

Mutual Funds

Representations & Agreement



01: Client Profile

Primary Applicant

Secondary Applicant

Name

Name

Age

Age

Mutual Fund Experience (*years*)

Mutual Fund Experience (*years*)

02: Investment Information

Investment Company Product

Program Name - The Investment Company

Investment Amount

Share Class

Existing Amount With The Company (If Any)

03: Share Class Agreement

The undersigned, as the above-named "Purchaser," whether one or more, or as a party authorized to act on behalf of the Purchaser(s) in connection with the Purchaser's acquisition of certain mutual fund shares (collectively, the "Fund Shares") of the Company hereby represent and warrant that the answers below are true and correct and acknowledge that Stax Capital, a California corporation, and each of its registered representatives and branch offices (collectively, "Stax Capital"), will rely on such statements in processing the Purchaser's acquisition of the Fund Shares.

1. If the Fund Shares are anything other than Class A shares that may make the Purchaser eligible to benefit from breakpoint discounts, please provide an explanation as to why the Purchaser believes the Fund Shares are a suitable acquisition for such Purchaser:

2. Has the Purchaser previously filed a Letter of Intent with respect to this Company or previously purchased Fund Shares within the last 90 days?

Yes No

3. Did the Purchaser benefit from a "breakpoint discount" (defined below) in connection with the Fund Shares?
(if yes, please complete #3a)

Yes No

3a. If the Purchaser benefited from a breakpoint discount in connection with the Fund Shares, please indicate the stated breakpoint _____ % that Purchaser received.

4. _____
Initials Initials

If the Purchaser did not benefit from a breakpoint discount in connection with the Fund Shares, please indicate by the Purchaser's initials, below, that notwithstanding the features and benefits of breakpoint discounts, which have been fully explained to the Purchaser by Stax Capital, you have determined that it is in the best interests of the Purchaser not to invest amounts which may make the Purchaser eligible to benefit from breakpoint discounts or to invest in a share class that does not offer breakpoint discounts, even though the failure to do so may require a greater percentage of the Purchaser's investment amount to be used as fees and commissions.

04: Source of Investment Capital: *Mutual Fund Exchange or Switch*

5. Investment Capital Source (Select one)

- a. Cash
- b. Savings
- c. Qualified Account
- d. Another Mutual Fund
- e. Other: _____

If item "d" (Another Mutual Fund) is selected, complete items A-E below.

A. What type of account is being liquidated (IRA, 401K, Individual, Joint, etc.)?

B. Are the funds proceeds from the sale of an annuity or life insurance?

Yes No

C. Was the liquidation solicited by Stax Capital?

Yes No

D. Are there any Contingent Deferred Sales Charges ("CDSC") (Defined below) or backend charges for which the Purchaser may be responsible?

Yes No

CDSC: This fee is charged when you sell your mutual fund shares. For example, if you redeem shares valued at \$1,000, and the mutual fund imposes a CDSC of 1 percent, you would be charged \$10 and receive \$990. For B shares, CDSCs normally decline over time and, eventually, are eliminated after six years from the purchase of those shares.

E. Please indicate, below, all reasons the Purchaser wishes to switch mutual funds:

- Change in risk tolerance
- Dissatisfaction with the performance of prior mutual funds
- The desire for lower ongoing fees
- 401K rollover
- Change in broker-dealer or registered representative and prior mutual fund is not available through Stax Capital
- Other reasons: _____

05: Investor Representations, Warranties, and Acknowledgements

In addition to the foregoing representations, warranties, and acknowledgments, the undersigned hereby represents, warrants, acknowledges, and agrees, in favor of the Company and Stax Capital that the Purchaser(s):

1. _____
Initials Initials
Date Offering Material(s) Received: _____
Investment Decision Date: _____
2. _____
Initials Initials
I, or We as "Purchaser(s)", have such knowledge and experience in financial and business matters that as the Purchaser I am capable of evaluating the merits and risks of this acquisition of the Fund Shares and protecting the Purchaser's own interests;
3. _____
Initials Initials
have read the prospectus and supplements (collectively, the "Offering Materials") related to the offer of the Fund Shares (including all information related to sales charge, breakpoints, fees, expenses, and risk factors set forth therein), and has carefully and fully considered the sales charges, fees, expenses, and risks of an investment in the Fund Shares prior to making a decision to acquire the Fund Shares;
4. _____
Initials Initials
have read the Offering Materials related to the offer of the Fund Shares and understands that Fund Shares will be offered at Net Asset Value ("NAV") plus sales charges and redeemed at NAV and that NAV will be determined as described fully in the Offering Materials;
5. _____
Initials Initials
Understand that, in order for the Purchaser to obtain discounts related to sales charges (see page 8 for sample discounts), Purchaser must furnish Stax Capital with all relevant information related to other accounts which hold the Company on behalf of the Purchaser or any family members or parties related to the Purchaser, now or in the future, and that failure to provide such information may result in the Purchaser not being able to benefit from discounts related to sales charges;
6. _____
Initials Initials
have discussed "breakpoint discounts" with Representative and/or Stax Capital, how the Purchaser can obtain breakpoint discounts which may result in reduced sales load, and other considerations which may impact the cost of Fund Shares;

7. _____
Initials Initials Understand that FINRA offers a free “Fund Analyzer” which can be found at FINRA’s website, www.finra.org or https://tools.finra.org/fund_analyzer/, and that Stax Capital has recommended that the Purchaser use such Fund Analyzer to assist the Purchaser in comparing costs associated with purchasing different classes of shares of mutual funds;
8. _____
Initials Initials understand that the Purchaser’s acquisition of the Fund Shares and the performance thereof are subject to various risks set forth in the Offering Materials, and Stax Capital cannot, and does not, make any guarantees or representations regarding the safety of principal invested, cash flow, distributions, performance of the Fund Shares as an investment, each of which may be less than the projections set forth in the Offering Materials;
9. _____
Initials Initials understand that, although Stax Capital has performed due diligence related to the Company and the Fund Shares, such due diligence does not, and is not required to, ensure that the Fund Shares will perform as projected, and that there may be issues that were not discovered through due diligence performed by Stax Capital (or parties engaged by Stax Capital to perform due diligence) prior to the Purchaser’s acquisition of the Fund Shares, or after such acquisition (including, without limitation, the actions of the Company, its affiliates, or other investors), which may cause the Purchaser to incur losses up to, and including, its principal invested;
10. _____
Initials Initials have had an opportunity to ask questions of and receive answers from the Company (or a person or persons acting on its behalf) and Stax Capital, concerning the Company and the Fund Shares, and all such questions have been answered to the Purchaser’s full satisfaction;
11. _____
Initials Initials have consulted or have had the opportunity to consult with a qualified attorney, tax advisor, or accountant, and understands the tax implications of the Purchaser’s acquisition of the Fund Shares, and will consult a qualified attorney, tax advisor, or accountant prior to the disposition of such Fund Shares with respect to the tax consequences of disposing of the Fund Shares. Understand further that Stax Capital or my representative is not qualified to consult or provide legal or tax advice, and as such has not given legal or tax advice;
12. _____
Initials Initials have read the document entitled “Mutual Fund Disclosure” set forth below which has been provided by Stax Capital, and has had each of the Purchaser’s questions related to mutual funds, in general, and/or the Fund Shares, answered to the Purchaser’s satisfaction;
13. _____
Initials Initials understand the consequences of “switching” investments in mutual funds and such switching may cause the Purchaser to incur sales charges and other expenses;
14. _____
Initials Initials that if this Investment Representations and Agreement is signed by person(s) other than the above named Purchaser(s), then the undersigned has been duly authorized to act for and on behalf of such Purchaser(s) in connection with the acquisition of the Fund Shares.

This Investment Representations, Warranties, and Acknowledgements is executed by the undersigned, acting either as the Purchaser or as a party authorized to act on behalf of the Purchaser, for the benefit of Stax Capital, having been fully advised that Stax Capital intends to rely upon the provisions hereof with respect the Purchaser's acquisition of the Fund Shares, and any other mutual fund shares at anytime in the future.

Signature Date

Signature Date

Print Name (Primary Applicant)

Print Name (Secondary Applicant)

Broker-Dealer Signature

Signature Date

Signature Date

Print Name (Registered Representative 1)

Print Name (Principal 1)

Signature Date

Signature Date

Print Name (Registered Representative 2)

Print Name (Principal 2)

Rep Code

Mutual Fund Disclosure

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

Sales Charges

Like most investments, all mutual funds charge fees and expenses that are paid directly or indirectly by investors. These fees and expenses can vary widely from fund to fund, and a disclosure regarding fees and expenses can be found in each mutual fund's prospectus. Even a single mutual fund, with one portfolio and one investment adviser, may offer different classes of its shares to investors with different fees and expenses depending on the class that you choose. Because even small differences in expenses can make a big difference in your return over time, FINRA has developed a Fund Analyzer, which can be found at FINRA's website, www.finra.org or <http://apps.finra.org/fundalyzer/1/fa.aspx>, to help you compare how sales loads and breakpoint discounts, fees, and other mutual fund expenses can impact your return. Fees and expenses that may be charged in connection with mutual fund shares include the following:

- A. **Asset-Based Sales Charges:** These are fees you would not pay directly, but which are taken out of a mutual fund's assets to pay to market and distribute its shares. For example, asset-based sales charges can be used to compensate a broker for the sale of mutual fund shares, for advertisements and to print copies of the prospectus. Asset-based sales charges include Rule 12b-1 fees, which are dedicated to these types of distribution costs.
- B. **Contingent Deferred Sales Charge ("CDSC"):** This fee is charged when you sell your mutual fund shares. For example, if you redeem shares valued at \$1,000, and the mutual fund imposes a CDSC of 1 percent, you would be charged \$10 and receive \$990. For B shares, CDSCs normally decline over time and, eventually, are eliminated after six years from the purchase of those shares.
- C. **Front-End Sales Charge:** This fee is charged when you purchase mutual fund shares. For example, you spend \$1,000 to purchase Class A shares and the fund imposes a front-end sales charge of 5 percent. You are charged \$50 on your purchase and receive shares with a market value of \$950. Depending on the size of your purchase, a breakpoint discount can lower this sales charge.

Investors that purchase mutual funds must make certain choices, including which funds to purchase and which class share is most advantageous. Each mutual fund has a specified investment strategy. You need to consider whether the mutual fund's investment strategy is compatible with your investment objectives. Additionally, most mutual funds offer different share classes. Although each share class represents a similar interest in the mutual fund's portfolio, the mutual fund will charge you different fees and expenses depending upon your choice of share class.

Class A Shares

Class A shares typically charge a front-end sales charge. When you buy Class A shares with a front-end sales charge, a portion of your dollars is not invested. Class A shares may impose an asset-based sales charge, but it is generally lower than the charge imposed by other share classes (Class A and Class B). A mutual fund may offer you discounts, called "breakpoint discounts" (which are discussed in more detail, below), on the front-end sales charge if you (a) make a large purchase, (b) already hold other mutual funds offered by the same fund family, or (c) commit to regularly purchasing the mutual fund's shares.

Class B Shares

Class B shares typically do not charge a front-end sales charge, but they do impose asset-based sales charges that may be higher than those that you would pay if you purchased Class A shares. Class B shares also normally impose a CDSC, which you would pay if you sell your shares within a certain period, often six years. For this reason, these shares should not be referred to as “no-load” shares. The CDSC normally declines the longer you hold your shares and, eventually, is eliminated. Within two years after the CDSC is eliminated, Class B shares often “convert” into lower-cost Class A shares. When they convert, they begin to charge the same fees as Class A shares. Class B shares do not impose a sales charge at the time of purchase. So unlike Class A purchases, all of your dollars are immediately invested. But your annual expenses, as measured by the expense ratio, may be higher. You also may pay a sales charge when you sell your Class B shares. If you intend to purchase a large amount of Class B shares (over \$50,000 or \$100,000, for example), you may want to discuss with your financial advisor whether Class A shares would be preferable. The expense ratio, which can usually be found in the front of a mutual fund’s prospectus and is a measure of the mutual fund’s total annual expenses expressed as a percentage of the fund’s net assets¹, charged on Class A shares is generally lower than for Class B or C shares. The mutual fund also may offer large-purchase breakpoint discounts from the front-end sales charge for Class A shares.

To determine if Class A shares are more advantageous, refer to the mutual fund’s prospectus, which may describe the purchase amounts that qualify for a breakpoint discount.

Class C Shares

Class C shares do not impose a front-end sales charge on the purchase, so the full dollar amount that you pay is invested. Often Class C shares impose a small charge (often 1 percent) if you sell your shares within a short time, usually one year. They typically impose higher asset-based sales charges than Class A shares and, since they generally do not convert into Class A shares, those fees will not be reduced over time.

Additionally, in most cases, your total cost would be higher than with Class A shares, and even Class B shares, if you hold for a long time.

Breakpoint Discounts

Mutual funds often offer discounts on front-end sales charges or loads for larger investments. The investment levels at which the discounts become available are called “breakpoints.” For example, a mutual fund might charge you a front-end sales load of 5.75 percent for all purchases of less than \$50,000, but reduce the load to 4.50 percent for investments between \$50,000 and \$99,999, and further reduce or eliminate the sales load for even larger investments.

When your dollar amount of mutual fund purchases reaches a specified level, called a breakpoint, you are entitled to pay a smaller sales load. For example, a purchase of \$49,500 in mutual fund shares may be charged a front-end sales load of 5.75 percent or \$2,846.25, while a purchase of \$50,000 in fund shares might be charged a sales load of 4.50 percent or \$2,250. In this example, by choosing to invest \$500 more in funds, you would have \$596.25 more invested in fund assets. Typically, there are several breakpoints, and if you invest more and reach each of these thresholds, the greater the reduction in the sales load.

You may be entitled to a lower front-end sales load based on a single mutual fund transaction if the dollar size of the transaction exceeds one or more breakpoints. In addition, you may become entitled to receive a breakpoint discount based on rights of accumulation or by using letters of intent, which will be further explained in subsequent paragraphs. A sample breakpoint schedule (which is provided strictly for illustration purposes only, and may not be representative of the breakpoint schedule associated with the shares of the mutual fund(s) you are seeking to purchase) is as follows:

¹ This “expense ratio” includes management fees, marketing and distribution fees (often called 12b-1 fees) and other ongoing fees that are deducted from a mutual fund’s assets. These fees pay for the services of the mutual fund’s investment adviser, the selling advisor or broker, transfer agent, and for other expenses. Front-end sales charges and CDSCs are not included in the expense ratio because they are charged once, and directly to the investor.

Sample Breakpoint Schedule

Class A Shares (Front-end Sales Load)	
<u>Investment Amount</u>	<u>Sales Load</u>
Less than \$25,000	5.00%
\$25,000 - \$49,999	4.25%
\$50,000 - \$99,999	3.75%
\$100,000 - \$249,999	3.25%
\$250,000 - \$499,999	2.75%
\$500,000 - \$999,999	2.00%
\$1 million or more	0.00%

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

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

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

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

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

In the case of either ROAs or LOIs, you usually may credit mutual fund transactions in other related accounts, in different mutual fund classes, or in different mutual funds that are part of the same fund family, toward your discounts. For example, a fund may allow you to get a breakpoint discount by combining your fund purchases with those of your spouse or children. You also may be able to credit mutual fund transactions in retirement accounts, educational savings accounts, or in accounts at other brokerage firms.

Understanding the availability of breakpoint discounts is important because it may allow you to purchase Class A shares at a lower price. The availability of breakpoint discounts may save you money and may also affect your decision regarding the appropriate share class in which to invest. Therefore, you should discuss the availability of breakpoint discounts with your financial advisor and carefully review the mutual fund prospectus and its statement of additional information, which you can get from your financial advisor, when choosing among the share classes offered by a mutual fund. If you wish to learn more about mutual fund share classes or mutual fund breakpoints, you may wish to review the investor alerts available on the FINRA's website www.finra.org or <http://www.finra.org/Investors/InvestmentChoices/MutualFunds/>, or visit the many mutual fund websites available to the public.

Switching Mutual Funds

Switching activity involves the movement of an investor from one product to another. Most mutual funds are designed for long term investing. Switching from one fund to another could cause surrender charges, additional fees and/or commissions that could otherwise be avoided. Prior to switching, please consider that there may be an appropriate fund within the same fund family into which you can exchange to achieve your new investment objective, which will not result in additional charges. Switches that are based on poor performance may not be appropriate. Past performance is no guarantee of future results, and there is no assurance that your new fund will perform better than your old fund.

Thank you for taking the time to read this important document. Please review with your registered representative any questions you may have regarding the information contained, and how these considerations may impact your investment decisions.

If questions or concerns arise at any time regarding the foregoing, please immediately contact the Compliance Department at Stax Capital by calling 844-427-1031.