

**HIGHLAND CAPITAL
MANAGEMENT**

UMB BANK, N.A.

UNIVERSAL INDIVIDUAL RETIREMENT ACCOUNT

INFORMATION KIT

(EFFECTIVE DECEMBER 1, 2016)

Highland Capital Management Fund Advisors, L.P.
UMB Bank, n.a.
Universal Individual Retirement Custodial Account

Instructions for Opening Your Traditional IRA or Roth IRA

1. Please review the applicable sections of the Universal IRA Disclosure Statement contained in this Kit, the Traditional or Roth Individual Retirement Custodial Account document (as applicable), the Adoption Agreement, and the prospectus(es) for any Fund(s) you are considering. Consult your lawyer or other tax adviser if you have any questions about how opening a Traditional IRA or Roth IRA will affect your financial and tax situation.

This Universal Individual Retirement Custodial Account Kit contains information and forms for both Traditional IRAs and Roth IRAs. However, you may use the Adoption Agreement to establish only one Traditional IRA or one Roth IRA; separate Adoption Agreements must be completed if you want to establish multiple (Roth or Traditional) IRA accounts.

2. Complete the Adoption Agreement

- Print the identifying information where requested in Part 1 of the Adoption Agreement.
- For a **Traditional IRA**, check the box for Part 2, Section A and check the other boxes in Section A to specify the type of Traditional IRA you are opening and provide the registration information.

If this is an IRA to which you expect to make annual contributions, check Box 1 and enclose a check in the amount of your first contribution. If you are making an annual contribution between January 1 and April 15, be sure to indicate whether this is a contribution for the prior year or for the current year. Also, if you have designated your IRA to receive a federal income tax refund as a contribution you must provide us with specific instructions if you want to designate it as a contribution for the prior year and you must be sure that we receive the refund by April 15. Otherwise, the refund will be treated as a contribution for the current year. Call the customer service number provided to obtain more details about routing numbers needed to ensure your contribution is sent to the correct account and is invested in accordance with your directions.

If this is a transfer directly from another IRA custodian or trustee, check Box 2. Complete and sign the Universal IRA Transfer of Assets Form.

If this is a rollover of amounts distributed to you from another IRA or an employer qualified plan or a 403(b) arrangement or an eligible 457 plan, check Box 3. Enclose a check for the rollover contribution amount.

If this is a direct rollover from an employer qualified plan or 403(b) arrangement or eligible 457 plan, check Box 4. Complete and sign the Universal IRA Transfer of Assets Form.

If you are opening an **inherited Traditional IRA** you must indicate this by checking the box for Section C of Part 2 in the Adoption Agreement and providing the requested information, including your status as a spousal beneficiary or a non-spousal beneficiary. If you are a spousal beneficiary you may request that the IRA be opened in your name as the owner, or as a decedent IRA (the two options may have differing tax implications, therefore, please consult with your tax advisor). If you are a non-spousal beneficiary, the IRA is subject to special rules for inherited IRAs including those for required minimum distributions. Also you must indicate if the assets for the inherited IRA are coming from another IRA or from an employer retirement plan (see note below).

Note: If you are the beneficiary of a deceased participant in an employer qualified plan, 403(b) arrangement or eligible governmental 457 plan, you may establish an IRA and direct the transfer of the deceased participant's account to your IRA by a direct rollover. The required minimum distribution rules will apply to the amount in your IRA. See the Disclosure Statement for

additional information and consult a tax advisor for assistance, if needed. You may need to commence withdrawals in order to satisfy the required minimum distribution rules by submitting appropriate withdrawal instructions.

Note: If this is a transfer, rollover or direct rollover as described above, and if any after-tax or nondeductible contributions are included in the transfer, rollover or direct rollover, indicate the amount of the after-tax or nondeductible contributions. For operational reasons, our recordkeeping systems must hold after-tax or nondeductible amounts under a separate account number.

If this is a “recharacterization” of a Roth IRA you established originally by converting from a Traditional (or other) IRA, check Box 5. If UMB Bank, n.a. is the Roth IRA Custodian, indicate the current account number. If there is a different trustee or custodian of your current Roth IRA, complete and sign the Universal IRA Transfer of Assets Form. A recharacterization must be completed by the due date (including extensions) for your federal income tax return for the year when you established the Roth IRA in the first place. Recharacterization is subject to complex tax rules; consult the IRS or your professional tax adviser if necessary.

Check Box 6 if applicable (for a Traditional IRA that will be used to receive employer contributions under an employer’s simplified employee pension (or “SEP”) plan or under a grandfathered salary reduction SEP plan (or “SARSEP”)).

- For a **Roth IRA**, check the box for Section B of Part 2. Check the box in the heading if you want separate Roth IRA accounts for annual Roth IRA contributions and for amounts converted from a Traditional (or other) IRA. You can also keep separate Roth IRA accounts for amounts converted in different calendar years. A separate Adoption Agreement is needed for each separate Roth IRA account. Check the other boxes in Section B to specify the type of Roth IRA you are opening and provide the requested information.

If this is a Roth IRA to which you expect to make annual contributions, enclose a check in the amount of your first contribution. If you are making an annual contribution between January 1 and April 15, be sure to indicate whether this is a contribution for the prior year or for the current year.

If you are converting an existing Traditional IRA with UMB Bank, n.a. as IRA custodian or trustee, check Box 2. Indicate your current IRA account number and how much you are converting. Conversion of an existing Traditional IRA will result in inclusion of taxable amounts in the existing Traditional IRA on your income tax return. Carefully read and, if needed, complete the section entitled Tax Withholding Election for Conversion. You may elect to have income taxes withheld if you want, but this may be disadvantageous. Unless you elect, there will be no withholding.

If you are making a conversion from an existing Traditional IRA with a different custodian or trustee, check Box 3. A conversion from an existing Traditional IRA means that the taxable amount in the existing Traditional IRA will be treated as additional income on your income tax return.

You can also convert a SEP IRA account you have as part of an employer simplified employee pension (SEP) program, or a SIMPLE IRA you have as part of an employer SIMPLE IRA program. (A SIMPLE IRA must have been in existence at least two years before it can be converted to a Roth IRA.) Fill out Part 2 as if you were converting a Traditional IRA.

If you are making a rollover or a transfer from another Roth IRA with a different trustee or custodian, check Box 4. Provide the requested information where indicated.

- In Section C of Part 2, check the box if you are establishing an inherited IRA (one that will hold assets you are receiving as the beneficiary of a deceased IRA owner or employer plan participant). Provide the requested information. See above for more information about inherited IRAs.

- In Part 3, indicate your investment choices.
- In Part 4, indicate your Primary and Alternate Beneficiaries. (Signature by your spouse on the spousal waiver may be needed if you reside in a community or marital property state and if the beneficiary is other than your spouse.)
- In Part 5, indicate whether you are a U.S. Person or a Foreign Person. U.S. tax regulations require the completion of this section in order to prevent the imposition of penalty withholding tax on distributions from the Account.

To indicate that you (the Depositor) are a “Foreign Person” (an individual who is not a citizen of the U.S. and not a resident alien), check the box in Part 5. If you do not check the box, you are certifying that you are a “U.S. Person” (either a U.S. citizen or a resident alien).

If you are a U.S. Person, your correct Social Security number should go in Part 1. If you do not have a Social Security number, you should apply for one immediately by contacting the local office of the Social Security Administration or the Internal Revenue Service.

If you are a Foreign Person, you must obtain a Form W-8BEN from the IRS Forms Line (800) 829-3676 or from the IRS website at www.irs.ustreas.gov. Complete and return the form with the Adoption Agreement or within 30 days after sending the Adoption Agreement.

- Sign and date the Adoption Agreement at the end (Part 6). If the individual for whom this IRA is being established is a minor under the laws of his or her state of residence, a parent or guardian also must sign.
3. If you are transferring assets from an existing IRA or employer plan account to this IRA, complete the Universal Transfer of Assets Form.
 4. The Custodian fees for maintaining your IRA are listed in the FEES AND EXPENSES section of Part Three of the Disclosure Statement or in the Adoption Agreement. If you are paying the fees by check, enclose a separate check for the correct amount payable as specified below. If you do not pay by check, the correct amount will be taken from your Account.
 5. Check to be sure you have properly completed all necessary forms and enclosed a check for the Custodian's fees (unless being withdrawn from your Account) and a check for the first contribution to your Traditional or Roth IRA (if applicable). Your Traditional IRA or Roth IRA cannot be accepted without the properly completed documents or the Custodian fees.

All checks should be payable to “UMB BANK, N.A.”

Send the completed forms and checks to:

UMB Bank, n.a.
Highland Funds
PO Box 219424
Kansas City, MO 64121-9424

HIGHLAND CAPITAL MANAGEMENT FUND ADVISORS, L.P.

UMB Bank, n.a.
Individual Retirement Custodial Account
Adoption Agreement

I, the person signing this Adoption Agreement (hereinafter called the "Depositor"), establish an Individual Retirement Account (IRA), which is either a Traditional IRA or a Roth IRA, as indicated below, (the "Account") with UMB Bank, n.a. as Custodian ("Custodian"). A Traditional IRA operates under Internal Revenue Code Section 408(a). A Roth IRA operates under Internal Revenue Code Section 408A. I agree to the terms of my Account, which are contained in the applicable provisions of the document entitled "UMB Bank, n.a. Universal Individual Retirement Custodial Account" and this Adoption Agreement. I certify the accuracy of the information in this Adoption Agreement. My Account will be effective upon acceptance by Custodian.

Important Notices

- The USA PATRIOT Act

To help the government fight the funding of terrorism and money laundering activities, Federal Law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. This information will be verified to ensure identity of all individuals opening a mutual fund account.

The bolded items in the Depositor Information section below must be completed and will be verified as required by the USA PATRIOT Act.

-- Escheatment

Your property may be transferred to the appropriate state (i.e., escheated) if no activity occurs in the account within the time period specified by state law. For more details, consult your state's website, or call your state government's escheatment customer service number.

1. Depositor Information

Print Full Name

□□□ □□ □□□□

Social Security Number

Residential Street Address [APO and FPO addresses are acceptable].

U.S. State or Foreign Country of Permanent Residence

Mailing Address (If mailing address is a post office box, a street address is also required by the USA PATRIOT Act)

Date of Birth

(____)_____
Daytime Telephone No.

City

State

2. IRA Election

INSTRUCTIONS: To establish a **Traditional IRA**, check Box A and complete Section A. To establish a **Roth IRA**, check Box B and complete Section B. If this is an inherited IRA (one that will hold assets you received as a beneficiary), check Box C and complete Section C. Also, complete Part 3 to select your investment choices, complete Part 4 to designate a beneficiary for the account, and sign at the end of Part 5.



A. TRADITIONAL IRA -- By checking this box, I designate my Account as a Traditional IRA under Code Section 408(a). (Complete 1, 2, 3, 4 or 5 below to indicate the type of Traditional IRA you are opening. Check box 6, if applicable.)

1. **Annual Contributions**

Current Contribution for the year _____.
Check enclosed for \$_____. This contribution does not exceed the maximum permitted amount for the year of contribution as described in the Traditional IRA Disclosure Statement.

2. **Transfer**

Transfer of existing Traditional IRA directly from current Custodian or Trustee. Complete the Universal IRA Transfer of Assets Form.

[If this transfer includes any nondeductible contributions to the transferring account, indicate the amount of nondeductible contributions included in this transfer: \$_____]

3. **Rollover**

Rollover of a withdrawal from another Traditional IRA or of an eligible rollover distribution from an employer qualified plan, 403(b) arrangement or eligible 457 plan. The requirements for a valid rollover are complex and restrictions apply to IRA to IRA rollovers. See the IRS website and the Traditional IRA Disclosure Statement for additional information and consult your tax adviser for help if needed. Check enclosed for \$_____.

[If this rollover contribution constitutes all or part of either a withdrawal from another Traditional IRA or an eligible rollover distribution from an employer qualified plan or 403(b) arrangement, and if it includes any after-tax (or nondeductible) contributions to such other Traditional IRA or employer qualified plan or 403(b) arrangement, indicate the amount of after-tax contributions included in this rollover contribution: \$_____]

4. **Direct Rollover**

Direct rollover of an eligible rollover distribution from an employer qualified plan, 403(b) arrangement or eligible 457 plan.

Direct rollovers are described in the Traditional IRA Disclosure Statement. Complete the Universal IRA Transfer of Assets Form.

[If this is a direct rollover contribution from an employer qualified plan or 403(b) arrangement, and if it includes any after-tax (or nondeductible) contributions to such employer qualified plan or 403(b) arrangement, indicate the amount of after-tax contribution included in this direct rollover: \$_____]

5. **Recharacterization of existing Roth IRA**

With Highland Capital Management Fund Advisors, L.P. Give current Account No.: _____

Indicate amount recharacterized, if less than entire account balance:

\$ _____

(If no amount is inserted here, we will recharacterize the entire account balance.)

With another custodian or trustee.

Complete the Universal IRA Transfer of Assets Form

6. **SEP Provision**

Check here if the Depositor intends to use this Account in connection with a SEP Plan or grandfathered SARSEP Plan established by the Depositor's employer.

B. ROTH IRA -- By checking this box, I designate my Account as a Roth IRA under Code Section 408A. (Complete 1, 2, 3 or 4 below to indicate the type of Roth IRA you are opening.)

If you want to keep annual contribution amounts in a separate Roth IRA account from amounts converted from a Traditional IRA, check this box (a separate Adoption Agreement is required to open another Roth IRA); if the box is not checked, we will permit commingling of annual contribution amounts and conversion amounts in the Account.

1. **Annual Contributions**

Current Contribution for the year _____.
Check enclosed for \$_____. This contribution does not exceed the maximum permitted amount for the year of contribution as described in the Traditional IRA Disclosure Statement.

2. **Conversion** of existing Traditional IRA with Highland Capital Management Fund Advisors, L.P. to a Roth IRA with Highland Capital Management Fund Advisors, L.P.

Current Traditional IRA Account No.: _____

Amount Converted

All

Part (specify how much):

\$ _____

Tax Withholding Election for Conversion

Under IRS rules, a conversion of a Traditional IRA to a Roth IRA is treated for income tax purposes as a distribution of taxable amounts in the Traditional IRA. IRS rules also require the custodian to withhold 10% of the conversion amount for federal income taxes unless no withholding has been elected. See IRS Publication 505, "Tax Withholding and Estimated Tax" for more information. State tax withholding may also apply if federal income tax is withheld.

Caution: Withholding income taxes from the amount converted (instead of paying applicable income taxes from another source) may adversely impact the expected financial benefits of converting from a Traditional to a Roth IRA (consult your financial adviser if you have a question). Because of this impact, by electing to convert a Traditional IRA to a Roth IRA, you are deemed to elect no withholding unless you check the box below:

Withhold 10% for federal income taxes (if you want a greater percentage, put it here: ____%)

3. **Conversion** from existing Traditional IRA with another custodian or trustee to a Roth IRA with Highland Capital Management Fund Advisors, L.P.

4. **Rollover or Transfer** from existing Roth IRA with another custodian or trustee to a Roth IRA with Highland Capital Management Fund Advisors, L.P.

Complete the Universal IRA Transfer of Assets Form if either 3 or 4 is checked and the transaction is a transfer, as opposed to rollover.

C. INHERITED IRA

Please check this box if the IRA you are establishing will hold inherited assets (assets that you are receiving as a beneficiary of a deceased IRA owner or plan participant). If you do not check the box, you are certifying that you are the owner of this IRA in your own right and are not subject to the special rules for an inheriting beneficiary of a deceased IRA owner or plan participant.

I am transferring inherited/beneficiary assets from another IRA or an employer plan account in accordance with applicable tax law requirements, and I am the (check one box) surviving spouse or a non-spousal beneficiary (for non-spousal beneficiary, account will be registered as a decedent (DCD) IRA).

If a surviving spouse, register my IRA as an

- inherited (DCD) IRA
- in my name (not an inherited IRA)

Note: There are tax implications to this choice – see the Instructions for more information and consult a tax advisor if needed.

Date of prior participant's/account owner's death: _____

3. Investments

Invest contributions to my Account as follows:

Energy MLP Fund	_____%
Fixed Income Fund	_____%
Long/Short Equity Fund	_____%
Long/Short Healthcare Fund	_____%
Opportunistic Credit Fund	_____%
Premier Growth Equity Fund	_____%
Small Cap Equity Fund	_____%
Tax Exempt Fund	_____%
Total Return Fund	_____%
Merger Arbitrage Fund	_____%

Must Total 100%

I acknowledge that I have sole responsibility for my investment choices and that I have received a current prospectus for each Fund I select. Please read the prospectus (es) of the Fund(s) selected before investing.

4. Telephone/Online Exchange, Purchase and Redemption

Your account will automatically be coded with Telephone/Online Purchase, Telephone/Online Exchange and Telephone/Online Redemption Privileges, unless you check a box below to decline these privileges. If you do not provide banking information in Section B, Telephone/Online Redemptions will be mailed via check to your address of record.

Decline Telephone/Online Purchase Decline Telephone/Online Exchange Decline Telephone/Online Redemption

Please review the rules set forth in the prospectus regarding Telephone and Online transactions. Neither Highland Funds nor its transfer agent will be liable for any loss, liability, cost or expense for acting upon requests reasonably believed to be genuine. We reserve the right to modify, limit the use of, or terminate these privileges at any time.

5. Designation of Beneficiary

Note: Any amount remaining in the Account that is not disposed of by a proper Designation of Beneficiary will be distributed to your estate (unless otherwise required by the laws of your state of residence). You may change the beneficiary (ies) named below at anytime by filing a new Designation of Beneficiary with the Custodian. Any subsequent Designation filed with the Custodian will revoke all prior Designations, even if the subsequent designation does not dispose of your entire Account.

As Depositor, I hereby make the following designation of beneficiary in accordance with the UMB Bank, n.a. Traditional Individual Retirement Custodial Account or Roth Individual Retirement Custodial Account:

In the event of my death, pay any interest I may have under my Account to the following Primary Beneficiary or Beneficiaries who survive me. Make payment in the proportions specified below (or in equal proportions if no different proportions are specified). Percentages or proportions for Beneficiaries must total 100%. If any Primary Beneficiary predeceases me, his share is to be divided among the Primary Beneficiaries who survive me in the relative proportions assigned to each such surviving Primary Beneficiary.

Primary Beneficiary or Beneficiaries:

Name	Relationship	Date of Birth	Social Security No.	Proportion*
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

If none of the Primary Beneficiaries survives me, pay any interest I may have under my Account to the following Alternate Beneficiary or Beneficiaries who survive me. Make payment in the proportions specified below (or in equal proportions if no different proportions are specified). If any Alternate Beneficiary predeceases me, his share is to be divided among the Alternate Beneficiaries who survive me in the relative proportions assigned to each such surviving Alternate Beneficiary.

Alternate Beneficiary or Beneficiaries:

Name	Relationship	Date of Birth	Social Security No.	Proportion*
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

*Percentages or proportions for Beneficiaries must total 100%.

IMPORTANT: This Designation of Beneficiary may have important tax or estate planning effects. If you cannot accomplish your estate planning objectives by using this Part 4 to designate your beneficiary(ies) (for example, if you wish to provide that the surviving children of a beneficiary who predeceases you should take that beneficiary’s share by right of representation), you may submit another form of written beneficiary designation to the Custodian. Also, if you are married and reside in a community property or marital property state (Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington or Wisconsin), you may need to obtain your spouse's consent if you have not designated your spouse as

primary beneficiary for at least half of your Account. See your lawyer or other tax professional for additional information and advice.

SPOUSAL CONSENT	(This section should be reviewed if the Depositor is married and designates a beneficiary other than the spouse. It is the Depositor's responsibility to determine if this section applies. The Depositor may need to consult with legal counsel. Neither the Custodian nor the Sponsor are liable for any consequences resulting from a failure of the Depositor to provide proper spousal consent.)							
	I am the spouse of the above-named Depositor. I acknowledge that I have received a full and reasonable disclosure of my spouse's property and financial obligations. Due to any possible consequences of giving up my community or marital property interest in this IRA, I have been advised to see a tax professional or legal adviser.							
	I hereby consent to the beneficiary designation(s) indicated above. I assume full responsibility for any adverse consequence that may result. No tax or legal advice was given to me by the Custodian or Sponsor.							
	<table><tr><td>_____</td><td>_____</td></tr><tr><td>SIGNATURE OF SPOUSE</td><td>DATE</td></tr><tr><td>_____</td><td>_____</td></tr><tr><td>SIGNATURE OF WITNESS FOR SPOUSE</td><td>DATE</td></tr></table>	_____	_____	SIGNATURE OF SPOUSE	DATE	_____	_____	SIGNATURE OF WITNESS FOR SPOUSE
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SIGNATURE OF WITNESS FOR SPOUSE	DATE							

5. Information and Certifications Concerning Tax Withholding

By signing this form, the Depositor certifies that he/she is a U.S. Person (a U.S. citizen or a resident alien) unless the Depositor checks the box below to indicate that he/she is a Foreign Person (a nonresident alien) and makes the related certifications.

Depositor certifies that Depositor is a Foreign Person (check the box if applicable).

Depositor acknowledges that the IRS does not require consent to any provisions of this document other than the Form W-8BEN certification required to qualify for a tax treaty rate of withholding (see IRS Publication 515).

Unless the box for the preceding paragraph is checked, Depositor certifies that Depositor is a U.S. Person (a U.S. citizen or a resident alien). Depositor certifies that the number shown in Part 1 of this Adoption Agreement is the Depositor's correct Social Security number (or the Depositor is waiting to be issued a Social Security number).

6. Certifications and Signatures

If the Depositor has indicated a Traditional IRA Rollover or Direct Rollover above, Depositor certifies that, if the distribution is a rollover from another Traditional IRA, that Depositor has not made another rollover from any of the Depositor's IRAs within the one-year (12 month) period immediately preceding this rollover; that such distribution was received within 60 days of making the rollover to this Account; and 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 qualified plan or 403(b) arrangement or eligible governmental 457 plan.

If Depositor has indicated a Conversion, Transfer or a Rollover of an existing Traditional IRA to a Roth IRA, Depositor acknowledges that the amount converted will be treated as taxable income (except for any prior nondeductible contributions) for federal income tax purposes, and certifies that no portion of the amount converted, transferred or rolled over is a required minimum distribution under applicable rules. If Depositor has elected to convert an existing Traditional IRA with Highland Capital Management Fund Advisors, L.P. to a Roth IRA (Item 2 of Part B above) and has elected no withholding, Depositor understands that Depositor may be required to pay estimated tax and that insufficient payments of estimated tax may result in penalties. If Depositor has indicated a rollover from another Roth IRA (Item 4 of Part B above), Depositor certifies that the information given in Item 4 is correct and acknowledges that adverse tax consequences or penalties could result from giving incorrect information. Depositor certifies that any rollover contribution to the Roth IRA was completed within 60 days after the amount was withdrawn from the other IRA.

If the Depositor is opening an inherited IRA or is the non-spousal beneficiary of a deceased participant in an employer qualified plan, 403(b) arrangement or eligible governmental 457 plan, Depositor acknowledges that the required minimum distribution rules for a beneficiary apply to the Custodial Account and that the Depositor is responsible for providing the Custodian with appropriate withdrawal instructions in order to satisfy such rules. Failure to withdraw amounts as needed to satisfy such rules may result in significant penalty taxes.

Depositor has received and read the applicable sections of the "UMB Bank, n.a. Universal Individual Retirement Account Disclosure Statement" relating to this Account (including the Custodian's fee schedule), the Custodial Account document, and the "Instructions" pertaining to this Adoption Agreement. Depositor acknowledges receipt of the Universal Individual Retirement Custodial Account document and Universal IRA Disclosure Statement at least 7 days before the date inscribed below and acknowledges that Depositor has no further right of revocation.

Signature of Depositor

Date _____

Custodian Acceptance. UMB Bank, n.a. will accept appointment as Custodian of the Depositor's Account. However, this Agreement is not binding upon the Custodian until the Depositor has received a statement confirming the initial transaction for the Account. Receipt by the Depositor of a confirmation of the purchase of the Fund shares indicated above will serve as notification of UMB Bank, n.a.'s acceptance of appointment as Custodian of the Depositor's Account.

UMB BANK, N.A., CUSTODIAN

If the Depositor is a minor under the laws of the Depositor's state of residence, a parent or guardian must also sign the Adoption Agreement here. Until the Depositor reaches the age of majority, the parent or guardian will exercise the powers and duties of the Depositor.

Federal Law requires the following identifying information for the parent or guardian acting for the minor:

_____ Signature of Parent or Guardian	_____ Social Security Number	_____ Date of Birth	_____ Residential Address
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RETAIN A PHOTOCOPY OF THE COMPLETED ADOPTION AGREEMENT FOR YOUR RECORDS

May I Revoke My IRA?

You may revoke a newly established Traditional IRA at any time within seven days after the date on which you receive this Disclosure Statement. A Traditional IRA established more than seven days after the date of your receipt of this Disclosure Statement may not be revoked.

To revoke your Traditional IRA, mail or deliver a written notice of revocation to the Custodian at the address which appears at the end of this Disclosure Statement. Mailed notice will be deemed given on the date that it is postmarked (or, if sent by certified or registered mail, on the date of certification or registration). If you revoke your Traditional IRA within the seven-day period, you are entitled to a return of the entire amount you originally contributed into your Traditional IRA, without adjustment for such items as sales charges, administrative expenses or fluctuations in market value.

CONTRIBUTIONS

When Can I Make Contributions to a Traditional IRA?

You may make a contribution to your existing Traditional IRA or establish a new Traditional IRA for a taxable year by the due date (not including any extensions) for your federal income tax return for the year. Usually this is April 15 of the following year.

How Much Can I Contribute to my Traditional IRA?

For each year when you are eligible (see above), you can contribute up to the lesser of your IRA Contribution Limit (see the following table) or 100% of your compensation (or earned income, if you are self-employed). However, under the tax laws, all or a portion of your contribution may not be deductible.

IRA CONTRIBUTION LIMIT

YEAR	LIMIT
2008 - 2012	\$5,000
2013-2017	\$5,500
Future years	Increased by cost-of-living adjustments (in \$500 increments)

Individuals age 50 or over may make special “catch up” contributions to their Traditional IRAs. (See What are the Special Catch-Up Contribution Rules? below for details.)

If you and your spouse have spousal Traditional IRAs, each spouse may contribute up to the IRA Contribution Limit to his or her IRA for a year as long as the combined compensation of both spouses for the year (as shown on your joint income tax return) is at least two times the IRA Contribution Limit. If the combined compensation of both spouses is less than two times the IRA Contribution Limit, the spouse with the higher amount of compensation may contribute up to that spouse’s compensation amount, or the IRA Contribution Limit, if less. The spouse with the lower compensation amount may contribute any amount up to that spouse’s compensation plus any excess of the other spouse’s compensation over the other spouse’s IRA contribution. However, the maximum contribution to either spouse’s Traditional IRA is the individual IRA Contribution Limit for the year.

If you (or your spouse) establish a new Roth IRA and make contributions to both your Traditional IRA and a Roth IRA, the combined limit on contributions to both your (or your spouse’s) Traditional IRA and Roth IRA for a single calendar year is the IRA Contribution Limit. (*Note:* the Traditional IRA Contribution Limit is not reduced by employer contributions made on your behalf to either a SEP IRA or a SIMPLE IRA; salary reduction contributions by you are considered employer contributions for this purpose.)

What are the Special Catch-Up Contribution Rules?

Individuals who are age 50 and over by the end of any year may make special “catch-up” contributions to a Traditional IRA for that year. From and after 2006, the special “catch-up” contribution is \$1,000 per year. If you are over 50 by the end of a year, your catch-up limit is added to your normal IRA Contribution Limit for that year.

Congress intended these “catch-up” contributions specifically for older individuals who may have been absent from the workforce for a number of years and so may have lost out on the ability to contribute to an IRA. However, the “catch-up” contribution is available to anyone age 50 or over, whether or not they have consistently contributed to a Traditional IRA over the years.

Note that the rules for determining whether a contribution is tax-deductible (see below) also apply to special “catch-up” contributions.

How Do I Know if my Contribution is Tax Deductible?

The deductibility of your contribution depends upon whether you are an active participant in any employer-sponsored retirement plan. **If you are not an active participant, the entire contribution to your Traditional IRA is deductible.**

If you are an active participant in an employer-sponsored plan, your Traditional IRA contribution may still be completely or partly deductible on your tax return. This depends on the amount of your income and your tax filing status (see below).

Similarly, the deductibility of a contribution to a Traditional IRA for your spouse depends upon whether your spouse is an active participant in any employer-sponsored retirement plan. If your spouse is not an active participant, the contribution to your spouse’s Traditional IRA will be deductible. If your spouse is an active participant, the Traditional IRA contribution will be completely, partly or not deductible depending upon your combined income.

How do I Determine My or My Spouse’s “Active Participant” status?

Your (or your spouse’s) Form W-2 should indicate if you (or your spouse) were an active participant in an employer-sponsored retirement plan for a year. If you have a question, you should ask your employer or the plan administrator.

In addition, regardless of income level, your spouse’s “active participant” status will not affect the deductibility of your contributions to your Traditional IRA if you and your spouse file separate tax returns for the taxable year and you lived apart at all times during the taxable year.

What are the Deduction Restrictions for Active Participants?

If you (or your spouse) are an active participant in an employer plan during a year, the contribution to your Traditional IRA (or your spouse’s Traditional IRA) may be completely, partly or not deductible depending upon your filing status and your amount of adjusted gross income (“AGI”). If AGI is any amount up to the lower limit, the contribution is deductible. If your AGI is at least the lower limit but less than the upper limit, the contribution is partly deductible. If your AGI is equal to or exceeds the upper limit, the contribution is not deductible. The Lower Limit and the Upper Limit may be adjusted each year, based on Cost of Living Allowances announced by the IRS. The Lower Limits and Upper Limits for each year are set out on the table below. Use the correct Lower Limit and Upper Limit from the table to determine deductibility in any particular year. (If you are married and lived together but filing separate returns, your Lower Limit is always zero and your Upper Limit is always \$10,000.)

TABLE OF LOWER AND UPPER LIMITS for Active Participants in Employer Retirement Plan						
	Single or Head of Household		Married Filing Jointly or Qualifying Widow(er)		Married Filing Jointly* Not Active Participant, but Spouse Is	
Tax Year	Lower limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit

2010	\$56,000	\$66,000	\$89,000	\$109,000	\$167,000	\$177,000
2011	\$56,000	\$66,000	\$90,000	\$110,000	\$169,000	\$179,000
2012	\$58,000	\$68,000	\$92,000	\$112,000	\$173,000	\$183,000
2013	\$59,000	\$69,000	\$95,000	\$115,000	\$178,000	\$188,000
2014	\$60,000	\$70,000	\$96,000	\$116,000	\$181,000	\$191,000
2015	\$61,000	\$71,000	\$98,000	\$118,000	\$183,000	\$193,000
2016	\$61,000	\$71,000	\$98,000	\$118,000	\$184,000	\$194,000
2017	\$62,000	\$72,000	\$99,000	\$119,000	\$186,000	\$196,000

*Note that if you are married but did not live with your spouse at any time during the year, the IRS considers your filing status for this purpose as Single, and so your deduction is determined under the “Single” category.

How do I Calculate my Deduction if I Fall in the “Partly Deductible” Range?

If your modified AGI falls in the partly deductible range, (i.e., between the lower and upper limits) you must calculate the portion of your contribution that is deductible. To do this, see IRS Publication 590. The section “*How much can you deduct*” provides an explanation of how to determine your modified AGI, your coverage and filing status for purposes of deductibility, and a worksheet to help you figure if your IRA contribution is partly deductible or not deductible.

Even though part or all of your contribution is not deductible, you may still contribute to your Traditional IRA (and your spouse may contribute to your spouse’s Traditional IRA) up to the IRA Contribution Limit for the year. When you file your tax return for the year, you must designate the amount of non-deductible contributions to your Traditional IRA for the year. See IRS Form 8606. Also see IRS Publication 590, “How much can you deduct” for more details.

How Do I Determine My AGI?

AGI is your gross income minus those deductions which are available to all taxpayers even if they don’t itemize (not including the deduction for your IRA contribution and certain other items). Instructions to calculate your AGI are provided with your income tax Form 1040 or 1040A.

What Happens if I Contribute more than Allowed to my Traditional IRA?

The maximum contribution you can make to a Traditional IRA generally is the IRA Contribution Limit (or the IRA Contribution Limit plus a “catch-up” contribution if you are 50 or over) or 100% of compensation or earned income, whichever is less. Any amount contributed to the IRA above the maximum is considered an “excess contribution.” The excess is calculated using your contribution limit, not the deductible limit. An excess contribution is subject to excise tax of 6% for each year it remains in the IRA.

How can I Correct an Excess Contribution?

Excess contributions may be corrected, without paying a 6% penalty, by withdrawing the excess and any earnings on the excess before the due date (including extensions) for filing your federal income tax return for the year for which you made the excess contribution. The IRS automatically grants to taxpayers who file their taxes by the April 15th deadline a six-month extension of time (until October 15) to remove an excess contribution for the tax year covered by that filing. A deduction should not be taken for any excess contribution. Earnings that are a gain must be included in your income for the tax year for which the contribution was made and may be subject to a 10% premature withdrawal tax if you have not reached age 59 ½. (Refer to IRS Publication 590 regarding reporting of gains or losses on withdrawn excess contributions). Note, any excess contribution withdrawn after the tax return due date (including any extensions) for the year for which the contribution was made will be subject to the 6% excise tax, except under limited circumstances. The IRS automatically grants to taxpayers who file their taxes by the April 15th deadline a six-month extension of time (until October 15) to re-characterize a contribution or remove an excess contribution for the tax year covered by that filing. Any such excess contributions must be reported to the

IRS (See ‘What Tax Information Must I Report to the IRS?’ in Part Three of this Disclosure Statement). Please consult with your tax advisor on specific questions regarding correction of excess contributions.

How are Excess Contributions Treated if None of the Preceding Rules Apply?

Unless an excess contribution qualifies for the special treatment outlined above, the excess contribution and any earnings on it withdrawn after tax filing time will be includible in taxable income and may be subject to a 10% premature withdrawal penalty. No deduction will be allowed for the excess contribution for the year in which it is made.

Excess contributions may be corrected in a subsequent year to the extent that you contribute less than your maximum contribution amount. As the prior excess contribution is reduced or eliminated, the 6% excise tax will become correspondingly reduced or eliminated for subsequent tax years. Also, you may be able to take an income tax deduction for the amount of excess that was reduced or eliminated, depending on whether you would be able to take a deduction if you had instead contributed the same amount.

CONVERSION OF TRADITIONAL IRA

Can I convert an existing Traditional IRA into a Roth IRA?

Yes, you can convert an existing Traditional IRA into a Roth IRA if you meet the eligibility requirements described below. Conversion may be accomplished in any of three ways: First, you can withdraw the amount you want to convert from your Traditional IRA and roll it over to a Roth IRA within 60 days. Second, you can establish a Roth IRA and then direct the custodian of your Traditional IRA to transfer the amount in your Traditional IRA you wish to convert to the new Roth IRA. Third, if you want to convert an existing Traditional IRA with UMB Bank, n.a. as custodian to a Roth IRA, you may give us directions to convert; we will convert your existing account when the paperwork to establish your new Roth IRA is complete.

From and after 2010, the opportunity to convert a regular IRA to a Roth IRA is generally available to all taxpayers regardless of income. Married taxpayers are eligible to convert a Traditional IRA to a Roth IRA only if they filed a joint income tax return; married taxpayers filing separately are not eligible to convert. However, taxpayers that file separately and have lived apart for the entire taxable year are considered not married, so conversion is permitted. For conversions occurring in 2010, unless a taxpayer elects otherwise, the amount includable in gross income as a result of the conversion will be included ratably in the taxpayer’s income in 2011 and 2012. Income inclusion will be accelerated, if converted amounts are distributed before 2012.

Special rules apply under which you may undo (or “recharacterize”) a conversion. These rules are complex; be sure to consult a competent tax professional for assistance.

TRANSFERS/ROLLOVERS

Can I Transfer or Roll Over a Distribution I Receive from my Employer’s Retirement Plan into a Traditional IRA?

Most distributions from employer plans or 403(b) arrangements (for employees of tax-exempt employers) or eligible 457 plans (for employees of certain governmental employers) are eligible for rollover to a Traditional IRA. The main exceptions are

- payments over the lifetime or life expectancy of the participant (or participant and a designated beneficiary),
- installment payments for a period of 10 years or more,
- required distributions (generally the rules require distributions starting at age 70½ or for certain employees starting at retirement, if later), and
- hardship withdrawals from a 401(k) plan or a 403(b) arrangement.

If you are eligible to receive a distribution from a tax qualified retirement plan as a result of, for example, termination of employment, plan discontinuance, or retirement, all or part of the distribution may be transferred directly into your Traditional IRA. This is called a “direct rollover.” Or, you may receive the distribution and make a rollover to your Traditional IRA within 60 days. By making a direct rollover or a regular rollover, you can defer income taxes on the amount rolled over until you subsequently make withdrawals from your Traditional IRA.

If you are over age 70 ½ and are required to take minimum distributions under the tax laws, you may not roll over any amount required to be distributed to you under the minimum distribution rules. You also may not roll over a hardship distribution from a 401(k) or 403 (b) plan. Also, if you are receiving periodic payments over your or you and your designated beneficiary’s life expectancy or for a period of at least 10 years, you may not roll over these payments. A rollover to a Traditional IRA must be completed within 60 days after the distribution from the employer retirement plan to be valid.

NOTE: A qualified plan administrator or 403(b) sponsor **MUST WITHHOLD 20% OF YOUR DISTRIBUTION** for federal income taxes **UNLESS** you elect a direct rollover. Your plan or 403(b) sponsor is required to provide you with information about direct and regular rollovers and withholding taxes before you receive your distribution and must comply with your directions to make a direct rollover.

The rules governing rollovers are complicated. Be sure to consult your tax adviser or the IRS if you have a question about rollovers.

Once I Have Rolled Over a Plan Distribution into a Traditional IRA, Can I Subsequently Roll Over into another Employer’s Plan?

Yes. Part or all of an eligible distribution received from a qualified plan may be withdrawn from the Traditional IRA and rolled over to another qualified plan, within 60 days of the date of withdrawal.

Can any Amount Held in My Traditional IRA be Rolled Over into an Employer Plan?

Yes, in most cases, withdrawals from your traditional IRA may be rolled over to an employer’s qualified plan or 403(b) arrangement. Rollovers must generally be completed within 60 days after the withdrawal from your IRA. Note, however, that the employer plan may or may not accept rollovers, according to its provisions.

Only amounts that would, absent the rollover, otherwise be taxable may be rolled over to a qualified plan. In general, this means that after-tax contributions to a Traditional IRA may not be rolled over to an employer plan. However, to determine the amount an individual may roll over to plan, all Traditional IRAs are taken into account. If the amount being rolled over from one Traditional IRA is less than or equal to the otherwise taxable amount held in all of the individual’s Traditional IRAs, then the total amount can be rolled over into an employer plan, even if some of the funds in the Traditional IRA being rolled over are after-tax contributions.

Can I Make a Rollover from my Traditional IRA to another Traditional IRA?

You may make a rollover from one Traditional IRA to another Traditional IRA you already have or to one you establish to receive the rollover. Such a rollover must be completed within 60 days after the withdrawal from your first Traditional IRA. In limited circumstances, when an IRA rollover could not be completed within 60 days due to circumstances beyond your control or not your fault, you can apply to the IRS for approval of a rollover after 60 days. However, IRS approval may not be needed if the financial institution receiving the rollover did not deposit the rollover amount in an IRA. Consult your tax adviser for more information. . The IRS website also is a good source of information for the most current rules regarding requirements for and restrictions on IRA to IRA rollovers. Similar exceptions to the 60-day requirement for a valid rollover apply to plan-to-IRA and IRA-to-plan rollovers (see above).

Note that a stricter IRS rule for IRA to IRA rollovers applies in 2015 and later. After making a rollover from any of your Traditional IRAs to another Traditional IRA, you must wait a full year (365 days) before you can make another such rollover from any of your Traditional IRAs. The waiting period begins when you receive the direct payment of an amount that is eligible to roll over within 60 days. However, you can instruct a Traditional

IRA custodian to transfer amounts from your IRA directly to another Traditional IRA custodian; such a direct transfer does not count as a rollover. Note also that the once-per-year rollover restriction does not apply to movement of money from an employer qualified plan to an IRA.

May a Rollover or Transfer include After-Tax or Nondeductible Contributions?

Yes. After-tax contributions may be rolled over from a qualified employer plan or a 403(b) arrangement to a Traditional IRA. These rollovers or transfers, as well as rollovers or transfers of nondeductible contributions from another Traditional IRA, may include after-tax or nondeductible contributions.

If I Die, can my Beneficiary Roll Over my Employer Plan Account to an IRA?

Yes. If your beneficiary is your surviving spouse and the Employer plan so permits, the spouse may make a direct rollover to an IRA established for the spouse (or to an IRA the spouse already owns). In a rollover to a new IRA, the spouse may treat the IRA as his or her own IRA (with required minimum distribution determined under the rules for beneficiaries). In such situation, your surviving spouse should consult a qualified advisor for the pros and cons of each approach. If you designated someone other than your spouse as your beneficiary, that designated beneficiary may make a direct rollover to an IRA. In such case, the IRA must be established and treated as an inherited IRA, subject to the required minimum distribution rules for an inherited IRA.

How Do Rollovers Affect my Contribution or Deduction Limits?

Rollover contributions, if properly made, do not count toward the maximum contribution. Also, rollovers are not deductible and they do not affect your deduction limits as described above.

WITHDRAWALS

When can I make withdrawals from my Traditional IRA?

You may withdraw from your Traditional IRA at any time. However, withdrawals before age 59½ may be subject to a 10% penalty tax in addition to regular income taxes (see below).

When must I start making withdrawals?

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. The rule allowing certain employees to postpone distributions from an employer qualified plan until actual retirement (even if this is after age 70 ½) does not apply to Traditional IRAs.

The amount of each year's required minimum distribution is determined under a uniform table prescribed by the IRS. The distribution period under the uniform table is the equivalent of the joint life expectancy of you and a beneficiary 10 years younger than you. (An IRS joint life expectancy table may be used if your spouse is the sole beneficiary and is more than 10 years younger than you.) The minimum withdrawal amount is determined by dividing the balance in your Traditional IRA (or IRAs) by your life expectancy as shown on the uniform table. You are not required to recalculate because recalculation is built right in to the uniform table. Although the required minimum distribution rules have been simplified in some ways, they are still, in general, complex. Consult your tax adviser for assistance.

The penalty tax is 50% of the difference between the minimum withdrawal amount and your actual withdrawals during a year. The IRS may waive or reduce the penalty tax if you can show that your failure to make the required minimum withdrawals was due to reasonable cause and you are taking reasonable steps to remedy the problem.

How Are Withdrawals From My Traditional IRA Taxed?

Amounts withdrawn by you are includible in your gross income in the taxable year that you receive them, and are taxable as ordinary income. Amounts withdrawn may be subject to income tax withholding by the custodian unless you elect not to have withholding. See Part Three below for additional information on withholding. Lump

sum withdrawals from a Traditional IRA are not eligible for averaging treatment currently available to certain lump sum distributions from qualified employer retirement plans.

Since the purpose of a Traditional IRA is to accumulate funds for retirement, your receipt or use of any portion of your Traditional IRA before you attain age 59 ½ generally will be considered as an early withdrawal and subject to a 10% penalty tax.

The 10% penalty tax for early withdrawal will not apply if:

- The distribution was a result of your death or disability.
- The purpose of the withdrawal is to pay certain higher education expenses for yourself or your spouse, child, or grandchild. Qualifying expenses include tuition, fees, books, supplies and equipment required for attendance at a post-secondary educational institution. Room and board expenses may qualify if the student is attending at least half-time.
- The withdrawal is used to pay eligible first-time homebuyer expenses. These are the costs of purchasing, building or rebuilding a principal residence (including customary settlement, financing or closing costs). The purchaser may be you, your spouse, or a child, grandchild, parent or grandparent of you or your spouse. An individual is considered a “first-time homebuyer” if the individual did not have (or, if married, neither spouse had) an ownership interest in a principal residence during the two-year period immediately preceding the acquisition in question. The withdrawal must be used for eligible expenses within 120 days after the withdrawal. (If there is an unexpected delay, or cancellation of the home acquisition, a withdrawal may be redeposited as a rollover).

There is a lifetime limit on eligible first-time homebuyer expenses of \$10,000 per individual.

- The distribution is one of a scheduled series of substantially equal periodic payments for your life or life expectancy (or the joint lives or life expectancies of you and your beneficiary).

If there is an adjustment to the scheduled series of payments, the 10% penalty tax may apply. The 10% penalty will not apply if you make no change in the series of payments until the end of five years or until you reach age 59 ½, whichever is later. If you make a change before then, the penalty will apply. For example, if you begin receiving payments at age 50 under a withdrawal program providing for substantially equal payments over your life expectancy, and at age 58 you elect to receive the remaining amount in your Traditional IRA in a lump-sum, the 10% penalty tax will apply to the lump sum and to the amounts previously paid to you before age 59½.

- The distribution does not exceed the amount of your deductible medical expenses for the year (generally speaking, medical expenses paid during a year are deductible if they are greater than 10% of your adjusted gross income for that year).
- The distribution does not exceed the amount you paid for health insurance coverage for yourself, your spouse and dependents. This exception applies only if you have been unemployed and received federal or state unemployment compensation payments for at least 12 weeks; this exception applies to distributions during the year in which you received the unemployment compensation and during the following year, but not to any distributions received after you have been reemployed for at least 60 days.
- A distribution is made pursuant to an IRS levy to pay overdue taxes.

How are Nondeductible Contributions Taxed When They are Withdrawn?

A withdrawal of nondeductible contributions (not including earnings) will be tax-free. However, if you made both deductible and nondeductible contributions to your Traditional IRA, then each distribution will be treated as partly a return of your nondeductible contributions (not taxable) and partly a distribution of deductible contributions and earnings (taxable). The nontaxable amount is the portion of the amount withdrawn which bears the same ratio as your total nondeductible Traditional IRA contributions bear to the total balance of all your Traditional IRAs (including rollover IRAs and SEPs, but not including Roth IRAs).

Charitable Contributions from IRAs

An IRA owner may instruct the Custodian to make a distribution directly to a specified charity. If the distribution satisfies the various requirements described below, it is excluded from the IRA owner's income, up to a limit of \$100,000. Previously, an IRA owner could make a withdrawal and contribute the amount withdrawn to the charity, but for some taxpayers the charitable contribution was not fully deductible.

This rule is available *only* to IRA owners who are at least age 70 ½ at the time of the distribution and is available *only* for distributions to a charity. Also, the rule is available only for distributions from a Traditional IRA or Roth IRA; distributions from an ongoing active SEP-IRA or SIMPLE IRA do not qualify.

The exclusion from income applies only to amounts that, if they were distributed to the IRA owner instead of the charity, would be taxable income to the IRA owner. In other words, the distribution may not include non-deductible contributions or after-tax direct rollover amounts in a Traditional IRA or non-taxable distributions from a Roth IRA. However, in applying this rule, the distribution is deemed to consist of taxable amounts to the extent of all taxable amounts in all of the owner's IRAs. This may affect the tax treatment of subsequent withdrawals.

Also, the distribution must satisfy the normal charitable deduction rules so that it would be entirely deductible if it were a contribution to the charity by the IRA owner (for example, if the IRA owner receives a quid pro quo benefit from the charity, or if the IRA owner does not obtain adequate documentation from the charity for the contribution, the income exclusion for the IRA distribution is entirely lost).

Such a distribution to a charity will count toward meeting the IRA owner's required minimum distribution for that year.

Under current IRS guidelines, such a distribution will be reported on Form 1099-R as a taxable distribution to the IRA owner. However, the instructions to the federal income tax return (Form 1040) explain how to exclude this amount from taxable income, and to label the amount as a Qualified Charitable Distribution (QCD).

The Custodian is not responsible for determining that the entity the IRA owner designates to receive the distribution is an eligible charity (for example, distributions to private foundations or donor advised funds do not qualify for the exclusion) or for insuring that the other requirements are met. As is apparent, these rules are complex. An IRA owner who is interested in a distribution from his or her IRA directly to an eligible charity is strongly advised to consult a qualified tax advisor.

Important: Please see Part Three below which contains important information applicable to **all** UMB Bank, n.a. IRAs.

Part Two: Description of Roth IRAs

Part Two of the Disclosure Statement describes the rules generally applicable to Roth IRAs. Contributions to a Roth IRA are not tax-deductible, but withdrawals that meet certain requirements are not subject to federal income taxes. This makes the dividends on and growth of the investments held in your Roth IRA tax-free for federal income tax purposes if the requirements are met.

This Disclosure Statement does not describe IRAs established in connection with a SIMPLE IRA program or a Simplified Employee Pension (SEP) plan maintained by your employer. Roth IRAs may not be used in connection with a SIMPLE IRA program or a SEP plan.

YOUR ROTH IRA

Your Roth IRA gives you several tax benefits. While contributions to a Roth IRA are not deductible, dividends on and growth of the assets held in your Roth IRA are not subject to federal income tax. Withdrawals by you from your Roth IRA are excluded from your income for federal income tax purposes if certain requirements (described below) are met. State income tax treatment of your Roth IRA may differ from federal treatment; ask your state tax department or your personal tax adviser for details.

Be sure to read Part Three of this Disclosure Statement for important additional information, including information on how to revoke your Roth IRA, investments and prohibited transactions, fees and expenses and certain tax requirements.

ELIGIBILITY

What are the eligibility requirements for a Roth IRA?

You are eligible to establish and contribute to a Roth IRA for a year if you received compensation (or earned income if you are self employed) during the year for personal services you rendered. If you received taxable alimony, this is treated like compensation for Roth IRA purposes. In contrast to a Traditional IRA, with a Roth IRA you may continue making contributions after you reach age 70½.

Can I Contribute to Roth IRA for my Spouse?

If you meet the eligibility requirements you can not only contribute to your own Roth IRA, but also to a separate Roth IRA for your spouse out of your compensation or earned income, regardless of whether your spouse had any compensation or earned income in that year. This is called a “spousal Roth IRA.” To make a contribution to a Roth IRA for your spouse, you must file a joint tax return for the year with your spouse. For a spousal Roth IRA, your spouse must set up a different Roth IRA, separate from yours, to which you contribute.

Of course, if your spouse has compensation or earned income, your spouse can establish his or her own Roth IRA and make contributions to it in accordance with the rules and limits described in this Part Two of the Disclosure Statement.

May I Revoke My IRA?

You may revoke a newly established Roth IRA at any time within seven days after the date on which you receive this Disclosure Statement. A Roth IRA established more than seven days after the date of your receipt of this Disclosure Statement may not be revoked.

To revoke your Roth IRA, mail or deliver a written notice of revocation to the Custodian at the address which appears at the end of this Disclosure Statement. Mailed notice will be deemed given on the date that it is postmarked (or, if sent by certified or registered mail, on the date of certification or registration). If you revoke your Roth IRA within the seven-day period, you are entitled to a return of the entire amount you originally contributed into your Roth IRA, without adjustment for such items as sales charges, administrative expenses or fluctuations in market value.

