

REGULATION BEST INTEREST DISCLOSURE STATEMENT

Gilder Gagnon Howe & Co. LLC (“GGHC” or the “Firm”) is registered with the Securities and Exchange Commission (“SEC”) as an investment adviser and broker-dealer and is a member of the Financial Industry Regulatory Authority (“FINRA”). Brokerage and investment advisory services and fees differ and it is important for you to understand the differences. The best solution for you will depend on your individual situation, circumstances, and preferences. Please refer to our Form CRS Relationship Summary, available at <https://bit.ly/gghc-crs>, for a summary of types of, and key differences between, the investment advisory and broker-dealer services we offer.

There are key differences between broker-dealer and investment adviser standards of conduct that you should be aware of. For example, investment advisers are subject to a fiduciary duty and generally obligated to provide ongoing advice and monitoring, while broker-dealers are subject to no such duty under federal securities laws (unless they voluntarily agree to such a duty). Instead, broker-dealers must act in your best only at the time a recommendation is made under the SEC’s Regulation Best Interest (“Reg BI”).

This document is designed to provide important information related to your GGHC **brokerage account** only. We sometimes refer to your brokerage account as your “non-discretionary” account. For more information regarding our advisory services, please view our Form ADV Part 2A brochure (“Brochure”), available at <http://bit.ly/gghc-adv>.

I. SCOPE AND TERMS OF OUR BROKERAGE SERVICES

We offer brokerage services to retail customers only as an accommodation to our advisory clients, meaning that you can only open a GGHC brokerage account if you already have a GGHC advisory account and if we grant approval. We do not have minimum account requirements for our brokerage accounts.

For **your brokerage account**, we and our financial professionals act as your **broker-dealer only**. In this capacity, we follow your instructions to buy, sell, and hold securities in the account. Our financial professionals do not make investment decisions for you or manage your brokerage account on a discretionary basis. Because our financial professionals do not have discretionary investment authority with respect to your brokerage account, we cannot buy or sell investments in your brokerage account without first obtaining your consent.

Although unlikely, our financial professionals could recommend certain investments to you upon request, but you are responsible for making the decision whether to purchase or sell investments, and we will only purchase or sell investments when specifically directed by you.

- All recommendations you receive from us or our financial professionals will be made in a broker-dealer, not an advisory capacity. When our financial professionals provide a recommendation to you in their broker-dealer capacity, they must be made in your best interest as described below.

We require our financial professionals to have a **reasonable basis**, taking into account the potential risks, rewards, and costs associated with a recommendation, to believe that **each recommendation**, at the time the recommendation is made, **is in your best interest**, and does not place the Firm’s interests or the financial professional’s interests ahead of your interests. In determining whether our financial professional’s recommendation is in the retail customer’s best interest, we consider:

- the retail customer’s individual investment profile. The information in the retail customer’s investment profile includes, but is not limited to, the retail customer’s age, other investments, financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs, risk tolerance, and other information that the retail customer discloses to us or the financial professional in connection with seeking advice.
- our retail customers’ investment goals for their brokerage accounts, which are typically to invest a portion of their assets more conservatively than their GGHC advisory account.

The types of securities you can buy, or which we can recommend to you, are not limited. Note that Treasury securities are the typical type of security held in client brokerage accounts. This disclosure document discusses the risks, fees, and costs associated with Treasury securities, which our customers frequently buy and hold in their brokerage accounts, as well as exchange-traded funds (“ETFs”), and equity securities. In the event that we offer you a recommendation about any other type of investment, we will provide you with additional disclosure specific to that investment type prior to or at the time of the recommendation.

Note that when you instruct us to effect a transaction that was not recommended to you by one of our financial

professionals, we are under no obligation to determine whether such a transaction is in your best interest.

Please be aware that our financial professionals **do not monitor** the investments in your brokerage account after a securities transaction is effected for your account, including those investments they recommended to you.

II. CERTAIN MATERIAL RISKS

While we will take reasonable care in developing and making recommendations to you, **securities involve risk, and you may lose money.**

Treasury securities are debt obligations issued by the federal government. Treasury securities are available in different maturities, from a few days to up to 30 years. While Treasury securities do not expose you to significant liquidity, event, or credit and default risk, their yields may not keep up with inflation and if interest rates rise, the value of your Treasury securities on the secondary market will likely fall.

ETFs are subject to the risks of investing in their underlying securities. Trading prices of ETFs may not reflect the net asset value (“NAV”) of the underlying securities, as ETF shares may trade at a premium or discount to NAV. ETFs may not fully track the market segment or index that underlies their investment objective, resulting in performance that differs from expectations. Because the market price of ETF shares depends on the demand in the market for them, ETFs are subject to secondary market trading risks and costs. You pay us a commission when you transact in ETF shares. In addition, you pay the cost of the “spread,” which is the difference between the ETF shares’ bid and the offer prices (i.e., the prices at which an investor is willing to buy and sell, respectively, in the secondary market). As with any investment fund, you also bear a pro rata portion of the fees and operating expenses of the ETF.

Stocks represent an ownership interest in a company. Stocks are subject to fluctuations and volatile increases and decreases in value as market confidence and perceptions of their issuers change. Holding the stock of an issuer exposes you to greater risk than holding debt obligations (i.e. bonds) of that issuer, because the rights of equity holders are junior to those of all other creditors in the event of a bankruptcy.

III. FEES AND COSTS

You pay us a transaction-based fee, generally referred to as a commission, every time you buy or sell a stock or an ETF in your brokerage account.

- Treasury securities (unless you are buying Treasury securities at auction);
- ETFs; or
- Stocks.

Our commission for transacting in Treasury securities (other than at auction), is \$1.00 per \$1,000 face value, with a \$400 maximum. When you buy Treasury securities at auction, you do not pay us a commission.

Our commission for equity securities and ETF trades we execute in your brokerage account is generally \$.05 per share, except that employee and “employee-related” accounts receive a 50% discount. “Employee-related” accounts are accounts of GGHC employees’ family members, including spouses, parents, siblings, children, certain in-laws, dependents and any accounts over which an employee has beneficial or financial interest. Employees are members of GGHC can receive a 100% discount.

When you buy or sell ETF shares, in addition to our commission, you also pay the cost of the “spread,” which is the difference between shares’ bid and offer prices (i.e. the prices at which an investor is willing to buy and sell, respectively). You also pay your pro rata share of the internal fees and expenses of each ETF you purchase and hold on an ongoing basis. More details about these costs can be found in the ETF’s prospectus.

GGHC brokerage accounts generally are not approved to trade options. If, in a limited circumstance, a brokerage account is authorized to trade options, a commission will be charged, which is based on the premium price (the price paid to the issuer of the option for granting the rights, which are separate from and in addition to the exercise price). If the option premium is less than or equal to \$5.00, the commission is 2% of the premium. If the option premium is greater than \$5.00, the commission is \$10 per option. GGHC does not charge commissions when exercising options (but commissions are charged when buying or selling options).

Brokerage accounts incur additional fees payable to our clearing broker/custodian, NFS, in accordance with the fee schedule that NFS provides at account opening, as may be updated by NFS from time to time. More information about these fees is available in the account opening documentation.

If you elect to hold cash in your brokerage account, your cash will be held in accordance with the cash sweep option that you agreed to at account opening. All of the available cash sweep options are money market funds sponsored by an affiliate of NFS, and if you do not select any of the money market fund sweep options your cash will not be “swept” and will remain in cash. You will pay a pro rata share of the internal fees and expenses of any money market fund you invest in through the NFS cash sweep process (e.g., the fees the fund pays to its investment manager, distribution fees, and shareholder servicing fees, all of which are paid to NFS). These fees and costs will reduce the “yield,” or rate of return, on your investment. Yields, fees, and costs can vary

depending on which money market fund sweep option you elect. Please consult the account opening documentation that you received from NFS or contact NFS if you have any questions regarding the cash sweep option that you elected and the fees, costs, and yield associated with it or with the other available cash sweep options.

fees to retail customers in connection with their brokerage accounts. Please refer to our Brochure for additional information regarding our revenue sharing arrangement with NFS.

IV. IMPORTANT INFORMATION ABOUT CONFLICTS OF INTEREST



We have identified certain conflicts of interest that relate to the recommendations we and our financial professionals make. A conflict arises when an economic benefit incentivizes either us or a financial professional to put our interests and/or the interests of the financial professional ahead of the interests of a retail customer. Some of these conflicts exist between retail customers and both our firm and financial professionals, while others exist between retail customers and our firm alone or between retail customers and financial professionals alone. The section below discloses material facts relating to these conflicts so that you are able to make an informed decision regarding any recommendation that a financial professional provides you.

- We and our financial professionals have an **incentive to encourage you to trade, and to trade more frequently**, in your brokerage account, because we and our financial professionals earn **commissions** each time you trade. We and our financial professionals also have an **incentive to recommend transactions which maximize our commissions**, which, as described above, vary by investment type. For example, we have an incentive to recommend buying Treasury securities which are not available at auction (so as not to forego a commission on the trade), or trading in stocks or ETFs with a lower price per share (because, for any given investment amount, our commission on such trades increases when the number of shares increases). The investments that you purchase and sell in your brokerage account are generally available through other channels (including other broker-dealers), including channels where a lower commission rate or no commission applies.
 - Our financial professionals have the same incentive as the Firm because their compensation is **based in part on the commissions** (and other revenue) that the **Firm earns from the financial professional's services to customers**.
- We **benefit from having selected NFS** as the sole custodian and clearing broker for our brokerage accounts, because we have a **revenue sharing arrangement with NFS** pertaining to certain activities in GGHC advisory accounts. Other custodians and clearing brokers may charge lower