



Private
Advisor Group
Registered Investment Advisor

Part 2A – WealthSuite Wrap Fee Program Brochure

Private Advisor Group, LLC
SEC File Number 801-72060

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Item 1 Cover Page

This Wrap Fee Program Brochure (“WS Brochure”) provides information about the qualifications and business practices of Private Advisor Group, LLC (“Registrant”). If you have any questions about the contents of the WS Brochure, please contact us at (973) 538-7010 or Jim.Hooks@PrivateAdvisorGroup.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Registrant also is available on the SEC’s website at www.adviserinfo.sec.gov.

Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

When a registered investment adviser provides investment advisory services, it is a fiduciary under the Investment Advisers Act of 1940 (“Advisers Act”) and has a duty to pursue its clients’ best interest and to make full and fair disclosure to its clients of all material facts and conflicts of interest. The purpose of our disclosure documents is to disclose those material facts and conflicts of interest.

Item 2 Material Changes

Private Advisor Group (the “Registrant”) launched WealthSuite in October 2022. Therefore, this is the inaugural wrap fee brochure for the WealthSuite program and there are no material changes.

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Item 4 Services, Fees and Compensation

Private Advisor Group, LLC ("Registrant") is a limited liability company formed on September 2, 2010 in the State of New Jersey. The Registrant became registered as an investment adviser firm with the U.S. Securities and Exchange Commission ("SEC") in January 2011. The Registrant is principally owned by PAG Holdings, LLC which is owned by PAG Partnership Holdco, LLC. PAG Partnership Holdco, LLC is principally owned by PAG Legacy Partners, LLC, and by Merchant Wealth Partners. PAG Legacy Partners, LLC is principally owned by Patrick J. Sullivan, John Hyland, RJ Moore, James Perhacs, James D. Sullivan and Frank Smith. PAG Holdings, LLC is the Registrant's Managing Member.

A. INVESTMENT ADVISORY SERVICES

The Registrant offers a variety of investment advisory services on a wrap or non-wrap basis. Investment advisory services can be offered on a wrap fee basis through: (1) WealthSuite by Private Advisor Group ("WealthSuite" or the "WealthSuite Wrap Fee Program"), which are managed portfolios available on the Registrant's platform; (2) the Private Advisor Group Wrap Program (the "Program"); or (3) through a variety of managed portfolios or other advisory programs available through the Registrant's custodians ("Custodian Programs", also referred to as "Third Party Advisory Programs"). The Registrant also provides access to TAMPs (turnkey or third-party asset management programs) to its clients. Custodian Programs (or Third Party Advisory Programs) refer to programs where the custodian provides the management of the portfolio or strategy. TAMPs refer to programs that are provided through a custodian but are also managed by a third party other than the custodian. This WS Brochure provides a description of the advisory services under the WealthSuite Wrap Fee Program. You may also obtain Form ADV Brochures for the Registrant's other advisory programs, including the Program and Custodian Programs, at <https://www.privateadvisorgroup.com/pag-disclosure-documents/> or by contacting your investment adviser representative ("IAR").

The Registrant works to provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services to any client, an IAR discusses the client's particular investment objectives and risk tolerances. The IAR (under the Registrant's supervision) allocates each client's investment assets by choosing from programs within WealthSuite, the Program, Custodian Programs or TAMPs in a manner consistent with the client's designated investment objectives and risk tolerances. WealthSuite, the Program, Custodian Programs, and TAMPs differ in that the Registrant participates in varying capacities, whether as portfolio manager, adviser, co-adviser, or solicitor, depending on the program and the needs of or direction provided by its clients. Any custodian or additional adviser involved in providing advice does so in varying capacities as well, including sub-adviser, co-adviser, strategist or other advisory role. Clients should discuss with their IAR what type of relationship and advice they seek from the Registrant, what programs are appropriate for their investment objectives and risk tolerances and, if anyone other than the Registrant is providing investment advice, in what capacity.

Clients can at any time impose certain restrictions in writing on the Registrant's services. Each client is advised that it remains his or her responsibility to promptly notify the Registrant if there is ever any change in his or her financial situation or investment objectives, so the Registrant and its IARs can review and revise Registrant's previous recommendations and services. The Registrant and its IARs will maintain channels of communication with clients to be available to discuss clients' investments, investment objectives and risk tolerances. If the Registrant becomes aware that any activity described in this WS Brochure is no longer permitted under any relevant law, the Registrant will cease engaging in such activity.

WealthSuite is a wrap fee separately managed account program sponsored by the Registrant, where the Registrant acts as the portfolio manager. WealthSuite is supported by the technology platforms developed and maintained by Orion Advisor Solutions, Inc., Orion Advisor Technology, LLC, and/or Orion Portfolio Solutions, LLC (collectively, "Orion"). As a wrap fee program, WealthSuite includes securities transaction fees as part of its overall investment advisory fee (as detailed in Item 5 of the Registrant's Form ADV 2A). WealthSuite includes a variety of portfolios, further outlined below. The Registrant offers or co-manages other wrap fee programs, detailed in the Registrant's Form ADV 2A and General Wrap Brochure, but this WS Brochure addresses WealthSuite specifically.

WealthSuite portfolio offerings leverage the advice and expertise of Fidelity Institutional Wealth Adviser LLC ("FIWA"), BlackRock Fund Advisors ("BlackRock") and WisdomTree Asset Management, Inc. ("WisdomTree") provided to the Registrant in the form of model portfolios. The Registrant's Investment Committee reviews and assesses the model portfolios before implementation as well as on a regular basis. There are two types of WealthSuite portfolios currently available for clients. There are WealthSuite portfolios where the Registrant leverages the expertise of FIWA and BlackRock in their strategist capacities, and where the portfolios are principally comprised of shares of no load mutual funds and exchange-traded funds ("ETFs"). Certain of these portfolios are exclusively comprised of no load mutual funds or ETFs, while some are a combination of no load mutual funds and ETFs. There are also WealthSuite portfolios which leverage WisdomTree's expertise in its strategist capacity that are exclusively comprised of ETFs managed by WisdomTree.

As part of WealthSuite, the Registrant offers clients the option to engage Brinker Capital Investments, LLC ("Brinker"), an affiliate of Orion, in a sub-advisory capacity to provide tax managed and direct index strategies ("Brinker strategy"). The Brinker tax management strategies are developed and maintained by Brinker, and offered through Orion as an overlay solution that can be added to a client's WealthSuite portfolios. Clients electing to include the Brinker tax strategy in their WealthSuite portfolio should be aware that the Brinker strategy is customized to individual client needs. Therefore, for each client electing the Brinker strategy, the Registrant will provide individual client information to Brinker to allow it to act as a discretionary sub-advisor to each client account.

Clients should also be aware that the Registrant offers other managed portfolio programs made available through FIWA and/or its affiliates (collectively, "Fidelity") outlined in Registrant's Form ADV 2A and General Wrap Program Brochure. Clients should also be aware that BlackRock, WisdomTree and Brinker offerings are available through other Custodian Programs or TAMPs. Clients are encouraged to discuss comparisons between WealthSuite and other Registrant programs with their IARs. Clients should also note that the Registrant will make available additional program choices within WealthSuite, leveraging the expertise and model portfolios of both existing and additional third-party strategists. Any additional programs will operate in a substantially similar manner within the program.

WealthSuite portfolios are currently available through the following custodians that Registrant has relationships with:

1. LPL Financial
2. Fidelity Brokerage Services LLC

From time to time, the Registrant will evaluate whether to make WealthSuite available through additional custodians. While the final decision to custody assets with a particular custodian through WealthSuite is made by the client, IARs have significant impact on the decision of which custodian is used. All client assets are held at one of the custodians in an account in the name of the client. Client assets are never held in an account in the name of the Registrant or an IAR. An IAR uses at least one

custodian, and certain IARs use multiple custodians. When an IAR who is also a registered representative of LPL Financial ("Dually Registered Person") wishes to use a custodian other than LPL Financial, the IAR must obtain approval from both Registrant and LPL Financial. It is possible that a client may wish their assets to be held by a custodian that the IAR does not have access to, though the Registrant does. In that event, the client could choose to switch IARs in order to access the particular custodian through the Registrant.

To help the client identify which portfolio would be appropriate (whether a WealthSuite portfolio or for any other advisory account available through the Registrant and outside of WealthSuite), the IAR asks the client for information regarding the client's financial situation, investment objectives, financial goals, tolerance for risk, and investment time horizon.

WealthSuite portfolios are made available through the custodians listed above and the program fees are identical across custodians. However, the particular WealthSuite portfolios and strategies available will differ among the custodians. The Registrant also has relationships with additional custodians where WealthSuite portfolios are not available but other managed portfolios are available, at times for a lower or higher fee. The Registrant markets programs beyond those described in this WS Brochure, as other programs could have other benefits or offerings not available through WealthSuite. Clients are encouraged to discuss both WealthSuite and Registrant's other wealth management offerings with their IARs, and to consult the General Wrap Program Brochure and the Form ADV 2A.

Upon Registrant's receipt of all account documents in proper form and receipt by the designated custodian of client's funds, Registrant and the client's IAR will invest client's account in the WealthSuite offerings and, if the client elects it, the Brinker strategy. The initial selection of a WealthSuite account occurs pursuant to non-discretionary advice. However, once the client's account is invested in WealthSuite, the Registrant, through the client's IAR, manages the selection of model portfolios on a discretionary basis. Therefore, the Registrant will manage the Client's account so that it continues to reflect the characteristics of the specific WealthSuite portfolio(s), subject to any reasonable restrictions or special instructions that the client may impose on the management of the account.

The services offered under WealthSuite, and the corresponding terms and conditions pertaining to WealthSuite, are discussed in this WS Brochure, a copy of which is presented to all prospective WealthSuite participants.

WealthSuite Program Fee

Under the WealthSuite Wrap Fee Program, the Registrant's annual investment advisory fee covers investment management and transaction fees, and shall be based upon a percentage (%) of the market value and type of assets placed under the Registrant's management, to be charged quarterly in advance. The current annual WealthSuite Wrap Fee Program fee ranges from negotiable to 2.25%, based upon various objective and subjective factors, including but not limited to: the amount of the assets placed under the Registrant's direct management; the amount of the assets placed under the Registrant's advisement (assets that are generally managed directly by the client or by other investment professionals engaged by the client, for which the Registrant provides review/ monitoring services but does not have trading authority); the complexity of the engagement; and the level and scope of the overall investment advisory services to be rendered. (See also Fee Differential discussion below). Fees are typically based on the fair market value of portfolio assets under management in the account[s] through the calculation period (average daily balance) or upon the end of the calculation period (end of period balance), but can at times be offered as a fixed quarterly fee subject to the Registrant's discretion. IARs utilizing WealthSuite for his or her clients are assessed a program fee by the Registrant, which decreases as the amount of client assets managed by the IAR in WealthSuite increase. This creates a

conflict of interest for the IAR to recommend WealthSuite to the his or her clients in order to decrease the cost of the program fee to the IAR.

Fee Differential: In certain circumstances, the Registrant can agree with a client that the Registrant can charge a different wrap fee (higher or lower) based upon certain criteria (i.e., complexity of the engagement, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, anticipated level and scope of other services to be provided [i.e. financial planning services], negotiations with client etc.).

B. WRAP FEE COMPARED TO UNBUNDLED SERVICES

The WealthSuite wrap fee includes typical securities trading costs incurred in connection with the discretionary investment management services provided by the Registrant. Clients engaging the Registrant under the WealthSuite Wrap Fee Program will not be responsible for securities transaction fees for their accounts. However, the total costs for each of the services provided through the WealthSuite Wrap Fee Program, if purchased separately, could be more or less than the cost of the WealthSuite wrap fee depending on a number of factors, including the level of trading activity in the client's account. Clients should discuss the expected level of trading in the client's account(s) to determine whether to engage the Registrant under the WealthSuite Wrap Fee Program or pay for securities transaction fees separately. Depending on (among other things) transaction volume and nature, choosing WealthSuite may not reduce the expenses that client may incur in comparison to the expenses of other programs. Fees can be negotiable at the sole discretion of the Registrant.

C. ADDITIONAL FEES INCURRED BY CLIENT

Clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge), and/or tax ramifications. The Registrant's fees are exclusive of brokerage commissions, transaction fees, markups, markdowns, and other related costs and expenses which shall be incurred by the client. Clients will incur certain charges imposed by custodians, brokers, and other third parties, such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer fees, electronic fund fees, and other fees and taxes on brokerage accounts/securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in the fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to the Registrant's fees. The Registrant does not receive any part of these fees.

D. ADDITIONAL COMPENSATION RELATED CONFLICTS

Conflict of interest: WealthSuite is a proprietary program of the Registrant. As a result, the Registrant receives a higher percentage of the revenue from WealthSuite than it would with other portfolio management programs, such as the ones managed or sponsored by others (including the Custodian Programs or TAMPs). Generally, IARs (as opposed to the Registrant) are primarily responsible for assisting clients on the selection of the WealthSuite product, as opposed to a non-proprietary program. IARs are primarily responsible for this type of decision regardless of whether the client selects WealthSuite or a non-Registrant program. The conflict of interest arising from the fact that WealthSuite is a proprietary product of the Registrant is mitigated because the IAR (as opposed to the Registrant) selects the program, as well as the fact that IARs do not directly receive a portion of the revenue that the Registrant receives from WealthSuite. Furthermore, WealthSuite has lower asset management fees than certain Custodian Programs or TAMPs. As a result, clients investing in non-WealthSuite products usually pay higher asset management fees.

Additionally, a conflict of interest arises from FIWA and WisdomTree payment to the Registrant of a share of revenue, pursuant to each of their agreements to provide model portfolios to the Registrant that the Registrant leverages as part of WealthSuite. In turn, Registrant uses the payments to offset the cost of the technology platform (maintained by Orion) that allows the delivery of WealthSuite to clients, as well as to IARs to utilize with clients. There can be differences in the mutual fund share classes available through different custodians, though PAG requires that WealthSuite strategists select the lowest cost share classes available.

Item 5 Account Requirements and Types of Clients

The Registrant offers the WealthSuite Wrap Fee Program to any of its clients including individuals, high net worth individuals, trusts, estates, businesses, and charitable organizations. The Registrant imposes a minimum account size for establishing a relationship of \$25,000, and \$100,000 for clients that wish to use the Brinker strategy. The Registrant has the discretion to accept initial investments of a lesser amount than the minimums.

Item 6 Portfolio Manager Selection and Evaluation

A. PORTFOLIO MANAGER SELECTION AND EVALUATION

WealthSuite is a wrap fee separately managed account program sponsored by the Registrant, where the Registrant acts as the portfolio manager. WealthSuite portfolio offerings leverage the advice and expertise that FIWA, BlackRock and WisdomTree provide to the Registrant in the form of model portfolios. The Registrant's Investment Committee reviews and assesses the model portfolios before implementation as well as on a periodic basis.

As part of WealthSuite, Brinker serves as a sub-advisor to clients that have elected the Brinker strategy. Brinker manages specified client accounts in light of a client's particular objectives, tax considerations, and other information provided to Brinker. Clients are able to select from a range of investment mandates, such as traditional market asset classes, factor strategies, thematic portfolios, and SRI/ESG offerings, and personalize their portfolios to meet specific needs such as holding restrictions, industry/country limitations, and situation-appropriate tax needs. This creates a conflict of interest because Registrant is incentivized to promote Brinker in return for payments when Brinker is the exclusive provider to WealthSuite client accounts for tax managed strategies. Registrant also participates in a revenue share agreement with Brinker pursuant to which Brinker pays a percentage of the investment advisory fees earned by Brinker on any of Registrant's clients' assets invested in the Brinker strategies. This creates a conflict of interest because Registrant receives additional compensation from client accounts utilizing the Brinker strategies.

For additional information on WealthSuite's and Registrant's advisory business, please see Item 4 above. As of December 31, 2021, the Registrant managed \$ 33,909,194,912 in discretionary assets and \$ 31,437,580 in non-discretionary assets for a total of \$ 33,940,632,492 in assets under management.

B. RELATED PERSONS

The Registrant or one of its IARs acts as the portfolio manager for the WealthSuite Wrap Fee Program. Inasmuch as the execution costs for transactions effected in the client account will be paid by the Registrant, a potential conflict of interest arises in that the Registrant can have a disincentive to trade securities in the client account. In addition, the amount of compensation received by the Registrant as a result of the client's participation in WealthSuite can be more than what the Registrant would receive if the client paid separately for investment management and transaction fees. As the WealthSuite Wrap Fee Program sponsor, the Registrant shall be

responsible for the primary management of WealthSuite, including the selection and termination of all third-party investment managers. Once selected, third-party investment managers shall be responsible for day-to-day management and selection of securities for the account.

C. ADDITIONAL INFORMATION ON WEALTHSUITE

The Registrant's IARs serve as portfolio managers for WealthSuite as described in this WS Brochure and the Registrant's Form ADV Part 2A Brochure. For information on the Registrant's advisory business, please consult Item 4. For information on management of wrap and non-wrap accounts, performance-based fees, side by side management, methods of analysis, investment strategies, risks of loss, and voting client securities, please see below.

Management of Wrap and Non-Wrap Accounts

There is no significant difference between how the Registrant manages wrap fee accounts and non-wrap fee accounts. However, as stated above, if a client determines to engage the Registrant on a wrap fee basis the client will pay a single fee for investment management and transaction fees (See Part 2A Item 4). The services included in a wrap fee agreement will depend upon each client's particular needs. Please note: When managing a client's account on a wrap fee basis, the Registrant shall receive, as payment for its investment advisory services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted. Inasmuch as the execution costs for transactions effected in the client account will be paid by the Registrant, a potential conflict of interest arises in that the Registrant may have a disincentive to trade securities in the client account. In addition, the amount of compensation received by the Registrant as a result of the client's participation in WealthSuite may be more than what the Registrant would receive if the client paid separately for investment management and transaction fees.

Performance Based Fees and Side-by-Side Management

The Registrant does not charge performance-based fees.

The Registrant manages more than one client account, often with different mandates or fee structures (side-by-side management). This is a conflict of interest, as it creates a financial incentive for providing preferential treatment to one account over others in terms of allocation of management time, resources, investment opportunities, and trade execution. The Registrant mitigates this conflict of interest by adopting and implementing a Code of Ethics, by disclosing this conflict to clients, and by endeavoring to act in each client's best interest as a fiduciary. Additionally, IARs utilize similar research and resources for their client accounts and aggregate client trades whenever possible.

Methods of Analysis, Investment Strategies and Risk of Loss

The Registrant utilizes the following methods of analysis

- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical - (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical - (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)
- Asset Allocation - (identifying an appropriate ratio of asset classes that are consistent with

the client's investment goals and risk tolerance)

The Registrant utilizes the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s). While not an all-inclusive list, the following are types of investment risks that could affect the value of your portfolio, depending on the selected investment product(s) and the portfolio of investments:

- *Market Risk.* This is the risk that the value of securities owned by an investor may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- *Interest Rate Risk.* This is the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- *Credit Risk.* This is the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- *Liquidity Risk.* This is the risk that an investor would not be able to sell or redeem an investment quickly, or would not be able to sell or redeem an investment quickly without significantly affecting the price. Liquidity risk is heightened when markets are distressed. Generally, alternative investments have higher liquidity risk than equities, fixed income securities or mutual funds or ETFs.
- *Issuer-Specific Risk.* This is the risk that the value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.
- *Investment Company Risk.* To the extent a client account invests in ETFs or other investment companies, its performance will be affected by the performance of those other investment companies. Investments in ETFs and other investment companies are subject to the risks of the investment companies' investments, as well as to the investment companies' expenses. If a client account invests in other investment companies, the client account may receive distributions of taxable gains from portfolio transactions by that investment company and may recognize taxable gains from transactions in shares of that investment company, which would be taxable when distributed.
- *Concentration Risk.* To the extent a client account concentrates its investments by investing a significant portion of its assets in the securities of a single issuer, industry, sector, country or region, the overall adverse impact on the client of adverse developments in the business of such issuer, such industry or such government could be considerably greater than if they did not concentrate their investments to such an extent.

- **Sector Risk.** To the extent a client account invests more heavily in particular sectors, industries, or sub-sectors of the market, its performance will be especially sensitive to developments that significantly affect those sectors, industries, or sub-sectors. An individual sector, industry, or sub-sector of the market may be more volatile, and may perform differently, than the broader market. The several industries that constitute a sector may all react in the same way to economic, political or regulatory events. A client account's performance could be affected if the sectors, industries, or sub-sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries may adversely affect performance.

Voting Client Securities

The Registrant does not vote client proxies. Clients maintain 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 proceedings or other type events pertaining to the client's investment assets. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

Item 7 Client Information Provided to Portfolio Managers

The Registrant is the sponsor for the WealthSuite Wrap Program and does not share client information of WealthSuite clients with anyone other than Registrant's IARs because Registrant is the sole portfolio manager for the WealthSuite Wrap Fee Program. Please also see the Registrant's Privacy Notice located at <https://www.privateadvisorgroup.com/pag-disclosure-documents/>.

Item 8 Client Contact With Portfolio Managers

There are no restrictions on a client's ability to contact and consult with Registrant or its IARs. Clients always have direct access to Registrant's IARs.

Item 9 Additional Information

A. DISCIPLINARY INFORMATION AND OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

- **Disciplinary Information**

Below is a summary of Registrant's material legal and disciplinary events during the last ten years. As of the date of this Brochure, there are no such reportable events for Registrant's senior management personnel or those individuals in senior management responsible for determining the general investment advice provided to Registrant's clients.

Securities and Exchange Commission

On July 21, 2022, pursuant to a settlement, in which the Registrant neither admitted or denied to the findings, the SEC issued an administrative order ("the Order") that found, among other things, the Registrant failed to provide full and fair disclosure regarding the conflicts associated with share classes with no transaction fees, or NTF shares, in wrap accounts. The Order found that the Registrant did not fulfill its duty of care and other obligations in connection with the conflict. The Order also found that the Registrant had not adopted and implemented written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder in connection with its mutual fund selection practices in its wrap program and the related disclosures of its associated conflicts of interest. The Order includes findings that Registrant violated Section 206(2) of the Advisers Act, as well as Section 206(4) of the Advisers Act and Rule

206(4)-7 thereunder. These are not scienter-based violations. As part of the settlement, the Registrant agreed to pay a civil penalty of \$5.8 million, to be disbursed to affected investors, along with other undertakings.

As further highlighted in the Order, in 2017 the Registrant proactively instituted a policy as a remedial measure that mitigated the conflict. The full text of the order is available here:

<https://www.sec.gov/litigation/admin/2022/ia-6069.pdf>.

State of Pennsylvania

The Registrant paid a \$20,000 administrative penalty in 2017 to the Pennsylvania Department of Banking and Securities for employing an IAR in the state who was not registered with the state.

• **Other Financial Industry Activities and Affiliations**

PAG Financial, LLC is a FINRA registered broker-dealer, and is under common control with the Registrant. PAG Holdings, LLC owns 100% of PAG Financial, LLC. PAG Financial, LLC does not have any retail or institutional customers, and does not serve as custodian for any investment assets.

Private Advisor Network, LLC is an SEC-registered investment adviser, and is under common control with the Registrant. PAG Holdings, LLC owns 100% of Private Advisor Network, LLC. Private Advisor Network, LLC does not have any retail or institutional customers, and is not currently providing advisory services.

Certain of the Registrant's IARs are Dually Registered Persons with LPL Financial. LPL Financial is an SEC registered and FINRA member broker-dealer that is independently owned and operated and is not affiliated with the Registrant. Please refer to Item 12 for a discussion of the benefits that Dually Registered Persons may receive from LPL Financial and the conflicts of interest associated with receipt of such benefits.

The Registrant, its management persons, and its IARs are not registered (and does/do not have an application pending to register) as a futures commission merchant, commodity pool operator, commodity trading advisor, or representative of the same.

Registrant's IARs' Other Financial Industry Activities and Affiliations

- **Registered Representatives of LPL Financial.** Clients can choose to engage Registrant's Dually Registered Persons in their individual capacities as registered representatives of LPL Financial to implement investment recommendations on a commission basis.
- **Licensed Insurance Agents.** Certain of Registrant's IARs in their individual capacities are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. Clients can engage certain of Registrant's IARs to purchase insurance products on a commission basis.
 - **Conflict of Interest:** The recommendation by Registrant's IARs that a client purchase a securities and/or insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission-based products from Registrant's IARs. Clients are reminded that they can purchase investment products recommended by Registrant through other, non-affiliated broker-dealers or insurance agents. The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.
- **Licensed Attorneys.** Certain of Registrant's IARs are licensed attorneys and may, in their individual capacities, provide legal services to Registrant's clients. To the extent that a client specifically requests legal or estate planning services, the Registrant can recommend the services of an

attorney, including certain of Registrant's IARs in their individual capacities as licensed attorneys. Any such legal services shall be rendered independent of the Registrant pursuant to a separate agreement between the client and the attorney. The Registrant shall not receive any of the fees charged by the attorney, referral or otherwise. The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

- **Employees or Affiliates of Banks.** Certain of Registrant's IARs are employees or affiliates of banks, and can recommend the use or purchase of certain bank products or services.
 - **Conflict of Interest:** The recommendation by these IARs that a client use or purchase certain bank products or services presents a conflict of interest, as a bank employee may have an incentive based on his employment to recommend the use or purchase of certain bank products or services rather than on a particular client's need. No client is under any obligation to use or purchase any bank products or services. Clients are reminded that they may patronize any bank and are not required to use or purchase any banking products or services recommended by the IAR. In addition, a IAR's employment by a bank does not mean that investments made through him are deposits with the bank, or obligations of the bank or are guaranteed by the bank or any governmental agency. Investments are subject to investment risks, including possible loss of the principal amount invested. The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.
- **Other Investment Adviser Firm.** Certain of Registrant's IARs also serve as IARs of other registered investment advisors. These IARs may refer certain clients to those other investment advisers for advisory services.
 - **Conflicts of Interest:** The recommendation by these IARs that a client engage the investment advisory services of another investment adviser presents a conflict of interest, as these IARs may receive a direct economic benefit from any such referral. No client is under any obligation to engage the services of another investment adviser. The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.
- **Real Estate Broker or Dealer.** Certain of Registrant's IARs also serve as real estate brokers or dealers or as owners or investors in real estate investments.
 - **Conflicts of Interest:** The recommendation by these IARs of the purchase, sale, rental of, or investment in real estate. Such advice presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend real estate based on commissions to be received, rather than on a particular client's need. In addition, holding an ownership interest in real estate investment being offered to a client also presents a conflict of interest. No client is under any obligation to purchase or rent any real estate from or invest in real estate with these IARs. Clients are reminded that they may purchase or rent any real estate recommended by these IARs through other real estate agents and that they may invest in other real estate ventures. The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.
- **Accountants and Certified Public Accountants.** Certain of Registrant's IARs are accountants, Certified Public Accountants and/or Enrolled Agents. To the extent that these IARs provide accounting services (which may include tax advice) to any clients, including clients of the Registrant,

all such services shall be performed by those IARs in their individual professional capacities, independent of the Registrant, for which services Registrant shall not receive any portion of the fees charged by the IAR (referral or otherwise). It is expected that these IARs, solely incidental to their practices as accountants, may recommend the Registrant's services to certain of their clients. No client of Registrant is under any obligation to use the accounting services of these IARs. The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

IARs' Brochure Supplements

Registrant's IARs are required to provide clients with a current Form ADV Part 2B ("Brochure Supplement"), which includes information regarding the IAR's education, business experience, disciplinary information, other business activities, additional compensation, and supervision. Please contact the Registrant or your IAR if you did not receive your IARs Brochure Supplement. Clients also may obtain additional information about Registrant's IARs, such as licenses, employment history, their regulatory disciplinary information (if any), and whether he or she has received reportable complaints from investors from the SEC at adviserinfo.sec.gov. To determine whether any of the Registrant's IARs servicing a client's accounts are engaged in any activities that may create a conflict of interest, clients should review the Brochure Supplements for those IARs. Clients of the Registrant have their primary contact with the IAR of the Registrant who brings them onboard as a client. The IAR may recruit the client while with the Registrant, or may have recruited them while the IAR was affiliated with a previous broker-dealer or registered investment advisor, and induced the client to continue that relationship with the IAR when the IAR became affiliated with the Registrant. IARs of the Registrant have made individual decisions to affiliate with the Registrant. Because each affiliation decision was made solely based on the business determination of the individual IAR and client, the Registrant may be limited in its ability to negotiate fees, etc., on behalf of its clients.

Recommending or Selecting Other Investment Advisers

The Registrant may recommend or select other investment advisers for its clients generally through TAMPs. LPL Financial makes available advisory services and programs of third party investment advisors. Through these TAMPs, the Registrant's IARs provide ongoing investment advice to clients that is tailored to the individual needs of the client. As part of these TAMP services, the IAR typically obtains the necessary financial data from the client, assists the client in determining the suitability of the program, assists the client in setting an appropriate investment objective and assists the client in opening an account with the TAMP. In addition, depending on the type of program, the IAR may assist the client to select a model portfolio of securities designed by the TAMP or select a portfolio management firm to provide discretionary asset management services. It is the third party investment advisor (and not Registrant's IAR) that has client authority to purchase and sell securities on a discretionary or non-discretionary basis pursuant to investment objective chosen by the client.

This authorization will be set out in the TAMP client agreement. The Brochure for the particular TAMP will explain whether clients may impose restrictions on investing in certain securities or types of securities. In particular, the Registrant currently offers advisory services through TAMPs sponsored by, among others: AssetMark, Brinker Capital, BTS Asset Management, Envestnet, Flexible Plan Investments, Orion Portfolio Solutions, Manning & Napier, Morningstar Managed Portfolios, SEI Investments Management, and Symmetry Partners LLC. Clients should refer to the Brochure, client agreement and other account paperwork for each TAMP for more detailed information about the services available under the program.

Other Wrap Programs

The Registrant participates in additional wrap programs, including the Program, Custodian Programs and TAMPs. Clients can obtain a Brochure by visiting www.privateadvisorgroup.com/pag-disclosure-documents/ or contacting our Chief Compliance Officer.

B. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING, REVIEW OF ACCOUNTS, CLIENT REFERRALS AND OTHER COMPENSATION, AND FINANCIAL INFORMATION.

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

The Registrant has adopted a Code of Ethics pursuant to Rule 204A-1 under the Advisers Act that applies to all supervised persons of the Registrant, including IARs. Among other things, Registrant's Code of Ethics serves to establish, maintain and enforce (i) a standard of business conduct for all of Registrant's supervised persons that is based upon fundamental principles of openness, integrity, honesty and trust; (ii) compliance by Registrant's supervised persons with Federal securities laws; and (iii) an investment policy relative to personal securities transactions of Registrant's access persons. A copy of the Code of Ethics, which is part of Registrant's Compliance Manual, is available upon request.

In accordance with Section 204A of the Advisers Act, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts securities in which the Registrant or any related person of Registrant has a material financial interest.

The Registrant and its IARs at times buy or sell securities that are also recommended to clients. This practice creates a situation where the Registrant and its IARs are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. We address these practices in our Code of Ethics specifically and policies and procedures generally. Policies and procedures address practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation), detecting insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's Access Persons, that is persons who have access to its nonpublic information. The Registrant's securities transaction policy requests that an Access Person of the Registrant provides the Chief Compliance Officer or his designee with access to their current securities holdings as part of the process of becoming an Access Person. Additionally, each Access Person provides the Chief Compliance Officer or his designee with an electronic submission that is akin to a report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects.

The Registrant can buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and its IARs are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

• **Review of Accounts**

For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on a periodic basis by the Registrant and its IARs. All investment supervisory clients are

advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. Part of the periodic reviews include whether the client's account type remains in the best interest of the client and, if not, the client can be switched to an account with a different fee structure and investment options.

All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.

The Registrant conducts account reviews on an other-than-periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections, and client request. A client can request a meeting with their IAR at any time.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the custodian. The Registrant may also provide to client a written periodic report prepared by the custodian summarizing account activity and performance.

- **Client Referrals and Other Compensation**

As referenced above, the Registrant receives an indirect economic benefit from LPL Financial. The Registrant, without cost (and/or at a discount), receives certain support services and/or products from LPL Financial. Registrant's clients do not pay more for investment transactions effected and/or assets maintained at LPL Financial as a result of this arrangement. There is no corresponding commitment made by the Registrant to LPL Financial or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement. Other custodians also provide similar indirect economic benefits, support services and products, and do not require higher payments or fees or minimums. The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

If a client is introduced to the Registrant by either an unaffiliated or affiliated solicitor, Registrant pays that solicitor a referral fee in accordance with the requirements of the Advisers Act, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the Registrant's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to the Registrant 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 the Registrant's written disclosure document and with a copy of the written disclosure statement disclosing the terms of the solicitation arrangement between the Registrant and the solicitor, including the compensation to be received by the solicitor from the Registrant.

If the Registrant introduces a client to another investment adviser or an investment manager, the Registrant is usually paid a referral fee in accordance with the requirements pursuant to regulation under the Advisers Act, and any corresponding state securities law requirements. Any such referral fee shall be paid according to a fee disclosure statement provided to the client at the time that the referral is made. When the Registrant is acting as an unaffiliated source of referral, the Registrant at the time of the referral shall disclose the nature of its solicitor relationship, and shall provide each prospective client with a copy of the Registrant's written disclosure documents and with a copy of a written disclosure statement disclosing the financial terms of the arrangement between the Registrant and the investment adviser or investment manager receiving the referral, including the compensation to be received by the Registrant.

Conflicts of Interest: The Registrant and its Dually Registered Persons have a financial incentive to join and remain affiliated with LPL Financial and to recommend that clients establish accounts with LPL Financial through the provision of Transition Assistance. LPL Financial also provides other compensation to the Registrant and its Dually Registered Persons, including but not limited to, bonus payments, forgivable and non-forgivable loans, stock awards and other benefits. This compensation is based on participation in advisory programs sponsored by LPL Financial and derived from advisory fees paid to LPL Financial.

The receipt of any such compensation creates a financial incentive for your IAR to recommend LPL Financial as custodian for the assets in your advisory account and as advisory program sponsor. We encourage you to discuss any such conflicts of interest with your IAR before making a decision to custody your assets at LPL Financial.

- **Financial Information**

The Registrant is not required to include its balance sheet for the most recent fiscal year.

The Registrant is unaware of any financial condition that is likely to impair its ability to meet its commitments to clients.

The Registrant has not been the subject of a bankruptcy petition.

ANY QUESTIONS?

The Registrant's Chief Compliance Officer, James Hooks, remains available to address any questions that a client or prospective client can have regarding the above disclosures and arrangements. Should a client or prospective client have any questions, please contact Mr. Hooks at (973) 538-7010.