

MUTUAL FUND LETTER OF UNDERSTANDING

ACCOUNT REGISTRATION:	ACCOUNT #:	REGISTRATION TYPE
ANTICIPATED HOLDING PERIOD: 1-2 YEARS 2-5 YEARS 5-10 YEARS 10+ YEARS	ANNUAL INCOME: \$	NET WORTH: \$
ACCOUNT OBJECTIVE (Please Choose One): Safety Growth & Income Growth Income Speculation Other:		
Source of Funds:		
After reading the applicable prospectus and discussing each investment with my/our Registered Representative, I/We have decided to purchase for my/our account the following mutual fund shares classes in the following funds:		

CLASS A SHARES: "A" shares are sold with an up-front sales charge, which declines as the amount invested increases.					
Mutual Fund Name	Symbol	Amount Invested	Up-Front Sales Charge	LOI or ROA?	LOI/ROA Amount
		\$	%		\$
		\$	%		\$
		\$	%		\$
		\$	%		\$
(initial)	I/We have received the prospectus(es) for the mutual fund(s) I/We have decided to purchase and have read the discussion of breakpoints in the prospectus for each mutual fund.				
(initial)	I/We understand that by purchasing class "A" shares in the same mutual fund family, I/We could take advantage of reduced up-front sales charges known as breakpoints.				
(initial)	I/We have chosen to purchase class "A" shares in multiple mutual fund families to pursue an asset allocation strategy. I/We understand that by doing this I/We may forfeit a potential reduction in up-front sales charges or breakpoints that may have been available, had I/We purchased shares within one fund group family.				

CLASS C SHARES: "C" shares do not have an up-front sales charge. However, if you sell (redeem) these shares before you hold them for 12 months, you may pay a contingent deferred sales charge (CDSC) on the shares that you sell.					
Mutual Fund Name	Symbol	Amount Invested			
		\$	(initial)		I/We have received and reviewed the prospectus(es) for the cited investments.
		\$	(initial)		I/We understand that breakpoints are not available for investments in class "C" shares and that the distribution and service fees paid by Class "C" shares will cause them to have a higher expense ratio, and thus may lower performance.
		\$	(initial)		Class "C" shares are generally more appropriate as short term investment vehicles due to the increased expense ratio that is imposed on this share class.

***Purchases of Class C shares for a client with an anticipated holding period of over 5 years. Please explain in detail, why this recommendation is in the best interest of the client versus Class A shares. To be completed by representative.**

Customer Acknowledgment: I/We have received a prospectus for each mutual fund noted above. I/We have received the Breakpoint Disclosure Statement and have also read the discussion of breakpoints in the prospectus for each mutual fund. I/We understand that the FNRA offers a free, interactive Mutual Fund Calculator which compares shares class costs on their website at www.finra.org.

Signature _____ Date _____ Signature _____ Date _____

Registered Representative Certification: I hereby confirm that I have completed a breakpoint review pursuant to the procedures set forth in the Compliance Manual to determine if breakpoints apply or do not apply. I have also reviewed the costs for each share class and the effect those costs will have on the customer's investment.

Signature _____ RR# _____ Date _____ Firm Principal Signature _____ Date _____

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BREAKPOINT DISCLOSURE STATEMENT

Before investing in mutual funds, it is important that you understand the sales charges, expenses, and management fees that you will be charged, as well as the breakpoint discounts to which you may be entitled. Understanding these charges and breakpoint discounts will assist you in identifying the best investment for your particular needs and may help you reduce the cost of your investment. This disclosure document will give you general background information about these charges and discounts. However, sales charges, expenses, management fees, and breakpoint discounts vary from mutual fund to mutual fund. Therefore, you should discuss these issues with your financial advisor and review each mutual fund's prospectus and statement of additional information, which are available from your financial advisor, to get the specific information regarding the charges and breakpoint discounts associated with a particular mutual fund.

Sales Charges

Investors that purchase mutual funds must make certain choices, including which funds to purchase and which class share is most advantageous. Each mutual fund has a specified investment strategy. You need to consider whether the mutual fund's investment strategy is compatible with your investment objectives. Additionally, most mutual funds offer different share classes. Although each share class represents a similar interest in the mutual fund's portfolio, the mutual fund will charge you different fees and expenses depending upon your choice of share class. As a general rule, Class A shares carry a "front-end" sales charge or "load" that is deducted from your investment at the time you buy fund shares. This sales charge is a percentage of your total purchase. As explained below, many mutual funds offer volume discounts to the front-end sales charge assessed on Class A shares at certain pre-determined levels of investment, which are called "breakpoint discounts." In contrast, Class B and C shares usually do not carry any front-end sales charges. Instead, investors that purchase Class B or C shares pay asset-based sales charges, which may be higher than the charges associated with Class A shares. Investors that purchase Class B and C shares may also be required to pay a sales charge known as a contingent deferred sales charge when they sell their shares, depending upon the rules of the particular mutual fund.

Breakpoint Discounts

Most mutual funds offer investors a variety of ways to qualify for breakpoint discounts on the sales charge associated with the purchase of Class A shares. In general, most mutual funds provide breakpoint discounts to investors who make large purchases at one time. The extent of the discount depends upon the size of the purchase. Generally, as the amount of the purchase increases, the percentage used to determine the sales load decreases. In fact, the entire sales charge may be waived for investors that make very large purchases of Class A shares. Mutual fund prospectuses contain tables that illustrate the available breakpoint discounts and the investment levels at which breakpoint discounts apply. Additionally, most mutual funds allow investors to qualify for breakpoint discounts based upon current holdings from prior purchases through "*Rights of Accumulation*," and future purchases, based upon "*Letters of Intent*." This document provides general information regarding *Rights of Accumulation* and *Letters of Intent*. However, mutual funds have different rules regarding the availability of *Rights of Accumulation* and *Letters of Intent*. Therefore, you should discuss these issues with your financial advisor and review the mutual fund prospectus to determine the specific terms upon which a mutual fund offers *Rights of Accumulation* or *Letters of Intent*.

Rights of Accumulation – Many mutual funds allow investors to count the value of previous purchases of the same fund, or another fund within the same fund family, with the value of the current purchase, to qualify for breakpoint discounts. Moreover, mutual funds allow investors to count existing holdings in multiple accounts, such as IRAs or accounts at other broker-dealers, to qualify for breakpoint discounts. Therefore, if you have accounts at other broker-dealers and wish to take advantage of the balances in these accounts to qualify for a breakpoint discount, you must advise your financial advisor about those balances. You may need to provide documentation establishing the holdings in those other accounts to your financial advisor if you wish to rely upon balances in accounts at another firm.

In addition, many mutual funds allow investors to count the value of holdings in accounts of certain related parties, such as spouses or children, to qualify for breakpoint discounts. Each mutual fund has different rules that govern when relatives may rely upon each other's holdings to qualify for breakpoint discounts. You should consult with your financial advisor or review the mutual fund's prospectus or statement of additional information to determine what these rules are for the fund family in which you are investing. If you wish to rely upon the holdings of related parties to qualify for a breakpoint discount, you should advise your financial advisor about these accounts. You may need to provide documentation to your financial advisor if you wish to rely upon balances in accounts at another firm.

Mutual funds also follow different rules to determine the value of existing holdings. Some funds use the current net asset value (NAV) of existing investments in determining whether an investor qualifies for a breakpoint discount. However, a small number of funds use the historical cost, which is the cost of the initial purchase, to determine eligibility for breakpoint discounts. If the mutual fund uses historical costs, you may need to provide account records, such as confirmation statements or monthly statements, to qualify for a breakpoint discount based upon previous purchases. You should consult with your financial advisor and review the mutual fund's prospectus to determine whether the mutual fund uses either NAV or historical costs to determine breakpoint eligibility.

Letters of Intent – Most mutual funds allow investors to qualify for breakpoint discounts by signing a Letter of Intent, which commits the investor to purchasing a specified amount of Class A shares within a defined period of time, usually 13 months. For example, if an investor plans to purchase \$50,000 worth of Class A shares over a period of 13 months, but each individual purchase would not qualify for a breakpoint discount, the investor could sign a Letter of Intent at the time of the first purchase and receive the breakpoint discount associated with \$50,000 investments on the first and all subsequent purchases. Additionally, some funds offer retroactive Letters of Intent that allow investors to rely upon purchases in the recent past to qualify for a breakpoint discount. However, if an investor fails to invest the amount required by the Letter of Intent, the fund is entitled to retroactively deduct the correct sales charges based upon the amount that the investor actually invested. If you intend to make several purchases within a 13-month period, you should consult your financial advisor and the mutual fund prospectus to determine if it would be beneficial for you to sign a Letter of Intent.

As you can see, understanding the availability of breakpoint discounts is important because it may allow you to purchase Class A shares at a lower price. The availability of breakpoint discounts may save you money and may also affect your decision regarding the appropriate share class in which to invest. Therefore, you should discuss the availability of breakpoint discounts with your financial advisor and carefully review the mutual fund prospectus and its statement of additional information, which you can get from your financial advisor, when choosing among the share classes offered by a mutual fund. If you wish to learn more about mutual fund share classes or mutual fund breakpoints, you may wish to review the investor alerts available on the FINRA Web site. See <https://www.finra.org/investors/alerts/understanding-mutual-fund-classes>, and <https://www.finra.org/investors/alerts/mutual-fund-breakpoints-break-worth-taking>. Additionally, if you wish to evaluate a specific mutual fund or compare mutual funds side by side, you can access FINRA's Fund Analyzer tool by going to: https://tools.finra.org/fund_analyzer/