



PKS Mutual Fund Disclosure Form

Dear Client:

Purshe Kaplan Sterling Investments strives to offer its clients the best service possible, and present information in a plain-language, easy-to-understand format. The purpose of this document is to further your understanding of the mutual fund investment purchase you are contemplating. To that end, here is a brief description of mutual fund share classes and definitions largely taken directly from the FINRA website.

Mutual Fund Classes

A single mutual fund, with one portfolio and one investment adviser, may offer more than one "class" of its shares to investors. Each class represents a similar interest in the mutual fund's portfolio. The principal difference between the classes is that the mutual fund will charge you different fees and expenses depending upon the class you choose.

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 (often 0.25 percent per year), but it generally is lower than the charge imposed by the other classes (often 1.00 percent per year for B and C 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 contingent deferred sales charge (CDSC), which you pay if you sell your shares within a certain period, often six years. 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 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 1.00 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 longer than the break-even point. This can be as short as three years.

Other Share Classes

There are other types of share classes, and such classes vary with the sponsoring mutual fund family. Typically, these share classes offer a reduced up-front sales charge when the funds will be held for a very long time.

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%, 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.

Expense Ratio

A measure of the fund's total annual expenses expressed as a percentage of the fund's net assets. For example, an expense ratio of 1% represents an annual charge to the fund's assets - including your proportional interest in those assets - of 1% every year.

The 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.

The fee table in the front of a mutual fund's prospectus shows the expense ratio, front-end sales charges, and CDSCs.

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%. 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.

Asset-Based Sales Charges

These are fees that you would not directly pay, 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.

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% for all purchases less than \$50,000, but reduce the load to 4.50% for investments between \$50,000 and \$99,999, and further reduce or eliminate the sales load for even larger investments. A mutual fund may offer you discounts, called breakpoint discounts, on the front-end sales charge if you:

- make a large purchase;
- already hold other mutual funds offered by the same fund family (see Rights of Accumulation); or
- commit to regularly purchasing the mutual fund's shares (see Letter of Intent)

These breakpoints do not apply to no-load mutual funds or to mutual fund share classes that do not charge varying front-end sales loads.

Each mutual fund and family of funds set their own breakpoints and conditions for discounts. These terms and conditions differ from one fund to another, and they also can change. You can find information on breakpoints in the mutual fund prospectuses or statements of additional information and on many mutual fund company websites.

Rights of Accumulation

A right of accumulation (ROA) typically gives you a discount on your current mutual fund purchases by combining both your current and previous fund transactions to reach a breakpoint. For example, if you are investing \$10,000 in a fund today, but previously had invested \$40,000, those amounts can be combined to reach a \$50,000 breakpoint, which will entitle you to a lower sales load on your \$10,000 purchase.

Letter of Intent

A letter of intent (LOI) is a statement you sign that expresses your intent to invest an amount over the breakpoint within a given period of time specified by the fund. Many fund companies permit you to include purchases completed within 90 days before the LOI is signed and within 13 months after the LOI is signed in reaching the dollar amount of the breakpoint threshold. If you fail to invest the amount stated in your LOI, the fund can retroactively collect the higher fee.

Family Discounts

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.

Be sure that you tell your broker about your mutual fund holdings and those of your family, including holdings at other brokers or with the mutual fund itself. Also tell your broker about any plans you may have for making any additional purchases. With this information, your broker can make sure you get all available breakpoint discounts.

Acknowledgement

Please contact your Investment Executive to determine the appropriate Share Class for your investment portfolio or the PKS Compliance Department to discuss the benefits and potential disadvantages of “C” shares with particular emphasis on anticipated length of hold for the position and, if desired, to switch to another class. They can be reached at 800-801-6851 or complianceinfo@pksinvest.com.

Do you or anyone in your family already own mutual funds offered by this fund family? Yes No
If so, how much? _____

Do you intend on making any additional purchases in this fund family over the course of the next 13 months? Yes No
If so, how much? _____

I am electing to purchase \$ _____ of Class _____ shares. I have been informed of the various share class options for this fund by my Investment Executive as well as by the fund prospectus presented to me.

I have received a copy of the fund prospectus.

(For 529 Plans): I have received a copy of the 529 Plan Program Disclosure Document

I hereby acknowledge that I have read and fully understand the information contained within this document.

Primary Account Owner Signature Date

Joint Account Owner Signature Date

Print Name

Print Name