

U.S. Boston Capital Corporation

Regulation Best Interest Disclosure Document

August 31, 2021

This document should be read together with Form CRS -the Customer Relationship Summary to fully understand our products, fees and conflicts of interest.

Introduction

This disclosure contains information about the business practices, compensation and conflicts of interest related to the brokerage business of U.S. Boston Capital Corporation (referred to as “we,” “us,” or “USBCC”). Additional information about USBCC and its financial professionals is available on FINRA’s website at <http://brokercheck.finra.org>.

While we take reasonable care in developing and making recommendations to you, securities involve risk, and you may lose money. There is no guarantee that you will meet your goals, or that our recommended investments and strategy will perform as anticipated. Please consult any available offering documents for any security we recommend for a discussion of risks associated with the product.

Free and simple tools are available for you to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

Capacity, Products and Services We Offer

Capacity

Although many firms offer both brokerage and investment advisory services, some offer only brokerage services and others offer only investment advisory services. We only offer brokerage services. All recommendations are made in a broker-dealer capacity. We offer different account types for your brokerage account, including, but not limited to, accounts held with our clearing firms; accounts held directly with the issuer of the securities purchased (sometimes referred to as directly held accounts); education accounts (e.g., college savings plans); retirement accounts (e.g., IRA accounts), where your investments will be held with the custodian of the IRA; and certain specialty accounts (e.g., margin accounts).

In brokerage relationships, investors pay transaction-based fees in connection with the products and services they receive, such as buying and selling stocks, bonds, mutual funds, and other investment products. These include commissions, transaction fees, loads and sales charges. Compensation to USBCC includes commissions, transaction fees, trail commissions, loads and sales charges that are embedded in the purchase price.

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, this means that we cannot buy or sell investments in your brokerage account without first obtaining your consent. Our financial professionals may recommend investments to you, 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.

When we act in our capacity as a broker-dealer, we are subject to the Securities Act of 1933, the Securities Exchange Act of 1934, as amended, the rules of self-regulatory organizations, such as the Financial Industry Regulatory Authority, Inc. (FINRA), and applicable state laws.

Products

While we have access to a wide variety of investments, we typically offer clients a limited menu of investments.

Proprietary Mutual Funds: Our primary offerings for mutual funds are the Pear Tree Funds. We are the distributor of the Pear Tree Funds and are affiliated with Pear Tree Advisors, Inc., the investment manager and transfer agent for the Pear Tree Funds. We offer a limited number of non-proprietary mutual funds.

Money Market Mutual Fund. If you want us to help facilitate money movement using your money market fund such as to purchase an investment or to fund personal expenses, we offer only one mutual fund, the Dreyfus General Money Market Fund. As the broker-dealer on your account and with permission from you, Dreyfus allows us to act on your instructions to move money into and out of your Dreyfus General Money Market Account. This money market mutual fund charges a 12b-1 fee. This fee is charged based on the assets held in your account. We receive a portion of the 12b-1 fee. For more information see the prospectus at <https://im.bnymellon.com/us/en/individual/funds/370375107#?section=performance>.

Proprietary Private Placements: We act as placement agent for proprietary private placements. Most of the private placements we offer are managed by Pear Tree Partners, LP, an affiliate and registered investment advisor. Private placement securities are speculative, illiquid, and carry a high degree of risk – including the risk of loss of the entire investment.

General Securities: While we offer the ability to buy and sell stocks and bonds and other securities through a brokerage account held at a clearing broker, these accounts are offered solely as an accommodation for those clients who hold such securities. We do not maintain a research department and do not analyze specific companies' securities and generally do not recommend that clients purchase individual equity or fixed-income securities. Our financial professionals make recommendations regarding these securities in limited circumstances. Examples include improving the total diversification of assets in your portfolio such as asset allocation, tax considerations or to assist in the sale of restricted stock or other concentrated positions.

Other Products: While we can provide and recommend additional products at your request or when it is in your best interest, we realize some clients may want different services and products. Therefore, you may wish to seek other financial professionals who may offer products and services better designed to meet your needs.

While we will take reasonable care in developing and making recommendations to you, securities involve risk, and you may lose money. There is no guarantee that you will meet your investment goals, or that our recommended investment strategy will perform as anticipated. Please review any available offering documents for any security we recommend for a discussion of risks associated with the product.

Services

Account Monitoring: As a client, you may choose to limit your relationship with us to transactions only. We also offer a full-service relationship that consists of periodic meetings to discuss your financial situation including tracking your assets either quarterly, semi-annually or annually. We do not offer the investment monitoring services (e.g., daily, weekly, monthly, etc.) that some investment professionals offer. For example, some financial professionals may review daily, weekly and monthly reports and adjust your portfolio based on market conditions or other factors.

Minimum Investment Amounts: USBCC does not require any investment minimums. However, some mutual funds and other investments, such as private securities, may have investment minimums or may charge higher fees to clients with balances below certain thresholds.

Account recommendations

USBCC recommends different types of accounts for you depending on your needs, objectives, investment strategy and goals. Account types include mutual fund accounts, brokerage accounts, 529 Plans, retirement accounts, as well as recommendations to roll over or transfer from one type of an account to another (e.g., a workplace retirement plan account to an IRA). In order to receive any of our brokerage services described above, you must first open an account with us. We offer account types with different features and benefits that are intended to address different needs and objectives of our clients.

Revenue from Transactions

A. Revenue from Clients

Our brokerage revenue from clients includes:

- 1. Commissions:** We receive commissions you pay when you buy or sell equities and fixed-income investments (this applies when we act as agent or broker) through a brokerage account held at our clearing broker. Please see commission schedule at Exhibit A. We share this revenue with your financial professional. We are paid each time you trade in your brokerage account or make a new investment. This payment is typically called a “commission,” but it may also be called a “sales charge”. Reference your confirmation which provides you with the details of your transaction.

This kind of payment presents a conflict for us because it creates an incentive to encourage you to trade more and make additional investments.

- 2. Sales loads:** Sales loads (sales charges), commissions or concessions derived from the offering and sale of various managed investments such as mutual funds and 529 Plans. A commission, or sales load, is typically paid at the time of the sale and can reduce the amount available to invest. For more information about other commissions that apply to a particular transaction, please refer to the applicable product disclosure form, investment prospectus, or offering document. We share this revenue with your financial professional. We are paid each time you trade in your brokerage account or make a new investment. This payment is typically called a “commission,” but it may also be called a “sales charge”. Reference your confirmation which provides you with the details

of your transaction.

This kind of payment presents a conflict for us because it creates an incentive to encourage you to trade more and make additional investments.

Fees and expenses can vary widely from fund to fund or fund class to fund class. Compare how sales loads, fees and other mutual fund expenses can impact your return using FINRA's Fund Analyzer tool at https://tools.finra.org/fund_analyzer/.

More information on a mutual fund's risks, sales charges, ongoing fees and expenses, and overall expense ratio is available in the mutual fund's prospectus. You can request a copy of a mutual fund's prospectus from your financial professional. You can also access prospectuses for mutual funds we offer at SEC.gov.

B. Revenue from Third Parties

Our revenue from third parties includes:

- 1. Trail Compensation and/or 12b-1 Fees:** Payments from mutual fund and 529 Plans in the form of distribution and/or service fees (12b-1 fees) and trail commissions are fully described in the applicable prospectus or offering document. 12b-1 fees and trails are typically paid from the assets of the investment product and the amount is calculated as an annual percentage of assets invested by you. The more assets you invest in the product, the more fees we earn. Therefore, we have an incentive to encourage you to increase the size of your investment. The percentage of assets received varies by product, which creates an incentive to recommend products paying higher trails. We share this revenue with your financial professional. This creates a conflict for your financial professional to recommend funds paying higher trail compensation. We manage this conflict by disclosing it to you.

The ongoing 12b-1 trail payment depends on the class of shares but is typically between 0.25% and 1% of assets annually.

This kind of payment presents a conflict for us because it creates an incentive to encourage you to trade more and make additional investments.

- 2. Noncash Compensation:** Third-party providers may also give financial professionals gifts up to a total value of \$100.00 per provider per year, consistent with industry regulations. Third parties may occasionally provide financial professionals with meals and entertainment of reasonable value. We want you to understand that this creates a potential conflict of interest to the extent that this may cause financial professionals to prefer those products that provide these noncash incentives. We address these conflicts of interest by maintaining policies and procedures regarding the sale and supervision of the products and services we offer to you, and by disclosing our practices to ensure you make a fully informed decision.

C. Fees and Costs:

Depending on the type of account you open, you will pay certain fees and incur certain costs in

addition to the transaction-based fees described above. The fees associated with your account are typically paid annually. In some cases, the fees and costs associated with your account and holdings are assessed indirectly by third-parties, such as custodial firms or clearing firms.

Below is a list of fee categories that you will be charged by third-parties, such as custodial firms or clearing firms.

Fees may include but are not limited to:

- Annual Account Fees or Inactivity fee
- Administrative Fees
- Account Transfer Fees
- Account Termination Fee
- Margin Fees
- Wire Transfer Fee/Disbursement of Funds
- Paper Statement Fee

U. S. Boston Fees:

Full-Service clients pay quarterly administrative fees via invoice to USB Corporation (USB), an affiliate, to cover administrative services. Such clients are charged an hourly fee and the frequency of meetings are adjusted to reflect overall scope and complexity of services provided. Reference Form CRS for more detail.

Conflicts of Interest

Proprietary Mutual Funds: Pear Tree Funds are proprietary mutual funds. An affiliate of ours, Pear Tree Advisors, Inc., is the investment manager. Pear Tree Advisors also acts as the transfer agent for the Pear Tree Funds. As investment manager, Pear Tree Advisors earns management fees that are based on the amount of assets in the Pear Tree Funds. As transfer agent, Pear Tree Advisors earns a fee for its services based on the assets in the Pear Tree Funds. These fees and other information are discussed in detail in the Pear Tree Funds' Prospectus and Statement of Additional Information which can be found at www.peartreefunds.com.

The Pear Tree Funds offer three share classes: ordinary shares, institutional shares and R6 shares. Ordinary shares are offered to retail investors and do not impose a sales charge but are subject to a 12b-1 fee as noted above under revenue

Proprietary Private Placements: The private placements our firm offers are limited to proprietary products. Most of the private placements we place are limited liability companies that are managed by an affiliate, Pear Tree Partners, LP. Once a private placement offering is completed, Pear Tree Partners acts as the managing member receiving the first \$50,000 and 10% thereafter of all distributions. Certain employees of Pear Tree Partners have board observation rights or are board members for the private fund companies that Pear Tree Partners manages. From time to time some employees may become aware of information related to the private fund companies such as a pre-IPO, an upcoming merger or acquisition, or financial hardships. Our firm requires our Financial Professionals to disclose board membership as an outside business activity requiring compliance review and preapproval. For more information about Pear Tree Partners please call 1-800- 331-1244

to obtain the firm's Form ADV and Part 2A brochure which is also found at <https://adviserinfo.sec.gov/firm/summary/152581>

Certain Registered representatives of USBCC have ownership interests in Pear Tree Partners Management, LLC the general partner of Pear Tree Partners, LP. Registered representatives receive a percentage of USB Focus Fund distributions to Pear Tree Partners, LP as a result of this relationship.

Registered Representative Conflicts of Interest: Our associated persons may have conflicts of interest beyond than those described here and in our Customer Relationship Summary. The associated persons will tell you of any additional material conflicts of interest at the time of a recommendation.

Exhibit A

Commission Schedule

Principal greater than or equal to	But less than	Commission is:	Plus
\$0	\$2,500	1.70%	\$30
\$2,500	\$6,250	.66%	\$56
\$6,250	\$20,000	.34%	\$76
\$20,000	\$50,000	.22%	\$100
\$50,000	\$500,000	.11%	\$155
\$500,000		.09%	\$255

Example

If we process a \$20,000 equity transaction for a client, the client will pay a \$144 commission.

$\$20,000 \times .0022 = \$44 + \$100 = \144 which represents 0.72% of the value of the trade.