

WRAP FEE PROGRAM BROCHURE

December 31, 2018R

MSH Capital Advisors LLC Wrap Fee Program
Axiom Integrated Advisor Solutions Wrap Fee Program
Institutional Intelligent Portfolios™ Wrap Fee Program



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This brochure provides information about the qualifications and business practices of MSH Capital Advisors, LLC. If the client has any questions about the contents of this brochure, please contact the Compliance Department at (480) 563-2021.

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. MSH Capital Advisors, LLC is an investment advisor registered with the Securities and Exchange Commission. Licensure of an investment advisor does not imply a certain level of skill or training. Additional information about MSH Capital Advisors, LLC is available on the SEC's website <http://adviserinfo.sec.gov>. MSH Capital Advisor's CRD number is: 157835.

ITEM 2: MATERIAL CHANGES

PLEASE DESCRIBE ANY MATERIAL CHANGES IN THE DISCLOSURES IN THIS DOCUMENT FROM THE PRIOR YEARS' DISCLOSURES

1. MSH Capital Advisors LLC has changed its account minimums from \$25,000 to \$5,000.
2. MSH Capital Advisors LLC offers two additional wrap fee products:
 - a. Axiom Integrated Advisor Solutions Wrap Fee Program and,
 - b. Institutional Intelligent Portfolios™ Wrap Fee Program.
3. MSH Capital Advisors LLC has a revised fee schedule.

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SERVICES, FEES AND COMPENSATION

FIRM DESCRIPTION

MSH Capital Advisors, LLC (which may be referred to as "MSHCA," "us," "we," "our," "the Firm," and/or "Adviser") is an Arizona-based limited liability company formed under the laws of the state of Delaware. MSHCA was formed on May 2, 2011 and registered as an investment advisor in the states of Arizona, California and New York. In January of 2017, the Firm became registered with the Securities and Exchange Commission (SEC) as an investment adviser. The Firm's managing member, MSHCA is owned by Mark Howells, who is also the majority owner of M.S. Howells & Co. ("MSH"), a FINRA member firm and SEC registered broker-dealer.

The Firm offers investment advisory services to individuals, pension funds, financial institutions small businesses, retirement plans, foundations, non-profit organizations, charities, trusts, estates, and municipalities through a network of Investment Advisor Representatives ("IAR") supervised by MSHCA. Most of these IARs are also licensed as Registered Representatives ("RR") of MSH.

Advisory services may be offered by MSHCA using marketing brands of unrelated legal entities, not owned or operated by MSHCA. Currently, Buchanan Capital, Inc. ("Buchanan") and 147th Group, LLC ("147th") are marketing brands that are co-branded with MSHCA when offering advisory products. Persons associated with these firms are not employees, but rather independent contractors of MSHCA acting in an IAR capacity. Buchanan and 147th, and other unrelated legal entities offering advisory services through MSHCA by virtue of independent contractor relationships, may have their own trade names and logos used for marketing purposes and may appear on client statements. While each IAR, whether branded through MSHCA or one of these unrelated legal entities, may have a different business model, MSHCA oversees the investment advisory activities. Throughout this document, references to MSHCA shall be inclusive of all marketing brands as well.

IARs may only provide services and charge fees based on the descriptions detailed in this document.

Clients are under no obligation to utilize the services of IARs in their capacity as RRs or to use MSH as a broker-dealer. If a client wishes for the IAR, in his/her capacity as a RR of MSH, to execute securities transactions on the client's behalf, those transactions will be executed by MSH, which is a broker/dealer under common control and affiliated with MSHCA. Prior to effecting any such transactions, clients are required to establish a new account with MSH. Commissions charged by MSH may be higher or lower than those charged by other broker-dealers. In addition, the RR may receive commissions for transactions including, for example, ongoing 12b-1 fees from mutual fund companies for as long as a mutual fund investment is maintained. Those commissions are not payable by MSHCA but are payable through MSH.

DESCRIPTION OF ADVISORY SERVICES

MSHCA offers investment advisory services through three wrap fee programs (also sometimes referred to simply as the “Programs” throughout this brochure). The Programs are; MSH Capital Advisors LLC, Axiom Integrated Advisor Solutions and Institutional Intelligent Portfolios™ and are described below. Through our Programs, investment management, ongoing monitoring, continuous financial advice and transaction costs (ticket charges) are provided for one fee.

Whenever a fee is charged for services described in this Wrap Fee Program Brochure, we will receive all or a portion of the fee charged.

When making the determination of whether one of the advisory Programs available through MSHCA is appropriate for the client’s needs, the client should bear in mind that fee-based accounts, when compared with commission-based accounts, often result in lower costs during periods when trading activity is heavier, such as the year an account is established. However, during periods when trading activity is lower, the fee-based account arrangements may result in a higher annual cost for transactions. Thus, depending on several factors, the total cost for transactions under a fee account versus a commission account can vary significantly. Factors which affect the total cost include account size, amount of turnover, type and quantities of securities purchased or sold, commission rates and the client’s tax situation. It should also be noted that lower fees for comparable services may be available from other sources. The exact fees and other terms will be outlined in the agreement between the client and MSHCA.

As MSHCA absorbs certain transaction costs in wrap fee accounts, it may have a financial incentive not to place transaction orders in those accounts since doing so increases its transaction costs. Thus, an incentive exists to place trades less frequently in wrap fee arrangements. The amount of trades placed in a wrap fee account is a factor that has a direct bearing on the relative cost of the program. If there are only a few trades placed in the account over a period of time, it is possible that paying for advisory services and ticket charges separately may be less expensive than the fee. The opposite is also true; if there are a large number of trades placed in the account over a period, it is possible that paying for advisory services and ticket charges separately may be more expensive. While MSHCA does not charge clients higher advisory fees based on their trading activity, clients should be aware that MSHCA may have an incentive to limit its trading activities in client account(s) because MSHCA is charged for executed trades. In addition, the advisory wrap fee may be shared between MSHCA, the IAR and the third-party investment adviser therefore, the IAR has an economic incentive to offer the wrap fee program over other programs or services.

The IAR will receive a portion of the advisory wrap fee and therefore has an economic incentive to recommend the wrap fee program to the client. The client should discuss the advantages and disadvantages of fee-based and commission-based accounts with the IAR and the client should read this Wrap Fee Disclosure Brochure carefully as it explains the various programs offered through MSHCA.

Advisory Services

MSHCA offers both discretionary and non-discretionary portfolio management services as determined by the client. An Investment Advisory Agreement (IAA) is executed with each client and a client profile is created to determine appropriate portfolio characteristics in accordance with the client's investment objectives.

Discretionary Accounts

A written agreement is executed with each client and a client profile is created to determine appropriate portfolio characteristics in accordance with the client's investment objectives, risk tolerance, goals and time horizon. MSHCA may accept limited discretionary authority for client accounts. Limited discretionary authority grants MSHCA and its IARs authority to provide continuous monitoring and ongoing supervision and management services with regard to the client account. This means that MSHCA has the authority to purchase, sell, reinvest, allocate, re-allocate and rebalance assets and proceeds in the client account without obtaining the client's prior confirmation or consent. Such authority includes, but is not limited to, purchasing, selling, exchanging, tendering, managing, trading in and/or otherwise acquiring and disposing of stocks, bonds, mutual funds, fixed income, cash and cash equivalents and other securities and/or contracts relating to the same, on margin or otherwise, and to instruct the registered broker-dealer, trustee and/or custodian of these Account(s) to receive, accept and deliver securities or other assets, and to implement any investment decisions for the Account(s) including periodic rebalancing, all without prior confirmation or consultation with the client in writing to MSHCA. This limited discretionary authority may include the authority to hire, fire or retain third party advisors and managers. MSHCA has no authority to take possession of any assets in the client accounts(s) nor to direct delivery of any securities or payment for the benefit of MSHCA. The client may, at any time, impose reasonable restrictions on our discretion which will only be accepted in writing and signed by the client or appropriate agent.

Clients may also impose reasonable restrictions on the types of investments that may be purchased in their portfolio. All such requests must be provided in writing at the time the account is established. Clients may also modify the restrictions at any time by providing the change to MSHCA in writing. MSHCA maintains the right to refuse to establish an account or close an existing account if it believes that the imposed restrictions are excessive and would limit the ability to effectively manage the account. The client should also understand that the imposition of portfolio restrictions could have an effect on the performance of the portfolio.

MSHCA also offers its advisory services on a non-discretionary basis. This means that all recommendations to purchase, sell, reinvest, allocate, re-allocate and rebalance assets and proceeds in the client account requires the client's prior confirmation or consent. Clients must provide prior consent each time before and IAR may proceed with purchasing, selling, exchanging, tendering, managing, trading in and/or otherwise acquiring and disposing of stocks, bonds, mutual funds, fixed income, government securities, cash and cash equivalents and other securities and/or

contracts relating to the same in a client account. All authority belongs to the client and must be exercised prior to any activity in the account. Upon request by the client, MSHCA will enter an order for execution as soon as is practical but cannot guarantee that any such transaction will be effected on the day received or at any specific time or price. Since clients who engage MSHCA on a non-discretionary basis must provide consent prior to MSHCA affecting any transaction, MSHCA may place trades for discretionary accounts before it places similar trades for non-discretionary accounts, which may negatively impact the latter. Additionally, if MSHCA is unable to contact a non-discretionary client, the client's portfolio may miss certain investment opportunities or experience losses that may otherwise have been avoidable.

Clients agree to notify MSHCA promptly of any significant changes to the information provided by the client in the Investment Advisory Agreement or any other significant changes to their financial circumstances or investment objectives that might affect the way in which the client's account should be managed. Clients may also provide MSHCA with any additional information requested by the IAR to effectively manage the client's account.

As an accommodation to clients, MSHCA may elect to purchase fixed income securities through fixed income broker-dealers to obtain a better price for the client and then have the bonds delivered into the client's brokerage account, a practice known as trading away. In this case MSHCA will use MSH an affiliated broker-dealer. This poses a potential conflict of interest as the two entities are affiliated.

Custody

MSHCA does not maintain custody of client assets on which we advise. Clients' assets must be maintained in an account at a "qualified custodian," usually a broker-dealer or bank. Currently, MSHCA uses Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, as the qualified custodian. MSHCA has entered into an arrangement with Schwab to implement an RIA platform. MSHCA is not affiliated with Schwab. Institutional services generally are available to investment advisers and include institutional trading and custody services which typically are not available to the same providers' retail investors. Through Schwab's institutional Advisor platform, the client is allowed to grant MSHCA a limited power of attorney trading authority over the client's account by executing a written signed agreement. Advisory account assets will be held at Schwab and Schwab will send monthly account statements directly to clients. MSHCA and IARs may also generate quarterly or annual investment reports. Clients are urged to compare statements that are received from the qualified custodian, Schwab, to statements received from MSHCA.

Client Information

Prior to providing advisory services, MSHCA ascertains each client's goals, time horizon, risk tolerance, investment objectives and other financial data in order to provide services tailored to their specific needs. We do not independently verify information received from the client or the client's agents or other professionals. The client is responsible for the accuracy of the

information and for promptly notifying the Firm of any changes in their financial status, investment objectives, time horizon, risk tolerance or goals.

MSHCA provides investment supervisory services defined as giving continuous investment advice to a client and making investments based on the individual needs of the client. MSHCA provides its clients with a range of investment advisory services through the Program. These services may include:

- Assessment of the client's investment needs and objectives;
- Development of an asset allocation strategy designed to meet the client's objectives;
- Recommendations of suitable style asset allocations;
- Identification of appropriate investments and investment vehicles suitable given the client's goals and risk tolerance;
- Review of strategy and adherence;
- Recommendations for account rebalancing, if/when necessary;
- Online and paper reporting of client account(s) performance and progress; and
- Ongoing advice regarding financial matters.

All of the above-referenced services are offered, based on the type of account and the client's individual needs.

Portfolio Management Services: MSH Capital Advisors LLC Wrap Fee Program

MSHCA's supervised IARs are the Portfolio Manager of the MSH Capital Advisors LLC Wrap Fee Program. Under that Program, our IARs will create a portfolio, consisting of individual stocks or bonds; mutual funds, fixed income products, government securities, exchange-traded funds, municipal securities, options, money market funds, corporate bonds, cash and cash-equivalents, 529 College Savings Plans, variable annuities and alternative products based on the client's risk tolerance, investment objective, time horizon, goals and other financial data.

Once the appropriate portfolio has been determined, the IAR will review the portfolio at least quarterly, and if necessary, rebalance such portfolio, based upon the client's individual needs, stated goals and objectives and make changes to the investment models. The IAR may allocate or reallocate assets within the model as needed. Clients will have the opportunity to place reasonable restrictions on the types of investments that will be made on the client's behalf. The client may, at any time, impose reasonable restrictions on the types of investments to be held in the portfolio. However, all restrictions (or modifications to existing restrictions) must be in writing and signed by the client or an appropriate agent.

The IARs' strategy, generally, will be to seek to meet client investment objectives while providing clients with access to personal advisory services on at least an annual basis, or more often, depending upon the client's needs. The IARs will not attempt to manage short-

term market fluctuations with active trading (market-timing/ allocation etc.). However, the adviser may reallocate the portfolio as necessitated by large-scale macroeconomic changes in the securities markets.

Mutual funds may be selected on the basis of any or all of the following criteria: performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives, management style and philosophy; and, the fund's management fee structure. The IAR must select the most appropriate share class available to the client for placement within the wrap fee program. Each client's individual needs and circumstances will determine initial portfolio weighting between funds and market sectors. Clients will retain individual ownership of all securities.

Portfolio Management Services: Axiom Integrated Advisor Solutions Wrap Fee Program

The Axiom Integrated Advisor Solutions Wrap Fee Program allows the IAR to select multiple portfolio strategist models and manage each model separately yet unified within the client's single account. The IAR designs a customized asset allocation model consisting of available models on the platform and manages the account to the selected portfolio model. The models are designed to maximize asset allocation strategies and consist of mutual fund, stocks, bonds exchange traded funds ("ETFs"), government securities, municipal securities, cash and cash equivalents and alternative investments such as Real Estate Investment Trusts and limited partnerships. The IAR monitors the account, allocates or reallocates the models and ensures that the assets are rebalanced when an asset class is out of asset allocation tolerance by more than 2%, unless there are extenuating circumstances to dictate otherwise, for example, if the model is moved to cash under certain market conditions.

Third-Party Manager When utilizing the Axiom Integrated Advisor Solutions Wrap Fee Program, MSHCA may determine that it is in the interest of the client to have an unaffiliated Third-Party Investment Manager (TPM) provide portfolio management services. When utilizing TPMs, account assets are usually held at a custodian designated by the TPM and will also generally require that all securities transactions for the client's account be executed by the custodian. Once a client has selected a TPM, MSHCA will supply the TPM with information regarding the financial background and investment objectives of the client to the extent such information is provided by the client. The client then enters an advisory agreement with the TPM whereby the TPM agrees to accept and manage the clients account on a discretionary basis in accordance with objectives of the client. MSHCA will provide the client with the TPM's disclosure documents and fee schedule.

The TPM provides reports to clients at the frequency specified in the advisory agreements with clients. MSHCA will provide periodic assistance in evaluating the manager(s) performance and, if necessary, recommend replacing a manager selected. MSHCA is available to discuss reports and to assist the client with other matters associated with the third-party account.

For a complete description of the Axiom Integrated Advisor Solutions Wrap Fee Program please refer to the Axiom Integrated Advisor Solutions Wrap Fee Program Disclosure Brochure which was provided to the client at the time the client's account was established, or the client enrolled in the program. Clients may contact the IAR for an additional copy.

Portfolio Management Services: Institutional Intelligent Portfolios™ Wrap Fee Program

Under the Institutional Intelligent Portfolios™ Wrap Fee Program, IARs will create asset allocations models utilizing low expense exchange traded funds (“ETFs”) and mutual funds. The program is provided online through an interactive website and mobile application. Clients are invited to enroll in the program at the direction of the IAR. Clients are asked a series of questions to determine their investment risk profile and receive a recommended strategy from the IAR based on the answers provided. Clients are given the option of having their strategy one level or more conservative or aggressive than the recommended strategy. The IAR makes a final recommendation based on all the information that the client has provided to the IAR.

The IAR chooses from among 28 different asset classes and has the option to create separate investment strategies designed for taxable accounts and tax deferred accounts. The IAR determines the percentages of the allocation for each ETF and asset class in each investment strategy for each client based on all the information provided by the client to the IAR and indicated in the Investment Advisory Agreement. The IAR will monitor the client account, allocate or re-allocate assets and cause the asset allocation models to be rebalanced on a quarterly basis as needed.

For a complete description and discussion of the Institutional Intelligent Portfolios™ Wrap Fee Program please refer to the Schwab Wealth Investment Advisory, Inc. Institutional Intelligent Portfolios Disclosure Brochure which was provided to the client at the time the client's account was established, or the client enrolled in the program. Clients may contact the IAR for an additional copy.

Wrap Fee Program Fees

Clients pay an annualized advisory wrap fee for services provided by MSHCA, based upon a percentage of the market value of account assets. Advisory wrap fees for wrap fee Programs are based on a percentage of the assets under management as of the last business day of the month. The advisory wrap fee is an annual fee billed monthly in arrears and charged to the client's account by the 10th business day of the following month. The advisory wrap fee is negotiated on a client by client basis with the IAR and may be up to 1.50% which is inclusive of investment management, ongoing monitoring and continuous financial advice, and transactional charges (ticket charges). However, the advisory wrap fee does not include certain other fees and expenses discussed below in “Additional Fees”.

PROGRAMWRAP FEE

MSH Capital Advisors LLC Wrap Fee Program

up to 1.50%

Axiom Integrated Advisor Solutions*

up to 1.50%

Institutional Intelligent Portfolios™

up to 1.50%

The advisory wrap fee charged will be mutually agreed upon and described in the MSHCA Investment Advisory Agreement before commencing services. The client advisory wrap fee is automatically deducted from client's managed account by the custodian upon prior written authorization given when the client signs the Investment Advisory Agreement. The Firm sends an electronic request to the custodian indicating the amount of the advisory wrap fee to be paid from the client's managed account. The client will receive a statement from the independent custodian at least quarterly which will show the amount of the advisory wrap fees paid to the Firm. The advisory wrap fee is not inclusive of certain other fees and expenses discussed below in "Additional Fees."

Advisory wrap fees, advisory wrap fee structure, and experience will vary by IAR. Clients with different IARs may receive similar service and pay more or less of an advisory wrap fee than another client. Furthermore, IARs may determine advisory wrap fees differently. For example, some IARs may implement a flat fee while others use a tiered approach. There are advantages and disadvantages to all advisory wrap fee structures, but each IAR may have their own variances within the MSHCA advisory wrap fee structure. The exact advisory wrap fee that is negotiated between the client and the IAR is disclosed to the client in the Investment Advisory Agreement that is signed when establishing an account in advance of services being rendered. IARs have an economic incentive in the advisory wrap fee charged to the account as they receive a percentage of the advisory wrap fee with the remaining portions going to MSHCA and other third-party investment managers or advisers when applicable.

*When utilizing the Axiom Integrated Advisor Solutions, the client may select a third-party manager. Those manager fees usually range from .0% to .75% per annum, which may be higher than those charged by other management services. In all cases, the total advisory wrap fee is disclosed to the client in advance and may be up to 1.50% inclusive of the third-party manager fee. TPMs may separately charge other fees, including transaction or custodial fees. Clients usually authorize both the manager and MSHCA to debit the client's account for the advisory wrap fee due and the advisory wrap fee is shared between MSHCA, its IARs and the third-party manager.

MSHCA believes that its annual advisory wrap fee is reasonable in relation to: (1) services provided; and (2) the fees charged by other investment advisers offering similar services/ programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs fees. The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the

relative cost of the program including the cost of the services if provided separately and the trading activity in the client's account.

Additional Fees

Clients who participate in wrap fee Programs will not have to pay for transaction costs (ticket charges). However, MSHCA's advisory wrap fee is exclusive of brokerage commissions, transaction fees, and other related costs and expenses incurred by the client. All advisory wrap fees paid to MSHCA for investment advisory wrap services are separate and distinct from fees charged by any custodian, third-party investment providers, investment companies, or other third-parties such as margin costs, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer fees, electronic fund fees, distribution fees, annual IRA account fees, termination fees, ACAT fees, SEC fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and ETFs also charge internal management fees and expenses which are disclosed in the fund's prospectus. Such charges, fees and/or expenses are exclusive of and in addition to MSHCA's advisory wrap fee. MSHCA does not receive any portion of these associated fees and expenses.

Compensation of Client Participation

The IARs in their capacity as RRs may, from time to time, receive incentive awards for the recommendation and introduction of investment products, or 12b-1 distribution fees from investment companies in connection with the placement of client's funds into investment companies. Therefore, the receipt of this compensation may affect the IAR's judgment in recommending products to clients. Furthermore, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and other services.

Financial Planning

MSHCA provides financial planning services to meet clients' financial objectives and needs. Financial planning services do not involve the active management of client assets but are intended to assist individuals in determining and establishing long-term financial goals through investments, tax planning, asset allocation, risk management, financial goal setting and retirement planning,

MSHCA's financial planning services typically include, but are not limited to, analyses of clients' investment objectives, existing assets, insurance, investments, cash flow, risk management, retirement projections, estate or business plans, savings plans or other special objectives. The scope of a financial plan may be as broad or detailed as the client desires.

MSHCA's ongoing advice regarding financial matters are only provided to clients with established accounts and may include, but are not limited to, investment advice regarding retirement, education or estate planning, cash flows or the modification of an existing financial plan.

Ongoing consultation and financial advice are included in the MSHCA Wrap Fee Programs. For a client that may request advice on only a portion of their financial plan or regarding a limited project, MSHCA will provide consultation services to the extent requested.

Financial Planning Fees

Fees for a financial plan are a one-time flat fee and typically range from \$500 to \$2,500, depending on the scope and complexity of the plan. MSHCA may waive or refund the fee in instances where the client establishes an account. Ongoing financial planning services are only available to clients who establish an account with MSHCA.

Termination

Clients may terminate their Investment Advisory Agreement for any Wrap Fee Program without penalty, within 5 business days of signing the agreement. Thereafter, clients or MSHCA may terminate the Investment Advisory Agreement by providing a written notice to the other party.

For those clients utilizing third party advisors or managers, termination procedures are determined by the individual third party. Please refer to the specific third- party disclosure brochure for applicable termination procedures.

ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

MSHCA IARs provide advisory services to individuals, high net worth individuals, retirement plans, financial institutions, small businesses, retirement plans, foundations, non-profit organizations, charities, trusts, estates, state and municipal governments, corporations and/or other business entities.

The minimum account size for our Programs are as follows:

MSH Capital Advisors LLC Wrap Fee Program- The minimum account size is \$5,000. However, at the discretion of MSHCA Advisors, accounts below these minimums may be accepted on an individual basis depending on the client circumstances and business considerations. IARs may impose higher account minimums than those established by MSHCA. Accounts may be aggregated to meet program minimums as described in detail in the Investment Advisory Agreement signed by the client at the time the account is established. Clients should consult with their IAR to determine the required account minimum.

Axiom Integrated Advisor Solutions Wrap Fee Program- The minimum account size is \$25,000. Each model within the program has its own minimum investment requirement. Most are \$25,000 or \$50,000 and some are higher. Exceptions may be granted. For example, a \$20,000 Roth IRA may be accepted because the client also has a \$150,000 joint account.

Institutional Intelligent Portfolios™ Wrap Fee Program- The minimum account size is \$5,000. Clients must maintain a minimum account balance of \$5,000 in order to receive rebalancing. In order to participate in tax-loss harvesting the minimum account balance requirement is \$50,000.

PORTFOLIO MANAGER SELECTION AND EVALUATION

Manager Selection: MSH Capital Advisors LLC Wrap Fee Program

MSHCA IARs will utilize various investment strategies as part of satisfying the asset allocation requirements for the client based upon the needs of the client including their investment objective, time horizon, goals, risk tolerance and other relevant personal and financial data. IARs select strategies which include long-term and short-term purchases as well as trading (see discussion of strategies). The MSHCA program provides IAR oversight of client assets through the provision of web-based asset allocation tools, as well as execution, clearing and custodial services. With respect to asset allocation services, the IARs utilize third-party research providers to offer clients access to a tangible portfolio construction process utilizing both fundamental and technical analysis, fund profiling and performance data, as well as portfolio optimization and re-balancing tools

Manager Selection: Institutional Intelligent Portfolios™ Wrap Fee Program

MSHCA IARs provide portfolio management services to clients for the Institutional Intelligent Portfolios™ Wrap Fee Program. IARs construct the investment strategy for each client and direct the program sponsor to apply the rebalancing process of the system to client account. The program sponsor provides limited portfolio management services to the IAR by providing them with sample asset allocation models and the asset classifications for the eligible ETFs from which the IAR can choose to construct the client's investment strategy and select replacement ETFs for tax-loss harvesting.

Manager Selection: Axiom Integrated Advisor Solutions Wrap Fee Program

The platform sponsor is responsible for selecting portfolio strategist for the Axiom Integrated Advisor Solutions Wrap Fee Program using certain criteria. Portfolio strategist must have at least \$100 million in assets under management and they must have a minimum of a three-year track record as an asset manager. The specific model does not need a three-year track record, but the portfolio strategist must. The portfolio strategists must have at least \$50M in assets under management within the Axiom program, 20 or more years of industry experience and either a bachelor's or master's degree in finance or one of the following designations CFP®, CFA, ChFC®, or CPA in order to offer their own models to clients within the program. The platform sponsor reviews the type of model, strategic vs tactical for example, the model holdings, portfolio turnover, and if it fills a

gap in their current model selections. Recommendations of the portfolio strategist to clients is handled by the IAR and is made in accordance to the client's investment objective, goals, time horizon, risk tolerance, and other relevant personal and financial data.

Program Manager Selection and Evaluation Criteria

Program selection is based on due diligence review, analytical evaluations and on-site visits conducted by MSHCA. The selection criteria for third-party advisers offering technological solutions for asset allocation selection, modeling and rebalancing is primarily based on due diligence which focused on the functionality and testing of the solution, ease of use for IARs and client, credibility, reputation and financial standing of the investment adviser, variety of platform options, simplicity of understanding for client, underlying investment offerings, associated costs and expenses, and service. MSHCA IARs as portfolio managers are subjected to robust scrutiny and evaluation during the onboarding process. MSHCA conducts a thorough background check and considers several relevant factors before allowing the IAR to act as portfolio manager. Considerations include but are not limited to, a reputable regulatory and criminal history, sound investment philosophy, credibility and reputation, a minimum of 5 years of experience as portfolio manager, previous portfolio performance, tenure of existing clients, strategy consistency, and client complaints. The selection criteria of third-party investment managers are established on the basis of fundamental evaluation analysis through a due diligence process which centers on the investment manager's investment philosophy, simplicity of approach, tenure in the industry, performance, length of time as an investment manager, reputation, experience, strategy track record, and underlying investments and overall risk factors.

Program managers are monitored and evaluated on an ongoing basis by MSHCA through a daily monitoring technology-assisted review. The Firm uses GenTech, a technological system that maintains compliance controls and generates monitoring flags in order to create exception and risk-based monitoring reports. Compliance managers review and resolve monitoring flags contemporaneous with activity. Follow-up due diligence reviews are conducted by MSHCA as deemed warranted.

The performance evaluation we use for our internal review of portfolio strategists, IARs and third-party managers is calculated by Morningstar using industry standards. Morningstar uses a geometrically linked return method also known as time weighted return. Our reviews are based upon the calculated performance generated by Morningstar. No performance data from the portfolio strategists, IARs or third-party money manager is used, as we do not have any composites.

Methods of Analysis, Investment Strategies and Risks of Loss

Methods of Analysis

Fundamental: This is a method of evaluating a company or security by attempting to determine its intrinsic value by looking at all aspects of the business, including both tangible (e.g., machinery

buildings, land) and intangible factors (e.g., patents, trademarks, “brand” names). Fundamental analysis also involves examining related economic factors (e.g., overall economy, industry conditions, business cycles), financial factors (e.g., company debt, interest rates, management salaries and bonuses), qualitative factors (e.g., management expertise, industry cycles, labor relations), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios). The objective of fundamental analysis is to produce a target value that can be used to determine what position to take with that security.

Charting: This is technical analysis that charts the pattern of stocks, bonds and commodities to help determine buy and sell recommendations for clients. It is a way of gathering and processing price and volume information in a security by applying mathematical equations and plotting the resulting data onto graphs in order to predict future price movements. A graphical historical record assists the analyst in spotting the effect of key events on the security’s price, its performance over a period and whether it is trading near a high or low or in between. Recurring patterns of trading, commonly referred to as indicators, may help forecast future price movements.

Technical: This method of evaluating securities analyzes statistics generated by market activity, such as past prices, volume, open interest, market order imbalances and other factors not directly related to the company’s business. Technical analysis does not attempt to measure a security’s intrinsic value, but instead use charts and other tools based on historical data to identify patterns that may suggest future activity.

Cyclical: This method looks at recurring periods of expansion and contraction that can impact a company’s profitability and cash flow. There are a variety of cycles that can be examined, and some are more commonly known than others, such as a four-year presidential cycle or annual/quarterly fiscal reporting cycles. Identifying cycles can help to anticipate tops and bottoms and also to determine trends. But sometimes cycles don’t repeat themselves, sometimes they overlap and sometimes they offset each other. Cyclical stocks tend to rise quickly when the economy turns up and fall quickly when the economy turns down (e.g. housing, automobiles, telecommunications). Non-cyclical industries (e.g. food, insurance, drugs) are not as directly impacted by the economic changes.

MSHCA IARs may use, without limitation, any of the following analysis sources of information: financial newspapers and magazines; inspections of corporate activities; corporate rating services such as Morning Star; and, annual reports, prospectuses and press releases. IARs may also utilize different investment strategies, based upon the needs of the clients, which include long-term purchases as well as trading. The MSHCA Programs provides IAR oversight of client assets through the provision of web-based asset allocation tools, as well as execution, clearing and custodial services. With respect to asset allocation services, the Programs utilizes third party research providers to offer clients access to a tangible

portfolio construction process utilizing both fundamental and technical analysis, fund profiling and performance data, as well as portfolio optimization and re-balancing tools.

Our analysis methods rely on the assumption that the investment vehicles which we recommend for our clients, the companies whose securities we purchase and sell on behalf of our clients, the rating agencies that review these securities, and other publicly or privately available sources of information about these securities, are providing accurate, timely and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate, misleading or untimely information. This is an ongoing risk with regard to all the strategies discussed below.

Investment Strategies

IARs may use various investment strategies, to meet the needs of the client based on the investment objective, time horizon, goals, risk tolerance and other relevant personal and financial information. IARs are responsible for choosing, implementing and documenting the chosen strategy and it will vary from client to client. Strategies may be based on long-term buy and hold, diversification, strategic assets or short-term purchasing of investments for liquid assets, trading, short sales, options writing, margin transactions, strategic and tactical asset allocation, or strategic timing and sector rotation. Investment strategies may also take into consideration holding periods where tax consequences are relevant. Equities, fixed income, bonds, cash or cash equivalent and occasionally alternative instruments may be used in either arrangement. In certain cases, when appropriate based on the investment objective, MSHCA may recommend the use of margin or short option writing to provide leverage to a portfolio. It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on the client's risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

Risk of Loss

Investing involves a risk of loss. Clients should be prepared to bear investment loss, including the loss of the original principal. Clients should never presume that future performance of any specific investment or investment strategy will be profitable. Further, there may be varying degrees of risk depending on different types of investments. Clients should know that all investments carry a certain degree of risk ranging from the variability of market values to the possibility of permanent loss of capital. Although portfolios seek principal protection, asset allocation and investment decisions may not achieve this goal in all cases. There is no guarantee a portfolio will meet a target return or an investment objective.

Risks to capital include, but may not be limited to, changes in the economy, market volatility, company results, industry sectors, accounting standards and changes in interest rates. Investments are generally subject to risks inherent in governmental actions, exchange rates, inflation, deflation,

and fiscal and monetary policies. Market risks include changes in market sentiment in general and styles of investing. Diversification will not protect an investor from these risks and fluctuations

The client should review prospectuses or other disclosure documents for the securities purchased as they will contain important information about the risks associated with investing in such securities.

The following is a discussion of risks which may be involved when investing, clients should consult with the IAR to discuss associated risks prior to investing in or making any modifications to a portfolio:

Market Risk: The stock market as a whole or the value of an individual company goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.

Equity (Stock) Risk: Common stocks are susceptible to general stock market fluctuations and to volatile increases/decreases in value as market confidence in and perceptions of issuers change. If the client holds common stock or common stock equivalents of any given issuer, the client would generally be exposed to greater risk than if the client held preferred stocks and/or debt obligations of the issuer.

Company Risk: When investing in stock positions, there is always a certain level of company specific risk that is inherent in each investment also referred to as unsystematic risk which can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry.

Options Risk: Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.

Credit Risk: When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments.

ETF and Mutual Fund Risk: When investing in an ETF or mutual fund, there are additional expenses based on the client's pro-rated share of the ETF or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage fees when purchasing ETFs. Leveraged and inverse ETFs may not be suitable for all investors and have unique characteristics and risks. Although there are limited occasions where a leveraged or inverse ETF may be useful for some types of investors, it is extremely important to understand that these funds may not give the client the returns the client may be expecting.

Management Risk: The value of the client's investment will vary with the success and failure of MSHCA's investment strategies, research, analysis and determination of portfolio securities. If MSHCA's investment strategies do not produce the expected returns, the value of the investment may decrease.

Interest-Rate Risk: Fluctuations in interest rates may cause security prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation. Individuals who depend on fixed payments from bonds face the risk that inflation will erode their spending power.

Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Reinvestment Risk: Risk that future proceeds from investments may have to be reinvested at potentially lower rates of return (i.e., interest rate). This primarily relates to fixed income securities.

Business Risk: Risks associated with a particular industry or company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They may carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many investors are interested in buying or selling a standardized product. For example, Treasury Bills are highly liquid while real estate properties are not.

Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

ETF Specific Risk: The general level of security price may decline, thereby adversely affecting the value of each unit of the ETF. An ETF may not fully replicate the performance of its benchmark index because of the temporary unavailability of certain securities in the secondary market or due to the weighting of the securities within the ETF. ETFs may have exposure to derivative instruments, such as futures contracts, forward contracts, options, and swaps. There is a risk that a derivative may not perform as expected. The main risk with derivatives is that some types can amplify a gain or loss, potentially earning or losing substantially more money than the actual cost of the derivative or that the counterparty may not honor the terms of the contract. Use of these instruments could also trigger other risks such as liquidity risk, market risk, credit risk, and the risk that an ETF could not close out a position when it would be most advantageous to do so. Many ETFs are less than 10 years old and have limited historical data.

Asset Allocation-Strategy-Diversification Risk: The asset classes represented in each investment strategy can perform differently from each other at any given time. So, the investment strategy will be affected by its allocation among the various asset classes. The asset allocation decisions

can result in more portfolio concentration in a certain asset class or classes, which could reduce overall return if the concentrated assets underperform,

Large Investment Risk: The purchase of a significant portion of a particular security thereby potentially making it difficult to liquidate or sell.

Fixed Income Risk: When interest rates rise bond prices usually fall, and when interest rates fall, bond prices usually rise. Bond markets rise and fall daily.

Foreign Investment Risk: Investments in securities of foreign issuers may involve certain risks that are greater than those associated with investments in the securities of U.S. issuers. These include risks of adverse changes in foreign economic, political, regulatory, and other conditions such as changes in currency exchange rates or exchange control regulations.

Geopolitical Disruption Risk: Geographical political events may adversely affect global economies and markets and thereby decrease the value of and /or ease the trading of securities invested in these affected markets.

High-Yield Risk: High yield securities and unrated securities of similar credit quality (sometimes called junk bonds) are subject to greater levels of credit and liquidity risks and may be considered speculative.

Please Note: Considering these risks of loss and potentially enhanced volatility, clients may direct the IAR, in writing at any time, not to employ any or all of the investment strategies recommended by their IAR for their account.

Services Limited to Specific Types of Investment Accounts

In an account with discretionary trading the client will authorize, via the Investment Advisory Agreement, the purchase and sell of mutual funds and other equity, debt, fixed income securities for accounts without obtaining specific client approval for each transaction. In an account with non-discretionary trading, the MSHCA IAR will only purchase or sell securities which have been approved by the client in advance. In either case, the MSHCA IAR will establish the initial asset allocation strategy with the client's prior review and approval.

Client Tailored Services and Client Imposed Restrictions

Our IARs will work with clients to identify their investment goals and objectives, time horizon as well as risk tolerance in order to create portfolios designed to complement the clients' educational, home ownership and retirement funding goals and objectives. Each portfolio will be designed through the use of investment models to meet a particular investment goal, which the IARs have determined to be suitable to the client's circumstances.

Clients may impose reasonable restrictions on investing in certain types of securities for

reasons such as compliance reporting, religious beliefs or other reasons. The client may also impose a reasonable restriction on the discretionary authority granted to MSHCA and its IAR. The reasonable restrictions must be disclosed in writing to the IAR at the time the account is established and prior to portfolio implementation. Modifications to existing restrictions must be disclosed in writing, signed by the client and presented to the IAR. The initial restrictions will be acknowledged and recorded by MSHCA in the Investment Advisory Agreement signed by the client at the time the account is established. Subsequent modifications will be noted in the client's file.

Aggregation and Block Trading

Investment advisors may elect to purchase or sell the same securities for several clients at approximately the same time when they believe such action may prove advantageous to clients. This process is referred to as aggregating orders, batch trading or block trading.

When placing transactions for the client account at about the same time and for the same security as for other client accounts, the client's IAR may aggregate (or combine) trades for the client's account with trades of other clients. This can provide certain advantages to clients who are participating in the aggregated trade. This does not apply to aggregate trading of mutual funds, as they are priced once per day, at the end of the day, and not throughout the day like stocks and ETFs.

Aggregated trading provides each client with average pricing for the transaction, so that no client is disadvantaged when his/her account is traded versus when another client's account is traded.

If an aggregated order is only partially filled, MSHCA has procedures in place to ensure that no client is systematically disadvantaged in its allocation process. In instances when the client's IAR is individually placing multiple client trades in the same security at approximately the same time, MSHCA has procedures in place to ensure that no single client is systematically disadvantaged. Even so, because each transaction is placed separately, not all clients will pay or receive the same price for the security and the price a particular client pays or receives may be higher or lower than that of other clients based on moving market conditions.

Performance-Based Fees and Side-By-Side Management

MSHCA does not charge or accept fees based on a share of capital gains or capital appreciation of the assets held within a client's account.

Voting Client Proxies

For the MSH Capital Advisors LLC Wrap Fee Program and the Axiom Integrated Advisor Solutions Wrap Fee Program, we will not vote proxies on behalf of any client or respond to any legal notices or class action claims on behalf of a client. We will instruct the qualified, independent custodian to forward all proxy materials, legal notices and class action information to the client to review. The

client should make his or her own informed decision on how to vote or respond to a legal notice. In the event we receive such material, we will forward them directly to the client by mail or by electronic mail (if the client has authorized electronic communication).

Institutional Intelligent Portfolios™ Wrap Fee Program- Proxies are voted on behalf of clients by the program sponsor, Schwab Wealth Investment Advisory Inc. For more information please refer to the Schwab Wealth Investment Advisory, Inc Institutional Intelligent Portfolios™ Disclosure Brochure that is provided to the client at the time the clients account is opened or when the client enrolled into the program.

CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

IARs of MSHCA serve as portfolio managers for the MSH Capital Advisors LLC Program. Our associated IARs are responsible for gathering all information provided by the client. We will interview and work with the client to gather all information needed relative to the client's investment objectives and needs in order to provide management services through our Program.

IARs of MSHCA implement and monitor the Axiom Integrated Advisor Solutions Wrap Fee Program and Institutional Intelligent Portfolios™ Wrap Fee Program. Therefore, we may share the client's personal information including investment objectives, time horizon, goals, risk tolerance, and financial data with third-party advisers or portfolio managers in order to provide management services through these programs. We will update the client's information on an as needed basis as it is provided by the client to us.

The client is responsible for promptly contacting the IAR to notify us of any changes to the client's financial situation that will impact or materially influence the way we manage the client's accounts.

CLIENT CONTACT WITH PORTFOLIO MANAGERS

IARs of MSHCA serve as portfolio managers for the MSH Capital Advisors Wrap Fee Program. There are no restrictions placed on the client's ability to contact and consult with the IARs. IARs of MSHCA implement and monitor the Axiom Integrated Advisor Solutions Wrap Fee Program and Institutional Intelligent Portfolios™ Wrap Fee Program. There are no restrictions placed on the client's ability to contact and consult with the IARs. If a third-party investment manager is selected, the client's IAR will assist the client with portfolio manager meetings as requested and as stipulated pursuant to the signed agreement.

It is the policy of MSHCA to provide open communications between the IARs and clients. The client is encouraged to contact the IAR whenever the client has questions about the management of the account(s).

ADDITIONAL INFORMATION

Disciplinary Action and Other Financial Industry Activities

MSHCA does not have any disciplinary information to report.

Other Financial Industry Activities and Affiliations

M.S. Howells & Co.

The Firm's managing member, Mark Howells, is also the Chief Executive Officer, majority owner and a registered representative/principal of M.S. Howells & Co. (MSH), a FINRA member firm and SEC registered broker-dealer. MSH introduces all transactions for clearance and settlement on a fully disclosed basis to Pershing LLC.

IARs of MSHCA may also be registered representatives of MSH and may execute securities transactions for clients of MSHCA. MSH and its RRs may receive commissions or other benefits as a result of certain securities transactions. Conflicts of interest arise as IARs may make investment recommendations to clients based on the compensation or benefits that they would earn as an RR rather than what is in the client's best interest.

In some instances, and strictly as an accommodation to its clients, MSHCA may affect fixed income transactions for its advisory clients in a wrap fee account custodied at Schwab through its affiliated broker-dealer MSH. In those instances, MSHCA will not charge an advisory fee and will purchase fixed income products for those clients on a riskless-principal or agency basis through the broker-dealer and custody the assets at Schwab.

For third-party investment programs, MSHCA may share a portion of the advisory fees when an MSHCA client is invested in their program. These programs offer different levels of fees which present conflicts of interest when approving which programs to offer to clients and when making specific recommendations to clients as such decisions may be based on the fees to be earned rather than what is in the client's best interest.

In addition to compliance oversight and supervisory staff, the Firm utilizes a comprehensive compliance monitoring software solution through GenTech LLC. The solution assists the Firm with compliance related tasks and monitoring solutions which greatly reduce the possibility of non-compliance occurrences.

MS Insentra, LLC (MSI)

Mark Howells is also the majority owner of MS Insentra, LLC, ("MSI") an independent insurance company that specializes in providing risk management and insurance solutions to the independent RIA community. Some MSHCA IARs may be insurance agents for MSI and sell insurance products to clients.

Code of Ethics

MSHCA has adopted a Code of Ethics (the “Code”) that establishes rules of conduct for MSHCA and its IARs. The purpose of the Code is to prohibit activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of illegal or unethical business conduct. Activities by the Firm’s access persons must always (1) consider the interests of client accounts and be placed first; (2) be conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility; and (3) not take inappropriate advantage of their positions.

A copy of the Code is available upon request by contacting MSHCA in writing at: MSH Capital Advisors, 20555 North Pima Road, Suite 100, Scottsdale, Arizona 85255 or by calling (480) 563-2000.

Personal Trading Policy

Personal securities transactions by an IAR may be a conflict of interest if the access person owns or trades in a security that is owned or being considered for purchase or sale by MSHCA in a client account.

MSHCA has adopted policies and procedures to ensure that neither MSHCA, nor its IARs, trade ahead of or otherwise in conflict with the interests of clients. The Code mandates preclearance for participation in private placements or limited offerings. In addition to imposing blackout periods from time to time, access persons are required to submit to MSHCA’s compliance department periodic reporting (initial holdings, quarterly transactions and annual holdings) for review and continuous monitoring.

MSHCA policy does not impose strict limitations as to the number of transactions an access person is permitted to execute during a defined time frame. The Firm recognizes that excessive trading may impede the ability of an individual to fulfill his or her primary obligation to our clients. The scope and volume of personal trading by access persons shall be periodically assessed. MSHCA maintains the authority to impose limitations on the personal trading activities of access persons and as part of MSHCA’s oversight, may impose heightened supervision and or trading restrictions on an access person if it believes that such actions are warranted.

Insider Trading Policy

In the ordinary course of business, MSHCA may receive non-public information. MSHCA has adopted policies and procedures prohibiting any access person from using such information for transacting for client or personal accounts, or from disclosing the information to others.

Gifts & Entertainment

Giving, receiving or soliciting gifts or entertainment in a business setting may create an appearance of impropriety or may raise a potential conflict of interest. MSHCA has adopted the policies set forth below to guide access persons in this area:

- giving, receiving or soliciting gifts in a business may give rise to an appearance of impropriety or may raise a potential conflict of interest;
- no access person may give or accept cash gifts or cash equivalents in excess of \$100/year to or from a client, prospective client, or any entity that does, or seeks to do, business with or on behalf of MSHCA;
- access persons should not accept or provide any gifts, entertainment or favors that might influence the decisions the client or the recipient must make in business transactions involving MSHCA or that others might reasonably believe would influence those decisions;
- modest gifts, entertainment and favors, which would not be regarded by others as improper, may be accepted or given on an occasional basis. Entertainment that satisfies these requirements and conforms to generally accepted business practices also is permissible; and
- where there is a law or rule that applies to the conduct of a particular business or the acceptance of gifts or entertainment of even nominal value, the law or rule must be followed.

Political Contributions

It is MSHCA's policy to permit the Firm and its IARs to make political contributions to elected officials, candidates and others provided that they are consistent with this policy and regulatory requirements. MSHCA recognizes that it is never appropriate to make or solicit political contributions or provide gifts or entertainment for improperly influencing the actions of public officials. Accordingly, the Firm's policy is to restrict certain political contributions made to government officials and candidates of state and state political subdivisions who can influence or have the authority for hiring an investment adviser. Furthermore, MSHCA's access persons are prohibited from soliciting political contributions from vendors or service providers.

Political Contributions to Candidates and Organizations Recommended by Clients:

Making a political contribution to a candidate recommended by a client, particularly if the candidate can be influential in seeing that MSHCA obtains or maintains its business with the client, can create a potential conflict of interest and may violate Pay-to-Play principles. MSHCA will not

make any political contribution to candidates or organizations recommended by clients. Organizing individual contributions for purposes of contributing to a candidate recommended by a client is also prohibited. Because violations of the Rule can potentially result in substantial legal and monetary sanctions for the Firm and/or its related persons, MSHCA's practice is to restrict, monitor and require prior approval of any political contributions to government officials.

Participation or Interest in Client Transactions

Agency Cross Transactions are defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions typically arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. Agency cross transactions are permitted for advisers only if certain conditions are met under Section 206(3) of the Investment Advisers Act of 1940 or SEC Rule 206(3)-2.

It should be noted that agency cross transactions can only be processed through MSH brokerage accounts and such transactions are not available through Institutional RIA account platforms. Therefore, MSHCA will not engage in agency cross transactions.

Principal Transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliate, buys a security from or sells a security to an advisory client as opposed to carrying out trades through another broker-dealer. Typically, MSHCA does not execute client orders on a principal basis in advisory accounts managed by MSHCA.

Periodic Reviews

IARs are responsible for conducting regular reviews of all accounts for their respective clients on at least an annual basis. In most cases, accounts are reviewed more frequently through various means including telephone calls, in-person meetings, or electronic communications. Discretionary and non-discretionary investment advisory accounts are reviewed by the IAR and MSHCA to analyze if the account is being managed in accordance with the client's chosen investment objective, that the account is properly rebalanced, if it is being managed according to a specific asset allocation model, to verify the accuracy of account holdings and fee deductions, and if applicable, to ensure that the client's reasonable restrictions are being implemented properly. The reviews are based on the client's investment objectives, risk tolerance, time horizon and investment strategy as established by the client when they opened the account or modified thereafter.

Advisory accounts, including accounts managed by third parties, are subject to daily monitoring through a technology-assisted review by MSHCA. The Firm uses GenTech, a technological system that maintains compliance controls and generates monitoring flags in order to create exception and risk-based monitoring reports. IARs will monitor the performance of third parties on a quarterly basis.

Review Triggers

In addition to periodic reviews, we may conduct account reviews when a triggering event, such as a change in client investment objectives, financial situation, market correction, or client request occurs.

Client Reports and Statements

Clients receive confirmations of purchases and sales in their account(s) as well as quarterly and/or monthly statements from the custodian containing account information such as account value, transactions, holdings, fees paid to the Adviser and other relevant account information from their custodian, sponsor companies or TPM/TPI. Clients may also receive periodic reports from us reflecting the performance of their investment portfolio over a specified period. MSHCA urges clients to review the contents of the custodial statements and compare them against the reports provided directly from MSHCA or IARs.

Client Referrals

In some circumstances, MSHCA may enter into arrangements with individuals (Solicitors) who refer clients to MSHCA who may be prospects for investment advisory services. In return, MSHCA agrees to compensate the Solicitor for the referral. Compensation to the Solicitor is dependent on the client entering into an advisory agreement with MSHCA. Compensation to the Solicitor may be an agreed upon percentage of MSHCA's investment advisory fee or a flat fee depending on the type of advisory services MSHCA provides to clients.

MSHCA's referral program is in compliance with applicable federal and state regulations. All solicitation/referral fees are paid pursuant to a written agreement retained by both MSHCA and the Solicitor. Solicitors are required to provide the client with a copy of MSHCA's Form ADV Part 2A and a Solicitor Disclosure Statement at the time of solicitation and MSHCA will obtain acknowledgement of receipt from the client prior to or at the time of entering into any Investment Advisory Agreement with MSHCA. Solicitors are not permitted to offer clients any investment advice on behalf of MSHCA. The advisory fee charged to clients will not increase as a result of compensation being shared with the Solicitor.

Other Compensation

IARs, in their separate capacities as RRs of MSH, may receive commissions from the execution of securities transactions. Additionally, IARs may receive other non-cash compensation from mutual fund sponsors, such as access to educational events or conferences. The receipt of such commissions, 12b-1 fees and other non-cash compensation could represent an incentive for the IAR in their capacity as RRs to recommend funds with 12b-1 fees over funds that have no or lower fees, resulting in a potential conflict of interest. MSHCA mitigates this risk by requiring the IAR to purchase the most appropriate share class that is available to the client regardless of whether they are acting as an IAR or RR.

IARs that are licensed insurance agents, including those approved to conduct business under MSHCA's affiliated insurance company MSI receive commissions and other incentive awards for the recommendation and/or sale of annuities and other insurance products. The receipt of this compensation may affect the decisions of IARs when recommending insurance products to their clients.

While MSHCA and IARs endeavor at all times to put the interests of their clients first, clients should be aware that the receipt of commissions and additional compensation itself creates a conflict of interest which may affect the judgment of MSHCA and the IARs when making recommendations or offering services of its affiliated broker-dealer, MSH. MSHCA attempts to mitigate this risk by not entering into revenue sharing arrangements with product sponsors.

Event Sponsorship

Occasionally, MSHCA will hold conferences, training events or receptions for its staff, clients and IARs. These meetings provide sponsorship opportunities for vendors and other third-party providers. Sponsorship allows these companies access to our advisors and staff to discuss ideas, products and service. The sponsorship fees are used to offset the meeting expenses or future meeting expenses. The sponsorships are a potential conflict of interest from the standpoint that MSHCA could favor a vendor due to their attendance and sponsorship of an event. MSHCA attempts to mitigate this potential conflict of interest by using the fees strictly to offset the cost of an event and not as revenue for the firm. Further, sponsorship fees are not dependent upon the amount of assets placed with any sponsor, or the revenue generated by the asset placement.

Third-Party Money Managers and Platforms

MSHCA may have revenue sharing arrangements with certain third-party managed accounts or platform providers. MSHCA may receive a portion of the advisory or platform fee which will not be passed on to its IARs. The advisory fee charged to clients will not increase as a result of compensation being shared with the third party. This arrangement presents a conflict of interest as MSHCA has economic incentive to invest with certain third parties in order to generate additional revenue for MSHCA. MSHCA mitigates this conflict by not sharing the revenue with the IARs who are recommending the third-party manager and by requiring IARs to select the lowest available fee class for which the client is eligible.

Custodian Benefits

Currently, MSHCA uses Schwab Advisor Services a division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to establish client brokerage accounts, maintain custody of clients' assets and effect trades for their accounts. The final decision to custody assets with Schwab is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. MSHCA is independently owned and operated and not affiliated with Schwab. Schwab provides MSHCA with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent

investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, 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. For MSHCA client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

The custodian also makes available to MSHCA other products and services that benefit MSHCA but may not benefit its clients' accounts. Although those products and services may not directly benefit specific clients, many do provide indirect benefits. These benefits may include national, regional or MSHCA specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of MSHCA by the custodian personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist MSHCA in managing and administering clients' accounts. These include software and other technology (and related technological training) 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 MSHCA's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of MSHCA's accounts, including accounts not maintained at the custodian.

The custodian also makes available to MSHCA other services intended to help MSHCA manage and further develop its business enterprise. These services include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, the custodian assists with IAR transition costs, which includes but is not limited to client ACAT or termination fees, marketing expenses, and other expenses typically born by an IAR during a transition to a new investment adviser. Custodians also introduce IARs to join MSHCA. While there is no obligation to custody assets with the custodian as a result of a recommended IAR joining MSHCA, typically those assets will be custodied at the custodian who provided the introduction. The custodian will make available, arrange and/or pay vendors for these types of services rendered to MSHCA by independent third parties. The custodian often discounts 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 MSHCA.

While, as a fiduciary, MSHCA endeavors to act in its clients' best interests, MSHCA's

recommendation/requirement that clients maintain their assets in accounts at the custodian may be based in part on the benefit to MSHCA of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by the custodian, which creates a potential conflict of interest. MSHCA attempts to mitigate this conflict by reviewing and considering other custodians for services.

FINANCIAL INFORMATION

Since MSHCA does not require or solicit prepayment of more than \$1,200 in advisory fees per client, six months or more in advance, it is not required to include a balance sheet for its most recent fiscal year. Neither MSHCA nor its affiliates are subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have never been the subject of a bankruptcy petition at any time.