M.S. HOWELLS & CO.

Regulation Best Interest and Conflicts of Interest Disclosures

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INTRODUCTION

M.S. Howells & Co. ("MSH" or "we") is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and member of the Financial Industry Regulatory Authority ("FINRA"). MSH is a privately held company. MSH transacts business in various types of securities, including mutual funds, exchange-traded funds ("ETFs"), stocks, bonds, options, variable annuities, and alternative investment products. MSH maintains a network of individuals, referred to as "financial professionals," who offer brokerage services to their customers.

Some of MSH's financial professionals are investment adviser representatives ("IARs") of a non-affiliated third-party investment adviser or an affiliated investment adviser, MSH Capital Advisors LLC ("MSHCA"). MSH's financial professionals are generally independent contractors and received a share of the revenue they generate through MSH. MSH financial professionals are dispersed throughout the U.S. and often market services under their own business name. Although most financial professionals offer both brokerage and investment advisory services, some only offer brokerage services and others only offer investment advisory services. When you are discussing services with a financial professional, you should ask what capacity the financial professional is acting or will be acting – as a broker-dealer registered representative or an IAR – when providing services to you. This disclosure discusses important information regarding financial professionals who act as registered representatives of MSH's broker-dealer.

For more information about MSHCA and the services financial professionals provide when they act as IARs, please see the MSHCA Form ADV disclosure brochure available at [MSHCA Form ADV Brochure]. In the case of a financial professional who is associated with a third-party investment adviser, please refer to https://adviserinfo.sec.gov/ or contact that investment adviser for a copy of their Form ADV.

PART I: CONFLICTS OF INTEREST

Like all financial services providers, MSH and its financial professionals have conflicts of interest. MSH and its financial professionals are compensated directly by customers and sometimes indirectly from investment product sponsors and other third parties in connection with investments that MSH customers make in securities. When customers place a transaction with us, we may get paid an upfront commission or sales load at the time of the transaction and in some cases a deferred sales charge. If we are paid an upfront commission, it means that we have an economic incentive to place more transactions for customers.

The compensation described in this disclosure represents the maximum gain or profit we receive on an investment before subtracting any of MSH expenses. Please also note that not all of the conflicts described in this disclosure apply to a particular financial professional, or all the products and services we sell. The types and amounts of compensation we receive change over time. You should ask your financial professional if you have any questions about compensation, costs, fees, or conflicts of interest.

ITEM 1: SALES COMPENSATION

In a brokerage relationship, MSH and your financial professional receives sales compensation when investments are purchased; when additional amounts are added for investment; when stocks and bonds are purchased or sold; and for certain investments, on an ongoing basis for so long as the investment is held in your account. Such compensation can take the form of a separate charge paid in addition to the amount invested in the security, or it can be built into the product itself; and it can be paid all at once, or over time, or a combination of the two. In certain circumstances, sale compensation takes the form of trails, or 12b-1 fees, from the issuer and/or sponsor of the issuer which are calculated as an annual percentage of the assets invested in the mutual fund, annuity or alternative investment.

Your financial professional does not have the discretion to buy or sell securities for you without your approval. This means that you make the decision to buy or sell before the trade is placed. If your financial professional recommends that you buy or sell a security, they must have a reasonable basis for believing their recommendation is in your best interest. MSH does not provide ongoing monitoring of your retail account.

Commissions and Sales Charges

MSH may receive upfront commissions when it executes transactions that result in the purchase or sale of a security. A commission, which also may be called a sales load, sales charge, or placement fee, is typically paid at the time of the purchase or sale and can reduce the amount available to invest or can be charged directly against the investment.

Commissions are often calculated on the amount of assets invested. MSH receives the commission or sales charge and retains a portion and pays the remainder to your financial professional. In some cases, a portion of the commission or sales charge is retained by the investment's sponsor. Commissions vary from product to product, which creates an incentive to sell a higher commission security rather than a lower commission security.

When you purchase a new issue or secondary offering you do not pay a commission or sales charge. MSH does receive a concession from the selling group which MSH may share with your financial advisor. Concessions are a discount from the price of a security offered in a new issue or a secondary distribution and are given to broker-dealers for marketing the security. This discount allows members of the selling group to receive compensation for the sale of these securities. Concessions vary from product to product and can generally be found in the prospectus of the specific offering. Concessions are not charged to you or paid by you.

For more specific information about other commissions, sales charges or concessions that apply to a particular transaction, please refer to the investment prospectus or other offering document. The maximum and typical commissions for common investment products are listed below.

- *Equities and Other Exchange Traded Securities.* The maximum commission charged by MSH in an agency capacity on an exchange traded security transaction, such as an equity, option, ETF, exchange traded note or closed-end fund, is 2.5% of the transaction value. The commission amount is shared between MSH and your financial professional.

  More detailed information on commission guidelines for equity and other exchange trades securities is available at: MSH RR Commission Guidelines

- *Fixed Income, Including Bonds and Government Backed Securities.* In executing trades on your behalf, MSH typically will buy from you and sell to you a security in a riskless principal capacity. This means rather than acting as an agent and pairing you with a seller, MSH buys the security on its own account and then simultaneously sells the security to you, or buys from you and then sells in the secondary market. The difference in the price of these transactions is called the "mark-up" or "mark-down" and is shared with MSH and your financial professional. The mark-up or mark-down will not exceed 1.5% of the value of the security.

  More detailed information on commission guidelines for fixed income securities is available at: MSH RR Commission Guidelines

- *Mutual Funds and 529 Plans.* By regulation, the maximum permitted sales charge is 8.5% of the asset value, but most fall within a 3% to 6% range. The commission amount is shared between MSH and your financial professional. The sales charge and timing of payment of these charges will depend on the share class purchased. The share class that is in your best interest depends on how long you intend to stay invested in the mutual fund.

  Mutual fund exchanges within the same fund family and share class are generally not subject to additional sales charges but may, under some circumstances, create a taxable event.

- *Unit Investment Trusts (UITs).* The maximum upfront sales charge paid for UITs is typically 3.95% of the asset value, which generally depend on the length of the term of the UIT and amount invested. The commission amount is shared between MSH and your financial professional.

- *Annuities.* The maximum upfront commission paid for new sales of annuities is 8.5%, but varies depending on the duration, complexity, and type of annuity. Unlike mutual funds, the entire commission is built into the price of the product and thus nothing is deducted in a lump sum at the time of the investment. Your financial professional chooses whether to be paid more upfront and less in trail compensation (see section below) or less upfront and more in trails, but the cost to you is the same regardless.

- *Alternative Investments.* Alternative investment products, such as hedge funds, private equity funds, non-traded business development companies, real estate private placements, 1031 Exchange Products, or real estate investment trusts, pay upfront sales load as high as 6% of the asset value. The commission amount is shared between MSH and your financial professional.

Trail Compensation

MSH and its financial professionals receive ongoing compensation from certain investment products such as mutual funds, annuities, and alternative investments. This compensation is commonly known as trails, or 12b-1 fees, and is typically paid from the assets of the investment product under a distribution or servicing arrangement with the investment sponsor and is calculated as an annual percentage of assets invested by MSH customers. The more assets you invest in the product, the more we will be paid in these fees. Therefore, we have an incentive to encourage you to increase the size of your investment. The number of trails received varies from product to product. This creates an incentive to recommend a product that pays a higher trail rather than a lower trail. We also have an incentive to recommend a product that pays trails (regardless of amount) rather than products that do not pay trails.

For more information about trail compensation received with respect to a particular investment, please refer to the prospectus or offering document for the investment.

- *Mutual Funds and 529 College Savings Plans.* The ongoing compensation earned from purchases of Mutual Funds or 529 Plans depends on the class of shares selected but compensation is typically between 0.25% and 1% of the asset value on an annual basis.

- *Annuities.* MSH receives a trail compensation from an annuity issuer for the promotion, sale, and servicing of a policy. The amount and timing of trail compensation varies depending on the agreement between MSH and the issuer, and the type of policy purchased. The maximum trail compensation for annuities is typically 1.5% of the asset value and varies depending on the type of annuity.

- *Alternative Investments.* For alternative investment products, such as private funds, trail commissions may be as high as 1.25% of the asset value on an annual basis.

MSH Fees and Other Charges

If you hold a brokerage account at MSH, we charge miscellaneous fees that are not applicable if you hold an account directly with a product sponsor or mutual fund. These fees include, but are not limited to, transaction processing, account transfers, and retirement account maintenance. These fees and charges are deducted directly from your account and may be shared with another financial institution, such as the clearing firm, but they are not shared with your financial professional.

More information regarding these fees and charges are available at [MSH Client Fee Schedule.]

ITEM 2: THIRD PARTY COMPENSATION

MSH and financial professionals receive compensation from investment product sponsors and other third parties in connection with investments that MSH customers make in securities such as mutual funds, annuities, and alternative investments. Some types of third-party compensation are received by MSH and shared with financial professionals, and other types are retained only by MSH.

Non-Cash Compensation

MSH, MSH employees, and financial professionals receive non-cash compensation from investment sponsors and other financial institutions that is not in connection with any particular customer or investment. Compensation includes such items as gifts valued at less than $100 annually; an occasional dinner or ticket to a sporting event; or reimbursement in connection with customer workshops or events, marketing or advertising initiatives; and transition costs, including services for identifying prospective customers.

Investment sponsors or other financial institutions also pay or reimburse MSH and/or its financial professionals for the costs associated with educational meetings, conferences, product workshops or training events that may be attended by MSH employees and financial professionals. Investment sponsors or other financial institutions also pay or reimburse for MSH sponsored conferences and events.

Bonus Payments from Investment Sponsors

Certain insurance companies offer financial professionals bonus payments, often called persistency or retention bonuses, based on the amount of customer assets that the financial professional has placed in the insurance company's products. Although MSH does not participate in these bonus programs, MSH may accept and share these payments on a one-time basis with a financial professional who recently joined MSH and are entitled to such payments through the financial professional's former brokerage firm.

Money Fund and Bank Deposit Program Fees and Revenue Sharing

MSH provides to our brokerage customers a service to automatically sweep available cash balances to select money funds and bank deposit programs. Money fund and bank deposit program sweep processing fees and revenue sharing arrangements are a source of revenue for MSH and our clearing firms. The renumeration received is paid out of the total operating expenses of the fund, some of which include 12b-1 fees. These fees are not shared with your financial professional. MSH receives compensation for marketing support from the sponsors of these funds, ranging between 10% and 70% of the amount of interest earned. Depending on interest rates and other market factors, a customer's yields have been, and may continue in the future to be, lower than the aggregate fees and expenses received by MSH for a customer's participation in the cash sweep programs. This may result in a customer experiencing a negative overall investment return with respect to cash balances in the cash sweep programs. Interest rates may be lower than the interest rates available if customers make deposits directly with a bank or other depository institution outside of MSH's brokerage platform or invests in a money market fund or other cash equivalent. Customers should compare the terms, interest rates, required minimum amounts and other features of the sweep program with other types of accounts and investments for cash.

Lead Generation

MSH may enter into lead generation, marketing and/or referral arrangements with third parties and other financial intermediaries, including for the purpose of introducing new financial professionals to MSH. These arrangements are negotiated on a case by case basis.

MSH has an economic incentive to maintain customer's assets with the referring third-party financial intermediaries such as its clearing and custody firm(s).

Transaction Clearing Discounts from Third-Party Financial Institution

MSH receives volume rebates on the number of monthly transactions through certain clearing firms. MSH has an economic incentive to increase the number of customer transactions to achieve higher rebate levels. Rebates are not shared with your financial professional.

Market Center Liquidity Rebates

At times, MSH may receive a rebate for producing liquidity to the market while executing equity orders. Conversely, MSH maybe charged for removing liquidity from the market while executing equity orders. This rebate or fee is generally 0.0003 per equity share and is not shared with your financial professional.

Fully Paid for Securities Lending Program

MSH participates in securities lending programs with our clearing firm that allow you to earn interest on loaning your fully paid for securities. Generally, MSH earns a portion of the interest paid to the participant in the program. MSH has a financial incentive to encourage participation in this lending program. MSH does not share the interest earned with your financial professional.

Margin/Collateralized Lending Arrangements

MSH offers customers the ability to purchase securities on credit, also known as margin purchases. When a customer purchases securities on margin, our clearing firm extends a line of credit to the customer and charges interest on the margin balance and pays MSH a portion of the margin interest. MSH has a financial incentive to encourage margin borrowing because MSH earns compensation in the form of interest, transaction charges and other fees on investments made with borrowed amounts. Compensation can be up to federal funds rate plus 4% of the outstanding loan amount. That financial incentive creates a conflict of interest as MSH benefits from your decision to borrow and incur the various fees and interest described above. If contemplating use of margin, please consult the MSH Margin Agreement and related disclosures for additional details.

ITEM 3: FINANCIAL PROFESSIONAL COMPENSATION AND CONFLICTS

MSH generally compensates financial professionals pursuant to an independent contractor agreement, and not as employees. Described below are the compensation and other benefits that independent contractor financial professionals receive from MSH.

Cash Compensation

MSH typically pays a financial professional a percentage of the revenue generated from sales of products and services. The percentage paid can vary (typically between 85% to 90%) depending on the agreement with MSH, and can be more or less than what would be received at another brokerage firm. Compensation is based on the level of production or revenue generated. Therefore, the financial professional has a financial incentive to generate additional revenue by generating more trades in your account.

Other Benefits

Financial professionals are eligible to receive other benefits based on the revenue generated from sales of products and services. These benefits present a conflict of interest because the financial professional has an incentive to remain a registered representative of MSH in order to maintain these benefits. These benefits include eligibility for practice management support and enhanced service support levels that confer a variety of benefits, conferences (e.g., for education, networking, training, and personal and professional development), free or reduced-cost marketing materials, reimbursement or credits of fees that financial professionals pay to MSH for items such as administrative services or technology, and payments that can be in the form of repayable or forgivable loan and other non-cash compensation.

Financial Professional's Outside Business Activities

Financial professionals are permitted to engage in certain MSH approved business activities other than the provision of brokerage services through MSH, and in certain cases, a financial professional receives more compensation, benefits and non-cash compensation through the outside business than through MSH. Some financial professionals are real estate agents, insurance agents, lawyers, and some financial professionals refer customers to other service providers and receive referral fees. As an example, a financial professional could provide advisory or financial planning services through an unaffiliated investment advisory firm, sell insurance through a separate business, or provide third-party administration to retirement plans through a separate firm. If a financial professional provides investment services to a retirement plan as a representative of MSH and also provides administration services to the plan through a separate firm, this typically means the financial professional is compensated from the plan for the two services.

In addition, a financial professional may sell insurance through an insurance agency not affiliated with MSH. In those circumstances, the financial professional would be subject to the policies and procedures of the third-party insurance agency related to the sale of insurance products and would have different conflicts of interest than when acting on behalf of MSH. A financial professional may earn compensation, benefits and non-cash compensation through the third-party insurance agency and may have an incentive to recommend you purchase insurance products away from MSH. If you engage with a financial professional for services separate from MSH, you may wish to discuss with them any questions you have about the compensation they receive from the engagement.

Additional information about your financial professionals outside business activities is available on FINRA's website at http://brokercheck.finra.org.

Recruitment Compensation and Transition Assistance

If a financial professional becomes associated with MSH after working with another financial services firm, they may receive recruitment/transition compensation in connection with the transition. In many cases, this transition assistance includes payments from MSH or our clearing firm that are commonly intended to assist a financial professional with costs associated with the transition. However, MSH does not verify that any payments made are actually used for transition costs. These payments can be in the form of cash, repayable or forgivable loans, and are subject to favorable interest rate terms, as compared to other lenders. In the case of forgivable loans, the loans are generally subject to repayment if the financial professional leaves MSH before a certain period of time or other conditions are not met.

Item 4: Other Conflicts

Fees Charged to Financial Professionals

MSH charges financial professionals various fees under its independent contractor agreement for, among other things, trade execution, compliance monitoring, administrative services, insurance, certain outside business activity related supervision, technology, and licensing. In certain cases, these fees may be reduced based on the financial professional's overall business production, which gives the financial professional an incentive to recommend that you invest more in your account or engage in more frequent transactions.

Compensation for Other Services

MSH and financial professionals can offer various types of advisory and brokerage programs, platforms, and services, and earn differing types and amounts of compensation depending on the type of service, program, or platform in which you participate. This variation in compensation can incentivize a financial professional to recommend services, programs or platforms that generate more compensation for MSH and the financial professional than others. For example, if you expect to trade securities frequently in your account, a brokerage account in which you pay a commission for each transaction may generate more compensation for your financial professional than an advisory account that generates compensation in the form of investment advisory fees.

Rollovers

If a customer decides to roll assets out of a retirement plan, such as a 401(k) plan, into an individual retirement account (IRA), we have a financial incentive to recommend that a customer invests those assets with MSH, because we will be paid on those assets, for example, through commissions, fees and/or third party payments. A customer should be aware that such fees and commissions likely will be higher than those the customer pays through the plan, and there can be custodial and other maintenance fees. As securities held in a retirement plan are generally not transferred to an IRA, commissions and sales charges may be charged when liquidating such securities prior to the transfer, in addition to commissions and sales charges previously paid on transactions in the plan.

Error Correction

If a customer holds an account at MSH and a trade error caused by MSH occurs in the account, MSH will cancel the trade and remove the resulting monetary loss to a customer from the account. If a trade correction is required as a result of a customer (e.g., if a customer does not make full payment for purchases or fails to deliver negotiable securities for liquidations before trade settlement), MSH will cancel the trade and any resulting monetary loss will be borne by the customer. In the case of a trade that requires a correction and that resulted in a monetary gain to the customer, such gain may be removed from the account and may result in a financial benefit to MSH.

Loans

If MSH makes a loan to a new or existing financial professional, there is also a conflict of interest because MSH's interest in collecting on the loan affects its ability to objectively supervise the financial professional.

Termination

MSH has an obligation to supervise financial professionals and may decide to terminate a financial professional's association with MSH based on performance, a disciplinary event, or other factors. The amount of revenue a financial professional generates creates a conflict of interest when considering whether to terminate a financial professional.

Other financial industry affiliations

MSH is affiliated with other financial services companies. MSH and MSHCA are affiliated companies. In addition, IARs of MSHCA may be brokerage registered representatives of MSH. Because of the affiliation, MSH has an incentive to recommend MSHCA advisory programs over other programs and services.

MSH and MSHCA are also affiliated with MS Insentra LLC (MS Insentra), an insurance agency and marketing organization, offering third-party insurance products. Registered representatives of MSH and IARs of MSHCA may offer insurance products through MS Insentra and, therefore, have an economic incentive to recommend insurance products over other products or services.

PART II: PRODUCT SALES CHARGES, FEES AND COSTS

In Part I above, we discussed conflicts of interest, some of which were associated with compensation and fees received by MSH and/or your financial professional. This section references and incorporates documents with additional details about compensations and fees.

Product Costs

In addition to the sales charges and fees that you pay in connection with purchase and sales of securities in your accounts, the securities themselves often have fees and/or expenses that you should also consider when determining whether to invest.

These product costs can be significant and are disclosed in the product's prospectus or offering documentation, but for the more common products are typically as follows:

> *Mutual Funds.* All mutual funds have internal operating costs typically referred to as an expense ratio, management fee, or operating expense. This fee is deducted from the total assets of the fund before your share price is determined. Class A Shares, front-end loaded purchases, are subject to an initial sales charge that is a percentage of the offering price and may be subject to 12b-1 fees. A 12b-1 fee is an annual marketing or distribution fee on a mutual fund and is generally between 0.25% and 0.75%, the maximum permitted by regulation, of a fund's net assets. Class A shares generally qualify for reduced sales loads based on certain volume purchases, called breakpoints, rights of accumulation and letters of intent.

For Additional Information:

- FINRA: Fund Expense Analyzer: https://tools.finra.org/fund_analyzer
- SEC: Fast Answers: Mutual Fund Fees and Expenses: https://www.sec.gov/fast-answers/answersmffeeshtm.html
- FINRA: Mutual Funds and Fees: What You Should Know: https://www.finra.org/investors/insights/mutual-funds-and-fees

- *529 Plans.* All 529 College Savings Plans have fees and expenses. Not only do these charges vary among 529 Plans, but they also can vary within a plan. Like mutual funds, a college savings plan may offer more than one class of shares. Often referred to as A, B, or C classes, each class has different fees and expenses which are described in detail in the offering document for the plan.

  The following are some of the most common fees, charges, and expenses found in college savings plans:

  - Enrollment Fee: Many college savings plans do not charge an enrollment fee. Almost all enrollment fees are $50 or less.
  - Annual Maintenance Fee: Most college savings plans charge annual maintenance fees. These fees usually range from $10 to $25. Many plans reduce or eliminate this fee for residents, if you make automatic contributions, or if you maintain a certain balance, typically $25,000.
  - Sales Charge (Front-End Sales Load): College savings plans may charge a sales charge when you purchase certain share classes. These can range from 0.0% to 5.75% depending on the share class and portfolio option. The sales charge, if any, by share class are described in the offering document for the plan. Discounts on sales charges may be available depending on the amount of your investment. The levels of discounts are called breakpoints. The amount of the discount is based on the size of your investment and may increase as the size of investment increases.
  - Deferred Sales Charge (Back-End Sales Load): A deferred sales charge or contingent deferred sales charge (CDSC) is a charge you pay when you withdraw money from a college savings plan. These charges can range between 0.0% and 5% depending on the share class and portfolio option. This charge usually decreases over time until it reaches zero, generally in seven years. Not every college savings plan has a deferred sales charge. In some plans, a deferred sales charge may only be levied on certain classes of the plan.
  - Program Management Fee: This is the total annual college savings plan operating expenses expressed as a percentage of the plan's assets. These fees can range from 0.14% to 0.35%.
  - Underlying Fund Expenses: These expenses are the fees and expenses of the mutual funds that the college savings plan invests in. It is expressed as a percentage of the mutual fund's assets. These expenses can range from 0.10% to 1% depending on the mutual funds selected.
  - State Fees. These are fees calculated as a percentage of the college savings plan's new assets that are paid to the sponsoring state for administrative costs. These fees generally range from 0.03% to 0.10%.
  - Distribution and Marketing Fees or Servicing Fees: These fees are administrative fees ranging from 0.25% to 0.75%.
- *ETFs.* ETFs typically have lower expense ratios than actively managed mutual funds. The average ETF has an expense ratio of less than 0.5%.
- *Annuities.* As notes above, annuities are different from other products in that commissions are built into the pricing of the product. The average fee on a variable annuity varies depending on

the operations selected by the investor. In addition, variable annuities have a mortality and expense fee, underlying investment option management fees, and administrative costs.

- *Alternative investments.* Annual expenses on alternative investments typically do not exceed 2.5% and may include various types of management and other fees.

PART III: AVAILABLE PRODUCTS, SERVICES, AND ASSOCIATED RISKS

This section is designed to provide you with the tools to better understand all of the products and services available through MSH. The products and services that are available are not always the least expensive available in the broader marketplace.

Product Risks and Disclosures

Risk is inherent in any investment in securities, and we do not guarantee any level of return on investments, nor can we assure that your investment objectives will be achieved. The risks discussed below vary by investment style or strategy and may or may not all apply. All strategies involve risk, and generally, the more aggressive the investment strategy selected, the more likely the portfolio will contain larger weights in riskier asset classes than a less aggressive investment strategy. There is no guarantee that a chosen investment strategy will meet your financial goals or objectives. You should review prospectuses and disclosure documents for the securities purchased as they contain important information about the risks associated with investing in such securities.

There are inherent risks in investing, including the potential loss of principal. Investment markets will fluctuate and there is no guarantee that an implemented strategy will produce the desired results. Past performance is not a guarantee of future results. Diversification does not guarantee against loss of principal. Dollar Cost Averaging does not ensure that you will buy at lower prices.

More information on investment risks and general information on products offered and associated risks are available at Products and Risk Disclosures.