the estimated fee may be due at the inception at the inception of the advisory relationship, with the balance due upon completion of the financial planning or consulting service.

Partial financial planning fees charged for limited financial planning services are to be agreed upon in advance with each client. Initial and ongoing financial planning services may be provided to certain investment advisory clients at no cost to the client. PCG will never hold client funds greater than \$1,200 for more than six months in advance of completion of a financial planning or consulting engagement. PCG requires a non-negotiable initial financial planning fee of \$2,500.

Sub-Advisory Services

The annual fee for Sub-Advisory services ranges from 25% to 50% of the advisory fee collected by the primary advisor. PCG will negotiate Sub-Advisory services fees on a case-by- case basis.

B. Payment Method

Private Wealth Management Services

There are two options a client may select to pay PCG's advisory fees:

Direct Debiting

Each quarter, PCG or applicable service provider will notify the client's qualified custodian of the amount of the fee due and payable pursuant to the client's advisory agreement. The qualified custodian will not validate or check PCG's fees, its corresponding calculation or the assets on which the fee is based. With the client's pre-approval, the qualified custodian will

“deduct” the fee from the client’s account or, if the client has more than one account, from the account the client has designated to pay PCG’s advisory fees per the advisory agreement.

Each month, the client will receive a statement directly from the qualified custodian showing all transactions, positions and credits/debits into or from the client’s account. Statements sent after quarter end will also reflect all fees paid by the client from that account.

Billing

PCG will issue the client an invoice for the firm’s services and the client will pay PCG by check or wire transfer within 30 days of the date of the invoice, or as negotiated and documented in the client’s advisory agreement.

Separate Account Access Program Fees

Separate Account Access Program fees are deducted directly from clients’ accounts.

Financial Planning Fees

PCG will issue the client an invoice for the firm’s services and the client will pay PCG by check or wire transfer within 30 days of the date of the invoice, or as negotiated and documented in the client’s advisory agreement.

Sub-Advisory Services

The payment of Sub-Advisory services fees will be determined on a case-by-case basis.

Retirement Plan Consulting Services

Fees for retirement Plan consulting services are negotiated on a case-by-case basis and are governed by a separate written agreement with each plan.

Neither PCG, nor its representatives accept compensation from the sale of securities or other investment products.

C. Additional Fees and Expenses

Mutual Fund Fees, Exchange Traded Funds and Alternative Investments

All fees paid to PCG for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and Exchange Traded Funds to their shareholders or by managers to alternative investments, such as hedge funds. These fees and expenses are described in each fund's prospectus or private placement memorandum. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. Certain funds impose a deferred sales charge which will also be paid by the client. A client could invest in a mutual fund directly, without the services of PCG. In that case, the client would not receive the services provided by PCG which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. To the extent that client assets are invested in money market funds or cash positions, the fees for monitoring those assets are in addition to the fees included in the internal expenses of those funds paid to their own investment managers, which are fully disclosed in each fund's prospectus. Accordingly, the client should review both

the fees charged by the funds and the fees charged by PCG to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Trading and Other Costs

All fees paid to PCG for investment advisory services are separate and distinct from transaction fees charged by broker dealers associated with the purchase and sale of mutual funds, exchange traded funds, income and equity securities and options. In addition, fees do not include the services of any co-fiduciaries, accountants, broker dealers or attorneys. Please see the section entitled "Brokerage Practices" on page 28 of this disclosure brochure for additional information on brokerage and other transaction costs.

Separate Account Access Program Fees and Expenses

All fees paid to PCG for its investment advisory services are separate and distinct from the fees and expenses charged by separate account managers and their custodians and service providers to their clients.

Each separate account manager used may involve different custodial, administrative, and fee arrangements, and may require certain minimum initial account investments. These fees and expenses are described in each separate account manager's firm brochure. These fees will generally include a management fee and possible other fees. The actual management fees may be higher or lower for specific separate account manager employing similar strategies.

In certain circumstances a client could invest with a separate account manager directly, without the services of PCG. In that case, the client would not receive the services provided by PCG which are designed, among other things, to assist the client in determining which separate account managers are most appropriate to the client's financial condition and objectives.

D. Termination and Refunds

A client agreement may be canceled by either party, for any reason upon thirty (30) days written notice. Upon termination of any account, any earned, unpaid fees will be due and payable and any prepaid fees will be refunded within thirty (30) to sixty (60) days of the termination of the agreement.

E. Additional Compensation

Licensed Insurance Agents

Certain persons providing investment advice on behalf of PCG are also licensed as independent insurance agents. These related persons will earn commission-based compensation for selling insurance products, including insurance products they sell to clients. They may, from time to time, also earn incentive awards, increased bonus payments or seminars/trips treated as earned compensation for the recommendation of insurance products. Insurance commissions earned by these related persons are separate and in addition to PCG's advisory fees. While these individuals endeavor at all times to put the interest of the clients first as part of PCG's fiduciary duty, clients should be aware that this practice presents a conflict of interest because individuals providing investment advice on behalf of the firm who are also insurance agents have an incentive to recommend insurance product to clients for the purpose of generating commissions, rather than solely based on client needs. However, clients are under no obligation, contractually or otherwise, to purchase insurance products through any individual

affiliated with PCG.

F. Important Additional Information

Fees Negotiable

In certain circumstances, fees may be negotiable. In addition, the assets of related clients may be aggregated for the purposes of determining the fees.

Applicable Fees

PCG prices its services based upon various objective and subjective factors. As a result, PCG's clients could pay different fees based upon the market value of their assets, the complexity of the engagement, and the level and scope of the overall services to be rendered, and whether there is a prior existing relationship with certain investment advisor representatives of PCG pursuant to pre-existing contracts. The services to be provided by PCG to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

Fee Offset

If an Endowment Consulting Services client engages PCG for additional investment advisory services, PCG may offset all or a portion of its fees for those services based upon the amount paid for the Endowment Consulting Services.

Item 6 – Performance-Based Fees and Side-By-Side Management

PCG does not accept performance-based fees or engage in side-by-side management of client accounts.

Item 7 – Types of Clients

PCG provides investment advisory services to individuals (including high net worth individuals), endowments, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other types of business entities.

A. Engaging the Services of PCG

All clients wishing to engage PCG for investment advisory services must first complete the applicable investment advisory agreement and/or any other documents or questionnaire requested by PCG. The investment advisory agreement describes the services and responsibilities of PCG to the client. It also outlines PCG's fee in detail. In addition, clients must complete certain broker-dealer/custodial documentation. Upon completion of these documents, PCG will be considered engaged by the client. Clients will be responsible for ensuring that PCG is informed in a timely manner of changes in investment objectives and/or risk tolerance.

In addition, clients participating in the Separate Account Access program may be required to enter into additional agreements outlining the separate account services and fees.

B. Conditions for Managing Accounts

Private Wealth Management Services

PCG requires new Private Wealth Management Services clients to have a minimum account of \$500,000, although PCG retains the right to reduce or waive this minimum account size. Accounts of less than \$500,000 may be set up when the client and PCG anticipate the client will add additional funds to the accounts bringing the total to \$500,000 within a reasonable time or other unique circumstances exist.

Separate Account Access Program

PCG requires new clients have a minimum account of \$500,000 for the Separate Account Access Program, however, PCG retains the right to reduce or waive this minimum account size. Separate Account Access program clients should also refer to the separate account manager's disclosure document for information on minimum account size requirements or any other conditions for managing an account. Client should review the services and fees applicable for this arrangement.

Financial Planning Services

PCG requires a non-negotiable minimum initial fee of \$2,500 for Financial Planning clients. In addition, PCG also requires a non-negotiable minimum fee of \$1,000 for financial planning clients that request PCG to update their plan.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

The security analysis method employed by PCG is primarily fundamental analysis, however, other industry methods may be utilized when/where appropriate.

Fundamental analysis is a method of evaluating securities by attempting to measure the intrinsic value of a stock. Fundamental analysts study the overall economy and industry conditions, the financial condition of a company, details regarding the company's product line, and the experience and expertise of the company's management. The resulting data is used to measure the true value of the company's stock compared to the current market value.

Investment Strategies

PCG may use all or some of the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance and time horizons, among other considerations:

Long-Term Purchases

Securities are purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Short-Term Purchases

Securities are purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Short Sales

A securities transaction in which an investor sells borrowed securities in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price.

Margin Transactions

A securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

Option Writing

An investment strategy utilizing option writing involves selling (writing) an option. An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor sells (writes) an option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. The seller pays the buyer a premium (the market price of the option at a particular time) in exchange for writing the option.

Types of Investments

Investment advice may be offered by PCG on any investments held by a client at the start of the advisory relationship. Recommendations for new investments will typically be limited to domestic and foreign equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal and United States government securities, mutual funds, exchange traded funds, variable annuities, options and various limited partnerships. Certain strategies of publicly traded securities may be considered alternative investments.

In addition, PCG will, from time to time, recommend investments in illiquid alternative investments (e.g., hedge funds; funds of hedge funds, private equity or other types of limited partnerships) when it is appropriate for a client. In certain instances, these alternative investments may be the only investment vehicle a manager offers or such alternative investment may be the only economical method to access the investment skills of a particular manager.

Clients participating in the Separate Account Access Program should refer to the independent registered investment adviser's disclosure document for information regarding the types of investments used within client portfolios by that independent registered investment adviser.

Sources of Information

In conducting security analysis, PCG may utilize the following sources of information: financial newspapers and magazines, research materials prepared by others, annual reports, prospectuses, filings with the U.S. Securities and Exchange Commission and company press releases. In addition, PCG utilizes various resources as independent research including, but not limited to, Morningstar, Envestnet, Portfolio Management Consultants (PMC) and S&P. PCG may also utilize various unaffiliated investment advisers to assist PCG in the initial due diligence, selection, retention and ongoing monitoring of independent investment managers for the Separate Account Access, as well as providing PCG with input regarding the economy, investment climate and competitive market conditions.

Investing Involves Risk

Investing in securities involves risk of loss that each client should be prepared to bear. The value of a client's investment may be affected by one or more of the following risks, any of which could cause a client's portfolio return, the price of the portfolio's shares or the portfolio's yield to fluctuate:

- *Market Risk.* The value of portfolio assets will fluctuate as the stock or bond market fluctuates. The value of investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market.
- *Management Risk.* A client's portfolio is subject to management risk because it is actively managed by PCG's investment professionals. PCG will apply its investment techniques and risk analysis in making investment decisions for a client's portfolio, but there is no guarantee that these techniques and PCG's judgment will produce the intended results.
- *Interest Rate Risk.* Changes in interest rates will affect the value of a portfolio's investments in fixed-income securities. When interest rates rise, the value of investments in fixed-income securities tend to fall and this decrease in value may not be offset by higher income from new investments. Interest rate risk is generally greater for fixed-income securities with longer maturities or durations.
- *Credit Risk.* An issuer or guarantor of a fixed-income security, or the counterparty to a derivatives or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may

default causing a loss of the full principal amount of a security. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that the credit rating of a fixed-income security may be downgraded after purchase, which may adversely affect the value of the security. Investments in fixed-income securities with lower ratings tend to have a higher probability that an issuer will default or fail to meet its payment obligations.

- *Allocation Risk.* The allocation of investments among different asset classes may have a significant effect on portfolio value when one of these asset classes is performing more poorly than the others. As investments will be periodically reallocated, there will be transaction costs which may be, over time, significant. In addition, there is a risk that certain asset allocation decisions may not achieve the desired results and, as a result, a client's portfolio may incur significant losses.
- *Foreign (Non-U.S.) Risk.* A portfolio's investments in securities of non-U.S. issuers may involve more risk than those of U.S. issuers. These securities may fluctuate more widely in price and may be less liquid due to adverse market, economic, political, regulatory or other factors.
- *Emerging Markets Risk.* Securities of companies in emerging markets may be more volatile than those of companies in developed markets. By definition, markets, economies and government institutions are generally less developed in emerging market countries. Investment in securities of companies in emerging markets may entail special risks relating to the potential for social instability and the risks of expropriation, nationalization or confiscation. Investors may also face the imposition of restrictions on foreign investment or the repatriation of capital and a lack of hedging instruments.
- *Currency Risk.* Fluctuations in currency exchange rates may negatively affect the value of a portfolio's investments or reduce its returns.
- *Derivatives Risk.* Certain strategies involve the use of derivatives to create market exposure. Derivatives may be illiquid, difficult to price and leveraged so that small changes may produce disproportionate losses for a client's portfolio and may be subject to counterparty risk to a greater degree than more traditional investments. Because of their complex nature, some derivatives may not perform as intended. As a result, a portfolio may not realize the anticipated benefits from a derivative it holds or it may realize losses. Derivative transactions may create investment leverage, which may increase a portfolio's volatility and may require the portfolio to liquidate portfolio securities when it may not be advantageous to do so.
- *Capitalization Risk.* Investments in small- and mid-capitalization companies may be more volatile than investments in large-capitalization companies. Investments in small-capitalization companies may have additional risks because these companies have limited product lines, markets or financial resources.
- *Liquidity Risk.* Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing PCG from selling out of such illiquid securities at an advantageous price. Derivatives and securities involving substantial market and credit risk also tend to involve greater liquidity risk.
- *Issuer Specific Risk.* The value of an equity security or debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected. These developments may comprise a variety of factors, including, but not limited to, management issues or other corporate disruption, political factors adversely affecting governmental issuers, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer's competitive position.
- *Concentrated Portfolios Risk.* Certain investment strategies focus on particular asset

classes, countries, regions, industries, sectors or types of investments. Concentrated portfolios are an aggressive and highly volatile approach to trading and investing. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic price swings. In addition, the rise or drop in price of any given holding is likely to have a larger impact on portfolio performance than a more broadly diversified portfolio.

- *Legal or Legislative Risk.* Legislative changes or court rulings may impact the value of investments or the securities' claim on the issuer's assets and finances.

B. Risks Associated with Investment Strategies and Methods of Analysis

Risks Associated with Investment Strategies

Long-Term Purchases

Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or your particular investments will decrease in value even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost (e.g., "locking-up" assets that may be better utilized in the short-term in other investments).

Short-Term Purchases

Using a short-term purchase strategy generally assumes that the performance of the financial markets can be accurately predicted over the short-term. The risk associated with a short-term purchase strategy is that there are many factors that may affect market performance in the short-term including interest rate fluctuations, cyclical earnings, etc. Such factors may have a smaller impact over the longer-term. In addition, short-term trading may incur a disproportionately higher amount of transaction costs compared to long-term trading.

Short Sales

Short selling is very risky. The primary risk associated with selling a security that was borrowed in anticipation of a price decline is that if the price of those borrowed shares *increases*, the potential losses are *unlimited*.

Margin Transactions

When buying stocks on margin, you are employing leverage as an investing strategy. Leverage allows an investor to extend their financial reach by investing using borrowed funds while limiting the amount of their own cash they expend. This can involve a high degree of risk, including, but not limited to:

- Losing more money than you have invested;
- Paying interest on your loan;
- Being required to deposit additional cash or securities in your account on short notice to cover market losses;
- Being forced to sell some or all of your securities when falling stock prices reduce the value of your securities; and/or
- Having your brokerage firm sell some or all of your securities without consulting you to pay off the loan it made to you.

Option Writing

There are numerous risks associated with transactions in options on securities or securities indexes and therefore, are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss of principal. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. For example, as the writer of covered call options, the client forgoes, during the option's life, the opportunity to profit from increases in the market value of the underlying security or the index above the sum of the option premium received and the exercise price of the call, but has retained the risk of loss, minus the option premium received, should the price of the underlying security decline. In the case of index options, the client incurs basis risk between the performance of the underlying portfolio and the performance of the underlying index (e.g., the underlying portfolio may decline in value while the underlying index may increase in value, resulting in a loss on the call option while the underlying portfolio declines as well).

Risk Associated with Methods of Analysis

The analysis of securities requires subjective assessments and decision-making by experienced investment professionals, however, there is always the risk of an error in judgment.

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

Fundamental Analysis

Fundamental analysis, when used in isolation, has a number of risks:

- Information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- The data used may be out of date.
- It ignores the influence of random events such as oil spills, product defects being exposed, acts of God and so on.
- It assumes that there is no monopolistic power over markets.
- The market may fail to reach expectations of perceived value.

Independent Money Manager Analysis

A risk of independent money manager analysis is that the past performance of the independent money manager does not guarantee future results. In addition, PCG's subjective judgment may prove incorrect.

C. Risks Associated with Specific Securities Utilized

Common Stocks

The major risks associated with investing in common stocks relate to the issuer's capitalization, quality of the issuer's management, quality and cost of the issuer's services, the issuer's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk and the issuer's ability to create shareholder value (e.g., increase the value of

the company's stock price).

Preferred Stocks

Preferred stock dividends are generally fixed in advance. Unlike requirements to pay interest on certain types of debt securities, the company that issues preferred stock may not be required to pay a dividend and may stop paying the dividend at any time. Preferred stock may also be subject to mandatory redemption provisions and an issuer may repurchase these securities at prices that are below the price at which they were purchased by the investor. Under these circumstances, a client account holding such preferred securities could lose money.

Convertible Stocks

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value."

The investment value of a convertible security is influenced by changes in interest rates, the credit standing of the issuer and other factors. The conversion value of a convertible security is determined by the market price of the underlying common stock. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. A convertible security will generally be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible is called for redemption, a client will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on a client's ability to achieve their investment objective.

Fixed-Income Securities

Different forms of fixed-income instruments, such as bonds, money market funds, and certificates of deposit may be affected by various forms of risk, including:

- *Interest Rate Risk.* The risk that the value of the fixed-income holding will decrease because of an increase in interest rates.
- *Liquidity Risk.* The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed-income securities are generally liquid (e.g., corporate bonds), there are risks which may occur such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also the risk of not being able to purchase a particular issue at the desired price.
- *Credit Risk.* The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as "default risk." Credit risk may also occur when an issuer's ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments.
- *Reinvestment Risk.* With declining interest rates, investors may have to reinvest income or principal at a lower rate.
- *Duration Risk.* Duration is a measure of a bond's volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.

High-Yield Securities

High-yield corporate debt securities with credit rating below investment grade (commonly referred to a “junk bonds”) may be subject to potentially higher risks of default and volatility than other debt securities, including risks that the issuer may not be able to meet its obligations to repay principal or interest. These types of debt securities are more susceptible to credit risk than investment grade securities and are considered to be more speculative in nature than higher-quality fixed-income securities. In addition, issuers of high-yield securities may not be as strong financially as those issuing debt securities with higher credit ratings.

Municipal Bonds

In addition to the risks set forth under “Fixed-Income Securities” above, municipal bonds are susceptible to events in the municipality that issued the bond or the security posted for the bond. These events may include economic or political policy changes, changes in law, tax base erosion, state constitutional limits on tax increases, budget deficits or other financial difficulties and changes in the credit rating assigned to municipal issues.

Federal Agency Securities

Although the issuer may be chartered or sponsored by an Act of Congress, the issuer is not funded by Congressional appropriations and its debt and equity securities are neither guaranteed nor insured by the U.S. Government. Without a more explicit commitment, there can be no assurance that the U.S. Government will provide financial support to such issuers or their securities.

Exchange Traded Funds

ETFs are subject to risks similar to those of stocks. Investment returns will fluctuate and are subject to market volatility, so that when shares are sold they may be worth more or less than their original cost. ETF shares are bought and sold at market price (not Net Asset Value) and are not individually redeemed from the fund. There is also the risk that a manager may deviate from the stated investment mandate or strategy of the ETF which could make the holdings less suitable for a client’s portfolio. ETFs may also carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. In addition, while many ETFs are known for their potential tax efficiency and higher “qualified dividend income” (QDI) percentages, there are asset classes within these ETFs or holding periods that may not benefit. Shorter holding periods, as well as commodities and currencies that may be part of an ETF’s portfolio, may be considered “non-qualified” under certain tax code provisions.

Equity Funds

The major risks associated with investing in equity mutual funds is similar to the risks associated with investing directly in equity securities, including market risk, which is the risk that investment returns will fluctuate and are subject to market volatility, so that an investor’s shares, when redeemed or sold, may be worth more or less than their original cost. Other risks include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification and the type and amount of sector diversification within specific industries. In addition, there is the risk that a manager may deviate from the stated investment mandate or strategy of the mutual fund which could make the holdings less suitable for a client’s portfolio. Also, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold their shares in the fund. Mutual funds may also carry additional

expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees.

Fixed-Income Funds

In addition to the risks associated with investing in equity mutual funds, fixed-income mutual funds also the same risks as set forth under “Fixed-Income Securities” listed above.

Indexed Funds

Indexed Funds have the potential to be affected by “tracking error risk” which means a deviation from a stated benchmark index. Since the core of a portfolio may attempt to closely replicate a benchmark, the source of the tracking error (deviation) may come from a “sample index” that may not closely align the benchmark. In addition, while many index mutual funds are known for their potential tax efficiency and higher “qualified dividend income” (QDI) percentages, there are assets classes within these funds or holding periods that may not benefit. Shorter holding periods, as well as commodities and currencies that may be part of a fund’s portfolio, may be considered “non-qualified” under certain tax code provisions.

Options

There are numerous risks associated with transactions in options on securities or securities indexes. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. In the case of index options, the client incurs basis risk between the performance of the underlying portfolio and the performance of the underlying index. For example, the underlying portfolio may decline in value while the underlying index may increase in value, resulting in a loss on the call option while the underlying portfolio declines as well.

Real Estate Related Securities

Investing in real estate related securities includes, among others, the following risks: possible declines in the value of real estate; risks related to general and local economic conditions, including increases in the rate of inflation, possible lack of availability of mortgage funds, overbuilding, extending vacancies of properties, increases in competition, property taxes and operating expenses, changes in zoning laws, costs resulting from clean-up of, and liability to third-parties for damages resulting from, environmental problems, casualty and condemnation losses, uninsured damages from floods, earthquakes or other natural disasters, limitations on and variations in rents and changes in interest rates. Investing in Real Estate Investment Trusts (“REITs”) involves certain unique risks in addition to those risks associated with investing in real estate in general. REITs are dependent upon the skills of management, are not diversified and are subject to cash flow dependency, default by borrowers and self-liquidation.

Structured Products

A portfolio’s investments in structured finance arrangements, including Collateralized Mortgage Obligations (CMOs), Collateralized Debt Obligations (CDOs) and Collateralized Loan Obligations (CLOs), involve the risks associated with the underlying pool of securities or other assets, as well as risks different or greater than the risks affecting the underlying assets. In particular, these investments may be less liquid than other debt obligations, making it difficult to value an investment or sell the investment in a timely manner or at an acceptable price.

Master Limited Partnerships

Master Limited Partnerships (MLPs) are a type of limited partnership that is publicly traded and sells like a common stock on the major stock exchanges. There are two types of partners in this type of partnership: The limited partner is the person or group that provides the capital to the MLP and receives periodic income distributions from the MLP's cash flow, whereas the general partner is the party responsible for managing the MLP's affairs and receives compensation that is linked to the performance of the venture. MLP investors face several kinds of risk that are inherent in these types of investments and in the market, including loss of money, volatility and interest rate risk.

Alternative Investments

The performance of alternative investments (e.g., commodities, futures, hedge funds; funds of hedge funds, private equity or other types of limited partnerships) can be volatile. Alternative investments generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in the offering documents of each specific alternative investment. Due to the speculative nature of alternative investments a client must satisfy certain income or net worth standards prior to investing.

Private Equity Funds

Private Equity Funds may be affected by various forms of risk, including:

- *Long-term Investment.* Unlike mutual funds, which generally invest in publicly traded securities that are relatively liquid, private equity funds generally invest in large amounts of illiquid securities from private companies. Depending on the strategy used, private real estate funds will have illiquid underlying investments that may not be easily sold, and investors may have to wait for improvements or development before any redemption. Given the illiquid nature of the underlying purchases made by private equity and private real estate managers, private equity and private real estate funds are considered long-term investments. Private equity funds are generally set up as 10- to 15-year investments with little or no provision for investor redemptions. Private real estate funds are generally seven- to ten-year investments and also have limited provisions for redemptions. With long-term investments, you should consider your financial ability to bear large fluctuations in value and hold these investments over a number of years.
- *Difficult Valuation Assessment.* The portfolio holdings in private equity and private real estate funds may be difficult to value, because they are not usually quoted or traded on any financial market or exchange. As such, no easily available market prices for most of a fund's holdings are available. Additionally, it may be hard to quantify the impact a manager has had on underlying investments until those investments are sold.
- *Lack of Liquidity.* Private equity and private real estate funds are not "liquid" (they can't be sold or exchanged for cash quickly or easily), and the interests are typically non-transferable without the consent of a fund's managing member. As a result private equity and private real estate funds are generally only suitable for sophisticated investors who have carefully considered their financial capability to hold these investments for the long term.
- *Capital Call Default Consequences.* Answering capital calls to provide managers with the pledged capital is a contractual obligation of each investor. Failure to meet this requirement in a timely manner could elicit significant adverse consequences,

including, without limitation, the forfeiture of the defaulting investor's interest in the fund.

- *Leverage.* Private equity and private real estate funds may use leverage in connection with certain investments or participate in investments with highly leveraged capital structures. Although the use of leverage may enhance returns and increase the number of investments that can be made, leverage also involves a high degree of financial risk and may increase the exposure of such investments to factors such as rising interest rates, downturns in the economy or deterioration in the condition of the assets underlying such investments.
- *Lack of Transparency.* Private equity and private real estate funds are not required to provide investors with information about their underlying holdings or provide periodic pricing and valuation information. Therefore, you are often putting your complete trust in the managers' abilities to meet their funds' objectives, without the benefit of knowing their investment selections. This lack of information may make it more difficult for investors to evaluate the risks associated with the funds.
- *Manager Risk.* Private equity and private real estate fund managers have total investment authority over their funds, and the managers' skill is normally responsible for the investment returns. Therefore, if the founder or key person departs, the returns of the fund may be impacted. Investors have no control or influence in the management of the fund, although they will receive periodic reports from the fund manager. Also, your investment in one fund that uses a generally similar investment strategy as another fund could lessen your overall diversification, and consequently, increase your investment risk.
- *Regulation.* Private equity and private real estate funds are subject to fewer regulatory requirements than mutual funds and other registered investment company products and thus may offer fewer legal protections than you would have if you invested in more traditional investments.

Additional Risks

Frequent Trading and Investment Performance

Strategies involving frequent trading of securities can affect investment performance through increased brokerage and other transaction costs and taxes.

Concentrated Portfolios

Concentrated portfolios are an aggressive and highly volatile approach to trading and investing. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic prices swings. In addition, the rise or drop in price of any given holding is likely to have a larger impact on portfolio performance, than a more broadly diversified portfolio.

Cash Management

PCG will maintain cash balances to meet foreseeable short-term client cash needs, as a temporary repository pending investment in other securities, or as a defensive position when market conditions are considered adverse. Cash is usually maintained in a money market fund (taxable or tax-free) offered by the account custodian. These cash balances are included in the account market value for the computation of the investment management fee.

High cash balances may be maintained for (i) new clients whose accounts initially consist of high cash positions as cash is gradually invested or (ii) for existing clients when there is an excessive inflow of cash into the client's account. PCG also reserves the right to temporarily maintain as much as a 100% cash balance when the client, investment or economic conditions warrant.

Note that there may be other circumstances not described here that could adversely affect a client's investment and prevent their portfolio from reaching its objective.

Item 9 – Disciplinary History

PCG is required to disclose any legal or disciplinary events that are material to a client's or a prospective client's evaluation of the firm's advisory business or the integrity of PCG's management. Neither PCG nor any of its management personnel have ever been disciplined by a regulatory agency.

Item 10 – Other Financial Industry Activities and Affiliations

- A.** PCG engages in no other financial industry activities other than those services previously disclosed in Item 4.

B. Futures and Commodity Registration

PCG is not registered, nor does it have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor. No management person is registered, nor does any management person have an application pending to register, as an associated person of a futures commission merchant, commodity pool operator or a commodity trading advisor.

C. Financial Industry Affiliations

PCG is a licensed insurance producer in the State of Connecticut. As such, PCG may sell a variety of insurance products in addition to providing investment advice and associated persons of PCG as licensed insurance agents will be able to implement insurance product transactions for which they will receive separate yet typical compensation. While these individuals endeavor at all times to put the interest of the clients first as part of PCG's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

PCG has an affiliation with Filomeno Wealth Management only in so far as it sub-advises the accounts of Filomeno clients.

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

Code of Ethics

PCG has adopted a Code of Ethics to prevent violations of federal securities laws. The Code of Ethics is predicated on the principle that PCG owes a fiduciary duty to its clients. Accordingly, PCG expects all employees to act with honesty, integrity and professionalism and to adhere to federal securities laws. All managers, directors, partners and employees of PCG and any other person who provides advice on behalf of PCG and is subject to PCG's control and supervision are required to adhere to the Code of Ethics. At all times, PCG and its employees must (i) place client interests ahead of PCG's; (ii) engage in personal investing that is in full compliance with PCG's Code of Ethics; and (iii) avoid taking advantage of their position. A copy of PCG's Code of Ethics is available to any client or prospective client upon request. For a copy, please contact Benjamin Kille, the Chief Compliance Officer of PCG, at (860) 561-1162.

Prohibition on Use of Insider Information

PCG has also adopted policies and procedures to prevent the misuse of "insider" information. A copy of PCG's Insider Trading policies and procedures is available to any client or prospective client upon request. For a copy of PCG's Insider Trading policies and procedures, please contact Benjamin Kille, the Chief Compliance Officer of PCG, at (860) 561-1162.

PCG or individuals associated with PCG may buy or sell securities that it also recommends to clients.

To minimize conflicts of interest, and to maintain the fiduciary responsibility PCG has for its clients, PCG has established the following policies:

1. A member or employee of PCG shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of their employment unless the information is also available to the investing public upon reasonable inquiry.
2. No employee of PCG shall place their own interests above the interests of the advisory client.
3. The Code of Ethics contains personal trading policies aimed at eliminating the risk of insider trading. The CCO is responsible for enforcing those policies.
4. PCG emphasizes the unrestricted right of the client to decline to implement any advice rendered.
5. PCG requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
6. Any individual not in observance of the above may be subject to disciplinary action including termination.

Item 12 – Brokerage Practices

A. Brokerage Selection

Best Execution

Best execution has been defined by the SEC as the “execution of securities transactions for clients in such a manner that the client’s total cost or proceeds in each transaction is the most favorable under the circumstances.” The best execution responsibility applies to the circumstances of each particular transaction and an investment adviser must consider the full range and quality of a broker-dealer’s services, including, among other things, execution capability, commission rates, the value of any research, financial responsibility and responsiveness.

When placing portfolio transactions for client accounts, PCG’s primary objective is to obtain the best price and best execution, taking into account the costs, promptness of execution and other qualitative considerations.

Broker Analysis

PCG evaluates a wide range of criteria in seeking the most favorable price and market for the execution of transactions. These include the broker-dealer’s trading costs, efficiency of execution and error resolution, financial strength and stability, capability, positioning and distribution capabilities, information in regard to the availability of securities, trading patterns, statistical or factual information, opinion pertaining to trading and prior performance in serving PCG.

Also in consideration is such broker-dealers’ provision of research and other investment management-related services (the provisional payment of such costs by brokers are referred to as payment made by “soft dollars”, as further discussed in the “Research/Soft Dollars Benefits” section immediately below). Accordingly, if PCG determines in good faith that the amount of trading costs charged by a broker-dealer is reasonable in relation to the value of the brokerage and research or investment management-related services provided by such broker, the client may pay trading costs to such broker in an amount greater than the amount another broker might charge.

PCG’s Managing Members are responsible for monitoring and evaluating the performance and execution capabilities of brokers that transact orders for our client accounts to ensure consistent quality executions. In addition, PCG periodically reviews its transaction costs in light of current market circumstances and other relevant information.

Research/Soft Dollar Benefits

PCG does not accept/use soft dollars.

However, PCG does utilize the services of multiple broker-dealers, including Fidelity Investments Institutional Brokerage Group (“Fidelity”) and Charles Schwab & Co., Inc. Institutional Services Group (“Schwab”) that provide certain economic benefits to PCG (e.g., benefits that PCG does not pay for), which would not otherwise be received if PCG did not direct client trades to these broker-dealers. While PCG is not affiliated with these broker-dealers, they may provide PCG with access to its institutional trading and operations services, which are typically not available to retail investors. These services may include research, brokerage, custody, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

These broker-dealers may also make available to PCG other products and services that benefit PCG, but may not benefit its clients' accounts. Some of these other products and services assist PCG in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of PCG's fees from its clients' accounts, and assist with back-office support, record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of PCG's accounts, including accounts not maintained at the specific broker-dealer that is offering this particular service. These broker-dealers also provide PCG with other services intended to help PCG manage and further develop its business enterprise. These services may include consulting, publications, conferences and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, these broker-dealers may make available, arrange and/or pay for these types of services to PCG by independent third parties. These broker-dealers may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to PCG.

While as a fiduciary PCG endeavors to act in its clients' best interests, PCG's recommendation that clients maintain their assets in accounts with Fidelity and/or Schwab may be based in part on the benefit to PCG of the availability of some of the foregoing products and services and not solely on the nature cost or quality of custody and brokerage provided by these broker-dealers which may create a conflict of interest.

Directed Brokerage

PCG Directed Brokerage

Private Wealth Management Services

PCG does not have the discretionary authority to determine the broker-dealer to be used. As stated above, clients in need of brokerage will have Fidelity Investments Institutional Brokerage Group and/or Charles Schwab & Co., Inc. Institutional Services Group recommended to them. While there is no direct linkage between the investment advice given and usage of these broker-dealers, economic benefits are received which would not be received if PCG did not give investment advice to clients (please see additional disclosures in the "Research/Soft Dollars Benefits" section directly above). PCG does not participate in any transaction fees or commissions paid to the broker dealer or custodian and does not receive any fees or commissions for the opening or maintenance of client accounts at recommended brokers other than those benefits described above.

Not all investment advisers require their clients to direct brokerage. PCG is required to disclose that by directing brokerage, PCG may not be able to achieve most favorable execution of client transactions and that this practice may cost clients more money.

Separate Account Access Program

Clients participating in the Separate Account Access Program are also required to direct the use of Fidelity or Schwab as account custodian. Typically these accounts will be traded through Fidelity or Schwab, and as such it should be understood that PCG and/or the selected separate account managers will not have authority to negotiate commissions or obtain volume discounts and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to other clients. On occasion, PCG or any selected separate account managers, whether or not part of the Separate Account Access Program, may utilize a Prime Brokerage arrangement through Fidelity or Schwab whereby, if the client has

completed the applicable Prime Brokerage Services Agreement, certain trades (typically fixed income and small capitalization stocks) will be traded at other broker dealers and then held in custody at Fidelity or Schwab, as the case may be. In this situation the separate account manager has the ability to negotiate commission rates and will attempt to attain best execution on such trades. Clients are requested to refer to the disclosure documents of recommended separate account managers for complete information on these firms' brokerage practices.

Financial Planning/Consulting Services

PCG's financial planning and consulting practice, due to the nature of its business and client needs, does not include block trading, negotiating commissions with broker dealers or obtaining volume discounts, nor necessarily obtaining the best price. Clients will be required to select their own broker dealers and insurance companies for the implementation of financial planning and/or consulting recommendations. PCG may recommend any one of several brokers. PCG clients must independently evaluate these brokers before opening an account. The factors considered by PCG when making this recommendation are the broker's ability to provide professional services, PCG's experience with the broker, the broker's reputation, and the broker's financial strength, among other factors. PCG's financial planning and consulting clients may use any broker or dealer of their choice.

Client Directed Brokerage

Certain clients may direct PCG to use particular brokers for executing transactions in their accounts. With regard to client directed brokerage, PCG is required to disclose that PCG may be unable to negotiate commissions, block or batch orders or otherwise achieve the benefits described above, including best execution. Directed brokerage commission rates may be higher than the rates PCG might pay for transactions in non-directed accounts. Therefore, directing brokerage may cost clients more money.

As a general rule, PCG encourages each client to compare the possible costs or disadvantages of directed brokerage against the value of custodial or other services provided by the broker to the client in exchange for the directed brokerage designation.

B. Trade Aggregation/Allocation

It is PCG's policy not to aggregate client trades.

C. Trade Errors

It is PCG's policy to correct any trading error as soon as it is detected. For errors caused by a broker-dealer, PCG will seek reimbursement in the client's account. In situations where PCG is responsible for a trading error, PCG will discuss the error and amount (when it is to the detriment of the client) with the client to determine the amount of the error and make the client whole. All errors which are to the client's benefit will remain in the client's account.

PCG maintains a trade error blotter where all trade errors are documented, including the resolution. PCG has trade error accounts established at both Fidelity and Charles Schwab.

Item 13 – Review of Accounts

Private Wealth Management Services

Reviews

While the underlying securities within Private Wealth Management Services accounts are continuously monitored, these accounts are reviewed no less frequently than quarterly. Accounts are reviewed in the context of each client's overall investment objectives and guidelines, ensuring that the structure of the portfolio is coordinated with these objectives although variances can occur from time to time. 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. Reviews are performed by Benjamin Kille and/or William Rabbitt, Managing Members of PCG.

Reports

Clients will receive monthly or quarterly statements detailing investment activity from client's custodian. Either daily, monthly or quarterly confirmation statements will be issued for all trading activity. Monthly and/or quarterly custodial statements will include portfolio holdings, dates and amounts of transactions, and current and prior statement values. In addition, PCG will provide clients with additional reports if contracted for at the inception of the advisory relationship. Those clients for whom PCG provides reports, clients are urged to compare the account statement provided by the broker-dealer/custodian with those provided by PCG.

Separate Account Access Program

Reviews

PCG will review Separate Account Access Program accounts quarterly while on occasion utilizing the assistance of independent service providers for account reviews. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances. Reviews are performed by Benjamin Kille and/or William Rabbitt, Managing Members of PCG.

Reports

In addition to any reports sent by the independent registered investment adviser, PCG will provide clients with quarterly reports. Clients are urged to compare the account statement provided by the broker-dealer/custodian with those provided by the independent registered investment adviser and/or PCG.

Endowment Consulting Services

Reviews

PCG will review Endowment Consulting Services clients investment policy statements whenever a client indicates a change in circumstances regarding the needs of the endowment. PCG will also review the investment options of the endowment according to the agreed upon time intervals. Reviews are performed by Benjamin Kille and/or William Rabbitt, Managing Members of PCG.

Reports

PCG will provide Endowment Consulting Services clients with reports as contracted for at the inception of the advisory relationship. Those clients for whom PCG provides reports, clients are urged to compare the account statement provided by the broker-dealer/custodian with those provided by PCG.

Financial Planning Services

Reviews

These client accounts will be reviewed as contracted for at the inception of the advisory relationship. Reviews are performed by Benjamin Kille and/or William Rabbitt, Managing Members of PCG.

Reports

Financial Planning clients will receive either a written or on-line financial plan. Additional reports will not typically be provided unless contracted for at the inception or renewal of the advisory relationship. Certain investment advisory services clients may receive ongoing financial planning reporting as part of their services.

Sub-Advisory Services

Reviews

Sub-Advisory services accounts will be reviewed as contracted for at the inception of the sub-advisory relationship. Reviews are performed by Benjamin Kille and/or William Rabbitt, Managing Members of PCG.

Reports

Sub-Advisory services clients will receive reports as contracted for at the inception of the sub-advisory relationship.

Retirement Planning

Reviews

PCG will monitor its clients' plans as often as necessary to fulfill its obligation under its agreements.

Reports

PCG does not produce specific reports, however, it does review monitoring reports for the performance, risk & expenses of the plan and consults with the client regarding such reports.

Item 14 – Client Referrals and Other Compensation

A. Economic Benefits

Incentive Awards

PCG and/or its principal executive officers may, from time to time, receive incentive awards for the recommendation/introduction of insurance products. The receipt of this compensation may affect PCG's judgment in recommending products to its clients. While these individuals endeavor at all times to put the interest of the clients first as part of PCG's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

B. Client Referrals

From time to time, PCG may retain solicitors to refer clients to PCG. If a client is introduced to PCG by either an unaffiliated or an affiliated solicitor, PCG may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from PCG's financial planning and/or portfolio management fee, and shall not result in any additional charge to the client. If the client is introduced to PCG by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of PCG's written disclosure statement, together with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between PCG and the solicitor, including the compensation to be received by the solicitor from PCG. Any affiliated solicitor of PCG shall disclose the nature of their relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of PCG's written disclosure statement.

Item 15 – Custody

Custody of client assets will be maintained with the independent custodian selected by the client. PCG will not have physical custody of any assets in the client's account *except as permitted for payment of advisory fees*. Clients will be solely responsible for paying all fees or charges of the custodian. Clients will authorize PCG to give the custodian instructions for the purchase, sale, conversion, redemption, exchange or retention of any security, cash or cash equivalent or other investment for the client's account.

Clients will receive directly from the custodian at least quarterly a statement showing all transactions occurring in the client's account during the period covered by the account statement, and the funds, securities and other property in the client's account at the end of the period. Clients are urged to carefully review statements received from the custodian to ensure the accurate reporting of such information.

Item 16 – Investment Discretion

Private Wealth Management Services

For those client accounts over which PCG has discretion, PCG requests that it be provided with written authority (e.g., limited power of attorney contained in PCG's Investment Advisory Agreement) to determine the amounts of securities that are bought or sold. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change or amend these limitations as required. All such amendments shall be submitted in writing. PCG generally has discretionary authority to make the following determinations without obtaining the consent of the client before the transactions are effected: (1) which securities are bought and sold for the account and (2) the total amount of securities to be bought and sold. PCG's authority in making investment related decisions may be limited by account guidelines, investment objectives and trading restrictions, as agreed between PCG and the client. If the above discretionary authority is not granted, the client is required to sign a non-discretionary investment advisory agreement.

Clients will retain ownership of all assets in their accounts. Neither PCG nor its supervised persons or any service provider will have any right to withdraw either cash or securities from the client's account, *except for the direct deduction of advisory fees as authorized by the client*. PCG will provide administrative assistance with withdrawals and deposits when requested by the client.

Separate Account Access Program

As such, clients wishing to utilize PCG for this program are required to provide PCG with discretionary authority to hire and terminate selected investment managers without prior client approval or notification

Item 17 – Voting Client Securities

Proxy Voting

Private Wealth Management Services

PCG does not vote proxies on behalf of its clients. Therefore, although PCG may provide investment advisory services relative to client investment assets, it is the client that maintains exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceeding or other type events pertaining to the client's investment assets. PCG and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. Clients can contact Benjamin Kille, Managing Member of PCG, at (860) 561-1162 if they have questions regarding a particular solicitation.

Separate Account Access Program

Separate Account Access clients should refer to the independent registered investment adviser's disclosure document for information regarding the proxy voting policies and procedures of that independent registered investment adviser. When permitted, the client may authorize the independent registered investment adviser to vote proxies on their behalf.

Class Action Settlements

Although PCG has discretion over client accounts, it will not be responsible for handling client claims in class action lawsuits or similar settlements involving securities owned by the client. Clients will receive the paperwork for such claims directly from their account custodians. Each client should verify with their custodian or other account administrator whether such claims are being made on the client's behalf by the custodian or if the client is expected to file such claims directly. PCG may, however, assist with correspondence regarding such activities.

Item 18 – Financial Information

A. Prepayment of Fees

Because PCG does not require or accept prepayment of more than \$1,200 in fees six months or more in advance, PCG is not required to include a balance sheet with this disclosure brochure.

B. Financial Condition

PCG does not have any adverse financial conditions to disclose.

C. Bankruptcy

PCG has never been the subject of a bankruptcy petition

Item 19 – Additional Information

Privacy Notice

PCG views protecting its clients' private information as a top priority and has instituted policies and procedures to ensure that client information is private and secure. PCG does not disclose any nonpublic personal information about its clients or former clients to any nonaffiliated third parties, except as permitted or required by law. In the course of servicing a client's account, PCG may share some information with its service providers, such as performance and billing services, transfer agents, custodians, broker-dealers, accountants, other registered investment advisers and lawyers, etc. PCG restricts internal access to nonpublic personal information about the client to those persons who need access to that information in order to provide services to the client and to perform administrative functions for PCG. As emphasized above, it has always been and will always be PCG's policy never to sell information about current or former clients or their accounts to anyone. It is also PCG's policy not to share information unless required to process a transaction, at the request of a client, or as required by law. For the full text of PCG's Privacy Policy, please contact Benjamin Kille, a Managing Member of PCG, at (860) 561-1162.

Client Complaints

Clients may contact Benjamin Kille, the Chief Compliance Officer of PCG, at (860) 561-1162 to submit a complaint. Written complaints should be sent to Private Capital Group, LLC, 29 South Main Street, West Hartford, CT 06107.