

Conflicts of Interest Disclosure

World Capital Brokerage, Inc. ("WCB") is a registered Broker/Dealer with FINRA. WCB is registered to transact business as a; Broker or dealer retailing corporate equity securities over-the-counter, Broker or dealer retailing corporate equity securities over-the-counter, Underwriter or selling group participant (corporate securities other than mutual funds), Mutual fund underwriter or sponsor, Mutual fund retailer, Municipal securities broker, Broker or dealer selling variable life insurance or annuities, Put and call broker or dealer or option writer, and Private placement of securities.

Investment Research Corporation ("IRC") is a registered investment adviser with the Securities and Exchange Commission.

Some of WCB's Registered Representatives ("RR") are also licensed with IRC as Investment Advisor Representatives ("IAR"). There are distinct differences that your RR/IARs are required to disclose to you when choosing between a Brokerage and Advisory account as well as differences in the type and level of service and fees charged between the two types of accounts. Please take time to understand these differences and ask any questions you have so that you may have a full understanding of these account types prior to signing account paperwork.

As with all Broker/Dealers and Registered Investment Advisors, WCB/IRC and its RR/IAR's can only sell products with whom they have written agreements to do so. Other Broker/Dealers and Registered Investment Advisors may offer products that WCB/IRC do not which may be at a higher or lower cost to you. Likewise, products may also be offered at different rates between WCB and IRC. The term Registered Representative is a term used to describe two types of licensed representatives. Series Six licenses allow representatives to sell items such as mutual funds and variable annuities whereas Series Seven licensed representatives can also sell items such as individual stocks and place Put and Call orders.

Like all other Broker/Dealers and Registered Investment Advisors, WCB/IRC has some conflicts of interest. This document addresses some of the conflicts that you may encounter (depending on what type of account you have and what types of security products are in those account, what services are rendered et al.) Thusly, not all conflicts discussed in this document will apply to your circumstances. ***If you have any questions, please feel free to contact us at 888-742-0631.***

WCB/IRC and its RR/IARs are *either* compensated directly by customers, or indirectly from the investments made by customers. WCB and its RRs can get paid an upfront commission at the time of the transaction, and/or ongoing compensation, typically called a trail payment, depending on how long a customer holds an investment. If WCB and its RRs are paid an upfront commission, it means that the more transactions a customer makes, the more we are paid. The amount WCB and its RRs receives varies depending on the particular type of investment a customer makes. IRC and its IARs generally collect a fee based on the assets under management. This fee is a mutually agreed upon percentage that is collected quarterly. Generally, IARs offer a higher level of service in that they are required to review your account quarterly whereas an RR is required to review your account annually.

For example, if you own a mutual fund and do not plan to buy or sell, then a brokerage account may be less expensive and may be the right choice for you. However, if you plan to make multiple buys and/or sells or are investing in higher risk investments, you may want to consider an advisory account. The compensation described in this document represents the maximum gain or profit we receive on an investment, before subtraction of any expenses.

Perhaps the most common conflict of interest revolves around **Commissions and Sales Charges**. WCB receives upfront commissions when it executes transactions that results in the purchase or sale of a security. A

commission, which also may be called a “sales load” or “sales charge”, is typically paid upfront, can reduce the amount available to invest, can be charged directly against an investment and is often based on the amount of assets invested. WCB receives a portion of the sales charge or commission and then distributes the remaining portion to your RR (unless you have a house account). Commissions vary from product to product. *Although RRs are not allowed to factor in how much they will, or will not make, on your purchases or sales, it may still create an incentive to sell a higher commission security rather than a lower commission security.* For more information about the commissions that apply to a particular transaction, please refer to the applicable prospectus or other offering document and/or transaction statement. Typically, you would see a maximum sales charge on a mutual fund or 529 plan of 5.75% although it may be higher. Annuities vary between the type of annuity but typically are about 5.5%. Alternatively, IRC and their IARs receive a portion of the assets they manage for you. This may create the incentive to sell you more of a product than makes sense for you to purchase *and also* may create the incentive to try and keep you invested more/longer than you need to be. For more information regarding these charges please contact your RR/IAR or WCB/IRC at 888-742-0631.

Share Classes, often referred to as Class A shares, pay an upfront sales charge and an ongoing trail. For other mutual fund share classes, often titled Class C shares, there is no upfront sale charge paid, however, there is an ongoing trail payment and a contingent deferred sales charge to the investor if there is a redemption within a certain period of time after purchase. Depending on the length of the holding period for the mutual fund or 529, and other factors, one share class may be less expensive to the investor than another, and WCB and their Registered Representatives may earn more or less in compensation for one share class than another. *We strongly recommend reviewing your share class options thoroughly and asking questions so that you have a full understanding regarding share class selection before making any mutual fund or 529 plan purchase with your financial and tax representatives.*

Additionally, although not a conflict of interest, sometimes you may incur Direct Fees or Charges on your account. Different types of accounts can be charged different fees directly to your account. Fees you may encounter include fees to process a transaction, transfer an account or to maintain your retirement account. For more information regarding direct fees and charges please contact your RR/IAR or WCB/IRC at 888-742-0631.

Linked closely to Commissions and Sales Charges is **Ongoing Compensation** which also is a potential conflict of interest. Again, RR/IARs are not allowed to factor in how much they will, or will not make, on your purchases or sales, nevertheless, this item could theoretically influence sales as it provides ongoing revenue to WCB/IAR and your RR/IAR (if you have one). WCB receives trail fees or 12b-1 fees which are typically paid from the assets of the investment under a distribution or servicing arrangement with the investment sponsor, is calculated as an annual percentage of invested assets, and is shared between WCB and your RR. Information on these fees can be found in the documents provided to you such as prospectuses. Mutual Funds and 529 Plans ongoing compensation vary between classes but typically range from 0.25% to 1%. Trail commission from a variable annuity issuer depend on the agreement between WCB and the issuer, as well as the type of policy purchased. The maximum trailing commission for annuities is typically 1.5%. Alternative investment products typically change annual fees of up to 2%.

There are **Other Fees and Compensation** that could create a conflict of interest:

If you have a Corestone account, similar to Direct Fees and Charges discussed above, you may incur annual and other fees as discussed in the application disclosure. However, WCB/IRC may receive a nominal fee of about \$2.50 a month per account. Although this perhaps is a minimal fee, it nevertheless could represent a conflict of interest.

If a customer holds an account with WCB/IRC, WCB/IRC offers a service to sweep cash held within accounts into an interest-bearing FDIC insured cash account ("ICA") or money market funds. For ICA, under its agreement with the bank in which WCB/IRC deposits customer cash, WCB/IRC receives a fee from the banks equal to a percentage of the average daily deposit balance in the ICA.

WCB/IRC, their associates and RR/IARs may receive non-cash compensation that is not in connection with any particular customer. Compensation includes such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings, workshops or events, or marketing or advertising initiatives. *WCB associates and RR/IARs are not allowed to participate in sales contests that promote any specific product or product type.*

WCB provides underwriting and distribution services to a mutual fund, American Growth Fund, Inc. As compensation for these services, WCB receives fees which are detailed in the Fund's Shareholder Reports. IRC provides advisory services for the same mutual fund family. As compensation for these services, IRC also receives fees which are detailed in the Fund's Shareholder Reports. These reports are available on the Fund's website, www.americangrowthfund.com or by calling 800-525-2406.

WCB/IRC offers customers the ability to purchase securities on credit, also known as Margin Purchases. When a customer purchases securities on margin WCB/IRC extends a line of credit to the customer and charges interest on the margin balance. WCB/IRC has a financial incentive to encourage margin borrowing because WCB/IRC and RR/IARs earn compensation in the form of interest, transaction charges and other fees on investments made with borrowed amounts. That financial incentive creates a conflict of interest insofar as WCB/IRC and its RR/IARs benefit from your decision to borrow and incur the various fees and interest described above. If contemplating use of margin, please consult the Margin Agreement, available by calling 888-742-0631, and related disclosures for additional details.

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

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

WCB/IRC does not generally offer a RR/IAR a percentage commission scale as it may present an incentive to the RR/IAR to sell more securities. There are no incentives offered to sell any type of security, to sell any particular product or to sell any company's product. WCB does not have a preferred list of products to sell. Nevertheless, a commission scale may create a conflict of interest.

<https://brokercheck.finra.org/> contains information regarding what license(s) your RR holds (along with other important information). <https://adviserinfo.sec.gov/> contains information regarding what license(s) your IAR holds (along with other important information).

If you have any questions regarding this disclosure document, we encourage you to contact your RR/IAR, or alternately, WCB/IRC at 888-742-0631.