MUTUAL FUND DISCLOSURE
STRUCTURE AND COMPENSATION

Most mutual fund companies offer several "classes" of funds. Mutual fund class designations refer to the fee and commission structure employed by the fund. Certain commission and fee structures are more appropriate for one type of investor than another. We are providing the following explanation and disclosure to help you choose the fund class that best suits your needs.

The information that follows is general in nature. Each particular Fund and Family of Funds has their own structure and schedule of fees and compensation. The specific information can be found in the fund's prospectus. We are required to provide a prospectus for each fund prior to your purchase. Read the prospectus carefully and ask us to explain any part that is not clear.

1. <u>CLASS A SHARES</u> are generally structured such that a sales charge is assessed, and a commission paid to the representative, at the time of the purchase. Thereafter the fund will charge fees for the management and operation of the fund, sometimes including marketing fees, on a periodic basis.

Most Class-A funds provide commission discounts for large purchases. When calculating the discount, the funds allow investors credit for all Class-A shares being purchased plus any previously purchased Class-A shares.

Class-A shares are usually most advantageous for investors who intend to be invested for a long time horizon and for investors who wish to pay the bulk of their fees up-front. They are especially advantageous for investors who can invest enough to reach a reduced commission breakpoint. For this reason, many funds will not accept a Class-B share investment in excess of $500,000 since, at that level Class-A shares charge such a reduced commission they are preferable to other fee and commission structures (Class-B or Class-C structures for example).

2. <u>CLASS B SHARES</u> are generally structured such that no commission is charged to the investor at the time of the purchase and the representative is compensated directly by the fund sponsor. Since no commission dollars are removed at the time of investment, all dollars are immediately invested.

In order to pay commissions and other marketing expenses, Class-B shares usually charge annual marketing fees which are higher that those of the equivalent Class-A share. <u>These increased marketing fees will affect the fund's yield.</u>

Most Class-B Shares carry a Contingent Deferred Sales Charge (CDSC). The CDSC is a charge that is applied to withdrawals of principal invested during the first years after the date of the investment. Typically, if the investor withdraws principal within the first year of the investment, the withdrawal is assessed a maximum deferred sales charge (as much as 5.75%), declining each year until the seventh or eighth year at which time the charge has, typically, been reduced to 0.00%. Many funds convert Class-B shares to Class-A shares after the CDSC period has been satisfied. This results in the investor paying the lower annual fees associated with marketing expenses assessed to Class-A shares in later years.

Client #:

Class-B shares are most advantageous for investors who intend to remain invested during the CDSC period, do not wish to pay an up-front sales charge, and who do not have sufficient investment dollars to reach a significantly reduced sales charge versus the equivalent Class-A fund.

3. <u>CLASS C SHARES</u> are similar to Class-B shares in that no commission is charged to the client at the time of purchase and the sales representative is compensated directly by the fund sponsor. The representative's initial compensation is typically much lower than the initial compensation on Class-B share sales. On the other hand, Class-C shares assess annual marketing fees as high or slightly higher than the equivalent Class-B shares. A portion of these additional marketing fees is used to provide on-going compensation to the representative managing the account.

Class-C shares usually have a very short Contingent Deferred Sales Charge (CDSC) period, typically one year. The deferred sales charge for withdrawing principal during this period is usually only 1.00%. But, the Class-C shares never convert to Class-A shares and, therefore, the higher marketing-related fees charged by the fund continue for as long as the investor remains in the fund.

Class-C shares are most advantageous for investors who may not remain invested for a long period and who do not have sufficient investment dollars to reach a significantly reduced sales charge versus the Class-A equivalent. They are especially advantageous for investors who want to pay fees for only the years they are invested, avoiding the long CDSC period of Class-B shares and the higher up-front charges of Class-A shares.

I have received and reviewed prospectuses on all funds into which I plan to invest. I understand the Sales Charges associated with the Class of Shares that I plan to select, and I have had an opportunity to discuss all issues with Jacques Financial, LLC. **I understand that a portion of the additional marketing fees for C shares is used to provide on-going compensation to Jacques Financial, LLC for managing the account.**

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Client Signature Client Signature

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Print Name Print Name

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Date