

Item 1 – Cover Page

FIRM BROCHURE – FORM ADV PART 2A

MSP WEALTH MANAGEMENT, LLC

824 Pine Street
Klamath Falls, Oregon 97601
Phone: (541) 884-4164
Website: www.mspwealth.com/

March 26, 2024

This firm brochure provides information about the qualifications and business practices of MSP Wealth Management, LLC. If you have any questions about the contents of this firm brochure, please contact us at (541) 884-4164. 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.

Please note that the use of the term “registered investment advisor” and description of our firm and/or our associates as “registered” does not imply a certain level of skill or training. Clients are encouraged to review this firm brochure and any brochure supplements (“brochure supplements”) for more information on the qualifications of our firm and our associates.

Additional information about MSP Wealth Management, LLC is available on the SEC’s website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for MSP Wealth Management, LLC is 306522.

Item 2 – Material Changes

Since our last annual updating amendment filed on March 15, 2023, we have made the following material changes:

- Item 12 has been amended to reflect that we now recommend that clients engage the custodial and trade execution services of Charles Schwab & Co., Inc. (“Schwab”), rather than TD Ameritrade, Inc. (“TDA”). Prior versions of this brochure stated that we had recommended TDA for these services, in addition to Schwab. Schwab acquired TDA in 2019 and the two firms combined operations in 2023.

We will ensure that all current clients receive a Summary of Material Changes to this and subsequent firm brochures within 120 days of the close of our fiscal year. A Summary of Material Changes is also included within our firm brochure available on the SEC’s website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for MSP Wealth Management, LLC is set forth on the cover page of this firm brochure. Clients will further be provided with disclosure about material changes effecting our firm or a new brochure as may become necessary or appropriate at any time, without charge.

Currently, a copy of our firm brochure may be requested, free of charge, by contacting us at the telephone number reflected on the cover page of this firm brochure.

Item 3 – Table of Contents

	<u>Page</u>
Item 1 – Cover Page.....	1
Item 2 – Material Changes.....	2
Item 3 – Table of Contents	3
Item 4 – Advisory Business.....	4
Item 5 – Fees and Compensation.....	8
Item 6 – Performance-Based Fees and Side-By-Side Management	12
Item 7 – Types of Clients.....	12
Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss.....	12
Item 9 – Disciplinary Information.....	17
Item 10 – Other Financial Industry Activities and Affiliations	17
Item 11 – Code of Ethics; Participation or Interest in Client Transaction & Personal Trading	18
Item 12 – Brokerage Practices	20
Item 13 – Review of Accounts.....	24
Item 14 – Client Referrals and Other Compensation	24
Item 15 – Custody.....	25
Item 16 – Investment Discretion	25
Item 17 – Voting Client Securities.....	26
Item 18 – Financial Information.....	27

Item 4 – Advisory Business**A Our Firm**

MSP Wealth Management, LLC (“MSP”) is an Oregon limited liability company founded in 2002. The principal owners of MSP are Terrence “Terry” Scroggin and Gerrin DeGroot. The firm is registered as an investment advisor with the SEC. Our principal offices are located in Klamath Falls, Oregon. We have an additional office located in Eagle Point, Oregon.

The information contained in this brochure describes our investment advisory services, practices, and fees. Please refer to the description of our investment advisory services below for information on how we tailor our services to the needs of our clients. As used throughout this firm brochure, the words “we,” “our,” “firm,” “MSP,” and “us” refer to MSP Wealth Management, LLC and its investment advisor representatives, and the words “you,” “your,” and “client” refer to you as either a client or prospective client of our firm.

Prior to forming an investment advisor-client relationship, we may offer a complimentary general consultation to discuss the nature of our service offerings and to determine how we may best assist you to meet your financial goals and objectives. Investment advisory services begin only after the client and MSP formalize their relationship in a written advisory agreement.

B C Our Advisory Services

We offer a wide range of investment advisory services to our clients. Our investment advice is always custom tailored according to each client’s unique investment profile and needs. We act in a fiduciary capacity and will only recommend investments to you when we believe them to be in your best interests. A description of our various service offerings is set forth below.

MSP Wrap Fee Program Services. Our firm offers ongoing and continuous portfolio management services combined with financial planning services exclusively through the MSP Wrap Fee Program. Under this program, we will design a customized investment strategy, manage, and monitor your designated investment accounts held at an independent qualified custodian (“Custodian”) in accordance with your unique investment objectives, needs, and limitations. We will also provide you with annual financial planning services (in the form described below), as well as advice regarding certain assets held-away from the accounts we directly manage and monitor on your behalf. Clients pay a single asset-based fee for these combined services that covers the costs of our investment advice, together with certain custodial, trade execution, and other management costs incurred in connection with our management of the client’s designated accounts. This is known as a bundled or “Wrap Fee” program.

Additional details regarding the MSP Wrap Fee Program and its associated fees and costs are contained within a separate MSP Wrap Fee Program Brochure (“Wrap Brochure”), a

copy of which will be provided to you free of charge. Please call us at the telephone number found on the cover of this firm brochure if you did not receive a copy of our Wrap Brochure. A copy of our Wrap Brochure is also available free of charge at www.adviserinfo.sec.gov.

Financial Planning and Consulting Services. Our firm offers traditional financial planning and consulting services to clients which may address, without limitation, some or all of the following financial topics:

- financial, budgeting, and cash management;
- risk management, insurance planning, and analysis;
- financial planning relating to divorce and marriage;
- charitable giving;
- estate planning;
- retirement planning;
- investment planning/asset allocation/portfolio design;
- educational funding; and
- investment goal setting.

We will consult with you and assist you in identifying areas of potential financial concern and provide you with a discrete set of short and/or long-term financial goals and actions designed to address your unique financial circumstances.

Our financial planning and consulting services are offered on an annual retainer basis or on a one-time consulting basis.

- For annual retainer financial planning engagements, we will deliver an initial written financial plan and meet with you at least once annually thereafter to review the plan, track progress towards your financial goals, and update the plan accordingly. Our written financial plans typically contain a written summary of the client's financial situation, our observations regarding the same, and a set of recommendations for a course of action to be taken by the client with respect to the pertinent financial topics. For example, recommendations may be made that the client begin or revise certain investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education savings or charitable giving programs.

We will also provide you with ongoing advice with respect to common financial issues occurring throughout the term of our relationship which touch upon the topics addressed within your written financial plan. However, we reserve the right to charge additional fees for advice, investment research, due diligence, or other additional services requested by the client that we determine to be outside the scope of the engagement, or which believe will require substantial additional work on the part of our firm. We will automatically offer annual retainer clients the opportunity to renew their financial planning engagement on an annual basis.

- For one-time financial planning/topical consulting engagements, the client may select a discrete financial topic or topics upon which they would like to receive our

financial advice. One-time financial planning and consulting services are narrower in scope than annual retainer services and do not include comprehensive financial planning or ongoing services of any kind. We will deliver our recommendations in the form of a written financial report or checklist at the conclusion of the engagement summarizing our observations and recommended actions for the client to address the selected financial topics. Following delivery of this shorter financial report or checklist, no further update or review of the financial report or checklist or other advice is provided (unless specifically requested by the client and agreed to in writing by MSP) and the engagement is deemed to be concluded.

Financial planning and consulting is a non-discretionary service - you retain the sole discretion to accept or reject any of MSP's financial planning or consulting recommendations, in whole or in part, and to determine the service providers to be utilized for their implementation. You are also solely responsible for the implementation and monitoring of your investments. Upon request, we may assist you with implementation of our investment advice - additional fees may apply. Clients are never obligated to use our firm to implement any recommendations under this service and are never charged more than \$1,200, six (6) or more months in advance, for these services.

We may recommend the engagement of certain other professionals (attorneys, tax professionals, insurance agents, and others) to assist you in implementing our financial planning advice, including referrals to our affiliated accounting firm, Molatore, Scroggin, Peterson & Co. LLP ("Molatore CPAs") for accounting and/or tax advisory services. Clients are never obligated to engage Molatore CPAs for any services. Please see Item 10 for a discussion of the conflicts of interest that arise as a result of our policy of referring advisory clients to our affiliated accounting firm. We do not receive compensation or referral fees of any kind in connection with our recommendation of other professionals to advisory clients. You may elect to engage any recommended professional(s) at your own discretion and risk for additional fees to be negotiated independently with the chosen service provider. MSP does not provide legal or tax¹ advice of any kind.

D MSP Wrap Fee Program Disclosures

As described above, MSP offers its portfolio management services exclusively as part of the MSP Wrap Fee Program. We are the sponsor and a portfolio manager to the program.

The benefits you may experience under the MSP Wrap Fee Program depend, in part, upon the size of your account, the costs associated with managing your account, and the frequency and/or type of securities transactions executed in your account. For example, a wrap fee program may not be suitable for all accounts, including but not limited to accounts holding primarily, and for any substantial period of time, cash or cash equivalent investments, fixed income securities, or no-transaction-fee mutual funds, or any other type of security that can be traded without commissions or other transaction fees. In order to

¹ Clients who elect to independently engage our affiliated accounting firm, Molatore CPA, may receive tax advice subject to the terms of a written agreement with that firm.

evaluate whether the MSP Wrap Fee Program is appropriate for you, you should compare our Wrap Fee and any other costs associated with participating in the program with the amounts that would be charged to you for a similar suite of services by other investment advisors, broker-dealers, and custodians if advisory fees, brokerage and execution costs, and custodial services were to be charged to you separately.

When managing a client's account on a Wrap Fee basis, we are compensated for our investment advisory services with the balance of the Wrap Fee paid by you after certain custodial, trading, and other management costs incurred in your account are paid. This arrangement creates a conflict of interest, insofar as we have a financial incentive to maximize our compensation by seeking to reduce or minimize the total costs incurred in your account(s) subject to our Wrap Fee. For example, this arrangement creates an incentive for MSP to trade your account less frequently and to select investments which reduce our costs. To address the foregoing conflict of interest, we manage your account in strict accordance with your investment policy statement and our ongoing fiduciary duty to you.

Clients should further note that certain custodians, including those we recommend to clients, may not charge trading commissions or transaction fees in connection with the purchase of certain investments, which may include U.S. exchange listed equities, mutual funds, and exchange traded funds. We are always available to discuss the trade execution costs of the brokers we recommend so that our clients can better compare the total costs of participating in our wrap fee program. Ultimately, participation in the MSP Wrap Fee Program could cost you more or less than purchasing our investment advice and custody/brokerage services separately. MSP does not offer portfolio management services for an unbundled fee (*i.e.*, where the costs of investment advice are paid separate from brokerage and custodial fees).

Types of Investments Recommended

While we do not recommend one particular type of investment or asset class over any other, we primarily advise our clients regarding investments in equity securities, mutual funds, exchange traded funds ("ETFs"), corporate debt securities, the selection of appropriate independent third-party money managers ("TPMMs"), and variable products (life insurance and annuities). Depending on the client's financial circumstances, our investment advice may also concern other instruments, including, without limitation, municipal securities, exchange traded notes, Delaware statutory trusts, business development companies, non-traded real estate investment trusts, limited partnership interests and private equity investments, money market accounts, and U.S. government securities. We may also provide advice regarding investments held in the client's portfolio at the inception of our advisory relationship or advice concerning other investment instruments specifically requested by the client.

Please see Item 8 of this brochure or a description of the investment strategies we typically implement in client accounts.

E Assets Under Management

As of December 31, 2023, we manage approximately \$165,164,606 in regulatory assets under management on a discretionary basis and \$4,815,730 on a non-discretionary basis.

Item 5 – Fees and Compensation**A Our Fees**

The fees we charge clients for our services are described in this Item 5. All fees will be set forth in a written advisory agreement to be executed with the client prior to the commencement of any advisory services. While we believe our advisory fees to be reasonable in relation to the value of the services we provide, you are advised that lower fees for comparable services may be available from other sources. Our fees are negotiable, and we may enter into fee arrangements that are materially different than those described below.

Fees for MSP Wrap Fee Program Services. As described above, clients who engage us for MSP Wrap Fee Program Services are subject to a bundled Wrap Fee arrangement. Please see our Wrap Brochure for full details regarding the nature of our Wrap Fees.

Fees for Financial Planning Services. We charge hourly fees (typically ranging from \$150 to \$250 per hour) or fixed fees (typically ranging from \$1,500 to \$5,000) for our financial planning and consulting services. These fees are negotiable and the specific hourly rate or fixed fee applicable to your engagement will be determined prior to the commencement of our services based on our expectation of the complexity, time, research, and resources required to provide services to you, and any other factors we deem relevant. All fees for financial planning services are invoiced directly to the client either monthly or quarterly and are payable to us within thirty (30) days of invoicing, unless otherwise agreed in writing. For one-time financial planning and consulting engagements, full payment of any earned but unpaid fees is due and payable to MSP at the time of delivery of the written financial report or checklist to the client.

B Direct Deduction of Fees

MSP Wrap Fee Program Services. Our Wrap Fees for MSP Wrap Fee Program Services will be directly deducted from your account held at the Custodian. Please see our Wrap Brochure for full details regarding our policies for the direct deduction of Wrap Fees from client accounts.

Financial Planning and Consulting Services. Fees for Financial Planning and Consulting Services are directly invoiced in paper or electronic form to the client. Client may pay these fees by check or other form of payment deemed acceptable by MSP.

C Additional Fees and Expenses

MSP Wrap Fee Program Services. MSP's Wrap Fee covers the costs of our investment advice, together with certain custodial, trade execution, and other management costs incurred in connection with our management of the client's designated accounts. Separate and in addition to our Wrap Fee, the client shall be solely responsible to bear the costs of all internal management fees and other expenses that may be charged by mutual funds and/or ETFs to their shareholders.

Certain additional fees and costs may not be covered by our Wrap Fee, such as custodial costs related to certain alternative investments, and the costs of mark-ups, mark-downs, and spreads charged in connection with securities transactions. Please see our Wrap Brochure and the account opening documentation of your selected Custodian for full details regarding the additional fees and expenses which may not be covered by our Wrap Fee.

Financial Planning and Consulting Services. The hourly or fixed advisory fees we charge for financial planning and consulting services cover the costs of our investment advice only. You will separately bear all costs associated with the implementation and monitoring of your investments and accounts (*e.g.*, brokerage commissions, custodial, service, legal and/or accounting fees, mutual fund, exchange traded fund, and TPMM management fees and sales charges, wire transfer fees, taxes, and all other similar costs, expenses, and charges).

We do not share in any portion of the additional fees and expenses described above. To fully understand the total costs you will incur by engaging any of our services, you should review the prospectus of each mutual fund, ETF, and/or TPMM advisory program in which you participate and the contractual arrangement entered with your Custodian and any other third party service providers you elect to retain. For information on our brokerage practices, please refer to Item 12 of this brochure.

D Our Termination and Refund Policy

Any of our advisory services may be terminated at any time by either party, within five (5) business days of entering an advisory agreement, without penalty, and without the client incurring any advisory fees to MSP. Thereafter, any of our advisory services may be terminated by either party on ten (10) days' written notice to the non-terminating party. Termination of any separate TPMM engagements and refunds shall be governed by the terms of conditions of the client's agreement with the terminated TPMM.

Where we are compensated by means of an asset-based advisory fee (*e.g.*, our Wrap Fee), upon termination, we shall be compensated a pro-rated portion of such fee based on the number of days in the terminating period during which services were provided, with any excess pre-paid fees returned to the client promptly following termination.

Where we are compensated by means of hourly fees, all hourly fees incurred but not yet paid through termination shall become immediately due and payable to our firm, with any excess pre-paid fees returned to the client promptly following termination. Where we are compensated by means of fixed fees, we shall be compensated a pro-rated portion of the agreed upon fixed fee based upon our good faith estimate of the total percentage of work completed at the time of termination (which shall be final and binding on the client), with any remaining balance refunded to the client. We consider substantially all of our financial planning services to be complete upon our delivery of the written financial plan or report to the client. Accordingly, any refunds after delivery of your written financial plan or report will be nominal.

E Compensation for Sale of Securities or Insurance Products

Certain associated persons of MSP are independently licensed to sell insurance in one or more states acting as a direct agent representative of a specific insurance company or companies. Insurance related business may be transacted with advisory clients and licensed individuals may receive commissions from insurance products sold to clients. Clients are advised that the fees paid to MSP or its associated persons for investment advisory services are separate and distinct from any commissions earned by MSP or its associated persons for selling insurance products to clients. If requested by a client, we will disclose the amount of commissions expected to be paid.

The receipt of insurance related commissions by any individual associated with our firm presents a conflict of interest. As fiduciaries we must act primarily for the benefit of our investment advisory clients. As such, we will only transact insurance related business with clients when fully disclosed, suitable, and appropriate. Further, we must determine in good faith that any commissions paid to our associated persons are appropriate. Clients are informed that they are under no obligation to use any individual associated with our firm for the purchase of insurance products or services. Clients may use any insurance firm or agent they choose for purchase of these products and services. We encourage you to ask us about the conflicts of interest presented by the insurance licensing of our associated persons.

Rollover Recommendations

As part of our investment advisory services to you, we may recommend that you roll assets from your employer's retirement plan, such as a 401(k), 457, or ERISA 403(b) account (collectively, a "Plan Account"), to an individual retirement account, such as a SIMPLE IRA, SEP IRA, Traditional IRA, or Roth IRA (collectively, an "IRA Account") that we will manage on your behalf. We may also recommend rollovers from IRA Accounts to Plan Accounts, from Plan Accounts to Plan Accounts, and from IRA Accounts to IRA Accounts. When we provide any of the foregoing rollover recommendations we are acting as fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC"), as applicable, which are laws governing retirement accounts.

If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the advisory agreement you executed with our firm. This creates a conflict of interest because it creates a financial incentive for our firm to recommend the rollover to you (*i.e.*, receipt of additional fee-based compensation). You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm. Due to the foregoing conflict of interest, when we make rollover recommendations, we operate under a special rule that requires us to act in your best interests and not put our interests ahead of yours.

Under this special rule's provisions, we must:

- meet a professional standard of care when making investment recommendations (give prudent advice);
- never put our financial interests ahead of yours when making recommendations (give loyal advice);
- avoid misleading statements about conflicts of interest, fees, and investments;
- follow policies and procedures designed to ensure that we give advice that is in your best interests;
- charge no more than a reasonable fee for our services; and
- give you basic information about conflicts of interest.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of a rollover.

Note that an employee will typically have four options in this situation:

1. leaving the funds in your employer's (former employer's) plan;
2. moving the funds to a new employer's retirement plan;
3. cashing out and taking a taxable distribution from the plan; or
4. rolling the funds into an IRA rollover account.

Each of these options has positives and negatives. Because of that, along with the importance of understanding the differences between these types of accounts, we will provide you with a written explanation of the advantages and disadvantages of both account types and the basis for our belief that the rollover transaction we recommend is in your best interests.

As an alternative to providing you with a rollover recommendation, we may instead take an entirely educational approach in accordance with the U.S. Department of Labor's Interpretive Bulletin 96-1. Under this approach, our role will be limited only to providing you with general educational materials regarding the pros and cons of rollover transactions. We will make no recommendation to you regarding the prospective rollover of your assets

and you are advised to speak with your trusted tax and legal advisors with respect to rollover decisions. As part of this educational approach, we may provide you with materials discussing some or all of the following topics: the general pros and cons of rollover transactions; the benefits of retirement plan participation; the impact of pre-retirement withdrawals on retirement income; the investment options available inside your Plan Account; and high level discussion of general investment concepts (*e.g.*, risk versus return, the benefits of diversification and asset allocation, historical returns of certain asset classes, etc.). We may also provide you with questionnaires and/or interactive investment materials that may provide a means for you to independently determine your future retirement income needs and to assess the impact of different asset allocations on your retirement income. You will make the final rollover decision.

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

We do not charge any performance-based fees for our services or engage in side-by-side management of client accounts.

MSP and/or individuals associated with our firm may manage accounts which belong either to themselves, individually, or to their family or their affiliates (collectively, “Proprietary Accounts”) while simultaneously managing client accounts. It is possible that orders for Proprietary Accounts may be entered simultaneously (but typically only as part of a block trade) with or opposite to orders for client accounts, pursuant to, for instance, a neutral allocation system, a different trading strategy, or trading at a different risk level. The management of any Proprietary Account is subject to our Code of Ethics and the duty of our firm and its personnel to exercise good faith and fairness in all matters affecting client accounts. Please see Item 11 for more information.

Item 7 – Types of Clients

We typically provide investment advice to individuals, high net worth individuals, trusts, partnerships, corporations, and other business entities. Because each client is unique, they must be willing to be involved in the planning and ongoing processes of our management of their account. Such involvement does not have to be time consuming, however we want our clients to remain informed and have a sense of security about their investments.

We do not require any minimum account size to engage our services.

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

A Our Methods of Analysis and Investment Strategies

The types of investments we typically recommend are discussed in Item 4 of this brochure.

We may use some or all of the following *methods of analysis* in providing investment advice to you:

Fundamental Analysis. In using fundamental analysis, we attempt to determine the intrinsic value of target securities through a review of, among other things, company specific financial disclosures, the strength and track record of management personnel, industry sector financial health, and at a macro level, the overall direction of the economy at large. We use this information as a basis to determine if such securities are underpriced or overpriced relative to current market prices and then to make a buy or sell recommendation to you.

Relying on this type of analysis leaves open the risk that the price of a security may move along with the overall direction of the market, irrespective of the economic and financial factors which may have indicated that an opposite movement would have been expected. The main sources of information we rely upon when researching and analyzing securities using fundamental analysis include research materials prepared by others, annual reports, corporate rating services, prospectuses, and company press releases.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company or security. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of overall market movement.

Asset Allocation. Rather than focusing on selecting the particular securities or other assets to invest for your account, we attempt to identify an appropriate ratio of various types of investments (for example, stocks, fixed income, and cash) suitable to investment goals, time horizon, and risk tolerance. A risk of asset allocation is that you may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate to meet with your investment goals.

Mutual Fund and ETF Selection and Analysis. We evaluate and select mutual funds and/or ETFs for your account based on several factors which may include, without limitation, (1) the experience and track record of the underlying portfolio manager(s), (2) the performance of the mutual fund or ETF over time and through various market conditions; (3) expected market conditions that might impact the underlying holdings of the mutual fund or ETF or applicable market sector; and (4) whether and to what extent the underlying holdings of the mutual fund or ETF overlap with other assets held in your account. We also monitor the mutual fund or ETF in an attempt to determine if the fund is continuing to follow its stated investment strategy.

A risk of mutual funds and ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A fund manager's past track record of success cannot be relied upon as a predictor of success in the future. In addition, the underlying holdings of the fund are determined by independent fund managers and may change overtime without advance warning, creating the potential for overlap with other

investments held in your account. This increase in the correlation of your holdings will increase the risk of loss where the value of any overlapping holdings should decrease. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the mutual fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

TPMM Selection and Analysis. This is the analysis of the experience, investment philosophies, and past performance of independent TPMMs in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. Key factors we consider when evaluating TPMMs are their investment process and philosophy, risk management methods and procedures, historical performance, investment strategy and style, fees and operating expenses, assets under management and number of clients, and tax-efficiencies. Our evaluation may also incorporate both qualitative and quantitative fundamental analysis to validate and confirm a TPMM's investment style and skill, as well as to compare them to other managers of similar style. We may utilize various research databases, proprietary models, financial periodicals, prospectuses and filings with the SEC, industry contacts and manager data, among other items, as part of the research process. Monitoring the TPMM's underlying holdings, strategies, concentrations, and leverage as part of our overall periodic risk assessment completes the analysis. As part of the due-diligence process, the TPMM's compliance and business enterprise risks may be surveyed and reviewed.

Methods of analysis such as charting, fundamental, technical, or cyclical analysis may be used by the TPMMs we help select or recommend to clients. Please refer to the disclosure brochure of the TPMM for more information.

We typically use the following investment strategies in managing client accounts:

Long-term Purchases. We may take a long term, passive, "buy and hold" approach to investing client assets. In this type of investment strategy, we suggest the purchase of securities with the idea of holding them in a portfolio for a year or longer. Typically, we employ this strategy when (1) we believe the securities to be currently undervalued, and/or (2) we want the portfolio to have exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the recommendation to sell.

Short-term Purchases. When utilizing this strategy, we may suggest the purchase of securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we recommend for purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Trading. A trading program rather than an investment program may not be suitable for all clients. “Trading” refers to purchasing and selling securities on a short-term basis with the intention of achieving quick profits. Trading is, by definition, a form of speculating as distinguished from investing.

A trading strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains. For these reasons, we will use trading strategies only in client accounts we believe will benefit from the strategy and which can assume the increased risk of loss.

B Summary of Investment Risks

We use our best judgment and good faith efforts in rendering investment advice to our clients. We cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Not every investment recommendation we make will be profitable. **Investing in securities involves risk of loss that clients should be prepared to bear.** You assume all market risk involved in the investment of your account assets. Investments are subject to various market, currency, economic, political, and business risks.

C Risks Related to the Securities and Strategies We May Recommend

While all investing involves risks and losses can and will occur, we generally recommend a broad and diversified allocation of mutual funds and other securities intended to reduce the specific risks associated with a concentrated or undiversified portfolio. Nonetheless, you should consider the following high-level summary of investment risks. **This list is not intended to be an exhaustive description of all risks you may encounter in engaging our firm for advisory services. We encourage you to inquire with us frequently about the risks related to any investments in your account.**

Risk of Loss. Securities investments are not guaranteed, and you may lose money on your investments. As with any investment manager that invests in common stocks and other equity securities, our investment recommendations are subject to market risk—the possibility that securities prices will decline over short or extended periods of time. As a result, the value of your account(s) will fluctuate with the market, and you could lose money

over short or long periods of time. You should recognize whenever you determine to invest in the securities markets your entire investment is at risk. Clients should not invest money if they are unable to bear the risk of total loss of their investments.

Economic Risk. The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

Financial Risk. Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many of the dot com companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

Market Risk. The value of your portfolio may decrease if the value of an individual company or multiple companies in the portfolio decreases or if our belief about a company's intrinsic worth is incorrect. Further, regardless of how well individual companies perform, the value of your portfolio could also decrease if there are deteriorating economic or market conditions. It is important to understand that the value of your investment may fall, sometimes sharply, in response to changes in the market, and you could lose money. Investment risks include price risk as may be observed by a drop in a security's price due to company specific events (*e.g.*, earnings disappointment or downgrade in the rating of a bond) or general market risk (*e.g.*, such as a "bear" market when stock values fall in general). For fixed-income securities, a period of rising interest rates could erode the value of a bond since bond values generally fall as bond yields go up. Past performance is not a guarantee of future returns.

TPMM Risks. A TPMM's past track record of success cannot be relied upon as a predictor of success in the future. In addition, the underlying holdings of your TPMM account(s) are determined by TPMM directly, and may change overtime without advance warning to our firm, creating the potential for overlap with other investments held in your account. This increase in the correlation of your holdings will increase the risk of loss where the value of any overlapping holdings should decrease. There is also a risk that a TPMM may deviate from the stated investment mandate or strategy of the account, which could make the holding(s) less suitable for the client's portfolio. We do not control any TPMM's daily business and compliance operations, and thus our firm may be unaware of any lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risks Related to Analysis Methods. Our analysis of securities relies in part on the assumption that the issuers whose securities we recommend for purchase and sale, the rating

agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate 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 or misleading information.

Securities Transactions at the Direction of Clients. Irrespective of whether you engage us on a discretionary or non-discretionary basis, you always maintain the concurrent ability to direct transactions within your accounts held at the Custodian. We are not responsible for the consequences of your self-directed investment decisions or the costs and fees they generate within your account.

Interim Changes in Client Risk Tolerance and Financial Outlook. The particular investments recommended by our firm are based solely upon the investment objectives and financial circumstances disclosed to us by the client. While we strive to meet with clients at regular intervals (at least annually, unless otherwise agreed, either in person, telephonically, or by electronic means) to discuss any changes in the client's financial circumstances, the lack of constant and continuous communication presents a risk insofar as your liquidity, net worth, risk tolerance and/or investment goals could change abruptly, with no advance notice to our firm, resulting in a mis-aligned investment portfolio and the potential for losses or other negative financial consequences.

It is your continuing and exclusive responsibility to give us complete information and to notify us of any changes in your financial circumstances, income level, investment goals or employment status. We encourage you to contact us regularly and promptly to discuss any such changes.

Item 9 – Disciplinary Information

MSP is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. No principal or person associated with our firm has any information to disclose which is applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

A Registration as a Broker-Dealer or Registered Representative of a Broker-Dealer

Neither MSP, nor its associated persons, are or intend to become registered as a broker-dealer or registered representative of a broker-dealer.

B Futures or Commodities Registration

Neither MSP, nor its associated persons, are or intend to become registered as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of any of the foregoing.

C Other Material Relationships

Certain principals and associated persons of MSP are also principals and/or associated persons of Molatore, Scroggin, Peterson & Co. LLP (*i.e.*, “Molatore CPAs”), where they may provide accounting and/or tax advisory services and are paid separate compensation. Molatore CPAs typically recommends MSP to its accounting clients in need of investment advisory services. Conversely, MSP typically recommends Molatore CPAs to advisory clients in need of accounting and/or tax advisory services. Accounting and tax advisory services provided by Molatore CPAs are separate and distinct from MSP’s advisory services and are provided to clients for typical compensation that is separate and distinct from MSP’s advisory fees. MSP clients are never obligated to engage Molatore CPAs for any accounting or tax advisory services and conversely, no accounting client is obligated to use the advisory services of MSP.

Clients should be aware that the foregoing referral arrangements with our affiliate, Molatore CPAs, creates a conflict of interest that may impair the objectivity of our firm and our personnel when making advisory recommendations. MSP endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment advisor and discloses the potential for our firm and our employees to earn compensation (in the form of accounting fees) from advisory clients in addition to our firm’s advisory fees. We do not pay or receive any compensation as a result of the foregoing referral relationship with our affiliate, Molatore CPAs.

D Recommendation of Other Advisors

While MSP may recommend or allocate a client’s asset to certain TPMMs, we do not receive any referral fees or similar compensation, either directly or indirectly, in connection with such recommendations or allocations. We do not act as a solicitor for any TPMM.

Except for certain benefits we receive from the custodian we recommend to clients as outlined in Item 12 of this brochure, we do not receive any additional compensation or benefits, either directly or indirectly, in connection with referrals of our clients to any broker-dealers, custodians, attorneys, tax advisors, accountants, or any other third-parties. We will only recommend and refer third-party providers to you when we believe such recommendations to be in your best interests. Clients are never obligated to engage any third-party we recommend by MSP and elect to do so at their sole discretion and risk.

Item 11 – Code of Ethics; Participation or Interest in Client Transaction & Personal Trading**A Our Code of Ethics**

We subscribe to an ethical and high standard of conduct in all our business activity in order to fulfill the fiduciary duty we owe to our clients. Included in these ethical obligations is the duty to put our client’s interests ahead of our own along with duties of loyalty, fairness, and good faith towards our clients. We disclose to clients material conflicts of interest

which could reasonably be expected to impair our rendering of unbiased and objective advice.

MSP has a Code of Ethics (“Code”) which all employees are required to follow. The Code outlines proper conduct related to all services provided to clients and will be made available to you, free of charge, upon request by contacting us at the phone number listed on the cover page of this brochure. Prompt reporting of internal violations is mandatory. MSP’s Chief Compliance Officer and/or an appropriate designee evaluates employee performance to ensure compliance with our Code.

Designed to prevent conflicts of interest between the financial interests of clients and the interests of the firm and its staff, the Code requires, among other procedures, our “access persons” to report their personal securities transactions quarterly and to report all securities positions in which they have a beneficial interest at least annually. These reporting requirements allow supervisors at the firm to determine whether to allow or prohibit certain employee securities purchases and sales based on transactions made, or anticipated to be made, in the same securities which may be purchased or sold for client accounts. The Code is required to be reviewed annually and updated as necessary.

B-D Material/Proprietary Interests in Securities Recommended to Clients.

Our firm and individuals associated with our firm do not have any proprietary or material interests in or any role in the management of any companies or investments that we recommend to our clients.

Personal Trading; Participation or Interest in Client Transactions

As described in Item 6 of this firm brochure, MSP and/or individuals associated with our firm may manage Proprietary Accounts. Proprietary Accounts may buy and sell some the same securities as we buy or sell for client accounts. This practice creates an actual conflict of interest with our clients insofar as our firm or individuals associated with our firm may have a financial incentive to trade in securities for Proprietary Accounts in advance of or opposite to transactions in the same securities for client accounts. To address this conflict, our policy is that, assuming the purchase or sale is otherwise appropriate for the subject client accounts, we will purchase or sell securities for our clients’ accounts, as the case may be, before purchasing or selling any of the same securities for any Proprietary Accounts. In some cases, we may buy or sell securities for our own account for reasons not related to the strategies adopted by our clients. The only exception to this general rule is where our Proprietary Accounts may participate in an aggregate (“block”) trade simultaneously with client accounts.

In summary, our practice of buying and selling for Proprietary Accounts the same securities that we buy or sell for client accounts is restricted by the following controls:

- We are required to uphold our fiduciary duty to our clients;

- We are prohibited from misusing information about our clients' securities holdings or transactions to gain any undue advantage for ourselves or others;
- We are prohibited from buying or selling any security that we are currently recommending for client accounts, unless we participate in an aggregated trade with clients, or unless we place our orders after client orders have been executed; and
- We are required to periodically report our securities holdings and transactions to the firm's Chief Compliance Officer, who must review those reports for improper trades.

We act in a fiduciary capacity. If a conflict of interest arises between us and you, we shall make every effort to resolve the conflict in your favor. Conflicts of interest may also arise in the allocation of investment opportunities among the accounts that we advise. We will seek to allocate investment opportunities according to what we believe is appropriate for each account. We strive to do what is equitable and in the best interest of all the accounts we advise.

We will disclose to advisory clients any material conflict of interest relating to us, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

Item 12 – Brokerage Practices

A **Recommendation of Broker-Dealers**

Clients maintain the discretion to select the Custodian(s) to be used for custody of their assets and for the execution of transactions within their account(s). Clients engage their desired Custodian(s) by executing the appropriate account opening documentation of the Custodian(s), and in doing so, authorize our firm to direct the execution of transactions for the client's account through such Custodian(s).

As of the date of this brochure, we typically recommend that clients engage the custodial and trade execution services of Charles Schwab & Company, Inc. ("Schwab"). Schwab is an SEC registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). Conflicts of interest associated with our recommendation of any Recommended Custodians are described below as well as in Item 14 of this brochure. You should consider these conflicts of interest when selecting your custodian.

We are not affiliated with Schwab and Schwab does not monitor or control the activities of our firm or its personnel. Schwab will act solely as a custodian and/or broker-dealer and not as your investment advisor. They will hold your assets in your name in a brokerage account or accounts and buy and sell securities and execute other transactions when instructed to do so by you or MSP.

Best Execution

In recommending broker-dealers to clients, we have an obligation to seek the “*best execution*” of transactions for your account. This duty requires that we seek to execute securities transactions for clients such that the total costs or proceeds in each transaction are the most favorable under the circumstances. The determinative factor in the analysis of best execution is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the recommended broker-dealer’s services. The factors we consider when evaluating a broker-dealer for best execution include, without limitation, the broker-dealer’s:

- execution capability;
- commission rates;
- financial responsibility;
- responsiveness and customer service;
- custodial capabilities;
- research services/ancillary brokerage services provided; and
- any other factors that we consider relevant.

Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for specific account transactions. With this in consideration, our firm will continue to recommend the Recommended Custodians until their services do not result, in our opinion, in best execution of client transactions.

Directed Brokerage

If the client selects a Custodian other than those we recommend (*i.e.*, Schwab) for execution of transactions (*i.e.*, client directed brokerage), you are advised that we may be unable to seek best execution of your transactions and the costs you will incur may be higher than those charged by Schwab. For example, in a directed brokerage account, you may pay higher brokerage commissions and/or receive less favorable prices on the underlying securities purchased or sold for your account because we may not be able to aggregate your order with the orders of other clients. In addition, where you direct brokerage, we may place orders for your transactions after we place transactions for clients using Schwab. We reserve the right to reject your request to use a particular Custodian if such selection would frustrate our management of your account, or for any other reason.

Soft Dollars

The Custodian(s) we recommend to you (including Schwab) may provide us with certain brokerage and research products and services that qualify as “brokerage or research services” under Section 28(e) of the Securities Exchange Act of 1934 (“Exchange Act”). This is commonly referred to a “*soft dollar*” arrangement. These research products and/or services will assist us in our investment decision making process. Such research generally will be used to service all of our client accounts, but brokerage charges and similar fees paid by the client may be used to pay for research that is not used in managing that specific

client's account. Your account may pay Schwab a charge greater than another qualified broker-dealer might charge to affect the same transaction where we determine in good faith that the charge is reasonable in relation to the value of the brokerage and research services received.

Benefits Received from Schwab

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like ours. They provide our firm and clients with access to its institutional brokerage – trading, custody, reporting, and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help manage or administer our client accounts while others help manage and grow our business. Schwab's support services are generally available on an unsolicited basis (our firm does not have to request them) and at no charge as long as our firm keeps a specific amount of client assets in accounts at Schwab. If our firm has less than this amount of client assets at Schwab, our firm may be charged quarterly service fees.

Here is a more detailed description of Schwab's support services:

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which our firm might not otherwise have access or that would require a significantly higher minimum initial investment by firm clients. Schwab's services described in this paragraph generally benefit clients and their accounts.

Schwab also makes available other products and services that benefit our firm but may not directly benefit clients or their accounts. These products and services assist in managing and administering our client accounts. They include investment research, both Schwab's and that of third parties. This research may be used to service all or some substantial number of client accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocate aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitates payment of our fees from our clients' accounts; and
- assists with back-office functions, recordkeeping, and client reporting.

Schwab also offers other services intended to help manage and further develop our business enterprise. These services include:

- educational conferences and events;

- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, Schwab will arrange for third-party vendors to provide the services to our firm. Schwab may also discount or waive fees for some of these services or pay all or a part of a third-party's fees. Schwab may also provide our firm with other benefits, such as occasional business entertainment for our personnel. If you did not maintain your account with Schwab, we would be required to pay for these services from our own resources.

Conflicts of Interest Related to Benefits Received from Schwab

Irrespective of any direct or indirect benefits received by our clients through our relationship with Schwab, our firm always strives to enhance the client experience, help clients reach their goals, and puts client interests before that of our firm or its associated persons.

Clients are advised that as a result of receiving the services and benefits discussed above for no additional cost (or discounted cost), we may have an incentive to continue to recommend, use, or expand our use of Schwab's custodial and execution services. Our firm examined this potential conflict of interest when we chose to enter into our relationship with Schwab and we have determined that these relationships are in the best interest of our firm's clients and satisfies our client obligations, including our duty to seek best execution.

Other than the services described above, MSP and its representatives do not direct transactions and the commissions they generate (soft dollars) to brokerage firms or other parties to receive research or other benefits.

MSP does not process transactions through any Custodian in return for referrals of advisory clients.

B Trade Aggregation

We may aggregate client orders, so long as it is done for purposes of achieving best execution, and so long as no client is systematically advantaged or disadvantaged. Before aggregating client orders, we document the participating accounts and the allocation instructions. We submit allocation instructions to the broker-dealer before the market closes on the day of the order. We allocate aggregated orders to client accounts at the average price obtained. We allocate partially filled orders pro rata based on the size of the order placed by each account. If we judge that we cannot or should not allocate a partially filled order pro rata (e.g., if the quantity of securities obtained is too small or would not have a material impact if distributed among each account), then we apply the following procedures:

- We allocate the order to client accounts only (*i.e.*, no employees that participated in the order may receive any allocation); and
- We document our allocation decision.

Item 13 – Review of Accounts

A Account Review Policy

MSP Wrap Fee Program Services. Client accounts are typically reviewed by the investment advisor representative and/or portfolio manager who is primarily responsible for managing the client's account. However, individuals conducting reviews may vary from time to time, as personnel join or leave our firm. The frequency of reviews is determined based on each client's investment objectives and investment profile. Accounts are generally reviewed quarterly, but in any event, no less than annually.

Financial Planning and Consulting Services. Annual retainer financial planning and consulting clients receive comprehensive, written financial plans that are formally reviewed and updated annually. Our investment advisor representatives conduct these reviews in person, over the phone, and/or via the internet. One-time financial planning and consulting clients do not receive updates or account reviews following delivery of our written investment recommendations unless the client specifically requests such review, MSP agrees to the additional review in writing, and the client pays an additional advisory fee.

B More Frequent Account Reviews

More frequent reviews of accounts may be triggered by a change in client's investment objectives; risk/return profile; tax considerations; contributions and/or withdrawals; large sales or purchases; security specific events; or changes in the economy more generally.

C Reporting to Clients

Clients will receive trade confirmations and standard account statements from the Custodian selected by the client no less than quarterly. We will provide you with independently prepared written reports as you may reasonably request. Reports we provide to you will contain relevant account and/or market-related information such as an inventory of account holdings and account performance, as examples.

Item 14 – Client Referrals and Other Compensation

A Additional Compensation

As discussed in Item 5, certain associated persons of MSP may receive additional compensation as a result of their status as licensed insurance agents. If a client decides to purchase an insurance product through any of these persons outside of the client's advisory

relationship with MSP, this relationship constitutes a conflict of interest. When this occurs, such compensation will be disclosed to the client for their evaluation. Clients are under no obligation to purchase insurance products from any of our associated persons.

As referenced in Item 12 above, Schwab provides services and products to MSP without cost or at a discount that we may use to service some or all of our client accounts. They may also provide services and products to MSP which are to MSP's exclusive benefit. We may enter into similar arrangements with other broker-dealers and custodians we recommend to clients in the future. As part of its fiduciary duties to clients, MSP endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by our firm and/or our associated persons in and of itself creates a potential conflict of interest and may indirectly influence our decision to recommend certain Custodians (including Schwab) to clients for custody and trade execution services.

B Compensation Paid or Received for Client Referrals

We have no arrangements, written or oral, in which we compensate others or are compensated by others for client referrals.

Item 15 – Custody

All client funds and securities on which we advise are held in accounts titled in the client's name maintained by an independent qualified custodian (typically, Schwab). For MSP Wrap Fee Program clients, the Custodian will be authorized to execute trades within the client's account upon our instructions, acting within the scope of the authority granted to us in our written advisory agreement with the client and the Custodian's account opening documentation.

Where we directly debit our advisory fees from your account held at the custodian, the custodian will independently send you an account statement at least quarterly identifying the amount of funds and each security in your account at the end of the period and setting forth all transactions in your account during the period, including the amount of any fees paid to us. Your Custodian is not responsible for verifying the accuracy of our fee calculations. *Therefore, we encourage you to review the Custodian's account statements carefully upon receipt.* If you believe our fees have been miscalculated or if you have any other questions related to your account, you should contact us immediately at the phone number listed on the cover page of this brochure.

Item 16 – Investment Discretion

When you participate in the MSP Wrap Fee Program, you will have the option to grant us ongoing and continuous discretionary authority to execute our investment recommendations within your account(s) held at the Custodian without obtaining your approval for each specific transaction. Our discretionary shall also extend to allow us to retain and terminate TPMMs on your behalf without obtaining your approval of each specific transaction. Our discretionary management of your account will be conducted in strict accordance with your investment policy statement (or similar document used to establish each client's objectives and suitability). Alternatively, you may

elect to enter into a *non-discretionary* arrangement with MSP, requiring that we obtain your consent prior to implementing any investments or retaining or terminating any TPMMs for management of your account. You will have the opportunity to make this election in the written investment advisory agreement you will enter with our firm prior to the commencement of our services.

Except for direct deductions of its advisory fees or where otherwise authorized in writing by the client, MSP will not be permitted to initiate transfers of funds in or out of client accounts.

Item 17 – Voting Client Securities

- A** We will not vote proxies on behalf of clients and will not provide advice to clients on how the client should vote.
- B** We do not have or accept authority to vote client securities. Most clients will receive proxies and other solicitations directly from the custodian or transfer agent. If any proxy materials are received on behalf of a client, they will be sent directly to the client or a designated representative of the client, who is responsible to vote the proxy.

Security Claims Class Action Litigation

MSP has engaged an independent third-party service provider, Chicago Clearing Corporation (“CCC”), to monitor and file securities claims class action litigation paperwork with claims administrators on behalf of our firm’s portfolio management clients. MSP does not receive any fees or remuneration in connection with this service, nor does it receive any fees from the third-party provider(s). CCC earns a fee based on a flat percentage (typically 15%) of all claims it collects on behalf of MSP’s clients. This fee is collected and retained by CCC out of the claims paid by the claim administrator.

Clients are advised that it may be necessary to share client information, such as your name and account number, with CCC in connection with this service. *All clients who engage MSP for portfolio management services under the MSP Wrap Fee Program are automatically enrolled in this service, unless they elect to opt-out.* You may opt-out of this service at any time by notifying us in writing. If a client opts out, MSP does not have an obligation to advise or take any action on behalf of a client with regard to class action litigation involving investments held in or formerly held in a client’s account. We have the right to change the provider of this service at our sole discretion. If we do so, we will notify you and send you another opt-out election form.

Because we are providing this service through CCC, we no longer monitor class action suits or process claim forms on your behalf (whether or not you participate in the service CCC provides). We are not responsible or liable for: (a) any assistance we provide to CCC concerning monitoring or processing class action claims or (b) any CCC act in monitoring or processing such claims.

Item 18 – Financial Information

- A** MSP does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.
- B** Advisors who have discretionary authority over client accounts, custody of client assets, or who require or solicit pre-payment of more than \$1,200 in fee per client, six months or more in advance, are required to disclose any financial condition that is reasonably likely to impair their ability to meet contractual commitments to clients. MSP maintains discretionary authority over client funds and securities. We have no financial commitments that would impair our ability to meet contractual and fiduciary commitments to our clients.
- C** Neither MSP nor any of its principals, have been the subject of a bankruptcy petition at any time in the past.