

### Retail Account Application

**Important Information about procedures for opening a new account:** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial 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. We may also ask to see your driver’s license or other identifying documents. For certain entities, such as trusts, estates, corporations, partnerships, or other organizations, identifying documentation is also required. Your account may be restricted and/or closed if we cannot verify your information. We will not be responsible for any losses or damages resulting from any failure to provide this information, or from any restriction placed upon, or closing of, your account.

#### 1. Type of Account

- Individual (complete A)
  - Check here to add a Transfer on Death (TOD) designation to the account
- Joint Tenants (complete A and B)
  - Check here to add a Transfer on Death (TOD) designation to the account
- Uniform Gift/Transfer to Minor (complete C)
- Trust (complete D and F)
- Corporation or Other Entity (complete E and F)

#### A. Individual Account/Joint Account Primary Owner

First Name*	Middle Initial	Last Name*		
		Citizen of: <input type="checkbox"/> U.S. <input type="checkbox"/> Other (specify):		
Social Security/Tax ID No.*	Birthdate* (mm/dd/yyyy)			
Street Address* (PO Box not permitted, except APO or FPO)		City*	State*	Zip Code*
*Required Information				

#### B. Joint Account Secondary Owner Joint Tenants will have rights of survivorship unless otherwise specified.

First Name*	Middle Initial	Last Name*		
		Citizen of: <input type="checkbox"/> U.S. <input type="checkbox"/> Other (specify):		
Social Security/Tax ID No.*	Birthdate* (mm/dd/yyyy)			
Street Address* (PO Box not permitted, except APO or FPO)		City*	State*	Zip Code*
*Required Information				

#### C. Uniform Gift/Transfer to Minor Account

Custodian (only one permitted):

First Name*	Middle Initial	Last Name*		
		Citizen of: <input type="checkbox"/> U.S. <input type="checkbox"/> Other (specify):		
Social Security/Tax ID No.*	Birthdate* (mm/dd/yyyy)			
Street Address* (PO Box not permitted, except APO or FPO)		City*	State*	Zip Code*

As Custodian, under the (state) Uniform Gifts/Transfers to Minors Act, for:

Minor (only one permitted):

First Name*	Middle Initial	Last Name*		
		Citizen of: <input type="checkbox"/> U.S. <input type="checkbox"/> Other (specify):		
Social Security/Tax ID No.*	Birthdate* (mm/dd/yyyy)			
Street Address* (PO Box not permitted, except APO or FPO)		City*	State*	Zip Code*
*Required Information				

**D. Trust Account** Please provide a copy of the first page and signature page of the trust agreement, along with the page(s) that name the trustees.

Name of Trust*			
Street Address* (PO Box not permitted, except APO or FPO)	City*	State*	Zip Code*
Trust Tax ID No.* *Required Information	Date of Trust (mm/dd/yyyy)		

**E. Corporation/Other Entity Account** Please indicate your corporatetax status:  C Corporation  S Corporation  Partnership  
 State or Government Agency  Other \_\_\_\_\_  
Type of Business or Entity

Please provide certified copy of organizational documents such as Corporate Resolution or Partnership Agreement.

Name of Corporation or Other Entity*	Tax ID No.*		
Street Address* (PO Box not permitted, except APO or FPO) *Required Information	City*	State*	Zip Code*

**For Non-U.S. Entities:** Is your company any of the following: A bank organized and located outside the United States; a foreign office, agent or branch of a U.S. covered financial institution\*; money transmitter; currency dealer or exchanger; or a company that if located in the U.S. would be required to register as a mutual fund, securities broker-dealer or a futures commission merchant?

Yes  No If yes, please provide business classification: \_\_\_\_\_

\*A "U.S. covered financial institution" is generally any of the following: A bank; a credit union; a savings association; a corporation acting under section 25A of the Federal Reserve Act; a trust bank or company; a securities broker-dealer; a futures commission merchant; an introducing broker; or a mutual fund.

**F. Trustees/Authorized Persons** Required for Trust, Corporation/Other Entity accounts; please provide the following information for each individual authorized to trade on the account.

<b>1.</b> First Name*	Middle Initial	Last Name*	Title (i.e. president, treasurer, trustee)
<b>2.</b> First Name*	Middle Initial	Last Name*	Title (i.e. president, treasurer, trustee)

\*Required Information  
 Check here if extra pages are attached for additional Authorized Persons.

**2. Account Address of Record/Contact Information**

Mailing Address (if different from the primary owner's street address)	City	State	Zip Code
( ) Contact Telephone Number	Email Address		

**Consent for E-Delivery**  
 If you elect E-Delivery, you will receive a notification to the email address provided above informing you when a document is available for viewing at [www.highlandfunds.com](http://www.highlandfunds.com).

You may view, change or revoke your E-Delivery preferences and the email address we have on file for you at any time by logging into our online account access system at [www.highlandfunds.com](http://www.highlandfunds.com). Confidential account information will not be sent to you or requested from you via email.

**Document Types for E-Delivery:**  
 Prospectus and Shareholder Reports  Quarterly Statements

### 3. CERTIFICATION REGARDING BENEFICIAL OWNERS OF LEGAL ENTITY CUSTOMERS

#### I. GENERAL INSTRUCTIONS

##### What is this form?

To help the government fight financial crime, Federal regulation requires certain financial institutions to obtain, verify, and record information about the beneficial owners of legal entity customers. Legal entities can be abused to disguise involvement in terrorist financing, money laundering, tax evasion, corruption, fraud, and other financial crimes. Requiring the disclosure of key individuals who own or control a legal entity (i.e., the beneficial owners) helps law enforcement investigate and prosecute these crimes.

##### Who has to complete this form?

This form must be completed by the person opening a new account on behalf of a legal entity with any of the following U.S. financial institutions: (i) a bank or credit union; (ii) a broker or dealer in securities; (iii) a mutual fund; (iv) a futures commission merchant; or (v) an introducing broker in commodities.

For the purposes of this form, a **legal entity** includes a corporation, limited liability company, or other entity that is created by a filing of a public document with a Secretary of State or similar office, a general partnership, and any similar business entity formed in the United States or a foreign country. **Legal entity** does not include sole proprietorships, unincorporated associations, or natural persons opening accounts on their own behalf.

##### What information do I have to provide?

This form requires you to provide the name, address, date of birth and Social Security number (or passport number or other similar information, in the case of foreign persons) for the following individuals (i.e., the **beneficial owners**):

(i) Each individual, if any, who owns, directly or indirectly, 25 percent or more of the equity interests of the legal entity customer (e.g., each natural person that owns 25 percent or more of the shares of a corporation); **and**

(ii) An individual with significant responsibility for managing the legal entity customer (e.g., a Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, or Treasurer).

The number of individuals that satisfy this definition of "beneficial owner" may vary. Under section (i), depending on the factual circumstances, up to four individuals (but as few as zero) may need to be identified. Regardless of the number of individuals identified under section (i), you must provide the identifying information of one individual under section (ii). It is possible that in some circumstances the same individual might be identified under both sections (e.g., the President of Acme, Inc. who also holds a 30% equity interest). Thus, a completed form will contain the identifying information of at least one individual (under section (ii)), and up to five individuals (i.e., one individual under section (ii) and four 25 percent equity holders under section (i)).

The financial institution may also ask to see a copy of a driver's license or other identifying document for each beneficial owner listed on this form.

#### II. CERTIFICATION OF BENEFICIAL OWNER(S)

**Persons opening an account on behalf of a legal entity must provide the following information:**

a. Name and Title of Natural Person Opening Account:

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b. Name and Address of Legal Entity for Which the Account is Being Opened:

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c. The following information for each individual, if any, who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 25 percent or more of the equity interests of the legal entity listed above:

Name	Date of Birth	Address (Residential or Business Street Number)	<i>For US. Persons:</i> Social Security Address)	<i>For Foreign Persons:</i> Passport Number and Country of Issuance, or other similar Identification number

(If no individual meets this definition, please write "Not Applicable.")

d. The following information for one individual with significant responsibility for managing the legal entity listed above, such as:

- An executive officer or senior manager (e.g., Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, Treasurer); or
- Any other individual who regularly performs similar functions.  
(If appropriate, an individual listed under section (c) above may also be listed in this section (d)).

Name/Title	Date of Birth	Address (Residential Or Business Street Address)	<i>For US. Persons:</i> Social Security Number	<i>For Foreign Persons:</i> Passport Number and Country of Issuance, and other similar Identification number

**I, \_\_\_\_\_  
(name of natural person opening account), hereby certify, to the best of my knowledge, that the information provided above is complete and correct.**

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

<sup>1</sup> In lieu of a passport number, foreign persons may also provide an alien identification card number, or number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.

Legal Entity Identifier \_\_\_\_\_ (Optional)

**4. Broker-Dealer Information (if applicable)**

By designating a broker/dealer or financial adviser, I/we hereby authorize the Fund and its transfer agent to accept instructions from, and transmit information to, such designee concerning my/our account(s).

Broker/Dealer Name		Dealer Number	Branch Number
Street Address	City	State	Zip Code
Registered Representative's Name		Rep. Number	

**5. Your Initial Investment**

I have enclosed a check made payable to Highland Funds in the amount of \$ \_\_\_\_\_ (do not send cash)

Please purchase shares in the following Funds:

	Select Share Class				Dividends		Capital Gains	
	Class A	Class C	Class Y/Z		Cash*	Reinvest	Cash*	Reinvest
Energy MLP Fund	<input type="checkbox"/> 4717	<input type="checkbox"/> 4718	<input type="checkbox"/> 4720	\$: _____ or _____ %	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fixed Income Fund	<input type="checkbox"/> 4721	<input type="checkbox"/> 4723	<input type="checkbox"/> 4725	\$: _____ or _____ %	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Long/Short Equity Fund Long/	<input type="checkbox"/> 4743	<input type="checkbox"/> 4744	<input type="checkbox"/> 4745	\$: _____ or _____ %	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Short Healthcare Fund	<input type="checkbox"/> 4746	<input type="checkbox"/> 4747	<input type="checkbox"/> 4748	\$: _____ or _____ %	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Opportunistic Credit Fund	<input type="checkbox"/> 4789	<input type="checkbox"/> 4790	<input type="checkbox"/> 4791	\$: _____ or _____ %	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Socially Responsible Equity Fund	<input type="checkbox"/> 4761	<input type="checkbox"/> 4763	<input type="checkbox"/> 4765	\$: _____ or _____ %	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Small Cap Equity Fund	<input type="checkbox"/> 4771	<input type="checkbox"/> 4773	<input type="checkbox"/> 4775	\$: _____ or _____ %	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tax Exempt Fund	<input type="checkbox"/> 4776	<input type="checkbox"/> 4778	<input type="checkbox"/> 4779	\$: _____ or _____ %	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Return Fund	<input type="checkbox"/> 4780	<input type="checkbox"/> 4782	<input type="checkbox"/> 4784	\$: _____ or _____ %	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Merger Arbitrage Fund	<input type="checkbox"/> 4950	<input type="checkbox"/> 4951	<input type="checkbox"/> 4952	\$: _____ or _____ %	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\*Check here, and complete Section 6B, to have your cash dividends and/or capital gains electronically transmitted to your bank account.

**6. Cost Basis Method**

Your cost basis election will be used to calculate the gain or loss on sales of mutual funds shares, for eligible accounts, acquired after January 1, 2012. Your election will apply to all funds you are opening. To choose a different method for each fund, please attach a letter of instruction signed by all account owners.

If you do not elect a cost basis method the Fund Default of **Average Cost** will apply.

- Average Cost (default method)       First In, First Out (FIFO)       Last In, First Out (LIFO)
- Highest Cost, First Out (HIFO)       Lowest Cost, First Out (LOFO)
- Specific Lot Identification (SLID)

Secondary Accounting Method Selection (Average Cost is NOT a valid method) \_\_\_\_\_  
Write selection here



e. **Automatic Investment Plan** (Section B is required for this option) – Allows you to invest automatically each month or quarter by electronically debiting your checking or savings account. Funds are transferred via the Automated Clearing House (ACH) system, and the plan takes approximately 3 days to become effective.

- Please invest \$ \_\_\_\_\_ based on the Investment Allocation choices made in Section 4 (minimum \$25 per fund).
- Please establish my automatic investment plan as allocated below (minimum \$25 per fund):

Fund \_\_\_\_\_ \$ \_\_\_\_\_

Fund \_\_\_\_\_ \$ \_\_\_\_\_

Fund \_\_\_\_\_ \$ \_\_\_\_\_

Fund \_\_\_\_\_ \$ \_\_\_\_\_

**Frequency** (if left blank, the plan will be established for all months):

All Months or  Jan  Feb  Mar  Apr  May  Jun  Jul  Aug  Sep  Oct  Nov  Dec

I would like my AIP to occur on the following date(s): \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

If you do not select a date, the 20th of the month will be selected as the investment date

**G. Systematic Exchange Plan** – Allows you to exchange from one fund to another automatically each month or quarter.

- Please establish my systematic exchange plan as allocated below (minimum \$25 per fund):

**From:** Fund \_\_\_\_\_ **To:** Fund \_\_\_\_\_ \$ \_\_\_\_\_

**From:** Fund \_\_\_\_\_ **To:** Fund \_\_\_\_\_ \$ \_\_\_\_\_

**From:** Fund \_\_\_\_\_ **To:** Fund \_\_\_\_\_ \$ \_\_\_\_\_

**From:** Fund \_\_\_\_\_ **To:** Fund \_\_\_\_\_ \$ \_\_\_\_\_

**Frequency** (if left blank, the plan will be established for all months):

All Months or  Jan  Feb  Mar  Apr  May  Jun  Jul  Aug  Sep  Oct  Nov  Dec

I would like my systematic exchange to occur on the following date(s): \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

If you do not select a date, the 20th of the month will be selected as the exchange date

**H. Systematic Withdrawal Plan (SWP)** – allows you to withdraw automatically a fixed amount from your Highland Funds account. Proceeds can be transferred electronically into your checking or savings account by also completing Section B, or you may have a check mailed. Funds are transferred via the Automated Clearing House (ACH) system, if selected and bank information is provided in Section C. The plan takes approximately 3 days to become effective.

- Please withdraw \$ \_\_\_\_\_ based on the Investment Allocation choices made in Section 4 (minimum \$25 per fund).
- Please establish my systematic withdrawal plan as allocated below (minimum \$25 per fund):

**From:** Fund \_\_\_\_\_ \$ \_\_\_\_\_

**From:** Fund \_\_\_\_\_ \$ \_\_\_\_\_

**From:** Fund \_\_\_\_\_ \$ \_\_\_\_\_

**From:** Fund \_\_\_\_\_ \$ \_\_\_\_\_

**Frequency** (if left blank, the plan will be established for all months):

All Months or  Jan  Feb  Mar  Apr  May  Jun  Jul  Aug  Sep  Oct  Nov  Dec

I would like my SWP to occur on the following date(s): \_\_\_\_\_,  
If you do not select a date, the 20th of the month will be selected as the withdrawal date

**Delivery Method/Destination:**

- Please have a check mailed to my address of record.
- Please deposit the proceeds electronically into my bank account listed in Section B.
- Please have a check mailed as specified below (signature guarantee required in Section 8):

\_\_\_\_\_  
Payee Name

\_\_\_\_\_  
Address | City | State | Zip Code

I hereby authorize the Fund and its transfer agent to honor instructions processed under the above-selected account options to purchase/ exchange/redeem shares when directed and as specified, by transmitting the proceeds, as applicable, to me at my address of record or by debiting/crediting my preauthorized bank account. I hereby ratify any such instructions and agree to indemnify the Fund and its transfer agent from any loss, liability, cost, damage and expense for acting upon such instructions. I understand that if I submit a change of address certain privileges will be suspended for a period of 30 days, and that all checks will be issued in the name(s) of all registered owner(s).



## 8. Transfer on Death Agreement and Beneficiary Designation (Individual and Joint

### accounts only) Primary Beneficiary Designation:

Please check here if you are attaching any page(s) with additional beneficiaries. Please sign the attached page

Beneficiary Name	Birthdate (mm/dd/yyyy)	Social Security/Tax ID No.	Relationship	Allocation (%)
Beneficiary Name	Birthdate (mm/dd/yyyy)	Social Security/Tax ID No.	Relationship	Allocation (%)
Beneficiary Name	Birthdate (mm/dd/yyyy)	Social Security/Tax ID No.	Relationship	Allocation (%)
Beneficiary Name	Birthdate (mm/dd/yyyy)	Social Security/Tax ID No.	Relationship	Allocation (%)
Beneficiary Name	Birthdate (mm/dd/yyyy)	Social Security/Tax ID No.	Relationship	Allocation (%)

### Secondary Beneficiary Designation:

Please check here if you are attaching any page(s) with additional beneficiaries. Please sign the attached page

Beneficiary Name	Birthdate (mm/dd/yyyy)	Social Security/Tax ID No.	Relationship	Allocation (%)
Beneficiary Name	Birthdate (mm/dd/yyyy)	Social Security/Tax ID No.	Relationship	Allocation (%)
Beneficiary Name	Birthdate (mm/dd/yyyy)	Social Security/Tax ID No.	Relationship	Allocation (%)
Beneficiary Name	Birthdate (mm/dd/yyyy)	Social Security/Tax ID No.	Relationship	Allocation (%)
Beneficiary Name	Birthdate (mm/dd/yyyy)	Social Security/Tax ID No.	Relationship	Allocation (%)

In the event of my death, the balance in the account shall be paid to the Primary Beneficiaries who survive me in equal proportions (or in the specified proportions, if indicated). If any primary beneficiary predeceases me, his or her share is to be divided among the primary beneficiaries who survive me in the relative proportions assigned to each such surviving primary beneficiary. If none of the Primary Beneficiaries survive me, the balance in the account shall be paid to the Contingent Beneficiaries who survive me in equal proportions (or in the specified proportions, if indicated). If there is no designated beneficiary living at the time any such payment becomes due, payment shall be made to my estate, unless otherwise required under the law of my state of residence.

Consent of the Depositor's Spouse may be required in a community property or marital property state to effectively designate a beneficiary other than, or in addition to, the Depositor's Spouse. Disclaimer for Community and Marital Property States: The Depositor's Spouse may have a property interest in the account and the right to dispose of the interest by will. Therefore, Highland Funds and the Custodian specifically disclaim any warranty as to the effectiveness of the Depositor's beneficiary designation or as to the ownership of the account after the death of the Depositor's Spouse. For additional information, please consult your legal advisor.

I consent to the Beneficiary Designation.

_____ Signature	_____ Date	_____ Name of Spouse (please print)
_____ Witness	_____ Date	

**9. Trusted Contact Person Information (optional)**

By choosing to provide information about a trusted contact person, you authorize us to contact the trusted contact person listed below and disclose information about your account to that person in the following circumstances: to address possible financial exploitation, to confirm the specifics of your current contact information, health status, or the identity of any legal guardian, executor, trustee or holder of a power of attorney, or as otherwise permitted by FINRA Rule 2165 (Financial Exploitation of Specified Adults).

Mr.     Mrs.     Ms.     Dr.    **Suffix**     Sr.     Jr.

First Name		Middle Name	Last Name
Address			Apt/Suite No.
City	State	ZIP Code	Country
Work Phone	Home Phone	Mobile Phone	Email Address

Relationship to Primary Applicant/Co-Applicant:

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**10. Your Signature**

All registered account owners or legal representatives must sign this section before the Fund can open your account. The undersigned warrant(s) that the undersigned has (have) full authority and is (are) of legal age to purchase shares of the Fund and has (have) received and read a current prospectus of the Fund and agree(s) to its terms. The Fund and its transfer agent shall not be liable for acting upon instructions or inquiries believed to be genuine.

**Taxpayer Identification Number Certification**

As required by Federal law, I/we certify under penalties of perjury that:

- 1. The Social Security Number or Taxpayer Identification Number listed above is correct, and
- 2. I/we HAVE NOT been notified by the IRS that I/we am/are subject to backup withholding, and  (Check this box if you ARE subject to backup withholding)
- 3. I/we am/are a U.S. person (including a U.S. resident alien). (If you are a foreign person, you must provide the Fund with a completed Form W-8BEN).

**The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.**

Signature	Date

Signature	Date

**Highland Capital Management Fund Advisors, L.P.**  
**Rules Governing Transfer On Death (TOD) Account Registration**

**1. Who may designate a TOD registration.** A TOD registration may be designated by (i) a sole account owner or (ii) by two or more joint owners only if the joint owners hold the account as joint tenants with rights of survivorship (and not tenants in common). A custodian for a Uniform Transfers to Minors Act (UTMA) or Uniform Gifts to Minors Act (UGMA) account may not designate a TOD on the registration.

**2. Account owner.** The term “account owner,” as used herein, refers to either the sole owner of the account or all joint owners of the account in the case of multiple owners. Actions to be taken by the “account owner” must be taken by all joint owners in the case of multiple owners. Beneficiaries are not “account owners” and have no rights in the account until the death of the last surviving account owner.

**3. Designation of primary and contingent beneficiaries.** An account owner may designate primary and contingent beneficiaries of the TOD account.

An account owner may designate one, or more than one, beneficiary of the TOD account. Boston Financial requires a Social Security Number for each designated beneficiary in order to ensure that the account is transferred to the appropriate person or persons upon the death of the last surviving account owner.

An account owner may designate primary and contingent beneficiaries of the TOD account.

- Primary beneficiaries are the first in line to receive the account upon the death of the last surviving account owner if, and only if they survive all the owners.
- Contingent beneficiaries receive the account upon the death of the account owner(s) if, and only if, there are no surviving primary beneficiaries.

An account owner is not required to designate any contingent beneficiaries in a TOD registration. See also Section 5 below for more information on rights of beneficiaries under your designation.

**4. Minors as beneficiaries.** Minors may be beneficiaries of a TOD account only if a custodian, trustee, or parent or guardian is set forth for the minor. The responsible adult named must be someone other than the designating account owner.

Name of responsible party: \_\_\_\_\_

Capacity: \_\_\_\_\_

By not providing a custodian, trustee, or guardian, the account owner is representing that all of the named beneficiaries have reached the age of majority and therefore are not minors.

**5. Rights of designated beneficiaries.**

**a. Default arrangement is pro rata.** When an account owner instructs Boston Financial to register an account in TOD form and names multiple beneficiaries, Boston Financial will treat the multiple beneficiaries as owning equal percentages as the default arrangement.

**b. Optional percentage designations.** If an account owner wishes that the shares of his/her account be distributed unequally among beneficiaries, the account owner must clearly state in writing a percentage for each beneficiary. The total of all percentages must equal 100%. If the percentages do not equal 100%, or if the instructions are unclear, Boston Financial will request further instructions from the account owner, and, if necessary, will use the pro rata default stated above in Section 5(a) unless valid instructions are received.

**c. Optional designations under Lineal Descendants Per Stirpes (LDPS).** If an account owner wishes to have the share of the account intended for a beneficiary to pass to the children of the designated beneficiary in the event a designated beneficiary dies before distribution from the account, the account owner must specifically instruct the Agent to register the account as Lineal Descendants Per Stirpes or “LDPS.” If the abbreviation “LDPS” does not appear on the TOD designation, the share intended for any designated beneficiary will not pass to that deceased beneficiary's children or descendants.

**d. Choice of LDPS designations applies to all beneficiaries on an account.** If a TOD account with multiple beneficiaries is registered LDPS, the LDPS registration will apply to all beneficiaries designated, both primary and contingent. However, the shareowner also may specifically designate a distinction between the treatment of primary beneficiaries as a class and contingent beneficiaries as a separate class. E.g., all primary beneficiaries may be designated as pro rata and all contingent beneficiaries designated as LDPS, or vice versa. It is not possible, however, to mix the two types of designations within either class of beneficiaries.

**e. If a beneficiary dies and no LDPS designation is made.** In the case of multiple beneficiaries, if one of the beneficiaries does not survive the account owner and no LDPS designation is made, the deceased beneficiary's share of the account will be divided among the remaining beneficiaries upon the death of the last surviving account owner.

**f. If all beneficiaries die before the last surviving account owner and no LDPS designation is made.** If no beneficiary survives the last surviving account owner and no "LDPS" designation has been made, the account will be treated as part of the estate of the account owner.

**6. Revocations or changes.** TOD registrations may not be made irrevocable. The account owner may revoke or change a beneficiary designation. Change or revocation requires:

(a). A letter of instruction clearly indicating your wishes and providing required information for any newly designated beneficiaries.

(b). In addition, for issued shares/certificates: presentation to Boston Financial of the security in proper form for transfer.

**7. Controlling terms.** The TOD beneficiary designation completed by the account owner expressly provides that Boston Financial shall honor the account owner's instructions. As a result, the following terms will apply:

- An account owner may change the TOD beneficiary or revoke the TOD registration at any time during his life by a written instruction to Boston Financial.
- The beneficiary or status of the account may also be changed by a court order directed to Boston Financial or the Fund.
- The beneficiary or status of the account will not be automatically be changed by events subsequent to the establishment of the account as a TOD (e.g. divorce).
- The beneficiary or status of the account will not be automatically be changed by third party requests based on state statutes.

**Dividends, interest, capital gains, and other distributions after the account owner's death:**

1) Accruals (undistributed earnings) of the account which occur after the death of the last surviving account owner (or last surviving joint owner) stay with the account and pass to the beneficiary or beneficiaries.

2) Where the account has been coded for cash distributions, and such distributions have actually been paid out prior to notice to Boston Financial of the death of the last surviving account owner, such distributions are deemed to be the property of the estate of the original account owner and do not pass with the account to the designated beneficiaries.

**8. Redemption or Transfer by a TOD beneficiary or beneficiaries.** A single beneficiary on a TOD registration must provide all of the following to redeem or transfer shares from a TOD account following the death of the last surviving account owner: (i) a letter of instruction signed by the beneficiary, Medallion Guaranteed, stating the name of the deceased account owner and the date of the owner's death; (ii) a completed new account application or change of registration form; (iii) a Form W-9 or any successor form to Form W-9; and (iv) an inheritance tax waiver if required by the deceased owner's state of residence. Foreign persons must also complete Form W-8BEN or any successor form to W-8BEN. In the case of multiple beneficiaries, in addition to the requirements above, the beneficiary must also provide an affidavit under penalty of perjury. Additional redemption or transfer requirements may be imposed.