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# APPLICATION TRADITIONAL IRA



# **IRA APPLICATION INSTRUCTIONS:**

## **Step 1: Complete your IRA Application**

To complete the Application, you are required to provide the following:

- Personal Information
- IRA Information
- Investment Information
- Dealer or Advisor Designation, if any
- Beneficiary Designation, if any

**NOTE:** *This document is not designed to be used by a nonspouse beneficiary who has inherited IRA assets from a deceased IRA holder and wishes to establish an IRA for those assets. Please contact the Investment Company for forms to be used for that purpose.*

**NOTE: Important Information About Procedures For Opening a New Account** – *To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial organizations to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, you are required to provide your name, residential address, date of birth, and identification number. We may require other information that will allow us to identify you.*

A Shareholder's property may be transferred to the appropriate state if no activity occurs in the account within the time period specified by state law.

## **Step 2: Sign and date your IRA Application**

## **Step 3: Complete the Transfer/Direct Rollover Request Form (if applicable)\***

If you are requesting a transfer or direct rollover of assets from an existing retirement plan, please complete the Transfer/Direct Rollover Request Form along with Your IRA Application.

## **Step 4: Complete the Automatic Investment Plan form (if applicable)**

If you would like to make regular investments in this IRA please consider the Automatic Investment Plan—and then complete the Automatic Investment Plan form, included with this Application—to take advantage of this convenient way to invest. Please remember to attach a voided check to this form.

**NOTE:** *Automatic investments are designated as current year contributions ONLY.*

## **Step 5: Send your IRA Application to the Investment Company**

Detach and send the original IRA Application, the Transfer/Direct Rollover Request Form (if applicable), and the Automatic Investment Plan form (if applicable), along with your contribution check(s) made payable to the Investment Company:

Steward Funds  
P.O. BOX 183004  
Columbus, Ohio 43218-3004  
1-800-695-3208  
IRA Fee: \$15 per account

## **Step 6: Retain documents for your records**

Keep a copy of the Application with the 5305-A Plan Agreement, Disclosure Statement, and fund's prospectus (provided separately) for your records.

## **\*Special Information Regarding Transfers and Rollovers:**

When you move assets in your IRA from one financial organization to another **without** taking control of those assets, the movement is called a **TRANSFER**. There is no federal income tax withheld from transfer assets—and there is no limit on the number of transfers you can do each year.

If you are eligible for a distribution from a qualified plan, you may choose to have all or a portion of the distribution sent directly to your IRA. Profit sharing, 401(k), stock bonus and employee stock ownership plans, as well as tax-sheltered annuities are examples of common qualified plans. If you choose to **DIRECT ROLL OVER** these assets to your IRA, you will avoid federal income tax withholding for the portion of the distribution you directly roll over.

To facilitate a transfer or direct rollover, simply complete the Application along with the Transfer/Direct Rollover Request Form and send to the Investment Company at the address above.

The Custodian or its agents will deliver the Transfer/Direct Rollover Request Form to your current financial organization or Employer, which will in turn send your transfer/direct rollover assets to fund this IRA. The Transfer/Direct Rollover Request Form may require a signature guarantee.

# IRA APPLICATION (PLEASE PRINT)

## Investment Company Information:

Name \_\_\_\_\_  
Address \_\_\_\_\_ P.O. Box 183004  
City\State\ZIP \_\_\_\_\_ Columbus, OH 43218-3004

## Personal Information (The information contained in this section is required to establish your IRA):

Name \_\_\_\_\_

Street Address \_\_\_\_\_

Mailing Address (if different from above) \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

Please give us a daytime telephone number where we can reach you \_\_\_\_\_ Date of Birth \_\_\_\_\_

Are you a citizen of the United States? \_\_\_\_\_

If yes, what is your State of residence? \_\_\_\_\_

If no, what is your country of residence? \_\_\_\_\_

### Identification Number (please check and complete one):

Social Security Number \_\_\_\_\_

Taxpayer Identification Number \_\_\_\_\_

## IRA Information:

This IRA is a (please check one):

- Regular IRA
- Spousal IRA
- SEP IRA

The enclosed contribution(s) is (are):

Regular contribution for tax year \_\_\_\_\_ \$ \_\_\_\_\_  
SEP IRA contributions for tax year \_\_\_\_\_ \$ \_\_\_\_\_  
Transfer from a Traditional IRA \_\_\_\_\_ \$ \_\_\_\_\_  
Transfer from a SIMPLE IRA \_\_\_\_\_ \$ \_\_\_\_\_  
Rollover from a Traditional IRA \_\_\_\_\_ \$ \_\_\_\_\_  
Rollover from a SIMPLE IRA \_\_\_\_\_ \$ \_\_\_\_\_  
Direct Rollover from a Qualified Plan or Tax-Sheltered Annuity \_\_\_\_\_ \$ \_\_\_\_\_  
Recharacterization \_\_\_\_\_ \$ \_\_\_\_\_  
Total enclosed \_\_\_\_\_ \$ \_\_\_\_\_

## Investment Information:

I would like to have the enclosed contribution(s) invested as follows:

\*Please mark the box for the appropriate share class, if none is indicated Individual will be used.

Steward Funds	Share Class*		Amount
	Individual	Institutional	
Steward Large Cap Enhanced Index Fund	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Steward Small-Mid Cap Enhanced Index Fund	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Steward Global Equity Income Fund	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Steward International Enhanced Index Fund	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Steward Select Bond Fund	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Total			\$ _____

## Telephone Exchange Privilege:

I understand that I will have telephone exchange privileges, subject to the terms and conditions provided in the prospectus that was provided to me, unless I decline this privilege by checking the box below. I understand that the Investment Company, Custodian and their agents are not responsible for losses resulting from unauthorized transactions when procedures reasonably designed to verify caller identity are followed. I agree to hold the Investment Company, Custodian and their agents harmless for any loss, claim or liability for the execution of telephonic instructions. Telephone calls may be recorded for quality assurance purposes and accuracy.

I do NOT want the telephonic exchange privilege to be available for this IRA.

## Dealer or Advisor Designation (If you do not have a Dealer or Advisor assisting you with this transaction, please leave this section blank):

By this designation, I hereby authorize the Investment Company, Custodian and their agents to accept instructions from and transmit information to the Dealer or Advisor listed below.

Firm Name \_\_\_\_\_ Firm Number \_\_\_\_\_

Representative Name \_\_\_\_\_ Telephone \_\_\_\_\_ Rep. Number \_\_\_\_\_

Branch Address \_\_\_\_\_ Branch Number \_\_\_\_\_

**BENEFICIARY DESIGNATION:**

The following individual(s) or entity(ies) shall be my primary and/or contingent beneficiary(ies). If more than one primary beneficiary is designated and no distribution percentage is indicated, the beneficiaries will be deemed to own equal percentages of this IRA. Multiple contingent beneficiaries with no distribution percentage indicated will also be deemed to share equally. If any primary or contingent beneficiary dies before me, his or her interest and the interest of his or her heirs shall terminate completely, and the percentage share of any remaining beneficiary(ies) shall be increased on a pro rata basis.

In the event of my death, pay the balance of this IRA to the following PRIMARY beneficiary(ies):

Beneficiary	Address / City, State, Zip	SSN or TIN	Date of Birth	Relationship	Share %
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
				Total	<u>100%</u>

If all of my primary beneficiaries die before me, pay the balance of this IRA to the following CONTINGENT beneficiary(ies):

_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
				Total	<u>100%</u>

**Spousal Consent** – If you are married and the trust or your residence is located in a community property or marital property state and you have designated a primary beneficiary other than your spouse, your spouse must consent to the beneficiary designation as follows:

I am the spouse of the above-named IRA holder. I acknowledge that I have received a fair and reasonable disclosure of my spouse's property and financial obligations. I understand that the beneficiary designation(s) indicated above impact my interest in this IRA and I have been advised to see a tax professional regarding this decision. I hereby give the IRA holder any interest I have in this IRA and consent to the beneficiary designation(s) indicated above. I assume full responsibility for any adverse consequences that may result. No tax or legal advice was given to me by the Custodian or Investment Company.

Spouse \_\_\_\_\_ Date \_\_\_\_\_

Witness \_\_\_\_\_ Date \_\_\_\_\_

**Signature (please read before signing):**

I understand the eligibility requirements for the type of IRA deposit I am making and I state that I do qualify to make the deposit. I have received a copy of this Application, the 5305-A Plan Agreement, and Disclosure Statement. I understand that the terms and conditions which apply to this IRA are contained in this Application and the Plan Agreement. I agree to be bound by those terms and conditions. Within seven (7) days from the date I open this IRA I may revoke it without penalty by mailing or delivering a written notice to the Investment Company, as agent for the Custodian.

I certify that I have received and read the current Prospectus for the investments indicated above and I understand that shares of mutual funds are not obligations of or guaranteed by any bank and are not insured by the FDIC. I understand that the value of shares of mutual funds will fluctuate and may lose value. I understand that I will be charged an annual fee for this Traditional IRA.

I further certify under penalty of perjury that the social security number indicated in this application is correct and that I am of legal age in my state of residence. I understand that any tax year designation and rollover elections made by me in this application are irrevocable.

I assume complete responsibility for determining that I am eligible for a IRA each year that I make a contribution, ensuring that all contributions I make are within limits set forth by the tax laws, and the tax consequences of any contribution (including rollover contributions) and distributions.

IRA Holder \_\_\_\_\_ Date \_\_\_\_\_

Authorized Signature of Custodian \_\_\_\_\_ Date \_\_\_\_\_

# **AUTOMATIC INVESTMENT PLAN (PLEASE PRINT)**

**NOTE:** Automatic investments are designated as current year contributions ONLY.

## **Personal Information:**

Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

Account Number (if available) \_\_\_\_\_

## **Investment Information:**

I would like to have the enclosed contribution(s) invested as follows:

\*Please mark the box for the appropriate share class, if none is indicated Individual will be used.

Steward Funds	Share Class*		Amount
	Individual	Institutional	
Steward Large Cap Enhanced Index Fund	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Steward Small-Mid Cap Enhanced Index Fund	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Steward Global Equity Income Fund	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Steward International Enhanced Index Fund	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Steward Select Bond Fund	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
			Total \$ _____

This investment will occur automatically (please check one):

- Every month on the 5th
- Every month on the 20th
- Every month on the 5th and the 20th
- Every quarter on the 20th
- Annually on the 5th of \_\_\_\_\_ (specify month)

## **Authorization:**

I/we authorize the financial organization where my bank account is to pay checks drawn on my/our account, indicated below, made payable to the Investment Company. I/we understand and agree that the financial organization rights in respect to each check shall be the same as if it were a check personally signed by me/us. I/we further agree to hold the financial organization harmless in honoring or dishonoring any of these checks.

The Investment Company agrees to indemnify the financial organization from any loss that may arise from the execution, issuance and payment of any checks drawn for this Automatic Investment Plan.

Financial Organization Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Account Number \_\_\_\_\_  Checking  Savings

ABA Routing Number \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

*IF THE BANK ACCOUNT IS A JOINT ACCOUNT, BOTH OWNERS MUST SIGN THIS FORM.*

**Please attach a voided check to this form.**

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# TRANSFER/DIRECT ROLLOVER REQUEST FORM (PLEASE PRINT)

## Personal Information:

Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

Address \_\_\_\_\_ Date of Birth \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

Please give us a daytime telephone number where we can reach you \_\_\_\_\_

## Transfer/Direct Rollover Information:

Current Custodian or Trustee \_\_\_\_\_ Account Number \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

This request represents a *(please check one)*:

- Transfer from a Traditional IRA
- Direct rollover from an employer-sponsored plan (Roth elective deferrals may not be rolled over to a Traditional IRA)
- Transfer from a SIMPLE IRA (only AFTER two years of participation)

## Asset Handling Instructions:

Account Number	Amount in SIMPLE IRA	Amount to be Moved
_____	_____	_____
_____	_____	_____
_____	_____	_____

Please make a check payable as follows: " \_\_\_\_\_ (Custodian name), as Custodian,

FBO \_\_\_\_\_ (Investment Company name) IRA".

Mail the check to: Steward Funds, P.O. Box 183004, Columbus, OH 43218-3004

If this is a transfer this  will  will not close the IRA

## Required Minimum Distribution (RMD) Information (If you are not or will not be in RMD status during this year, please skip this section):

If this is a direct rollover, I authorize the Employer to distribute to me any RMD before the direct rollover is made.

I authorize the current Custodian or Trustee to *(please check one)*:

- Distribute to me my RMD before transferring my IRA assets.
- Include the RMD in the transfer.
- Segregate and retain my RMD account.

## Investment Information:

- This is a new IRA – my application is attached.
- I have an existing IRA – account # \_\_\_\_\_

I would like to have the enclosed contribution(s) invested as follows:

\*Please mark the box for the appropriate share class, if none is indicated Individual will be used.

Steward Funds	Share Class*		Amount
	Individual	Institutional	
Steward Large Cap Enhanced Index Fund	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Steward Small-Mid Cap Enhanced Index Fund	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Steward Global Equity Income Fund	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Steward International Enhanced Index Fund	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Steward Select Bond Fund	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Total			\$ _____

## **SIGNATURE, ELECTION AND CERTIFICATION:**

I authorize the movement of the assets in the manner described above and certify that all of the information provided by me is correct and may be relied upon by the Custodian, Trustee or Employer. I understand that I am responsible for determining my eligibility to transfer or directly roll over within the limits set forth by tax laws, related regulations and plan agreements. I understand that special rules apply to SIMPLE IRA to Traditional IRA transfers. I assume responsibility for any tax consequences or penalties that may apply to the transfer or direct rollover of my assets and agree that the Custodian, Trustee or Employer shall in no way be responsible.

If this is a direct rollover, I have read and understand the IRC. Sec. 402(f) Notice provided to me by the Plan Administrator. Due to the important tax consequences of rolling funds over to an IRA, I have been advised to see tax advisor. I assume full responsibility for this direct rollover transaction and will not hold the Plan Administrator, Custodian or Trustee of either the distributing or receiving plans liable for any adverse consequences that may result. I hereby irrevocably designate this contribution of the funds and/or property indicated above as a direct rollover contribution.

Signed \_\_\_\_\_ Date \_\_\_\_\_

Signature Guarantee, if applicable \_\_\_\_\_ Date \_\_\_\_\_

**Note:** Please check with your current Custodian, Trustee or Employer to determine if signature guarantee is required to complete this transaction.

### **Accepting IRA Custodian:**

The IRA designated by the above named individual is a valid IRA. The Custodian, as identified in the IRA Application hereby agrees to serve as the Custodian for the IRA of the above-named individual, and in that capacity, agrees to accept the transfer or direct rollover of the assets listed above.

Authorized Signature of Custodian \_\_\_\_\_ Date \_\_\_\_\_

Custodian Name \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

# **INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT**

This Custodial Agreement ("Agreement") applies to Traditional Individual Retirement Accounts ("IRAs").

## ***Part I: Provisions applicable only to Traditional IRAs***

*Section references are to the Internal Revenue Code unless otherwise noted.*

The following provisions of Articles I to VII are in the form promulgated by the Internal Revenue Service ("IRS") in Form 5305-A (Rev. March 2002) for use in establishing an individual retirement custodial account that meets the requirements of section 408(a) of the Internal Revenue Code of 1986, as amended ("Code"), for a valid Traditional IRA. This IRS approval only relates to the form of Articles I to VII and is not an approval of the merits of the Traditional IRA or of any investment permitted by the Traditional IRA.

By executing the Account Application ("Application") with UMB Bank as custodian ("Custodian"), the Depositor whose name appears on the Application is establishing a Traditional individual retirement account under section 408(a) to provide for his or her retirement and for the support of his or her beneficiaries after death.

The Custodian has given the Depositor the disclosure statement required by Treasury Regulations ("Regulations") section 1.408-6. The Depositor has assigned the custodial account the amount shown on the Application.

The Depositor and the Custodian make the following agreement:

### **Article I.**

Except in the case of a rollover contribution described in section 408A(e), a recharacterized contribution described in section 408A(d)(6), or an IRA Conversion Contribution (defined below), the Custodian will accept only cash contributions up to \$5,500 for 2014. For individuals who have reached the age of 50 before the close of the tax year, the contribution limit is increased by a catch-up contribution in the amount of \$1,000. For tax years after 2014, the above limits may be increased to reflect a cost-of-living adjustment, if any.

### **Article II.**

The Depositor's interest in the custodial account balance is nonforfeitable.

### **Article III.**

1. No part of the custodial funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).

2. No part of the custodial account funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3) which provides an exception for certain gold, silver and platinum coins, coins issued under the laws of any state, and certain bullion.

### **Article IV.**

1. Notwithstanding any provision of this Agreement to the contrary, the distribution of the Depositor's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.

2. The Depositor's entire interest in the custodial account must be, or begin to be, distributed not later than the Depositor's required beginning date, April 1 following the calendar year in which the Depositor reaches age 70 1/2. By that date, the Depositor may elect, in a manner acceptable to the Custodian, to have the balance in the custodial account distributed in:

(a) A single sum or

(b) Payments over a period not longer than the life of the Depositor or the joint lives of the Depositor and his or her designated beneficiary.

3. If the Depositor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:

(a) If the Depositor dies on or after the required beginning date and:

(i) the designated beneficiary is the Depositor's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.

(ii) the designated beneficiary is not (the Depositor's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the Depositor and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.

(iii) there is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the Depositor as determined in the year of the Depositor's death and reduced by 1 for each subsequent year.

(b) If the Depositor dies before the required beginning date, the remaining interest will be distributed in accordance with (i) below or, if elected or there is no designated beneficiary, in accordance with (ii) below:

# **INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT**

(i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the Depositor's death. If, however, the designated beneficiary is the Depositor's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the Depositor would have reached age 70 ½. But, in such case, if the Depositor's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with (H) below if there is no such designated beneficiary.

(ii) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Depositor's death.

4. If the Depositor dies before his or her entire interest has been distributed and if the designated beneficiary is not the Depositor's surviving spouse, no additional contributions may be accepted in the account.

5. The minimum amount that must be distributed each year, beginning with the year containing the Depositor's required beginning date, is known as the "required minimum distribution" and is determined as follows:

(a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the Depositor reaches age 70 ½, is the Depositor's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the Depositor's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the Depositor's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the Depositor's (or, if applicable, the Depositor and spouse's) attained age (or ages) in the year.

(b) The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the Depositor's death (or the year the Depositor would have reached age 70 ½, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).

(c) The required minimum distribution for the year the Depositor reaches age 70 ½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.

6. The owner of two or more Traditional IRAs may satisfy the minimum distribution requirements described above by taking from one Traditional IRA the amount required to satisfy the requirement for another in accordance with the Regulations under section 408(a)(6).

## **Article V.**

1. The Depositor agrees to provide the Custodian with all information necessary to prepare any reports required by section 408(i) and Regulations sections 1.408-5 and 1.408-6.

2. The Custodian agrees to submit to the IRS and Depositor the reports prescribed by the IRS.

## **Article VI.**

Notwithstanding any other articles that may be added or incorporated, the provisions of Articles I through III and this sentence will be controlling. Any additional articles that are not consistent with section 408(a) and the related regulations will be invalid.

## **Article VII.**

This agreement will be amended as necessary to comply with the provisions of the Code and the related regulations. Other amendments may be made with the consent of the persons whose signatures appear on the Application.

## **GENERAL INSTRUCTIONS**

### **Purpose of Form**

This Agreement is modeled after IRS Form 5305-A, which meets the requirements of section 408(a) of the Internal Revenue Code and has been pre-approved by the IRS. A Traditional IRA is established after the Agreement is fully executed by both the Depositor and the Custodian and must be completed no later than the due date of the Depositor's individual income tax return for the tax year (excluding extensions). This account must be created in the United States for the exclusive benefit of the Depositor and his or her beneficiaries. Do not file this Agreement with the IRS. Instead, keep it with your records.

For more information on IRAs, including the required disclosures the Custodian must give the Depositor, see IRS Publication 590. Individual Retirement Arrangements (IRAs).

### **Definitions**

**Custodian.** The Custodian must be a bank or savings and loan association, as defined in section 408(n), or any person who has the approval of the IRS to act as custodian.

**Depositor.** The Depositor is the person who establishes the custodial account.

# **INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT**

## **Identifying Number**

The Depositor's social security number will serve as the identification number of his or her IRA. An employer identification number (EIN) is required only for an IRA for which a return is filed to report unrelated business taxable income. An EIN is required for a common fund created for IRAs.

## **Traditional IRA for Nonworking Spouse**

Form 5305-A may be used to establish the IRA custodial account for a nonworking spouse.

Contributions to an IRA custodial account for a nonworking spouse must be made to a separate IRA custodial account established by the nonworking spouse.

## **Part Two: Provisions applicable to Traditional IRAs, Roth IRAs and Coverdell Education Savings Accounts**

### **Article I.**

#### **1. Investment of Contributions.**

(a) All contributions to the custodial account shall be invested in accordance with proper instructions received from time to time from the Depositor or, if the account is an ESA, the Responsible Individual and shall be applied to purchase full and fractional shares ("Shares") of the Fund and made available as an investment, as shown on the Application. Fund shares held in the custodial account shall be registered in the name of the Custodian or its nominee. The Depositor or, if the account is an ESA, the Designated Beneficiary shall be the beneficial owner of all the assets held in the custodial account.

(b) Except in the case of a rollover contribution or employer contributions to a simplified employee pension plan as described in Article I of Part One for Traditional IRAs or Part Two for Roth IRAs above, as applicable, the Depositor shall not for any taxable year of the Depositor contribute to the Traditional IRA or Roth IRA custodial account an amount in excess of the lesser of 100% of the compensation includable in his or her gross income or the applicable dollar limits in effect under sections 219(g), 408 and 408A of the Code to a Traditional or Roth IRA. Except in the case of a rollover contribution as described in Article I of Part Three for ESAs, contributions to the account shall not exceed \$2,000 for any tax year. The Depositor or, if the account is an ESA, the Designated Beneficiary shall be fully and solely responsible for all taxes, interest and penalties which might accrue or be assessed by reason of any excess deposit and interest if any, earned thereon. Contributions must be made no later than the due date for filing the Depositor's or, if the account is an ESA, the contributor's tax return for the tax year (excluding extensions) or by such other date as from time to time provided by law. If a contribution is intended to be a rollover contribution referred to in Article I of Parts One and Two, the Depositor hereby certifies that the source of the contribution qualifies the contribution as such, that the contribution is being made to the custodial account no later than 60 days after receipt by the Depositor of the distribution giving rise to the rollover contribution, and that no previous rollover contribution has been made by the Depositor within one year of the date of the rollover contribution to or from such IRA or individual retirement annuity and that the rollover is in all respects permitted by law. It shall be the sole responsibility of the Depositor or, if the account is an ESA, the Responsible Individual or the Designated Beneficiary to determine the amount of the contributions eligible to be made hereunder. The Depositor, the Designated Beneficiary and/or the Responsible Individual shall execute such forms as the Custodian may require in connection with any contribution hereunder.

#### **2. Reinvestment of Earnings.**

All dividends, capital gains, and any other distributions received on Fund Shares held in the account shall be reinvested in Shares of the Fund paying such dividends and distributions, and credited to such account. If any distributions of the Fund may be received at the election of the Depositor or, if the account is an ESA, the Responsible Individual in additional Shares or in cash or other property, the Custodian shall elect to receive additional Shares. If for any reason it is not possible to acquire Shares of the Fund paying the dividends or other distributions, the cash dividends and/or distributions from the Fund attributable to the account shall be invested in accordance with the standing investment instructions or sent in cash to the Depositor's or, if the account is an ESA, the Designated Beneficiary's address of record if the Depositor or the Responsible Individual, as applicable, has not supplied standing investment instructions.

#### **3. Proxies and Other Information.**

The Custodian shall forward to the Depositor or, if the account is an ESA, the Responsible Individual all notices, prospectuses, financial statements, proxies and proxy soliciting material that the Custodian receives relating to such Shares. The Custodian shall vote such Shares in accordance with the written instructions of the Depositor or, if the account is an ESA, the Responsible Individual. Absent such instructions, the Custodian is hereby directed to and shall vote such Shares for or against any proposition in the same proportion as all Shares of the relevant Fund for which instructions have been received.

### **Article II (Distributions)**

The Custodian shall, from time to time, make distributions out of the custodial account to the Depositor or, if the account is an ESA, the Designated Beneficiary, in such manner and amounts as may be specified in written instructions of the Depositor or, if the account is an ESA, the Responsible Individual. All such instructions shall be deemed to constitute a certification by the Depositor that the distribution so directed is one that the Depositor is permitted to receive or if the account is an ESA, a certification by the Responsible Individual that the distribution so directed is one that the distributee is permitted to receive. The Custodian shall have no liability with respect to any contribution to the custodial account, any investment of assets in the custodial account or any distribution therefrom pursuant to instructions received from the Depositor or, if the account is an ESA, the Responsible Individual, or for any consequences to the Depositor or, if the account is an ESA, the Designated Beneficiary, arising from such contributions, investments or distributions including, but not limited to, excise and other taxes and penalties which might accrue or be assessed by reason thereof, nor shall the Custodian be under any duty to make any inquiry or investigation with respect thereto.

# **INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT**

## **Article III (Beneficiaries)**

If the account is a Traditional or Roth IRA, the Depositor may designate and redesignate his/her beneficiary or beneficiaries in the Application or other beneficiary designation form. To be effective, such designation must be received by the Custodian prior to the death of the Depositor. Such beneficiary or beneficiaries shall be entitled to the balance in the custodial account as provided in Article IV of Part One for Traditional IRAs, Article V of Part Two for Roth IRAs. Unless otherwise provided in the Application or other beneficiary designation form, amounts payable by reason of the Depositor's death will be paid only to the primary beneficiary or beneficiaries who survive the Depositor in equal shares, or, if no primary beneficiary or beneficiaries survive the Depositor to the contingent beneficiary or beneficiaries who survive the Depositor in equal shares. If some but not all primary or contingent beneficiaries, as applicable, do not survive the Depositor, any amounts that such nonsurviving beneficiaries shall have been entitled to receive hereunder shall be divided among the surviving primary or contingent beneficiaries, as applicable, in proportion to the relative interests of the surviving primary or contingent beneficiaries. If no designation of beneficiary is in effect at the time of the Depositor's death or if no designated beneficiary survives the Depositor, the beneficiary shall be deemed to be the surviving spouse, or if there is no surviving spouse, the estate of the Depositor.

A designated beneficiary who becomes entitled to receive benefits hereunder may designate a successor beneficiary, which designation shall be governed by and made in accordance with this Article III. If a designated beneficiary becomes entitled to receive benefits hereunder but dies before all amounts in the IRA account to which the beneficiary is entitled have been distributed to him or her, the successor beneficiary will be entitled to receive any such remaining amounts in the account. Unless otherwise provided in the Application or other beneficiary designation form, the beneficiary may choose the method of distribution from among those permitted by Article IV of Part One for Traditional IRAs and Article V of Part Two for Roth IRAs.

If the account is an ESA, the Responsible Individual may change the Designated Beneficiary to a member of the same family as the prior Designated Beneficiary. If the Responsible Individual does not name a new Designated Beneficiary within 30 days following the death of the Designated Beneficiary, the custodial account will be deemed distributed to the designated death beneficiary of the account on the 30th day following the death of the Designated Beneficiary. The Responsible Individual may designate or change the designation of the death beneficiary of the account from time to time.

To be effective, any such designation made for an ESA pursuant to the preceding paragraph must be received by the Custodian prior to the death of the Designated Beneficiary. Such death beneficiary or beneficiaries, as applicable, shall be entitled to the balance in the custodial account as provided in Article III of Part Three for ESAs. Unless otherwise provided in the Application or other beneficiary designation form, amounts payable by reason of the Designated Beneficiary's death will be paid only to the primary beneficiary or beneficiaries who survive the Designated Beneficiary in equal shares, or, if no primary beneficiary or beneficiaries survive the Designated Beneficiary, to the contingent beneficiary or beneficiaries who survive the Designated Beneficiary in equal shares. If some but not all primary or contingent beneficiaries, as applicable, do not survive the Designated Beneficiary, any amounts that such nonsurviving beneficiaries shall have been entitled to receive hereunder shall be divided among the surviving primary or contingent beneficiaries, as applicable, in proportion to the relative interests of the surviving primary or contingent beneficiaries. If no designation of beneficiary is in effect at the time of the Designated Beneficiary's death or if no designated death beneficiary survives the Designated Beneficiary, the death beneficiary shall be deemed to be the surviving spouse, or if there is no surviving spouse, the estate of the Designated Beneficiary. A designated death beneficiary who becomes entitled to receive benefits hereunder may designate a successor death beneficiary, which designation shall be governed by and made in accordance with this Article III. If a designated death beneficiary becomes entitled to receive benefits hereunder but dies before all amounts in the account to which the death beneficiary is entitled have been distributed to him or her, the successor death beneficiary will be entitled to receive any such remaining amounts in the account.

## **Article IV (Responsibility of Depositor)**

Depositor acknowledges he or she has read the information distributed to him or her by the Custodian. The Depositor or, if the account is an ESA, the Responsible Individual, as applicable, agrees to assume full responsibility for all decisions as to deposits and withdrawals, and the Depositor or, if the account is an ESA, the Responsible Individual, as applicable, indemnifies the Custodian and saves it free and harmless from any and all claims arising out of any adverse consequences experienced by the Depositor or, if the account is an ESA, the Responsible Individual or the Designated Beneficiary, as applicable, as a result of his or her own decision, action or inaction, including but not limited to excise taxes and penalties. Any taxes which may be imposed upon the custodial account or the income thereof, but not excise taxes imposed upon the Depositor or, if the account is an ESA, the Designated Beneficiary, may, in the discretion of the Custodian or Depositor or, if the account is an ESA, the Responsible Individual, be deducted from and charged against the custodial account.

## **Article V (Acceptance of Reports)**

If, within 60 days after the mailing by the Custodian to the Depositor or, if the account is an ESA, the Responsible Individual of a report pursuant to paragraph 2 of Article V for Traditional IRAs, paragraph 2 of Article VI for Roth IRAs, or paragraph 2 of Article VII for ESAs, the Depositor or Responsible Individual, as applicable, has not given the Custodian written notice of any exception or objection thereto, such report shall be deemed to have been approved in its entirety and in such case, or upon written approval of the Depositor or Responsible Individual, as applicable, the Custodian shall be released, relieved, and discharged with respect to all matters and statements set forth therein as though the report had been settled by judgment or decree of a court of competent jurisdiction.

## **Article VI (Responsibility of Custodian)**

The Custodian shall have no duties whatsoever except such duties as it specifically agrees to in writing, and no implied covenants or obligations shall be read into this Agreement against the Custodian. The Custodian shall not be liable under this Agreement, except for its own bad faith, gross negligence or willful misconduct. In performing its duties under this Agreement, the Custodian may hire agents, experts and attorneys. The Custodian may also delegate any of its powers and duties hereunder to an agent.

## **Article VII (Prohibition Against Assignment)**

No interest right or claim in or to any part of the custodial account or any payment therefrom shall be assignable, transferable, or subject to sale, mortgage, pledge, hypothecation commutation, anticipation, garnishment, attachment, execution, or levy of any kind and the Custodian shall not recognize any attempt to assign, transfer, sell, mortgage, pledge, hypothecate, commute, or anticipate the same, except as required by law. Notwithstanding the foregoing, in the event of a property settlement between the Depositor or, if the account is an ESA, the Designated Beneficiary and his or her former spouse pursuant to which the transfer of Depositor's or; if the account is an ESA, Designated Beneficiary's interest hereunder, or a

# **INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT**

portion thereof, is incorporated in a divorce decree or in a written instrument incident to such divorce or legal separation, then the interest so decreed by a court to be the property of such former spouse shall be transferred to a separate account for the benefit of such former spouse, in accordance with the requirements of the Code.

## **Article VIII (Amendment)**

The Depositor hereby delegates to the Custodian the power to amend this Agreement from time to time as it deems appropriate, provided, however, that all such amendments are in compliance with the provisions of the Code and the regulations there under. All such amendments shall be effective as of the date set forth in a written notice of amendment, which will be sent to the Depositor or, if the account is an ESA, the Responsible Individual.

## **Article IX (Termination)**

The Depositor or, if the account is an ESA, the Responsible Individual may terminate this account and this Agreement at any time by delivering to the Custodian a written notice of termination. In addition, in the event that either (a) all of the funds available for investment hereunder are liquidated or otherwise terminated or (b) Shay Fund as Sponsor of this account ceases to act as such without a successor assuming the duties of the Sponsor, the account and this Agreement shall be terminated and the assets thereof shall be delivered to the Depositor or, if the account is an ESA, the Designated Beneficiary, within a reasonable period, unless prior to such payment the Depositor or, if the account is an ESA, the Responsible Individual provides written instructions to the Custodian to transfer such proceeds to the trustee or custodian of another IRA or ESA, as applicable.

## **Article X (Resignation or Removal of Custodian)**

1. The Custodian may resign without liability, cost or expense of any kind, upon written notice to that effect delivered to the Depositor or, if the account is an ESA, the Responsible Individual and the Fund, such resignation to be effective the 30th day following the mailing to the Depositor or the Responsible Individual, as applicable, of such notice. The Depositor or, if the account is an ESA, the Responsible Individual may remove the Custodian upon 30 days' written notice to that effect to the Custodian. Upon such resignation or removal, the Depositor or Responsible Individual, as applicable, shall forthwith appoint a successor custodian that satisfies the requirements of section 408(h) of the Code or, if the account is an ESA, section 530(b)(1)(B) of the Code. Upon receipt by the Custodian of written acceptances by the successor custodian of such appointment, the Custodian shall deliver the assets of the custodial account to the successor custodian. In the event the Depositor or Responsible Individual, as applicable, fails to appoint a successor custodian which has accepted its appointment within 30 days of the mailing of the notice of resignation, or removal, the Custodian shall terminate the account and pay the proceeds to the Depositor or, if the account is an ESA, the Designated Beneficiary.
2. The Depositor of this Agreement may at any time remove the Custodian and appoint a successor custodian. The effective date of the removal and appointment shall be as specified by the Depositor and agreed to by the Custodian and the successor custodian. On or after such date the Custodian shall deliver the assets of the custodial account to the successor custodian.
3. The Depositor will appoint another custodian upon notification from the Commissioner of the Internal Revenue Service that such substitution is required because the Custodian has failed to comply with the requirements of section 1.408-2(e) of the Regulations or if the account is an ESA, section 530(b)(1)(D) of the Code, or is not keeping such records, or making such returns or rendering such statements as are required by forms, Regulations or the Code, as applicable.
4. Notwithstanding the foregoing, the Custodian may reserve such assets of the custodial account as it may deem necessary for the payment of all its fees, compensation, costs and expenses and for the payment of all other liabilities which are a charge on or against the assets of the custodial account or on or against the Custodian, and where necessary for this purpose may liquidate reserved Fund Shares. Any balance of such reserve remaining after the payment of all such items shall be paid over to the successor custodian. If the Depositor or, if the account is an ESA, the Responsible Individual has failed to appoint a successor custodian as provided in paragraph 1 above, such balance shall be paid to the Depositor or, if the account is an ESA, the Designated Beneficiary.
5. The provisions of this Agreement shall apply to any successor custodian from the effective date of its appointment as such with the same force and effect as if such successor were the initial Custodian hereunder.

## **Article XI (Notices)**

1. Any notice herein required or permitted to be given to the Custodian shall not be effective or deemed delivered until actually received by the Custodian at the address specified in the Universal Custodial Account Disclosure Statement ("Disclosure Statement"), or such other address as the Custodian shall provide the Depositor or, if the account is an ESA, the Responsible Individual from time to time in writing, stating that such other address shall be used for purposes of this Agreement.
2. Any notice herein required or permitted to be given to the Depositor or, if the account is an ESA, to the Responsible Individual shall be mailed to the Depositor or Responsible Individual, as applicable, at the Depositor's or Responsible Individual's, as applicable, residence address on record with the Custodian or at such other address as he or she shall provide the Custodian from time to time in writing stating that such other address shall be used for purposes of this Agreement, and any such notice shall be deemed accepted by the Depositor or Responsible Individual, as applicable, at the time it is mailed. The Depositor, the Depositor's beneficiary, or the Responsible individual, as applicable, will be bound by the last address furnished to the Custodian by the Depositor, the Depositor's beneficiary, or the Responsible Individual, as applicable.

## **Article XII (Minimum Withdrawals)**

If the account is a Traditional IRA or Roth IRA, the Depositor shall be fully and solely responsible for all taxes and penalties that might accrue or be assessed for having failed to make any annual minimum withdrawal required by applicable law.

The Depositor's beneficiary or beneficiaries shall be fully and solely responsible for any taxes or penalties which might accrue or be assessed for having failed to make any minimum withdrawal required following the death of the Depositor.

# **INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT**

## **Article XIII (Taxes and Charges to Account)**

Any income taxes or other taxes of any kind whatsoever that may be levied or assessed upon or in respect of the custodial account or the assets thereof, or the income therefrom, any transfer taxes incurred in connection with the investment and reinvestment of the assets of the custodial account, all other reasonable administrative expenses incurred by the Custodian in the performance of its duties hereunder, including fees for legal services rendered to the Custodian, and such reasonable compensation to the Custodian for its services under this Agreement as the Custodian may charge from time to time, may, in the discretion of the Custodian, be charged against and paid from the assets of the custodial account. Sufficient Fund Shares may be liquidated from the custodial account to pay any such taxes, expenses, and compensation.

## **Article XIV (Governing Law)**

This Agreement and the custodial account created hereby shall be subject to the applicable laws, rules and regulations, as the same may from time to time be amended, of the Federal government and the State of Delaware and the agencies and instrumentalities of each having jurisdiction thereof, and shall be governed by and construed, administered and enforced according to the law of the State of Delaware, except to the extent superseded by federal law. All contributions to the custodial account shall be deemed to take place in the State of Delaware.

## **Article XV (Fees and Expenses)**

The Custodian shall be entitled to receive and may charge against the custodial account such reasonable compensation for its services in accordance with its fee schedule as from time to time in effect, and shall also be entitled to reimbursement of its expenses as Custodian under this Agreement. The Custodian will provide advance written notice to the Depositor of any change in its fee schedule.

## **Article XVI (Spousal Consent)**

If the account is a Traditional IRA or Roth IRA and if you are married and designate a beneficiary other than your spouse, you are required to and acknowledge that you have provided your spouse with full and reasonable disclosure regarding your property and financial obligations; that your spouse has been advised by you to see a tax professional or legal advisor regarding any possible consequences with giving up his or her community or marital property interests in the IRA; and that your spouse assumes full responsibility for any adverse consequence that may result. Neither the Custodian nor the Sponsor is liable for any consequences resulting from a failure of the Depositor to obtain spousal consent.

## **Article XVII (Certifications)**

If you elect a Traditional IRA rollover of a distribution from another Traditional IRA, you certify and acknowledge that you have not made another rollover within the one-year period immediately preceding this rollover from such IRA; that no portion of the amount rolled over is a required minimum distribution under the required distribution rules or a hardship distribution from an employer's tax-qualified plan 403(b) arrangement or eligible 457 plan; and if the distribution was made to you, that such distribution was received within 60 days of making the rollover to this account.

If you elect a conversion, transfer or a rollover of an existing Traditional IRA to a Roth IRA, you acknowledge that the amount converted will be treated as taxable income (except for any prior nondeductible contributions) for federal income tax purposes, and certify that no portion of the amount converted, transferred or rolled over is a required minimum distribution under applicable rules. If you elect to convert an existing Traditional IRA with the Custodian to a Roth IRA with the Custodian and have elected no withholding, you understand that you may be required to pay estimated tax and that insufficient payments of estimated tax may result in penalties. If you elect a rollover from another Roth IRA, you certify that the information given is correct and acknowledge that adverse tax consequences or penalties could result from giving incorrect information. You certify and acknowledge that any rollover contribution to the Roth IRA was completed within 60 days after your receipt of the distribution from the other Roth IRA. If you elect an ESA rollover, you certify and acknowledge that no other rollover has been made within the one-year period immediately preceding this rollover from the ESA from which the rollover amount was distributed and that, if the distribution was made to you, such distribution was received within 60 days of making the rollover to this account.

You acknowledge that, if a contribution is made to the account between January 1 and your tax return due date and the contributor does not specify in writing whether the contribution is made for the current year or the prior year, the Custodian will treat it as a contribution for the current year.

You acknowledge that it is your sole responsibility to report all contributions to or withdrawals from the account correctly on your tax returns, and to keep necessary records of all of your IRAs and ESAs (including any that may be held by another custodian or trustee) for tax purposes. All forms must be acceptable to the Custodian and dated and signed by you.

## **Article XVIII (Acceptance)**

If all required forms and information are properly submitted, Custodian will accept appointment as custodian of the account. However, this Agreement (and the Application) is not binding upon the Custodian until the Depositor or, if the account is an ESA, the Responsible Individual has received a statement confirming the initial transaction for the account. Receipt by the Depositor or, if the account is an ESA, the Responsible Individual of a confirmation of the purchase of the Fund Shares indicated in the Application will serve as notification of Custodian's acceptance of appointment as custodian of the account.

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Based on legal advice relating to current tax laws and IRS meetings, the Custodian believes that the use of the Disclosure Statement and the Agreement containing information and documents for a Traditional IRA, a Roth IRA, and an ESA will be acceptable to the IRS. However, if the IRS makes a ruling, or if Congress enacts legislation, regarding the use of different documentation, Custodian will forward to you new documentation for your Traditional IRA, Roth IRA or ESA (as appropriate) for you to read and, if necessary, an appropriate new Application to sign. By adopting a Traditional IRA, Roth IRA or ESA using these materials, you acknowledge this possibility and agree to this procedure if necessary. In all cases, to the extent permitted, the Custodian will treat your account as being opened on the date your account was opened using the Application provided along with the Disclosure Statement.

# DISCLOSURE STATEMENT

This Custodial Account Disclosure Statement ("Disclosure Statement") applies to Traditional Individual Retirement Accounts ("IRAs").

You are receiving this Disclosure Statement for the purpose of ensuring that you are informed and understand the nature of a Traditional IRA sponsored by Company Fund (the "Sponsor"), the investment advisor for the Company Fund (the "Fund"), a registered open-end management investment company. This Disclosure Statement explains the rules governing Traditional IRAs.

If you should have any questions, you may contact us at the following address and phone number:

Steward Funds  
P.O. BOX 183004  
Columbus, Ohio 43218-3004  
1-800-695-3208

**Your Right To Revoke this IRA.** If you did not receive this Disclosure Statement at least seven (7) days before your Traditional IRA was established, you may revoke this Traditional IRA at any time in writing within seven (7) days after the day you established the Traditional IRA. To revoke the Traditional IRA, you must either mail or deliver a notice of revocation to the address listed above. Oral revocations are not accepted.

If after you have established a Traditional IRA and during the period in which you are entitled to revoke the Traditional IRA, there becomes effective a material adverse change in the information set forth in the Disclosure Statement or a material change in the Custodial Agreement used in establishing the Traditional IRA, you are entitled to revoke your Traditional IRA on or before a date not less than seven days after the date on which you receive such amendment under the same revocation procedure set forth above.

If a notice of revocation is mailed, it shall be deemed mailed on the date of the postmark (or if sent by certified or registered mail, the date of certification or registration) if it is deposited in the mail in the United States in an envelope or other appropriate wrapper, first class postage prepaid and properly addressed. If you revoke your Traditional IRA, you are entitled to a return of the entire amount contributed without any adjustment for expenses or market fluctuations.

## CONTRIBUTIONS

**Contribution Limits.** Except in the case of a rollover (described below), the maximum amount that you may contribute to your Traditional IRA for any year is the lesser of (i) the Dollar Limit (defined below) applicable to that year or (ii) 100% of your compensation for that year (or the combined compensation of you and your spouse if you file a joint return with your spouse for that year). Your spouse may also make contributions to his or her Traditional IRA up to the lesser of (i) the Dollar Limit applicable to that year or (ii) 100% of his or her compensation for that year (or the combined compensation of you and your spouse if you file a joint return with your spouse for that year). You and your spouse may divide the contributions between your Traditional IRA and your spouse's Traditional IRA in any amounts provided that no more than the applicable Dollar Limit is contributed to either IRA and provided that the total contributions to both IRAs do not exceed the combined compensation of you and your spouse for the year. You may not make any contribution to your Traditional IRA for any year in which you are age 70 1/2 or older (or to your spouse's Traditional IRA for any year in which your spouse is age 70 1/2 or older). Any contributions that your employer makes to your Traditional IRA for a year under a Simplified Employee Pension Plan ("SEP-IRA" described below) do not count against this contribution limit. Note that any contribution you make to your Traditional IRA for a year will reduce the amount of contributions that you may make to any Roth IRA for that year.

**Dollar Limit.** The Dollar Limit for 2014 is \$5,500. For years after 2014, the Dollar Limit will be indexed to the cost-of-living. If you are age 50 or older by the last day of the year, the Dollar Limit is increased by a catch-up contribution in the amount of \$1,000.

**Repayment of Distribution Received During Active Military Duty.** If you receive a distribution from your Traditional IRA during a period of active military duty, as further described under the heading "Penalty Tax for Premature Distribution," you may repay the distribution during the two-year period beginning on the day after the end of your active military duty. Such repayment will not count against your contribution Dollar Limit for the year of repayment.

**Compensation.** For purposes of the Traditional IRA contribution limits described above, compensation means amounts required to be reported on Form W-2, other than amounts attributable to distributions from nontax-qualified retirement plans, including wages, salary, commissions, bonuses, tips, self-employment earned income and any amounts includable in income as alimony or separate maintenance payments, but does not include income from interest, dividends or other earnings or profits from property, or amounts not includable in gross income. Foreign earned income and unemployment compensation are not included in compensation for purposes of the Traditional IRA contribution limits.

**Contribution Deadline.** Contributions for a year must be made no later than the due date of your tax return for the year, not including any extensions (generally April 15 of the following year). If you make a contribution between January 1 and your tax return due date and you do not specify whether the contribution is made for the current year or the prior year, UMB Bank (the "Custodian") will treat it as a contribution for the current year.

**Rollover Contributions and Transfers.** All or a portion of certain distributions to you from a tax-qualified retirement plan, 403(b) plan; or governmental 457 plan that is sponsored by your employer or former employer (or, in the case of the death of your spouse, sponsored by your spouse's former employer) may be rolled over tax-free directly to your Traditional IRA or by contribution into your Traditional IRA within 60 days after your receipt of the distribution.

If you are the beneficiary of a deceased participant under an employer-sponsored retirement plan, you may roll over a distribution from that plan to a Traditional IRA. If you are the spouse of the deceased plan participant, the IRA may be established as a separate inherited IRA in the name of the deceased plan participant for your benefit or you may choose to roll the distribution over to your own IRA. If you are not the spouse of the deceased plan participant, the IRA must be established as a separate inherited IRA in the name of the deceased plan participant for your benefit; however, you may not roll it over to your own IRA or elect to treat the IRA as your own, and you may not make regular contributions to the IRA.

You may transfer all or a portion of the balance in another Traditional IRA or a SIMPLE IRA (which is an IRA established under a Savings Incentive Match Plan for Employees of Small Employers) you own (other than amounts held in a SIMPLE IRA during the first two years beginning on the date you first participated in a SIMPLE IRA arrangement) directly to your Traditional IRA in a tax-free trustee-to-trustee transfer. You may rollover a taxable

## DISCLOSURE STATEMENT

distribution from another Traditional IRA within 60 days after your receipt of the distribution. Rollovers from Traditional IRAs are limited to one in any 12-month period. There is no limit on the number of trustee-to-trustee transfers that may be made between Traditional IRAs. Required distributions after you attain age 70 1/2, hardship distributions and distributions that are part of a series of installment distributions over a period of at least 10 years that are paid over your life expectancy (or the joint life expectancies of you and your beneficiary) are not eligible for rollover.

If you are the beneficiary of the benefits under your spouse's Traditional IRA or SIMPLE IRA following your spouse's death, you may rollover or transfer amounts to your Traditional IRA in accordance with the foregoing rules. A distribution received under a qualified domestic relations order may be eligible for rollover treatment.

Strict requirements must be met to qualify for tax-free rollover treatment. Rollover treatment must be elected in writing. You should consult your personal tax advisor in connection with rollovers to and from your Traditional IRA.

**Form of Contribution.** All of your contributions to your Traditional IRA, other than rollover contributions (or trustee-to-trustee transfers), must be in cash.

**Recharacterizations.** If you are eligible to contribute to a Roth IRA for a year, you may recharacterize a Traditional IRA contribution for that year as a Roth IRA contribution. Similarly, you may recharacterize a Roth IRA contribution for a year as a Traditional IRA contribution for that year (subject to the applicable contribution limit). In either case, the election to recharacterize must be made and the contribution (and any earnings thereon) must be transferred to the new IRA within six months after the due date of your federal income tax return (not including extensions), or, if later the extended due date of your federal income tax return.

**Simplified Employee Pension (SEP-IRA).** An employer may adopt a SEP and contribute to your Traditional IRA. The maximum SEP contribution for a year is the lesser of the SEP Dollar Limit in effect for the year or 25% of your compensation for the year. The SEP Dollar Limit for 2014 is \$52,000. The SEP Dollar Limit is indexed to the cost-of-living for years after 2014. The total contributions to your SEP-IRA plus any other contributions to any other defined contribution plan maintained by the same employer may not exceed 100% of your compensation for the year. The contributions are deductible to the employer and are generally not includable in your income until you receive distributions. To establish a SEP, your employer must sign a SEP agreement and provide you with a copy of the agreement as well as certain information concerning the rules applicable to such plans. Your employer can satisfy these requirements by using Form 5305-SEP which is issued by the Internal Revenue Service ("IRS"). If your employer established a SEP before 1997, you may be permitted to make salary reduction contributions. The maximum salary reduction SEP contribution for a year is \$17,500 for 2014. If you are age 50 or older by the last day of the year, you may make an additional catch-up contribution for that year. The maximum catch-up contribution for 2014 is \$5,500. The contribution limits for later years will be indexed to the cost-of-living.

### **DEDUCTIBILITY OF CONTRIBUTIONS**

**Deductible Contributions.** If you are single and are not an "active participant" in a retirement plan maintained by your employer, you can deduct the full amount of your Traditional IRA contribution. If you are married and file a joint return, you can also deduct the full amount of your Traditional IRA contribution so long as neither you nor your spouse is an "active participant" in a retirement plan maintained by your respective employers. These plans include qualified pension, profit sharing (including 401(k)), stock bonus or money purchase plans, SEP-IRAs, qualified annuity plans, tax-sheltered annuities and custodial accounts and deferred compensation plans of governmental agencies. You are generally considered to be an active participant in a plan if you were entitled to have an employer contribution or forfeiture credited to your account during the year in the case of a defined contribution plan or, in the case of a defined benefit plan, you are eligible to participate even if you choose not to. You are considered to be an active participant in a plan if you make a contribution to the plan during a year even if your employer does not. For active participation, it does not matter whether any interest you have in a plan is vested or unvested. Your employer is required to indicate on your Form W-2 whether you were an active participant for the year covered by the form.

If you or your spouse is an active participant in a plan, the amount of the deduction you can claim for a Traditional IRA contribution is reduced (and may be eliminated entirely) depending upon the amount by which your modified adjusted gross income, and, if applicable, that of your spouse, for the year exceeds the applicable dollar amount. The deductible amount for 2014, if you are an active participant, is shown in the chart below:

#### MARRIED Filing Jointly

##### Owner an Active Participant

<u>Modified Adjusted Gross Income</u>	<u>Deductibility of Contribution</u>
Up to and including \$96,000	Fully deductible
Between \$95,000 and \$116,000	Deductibility decreases as income rises
\$116,000 or more	Not deductible; growth tax deferred

#### SINGLE

(or married, filing separately and living apart from spouse the entire year)

##### Owner an Active Participant

<u>Modified Adjusted Gross Income (AGI)</u>	<u>Deductibility of Contribution</u>
Up to and including \$60,000	Fully deductible
Between \$60,000 and \$70,000	Deductibility decreases as income rises
\$70,000 or more	Not deductible; growth tax deferred

## DISCLOSURE STATEMENT

All of the foregoing limits are indexed to the cost-of-living for years after 2014.

If you are married, filing jointly and your spouse is an active participant but you are not, the deductibility of your Traditional IRA contribution will be phased out if your joint modified AGI is between \$181,000 and \$191,000.

If you are married, file a separate return and live with your spouse at any time during the year, the deductibility of your Traditional IRA contribution will be phased out if your modified AGI is between \$0 and \$10,000.

If you are entitled to a partial deduction for a year, the amount that you are entitled to deduct is determined by multiplying your contribution for the year by a fraction, the numerator of which is your modified AGI (or the modified AGI of you and your spouse if you are married and file a joint return) in excess of the modified AGI limit for a full deduction (as shown in the chart above) and the denominator of which is \$10,000 (\$20,000 if you are married and file a joint tax return), and then rounding the result to the next lowest \$10, but no less than \$200.

For example, if you are single, under age 50, an active participant in an employer-sponsored retirement plan, your modified AGI is \$67,000 and you make a \$4,000 contribution to your Traditional IRA for 2014, you may deduct \$2,800, determined as follows:

- Determine modified AGI in excess of full deduction limit:

Modified AGI	\$67,000
less Full deduction limit:	\$60,000
Excess:	\$ 7,000
- Multiply contribution by Excess/\$10,000:  
 $\$4,000 \times \$7,000/\$10,000 = \$2,800$

For purposes of the deduction limits, modified AGI is AGI with the following amounts added back: any student loan interest deduction, any savings bond excluded interest, employer-paid adoption expenses, any foreign earned income exclusion, any foreign house exclusion or deduction, and any qualified tuition and related expense deduction.

**Nondeductible Contributions.** Even though you may not be entitled to claim a deduction for contributions to your Traditional IRA, you are still allowed to make the contributions to the extent described in "Contributions," above. To the extent that the amount of your contribution exceeds the deduction limit, it is considered a nondeductible contribution. Earnings on these contributions are not taxed until distributed just like the earnings on deductible contributions.

You are required to specify on your tax return the amount of your nondeductible contribution. If you overstate this amount, you may be liable for a tax penalty of \$100 per overstatement.

### **INVESTMENT AND HOLDING OF CONTRIBUTIONS**

Contributions to your Traditional IRA, and the earnings thereon, are invested in shares of the Fund and made available as an investment, as shown on the Account Application ("Application"). The assets in your account are held in a custodial account exclusively for your benefit and the benefit of such beneficiaries as you may designate in a written notice delivered to the Custodian. The balance in your Traditional IRA represents a separate account that is clearly defined as your property and generally may not be combined for investment with the property of another individual. Your right to the entire balance in your account is nonforfeitable.

You control the investment and reinvestment of contributions to your Traditional IRA. No part of the assets of your account may be invested in life insurance contracts. Investments in collectibles, such as works of art, metals, gems, rugs, antiques, coins, stamps or alcoholic beverages, are treated as distributions from your IRA. Investments must be in the Fund. You direct the investment of your Traditional IRA by giving your investment instructions to the Fund. Since you control the investment of your Traditional IRA, you are responsible for any losses; neither the Custodian nor the Fund or their respective agents have any responsibility for any loss or diminution in value occasioned by your exercise of investment control. Transactions for your Traditional IRA will generally be at the applicable public offering price or net asset value for shares of the Fund next established after the Fund (whichever may apply) receives proper investment instructions from you; consult the current prospectus for the Fund for additional information.

Before making any investment, read carefully the current prospectus for the Fund you are considering as an investment for your Traditional IRA. The prospectus will contain information about the Fund's investment objectives and policies, as well as any minimum initial investment or minimum balance requirements and any sales, redemption or other charges.

Because you control the selection of investments for your Traditional IRA and because mutual fund shares fluctuate in value, the growth in value of your Traditional IRA cannot be guaranteed or projected.

**Tax Credit.** You may be eligible for a federal income tax credit in an amount equal to a percentage of your annual "Eligible Retirement Plan Contributions." This percentage varies from 10% to 50% depending upon your tax filing status and annual adjusted gross income. Joint filers with AGI over \$60,000, heads of household with AGI over \$45,000 and all other filers with AGI over \$30,000 are not eligible for the tax credit. These figures are indexed to the cost-of-living after 2014. Your Eligible Retirement Plan Contributions include all contributions to a Traditional or Roth IRA as well as all elective deferral contributions under a 401(k) plan, a 403(b) plan, a government deferred compensation plan under Section 457 of the Internal Revenue Code, a SIMPLE IRA, a SEP-IRA, and all voluntary after-tax contributions to a qualified plan, net of certain retirement plan distributions. The tax credit is in addition to any deductions available to you for your Traditional IRA contributions.

### **DISTRIBUTIONS FROM YOUR IRA**

**During Your Life.** You may withdraw from your Traditional IRA at any time. However, withdrawals before age 59 ½ may be subject to a 10% penalty tax in addition to regular income taxes (see below).

## DISCLOSURE STATEMENT

If you have not withdrawn the total amount held in your Traditional IRA by the April 1 following the year in which you reach 70 ½, you must make minimum withdrawals in order to avoid penalty taxes. Minimum amounts are required to be withdrawn no later than April 1 following the year in which you attain 70 ½ and each December 31 thereafter. The rule allowing certain employees to postpone distributions from an employer-sponsored qualified plan until actual retirement (even if this is after age 70 ½) does not apply to Traditional IRAs.

Uniform tables are used to determine required minimum distributions. The minimum withdrawal amount is determined by dividing the balance in your Traditional IRA at the end of the year prior to the year for which the distribution is required by your life expectancy as shown on the appropriate uniform lifetime table in Regulations section 1.401(a)(9)-9. (For the first required distribution, your account balance is determined on December 31 of the year prior to the year you attain 70 ½). You are not required to recalculate because recalculation is built in to the uniform table. The required minimum distribution rules are, in general, complex. Consult your tax advisor for assistance. If you have more than one Traditional IRA, required minimum distributions are calculated separately for each Traditional IRA; however, you may take the required minimum distribution for one Traditional IRA from any of your Traditional IRAs.

If you establish an "inherited IRA" by rollover from an employer's tax-qualified retirement plan as the beneficiary of a deceased plan participant and you are not the participant's spouse, distributions will be required in minimum amounts, as set forth in the employer's plan, except that if the participant died before he or she was required to start receiving minimum distributions under the employer plan and if you complete the rollover to your inherited IRA by the end of the year following the year in which the participant died, you may receive required minimum distributions from your inherited IRA over your life expectancy.

**After Your Death.** If your designated beneficiary is an individual, such as your spouse or child, required minimum distributions for years after the year of your death generally are based on the beneficiary's single life expectancy. This rule applies whether or not the death occurs before your required beginning date (i.e., April 1 of the year following the year you attain age 70 ½). (If your death occurs after your required beginning date, distributions are based on your life expectancy, if longer.) If your beneficiary is not an individual (for example, if the beneficiary is your estate), required minimum distributions for years after your death depend on whether the death occurs before the required beginning date. If your death occurs before the required beginning date the entire account must be distributed by the end of the fifth year following the year of your death. No distribution is required for any year before that fifth year. If your death occurred on or after the required beginning date distributions are based on your life expectancy as of your birthday in the year of death, reduced by one year for each year since the year of death.

If the beneficiary is your spouse, installment payments are not required to begin until the later of December 31 of the year following the year in which you die or December 31 of the year in which you would have reached age 70 ½. In addition, the above distribution rules will not apply if your spouse is your beneficiary and he or she elects to treat the entire interest in the Traditional IRA (or remaining part of such interest if distribution has already begun) as his or her own Traditional IRA subject to the regular Traditional IRA distribution requirements. In such a case, your spouse will be considered to be the Depositor under the Traditional IRA. If you die before the entire Traditional IRA has been distributed to you and your spouse is not your beneficiary, no additional cash contributions or rollover contributions may be accepted by the Custodian.

If your Traditional IRA is an inherited IRA, your death will have no effect on required minimum distributions. Such distributions will continue to be made in accordance with the terms of the employer plan from which the rollover to your inherited IRA was made, or over your life expectancy at the death of the plan participant (or, if you are the spouse of the plan participant, your life expectancy on the date the participant would have attained age 70 ½).

### **INCOME AND PENALTY TAXES**

**Income Tax Treatment.** Income tax on deductible Traditional IRA contributions and earnings on both deductible and nondeductible Traditional IRA contributions is generally deferred until you receive distributions. If you have made both deductible and nondeductible contributions to Traditional IRAs you maintain, a portion of each distribution you receive from any Traditional IRA (whether it is the one to which you made nondeductible contributions) will be considered to be a return of nondeductible contributions and therefore not included in your income for tax purposes. The amount of any distribution that is considered to be a return of nondeductible contributions (and therefore not taxed) is determined by multiplying the amount of the distribution by a fraction. The numerator of the fraction is the aggregate amount of nondeductible contributions you have made to all of your Traditional IRAs over the years (less any distribution of nondeductible contributions during those years) and the denominator is the balance in all of your Traditional IRAs at the end of the year (after adding back any distributions you received during the year). The aggregate amount that can be excluded from income for all years cannot exceed the amount of nondeductible contributions that you made.

Taxable distributions from your account are taxed as ordinary income regardless of their original source. They are not eligible for special tax treatment that may apply to lump sum distributions from qualified employer plans. A distribution from your account after you attain age 65 is eligible for the retirement income credit.

**Penalty Tax for Premature Distributions.** Your Traditional IRA is intended to provide income for you upon retirement. Accordingly, the law generally imposes a penalty on premature distributions. If you receive a taxable distribution from the Traditional IRA before reaching age 59 ½, generally a nondeductible 10% tax penalty will be imposed on the portion of the distribution that is included in your gross income. This penalty is in addition to any income tax you must pay on the distribution itself. The penalty does not apply to the extent that the distribution is considered a return of nondeductible contributions or a return of an excess contribution that is permitted tax-free (see "Penalty Tax for Excess Contributions"). The penalty also will not apply if the distribution is made due to your death or permanent disability, if the distribution is one of a series of substantially equal periodic payments made over your life (or life expectancy) or over the joint lives (or life expectancies) of you and your beneficiary. Further, the penalty does not apply in the case of a qualifying rollover distribution (described below). Finally, the penalty will not apply if the distribution (1) does not exceed the amount of your medical expenses that could be deducted for the year (generally speaking, medical expenses paid during a year are deductible to the extent they exceed 7 1/2% of your adjusted gross income for the year); (2) subject to certain restrictions, does not exceed the premiums you paid for health insurance coverage for yourself, your spouse and dependents if you have been unemployed and received unemployment compensation for at least twelve weeks; (3) used to pay qualifying first-time homebuyer expenses (described below); (4) used to pay qualified higher education expenses (described below); (5) is a transfer to another Traditional IRA pursuant to a decree of divorce or separate maintenance or a written instrument incident to such a decree; or (6) is made during a period of active military duty that began after September 11, 2001 and that is of indefinite duration or for a period of 180 days or longer.

## DISCLOSURE STATEMENT

First-time homebuyer expenses, in general, include the costs of acquiring, constructing, or reconstructing an individual's principal residence, subject to a lifetime dollar limit of \$10,000, as long as the individual for whom the expenses are paid did not own a principal residence for the two prior years and the expenses are paid with distribution proceeds from a Traditional IRA within 120 days of the distribution. The expenses can be used for the expenses of the Traditional IRA account holder, the account holder's spouse, or any child, grandchild or ancestor of the account holder or the account holder's spouse.

Qualified higher education expenses are tuition, fees, books, supplies, and equipment required for the enrollment or attendance at an eligible educational institution of the Traditional IRA account holder, the account holder's spouse, or the child or grandchild of the account holder or the account holder's spouse. The amount of these expenses is reduced by any amount excludable from income under the rules relating to education savings bonds.

**Penalty Tax for Excess Contributions.** Contributions to a Traditional IRA above the permissible limits are nondeductible and are subject to an annual nondeductible excise tax of 6% of the amount of such excess contributions for each year that the excess is not withdrawn or eliminated. If the person who contributed the excess takes no deduction for it and withdraws the excess amount plus the net earnings attributable to such excess on or before the due date (including extensions) for filing the Federal income tax return for the year for which the contribution was made, the 6% excise tax will not be applied but the 10% tax on premature distributions will be applied to the net earnings if the person has not attained age 59 ½ and is not disabled. Generally, if the excess is withdrawn after the due date (including extensions) for filing the Federal income tax return for the year for which the contribution was made, not only will the excess contribution be subject to the 6% excise tax, but the amount of such excess and the net income attributable to it will also be includable in income; and if you have not attained the age of 59 ½ and are not disabled, you will also be subject to the 10% penalty tax on premature distributions.

The rules discussed above generally apply to SEP-IRAs as well. The law also allows you to withdraw tax-free and without penalty an excess contribution, regardless of the amount, made with respect to a rollover contribution (including an attempted rollover contribution), if the excess contribution occurred because you reasonably relied on erroneous information required to be supplied by the plan, trust, or institution making the distribution that was the subject of the rollover.

As an alternative to withdrawing excess contributions made to a Traditional IRA, such amounts may be eliminated by making reduced contributions; however, you will be required to pay the 6% excise tax on the amount of the excess for the year of the contribution and for each subsequent year until the amount of the excess is eliminated in a later year for which you have not contributed the maximum contribution amount. If a contribution is made to your account in an amount less than the permissible limit in order to correct an excess contribution for a previous year for which you did not claim a deduction, under certain circumstances, taking into account the limits on contributions, you may be allowed to treat the amount of the reduction in the current year's contribution as an additional contribution for (the current taxable year).

**Penalty Tax for Under-Distribution.** If, after April 1st following the year in which you attain age 70 ½, the amount distributed is less than the minimum amount required by law to be distributed, a 50% excise tax may be imposed on any such deficiency. The IRS may waive this penalty if the deficiency was due to reasonable error and reasonable steps are taken to correct the deficiency.

**Prohibited Transactions and Pledging Account Assets.** If during any taxable year you engage in a so-called "prohibited transaction" with respect to your Traditional IRA, the account will lose its tax-exempt status. In this event, the fair market value of all account assets, valued as of the first day of such taxable year, will be deemed distributed to you and taxable to the extent includable in your gross income. These prohibited transactions would include borrowing money from your account.

If you pledge your account or any portion thereof as security for a loan, such pledged portion will be deemed distributed to you and, to the extent that it does not represent a return of nondeductible contributions, is includable in your gross income. If you have not yet attained the age of 59 ½ and are not totally and permanently disabled, an additional tax equal to 10% of the amount pledged will be imposed on such funds includable in gross income.

**Transfers and Rollovers.** You may transfer all or any part of your Traditional IRA to another Traditional IRA in a tax-free trustee-to-trustee transfer. In addition, you may rollover tax-free any eligible taxable distribution that you receive from your Traditional IRA (or from the Traditional IRA of your spouse following your spouse's death) to another Traditional IRA or to an employer-sponsored tax-qualified retirement plan, 403(b) plan or governmental 457 plan within 60 days following your receipt of the distribution. A taxable distribution from a Traditional IRA is eligible for tax-free rollover unless it is a required minimum distribution or part of a series of substantially equal periodic payments payable over your life or life expectancy or the joint lives or life expectancies of you and your beneficiary. You are eligible to make only one tax-free rollover from your Traditional IRA during any 12-month period.

### MISCELLANEOUS

**Roth IRA Conversions.** If you are single, or if you are married and file a joint income tax return (or, effective beginning in 2010, if you are married and file a separate return), you may convert all or part of your Traditional IRA to a Roth IRA (other than a required minimum distribution) at any time. Although nondeductible Traditional IRA contributions may be converted to a Roth IRA, you may not convert only nondeductible contributions. The conversion may be completed by receiving a distribution from your Traditional IRA and rolling it over to a Roth IRA within 60 days of the distribution, by direct transfer to a Roth IRA or by redesignating your existing Traditional IRA as a Roth IRA. You may complete more than one conversion in any 12-month period. Upon conversion, you must report the taxable portion of the amount converted as taxable income on Form 8606. The 10% penalty tax applicable to distributions before age 59 ½ does not apply to a conversion.

If you make a contribution to a Roth IRA by means of the conversion of a Traditional IRA to a Roth IRA, the conversion contribution to the Roth IRA may be recharacterized as a Traditional IRA contribution in accordance with the recharacterization rules described above. However, once you recharacterize a Roth IRA conversion contribution as a Traditional IRA contribution, you may not reconvert that amount to a Roth IRA before the beginning of the next taxable year or, if later, the end of the 30-day period beginning on the date of the recharacterization.

**Federal Income Tax Withholding.** Distributions from your Traditional IRA to you or your beneficiary are subject to Federal income tax withholding unless you or your beneficiary elects to have no withholding apply. The current withholding rate required by Internal Revenue Code is 10%. Additional information concerning withholding and election forms will be available no later than at the time a distribution is requested.

## **DISCLOSURE STATEMENT**

**Federal Estate and Gift Taxes.** Generally, your Traditional IRA will be included in your estate for Federal estate tax purposes. If your spouse is your beneficiary, your Traditional IRA may qualify for a deduction for purposes of that tax. An election under a Traditional IRA to have a distribution payable to a beneficiary on the death of the covered individual will not be treated as a gift subject to Federal gift tax.

**Reports to the IRS.** You are not required to file Form 5329 with the IRS unless you owe one of the IRA penalty taxes. These are the taxes on excess contributions, premature distributions, prohibited transactions and failures to make required minimum distributions after age 70½.

**Financial Information.** The growth in value of the Fund shares held in your account can neither be guaranteed nor projected.

**Custodian Charges.** As the custodian of your Traditional IRA, the Custodian currently charges an annual maintenance fee of \$15.00 per account. The Custodian may change any of its fees from time to time and may pay all or any portion of the fees to the Fund's Transfer Agent or other agents or subcontractors performing services with respect to your Traditional IRA. Further information regarding charges in connection with the administration of your Traditional IRA is contained in the Application.

**IRS Approval Status.** Your Traditional IRA has been approved by the IRS but this determination relates only to form and not to the merits of your account. Further information concerning Traditional IRAs can be obtained from any district office of the IRS.