

the current purchase to qualify for breakpoint discounts. Moreover, mutual funds may allow investors to count existing holdings in multiple accounts, such as individual retirement accounts (IRAs) or accounts at other financial organizations to qualify for breakpoint discounts. Therefore, if you have accounts at other financial organizations and wish to take advantage of the balances in these accounts to qualify for a breakpoint discount, you must advise your investment professional about those balances. You may need to provide documentation establishing the holdings in those other accounts to your investment professional if you wish to rely upon balances in accounts at another firm.

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

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

Letters of Intent—Most mutual funds allow investors to qualify for breakpoint discounts by signing a Letter of Intent, which commits the investor to purchasing a specified amount of Class A shares within a defined period of time, usually 13 months. For instance, if an investor plans to purchase \$50,000 worth of Class A shares over a period of 13 months, but each individual purchase would not qualify for a breakpoint discount, the investor could sign a Letter of Intent at the time of the first purchase and receive the breakpoint discount associated with a \$50,000 investment on the first and all subsequent purchases. Additionally, some funds offer retroactive Letters of Intent that allow investors to rely upon purchases in the recent past to qualify for a breakpoint discount. However, if an investor fails to invest the amount required by the Letter of Intent, the fund is entitled to retroactively deduct the correct sales charges based upon the amount that the investor actually invested. If you intend to make several purchases within a 13 month period, you should consult your investment professional and the mutual fund

prospectus to determine if it would be beneficial for you to sign a Letter of Intent. As you can see, understanding the availability of breakpoint discounts is important because it may allow you to purchase Class A shares at a lower price. The availability of breakpoint discounts may save you money and may also affect your decision regarding the appropriate share class in which to invest. Therefore, you should discuss the availability of breakpoint discounts with your investment professional and carefully review the mutual fund prospectus and its statement of additional information, which you can get from your investment professional, when choosing among the share classes offered by a mutual fund. If you wish to learn more about mutual fund share classes or mutual fund breakpoints, you can also review the investor alerts that are available on the NASD® web site at: www.nasdr.com/alert_mfclasses.htm and www.nasdr.com/alert_breakpoints.htm.

Mutual Fund and Money Fund Fees and Revenue Sharing

Pershing may receive certain operational servicing fees from funds in lieu of clearance charges assessed to your financial organization. These payments from mutual funds may be shared with your financial organization and may be a significant source of revenue for your financial organization. Similarly, your financial organization may share in revenue along with Pershing in payment made by money market funds in accordance with a formula based on money market funds held for you by us. In addition, Pershing may receive fees from funds for compensation for certain recordkeeping and other administrative tasks Pershing performs in connection with your account. Should you have any questions in this regard, please contact your financial organization or investment professional.

Liens and Levies

If for any reason your account is subject to a lien or levy directed to Pershing, Pershing will abide by the directions of the Federal, State, or other levying authority unless it receives a court order staying or quashing the lien or levy, or some other form of release from the levying authority. In the event Pershing receives a lien or levy on your account, your account may be assessed a reasonable processing fee.

Disclosure Required by New York Stock Exchange Rule 446(D)

Pershing maintains a business continuity plan, including redundant data centers and alternate processing facilities, to address interruptions to our normal course of business. These plans are reviewed annually and updated as necessary.

Our plans outline the actions Pershing will take in the event of a building, city-wide, or regional incident, including relocating technology and operational personnel to preassigned alternate regional facilities. Technology data processing can also be switched to an alternate regional data center. All Pershing operational facilities are equipped for resumption of business and are tested several times per year. Our recovery time objective for business resumption, including those involving a relocation of personnel or technology, is four (4) hours. This recovery objective may be negatively affected by the unavailability of external resources and circumstances beyond our control.

In the event that your financial organization experiences a significant business interruption, Pershing may be contacted directly to process limited trade-related transactions, cash disbursements, and security transfers. Instructions to Pershing must be in writing and transmitted via facsimile or postal service as follows:

Pershing LLC
P.O. Box 2065
Jersey City, New Jersey 07303-2065

Fax: (201) 413-5368

For additional information about how to request funds and securities when your financial organization cannot be contacted due to a significant business interruption, please visit the About Pershing section of the Pershing web site at www.pershing.com or call (201) 413-3635 for recorded instructions. If you cannot access the instructions from the web site or the previously noted telephone number, Pershing may be contacted at: (213) 624-6100, extension 500, as an alternate telephone number for recorded instructions.

Electronic Confirmations

Certain clients receive electronic confirmations through Depository Trust Company or other institutional delivery systems in lieu of hard copy confirmations of each transaction. You should be aware that all of the terms, conditions, and disclosures set forth on such hard copy confirmations will continue to apply to each confirmation processed electronically, including among other things, the following:

- Securities purchased on a cash or margin basis are or may be hypothecated under circumstances which will permit the commingling thereof with securities carried for other clients, but such securities, if hypothecated, will be withdrawn from hypothecation as soon as practicable after receipt of payment herefor.
- If the transaction is a purchase by you in a cash account and sufficient funds are not already in your account with us, it is agreed that you will make full payment for the securities described on the confirmation promptly and not later than settlement date in accordance with the terms of this transaction and that you do not contemplate sale of such securities prior to making such payment. If the securities described are not already held in your account with us, we are acting upon your representation that you or your principal own such securities, and it is agreed that you will promptly and not later than settlement date deposit such securities with us. If full payment for the securities purchased by you in the transaction is not received by us, or if securities sold by you are not delivered to us in proper form on or after the first trading day after settlement date, we may at our option cancel or otherwise liquidate the transaction without notice to you, and you will be liable to us for any resulting loss, including, without limitation, all expenses, attorney's fees, and other costs incurred by us and interest thereon.
- Provisions of agreements and contracts shall inure to any successor of your financial organization or Pershing.

- It is understood and agreed that all transactions are subject to the rules and customs of the exchange or market (and its clearing house, if any) where they are executed. The name of the broker or party and the time of execution will be furnished on request.
- Commission rates are subject to negotiation, and any commission charged to you on the transaction may be more or less than commissions charged to or by others in similar transactions. The source and amount of other commissions charged by us in connection with the transaction will be furnished on request.

- Call features may exist for securities. Call features for fixed income securities may affect yield. Complete information will be provided upon request.
- The ratings that appear in the description of some fixed income securities have been obtained from ratings services that Pershing believed to be reliable; however, Pershing cannot guarantee their accuracy. Securities for which a rating is not available are marked "UNRATED."
- If the transaction involves an asset-backed security including a municipal collateralized mortgage obligation which represents an interest in or is secured by a pool of receivables or other financial assets that are subject continuously to prepayment, then the actual yield of such security may vary according to the rate at which the underlying receivable or other financial assets are prepaid. Information concerning the factors that affect yield (including at a minimum estimated yield, weighted average life, and the prepayment assumptions of underlying yield) will be furnished upon your written request.

Lost Securities

If your periodic client statement indicates that securities were forwarded to you and you have not received them, you should notify your financial organization or Pershing immediately. If notification is received within 120 days after the mailing date, as reflected on your periodic statement, replacement will be made free of charge. Thereafter, a fee for replacement may apply.

PERSHING PRIVACY POLICY

For the purposes of this section the term "our customer" refers to you.

Working on behalf of your financial organization, we, at Pershing LLC, recognize the importance of protecting the confidentiality of nonpublic personal information that we collect about our customers. The information is used to ensure accuracy in reporting and record keeping, to maintain our customers' accounts, and to carry out requested transactions. Keeping this information secure is a top priority for us, and we are pleased to share with you our privacy policy.

1. We collect nonpublic personal information about our customers from the following sources:
 - Applications or other forms (such as name, address, social security number, assets, and income).
 - Customers' transactions with us, their financial organizations, or others.

- Consumer reporting agencies (such as credit worthiness and credit history).
- 2. Our internal data security policies restrict access to nonpublic personal information to authorized employees. We maintain physical, electronic, and procedural safeguards that are designed to comply with federal standards to guard our customers' nonpublic personal information. Employees who violate our data security policies are subject to disciplinary action, up to and including termination.

3. We may disclose nonpublic personal information about our customers to our affiliates, such as banks, mortgage lenders, and securities broker-dealers, in order to provide our customers with access to product offerings and product upgrades, and in order for our affiliates to provide services to us, such as data processing and loan servicing. We may disclose to our affiliates all of the information that we collect, as described above.
4. We may disclose nonpublic personal information about our customers to nonaffiliated third-parties with whom we have contracted to perform services on our behalf, such as, printing, mailing, fraud prevention, and data processing services, as well as nonaffiliated financial organizations with which we have clearing agreements. We may disclose all of the information that we collect, as described above. We may also disclose nonpublic personal information about our customers as permitted or required by law.

5. We do not disclose nonpublic personal information about former customers, except as permitted or required by law.

6. If our customers visit a Pershing internet web site, we may occasionally use a "cookie" in order to provide better service, to facilitate our customers' use of the web site, to track usage of the web site, and to address security hazards. A cookie is a small piece of information that a web site stores on a personal computer and which it can later retrieve. We may use cookies for some administrative purposes, for example, to store our customers' preferences for certain kinds of information. None will contain information that will enable anyone to contact our customers via telephone, e-mail, or any other means. If our customers are uncomfortable with the use of cookie technology, they can set their browsers to refuse cookies. Certain of our services, however, could be dependent on cookies and our customers may disable those services by refusing cookies.

Complaints concerning services provided by Pershing may be directed to:

Complaints
Pershing LLC
Office of the General Counsel
One Pershing Plaza
Jersey City, New Jersey 07399

(201) 413-3330

DISCLOSURE STATEMENT

THIS STATEMENT CONTAINS IMPORTANT INFORMATION. PLEASE READ IT CAREFULLY AND RETAIN IT FOR FUTURE REFERENCE. IN PARTICULAR YOU SHOULD REVIEW THE "CREDIT DISCLOSURE" SECTION ON MARGIN ACCOUNTS.

DISCLOSURE REQUIRED BY NEW YORK STOCK EXCHANGE RULE 382

Pershing LLC ("Pershing") is the New York Stock Exchange member carrying organization for the broker-dealer or other financial organization ("financial organization") with which you opened your securities account. Your financial organization is independent of Pershing and retained Pershing to provide certain record keeping and operational services, which may include execution and settlement of securities transactions, custody of securities and cash balances, and extension of credit on margin transactions. These services are provided under a written Clearing Agreement between Pershing and your financial organization. It is important that you understand the responsibilities of your financial organization and Pershing under the Clearing Agreement as outlined below.

Responsibilities of Your Financial Organization

Your financial organization has general responsibility for servicing and supervising your securities account through its own personnel in accordance with its own policies and applicable laws and regulations.

Your financial organization is responsible for approving the opening of your account and obtaining necessary account documentation.

To help fight the funding of terrorism and money laundering activities, U.S. law and international best practice requires financial organizations to obtain, verify, and record information that identifies each person who opens an account. You will be asked for appropriate identifying information when you establish your account by your financial organization or by Pershing. The information you provide may be used to perform a credit check and verify your identity by using internal sources and third-party vendors.

Your financial organization is responsible for knowing you and your stated investment objectives.

Your financial organization is responsible for any investment advice, investment recommendations, or investment management services that may be provided to you. It is also responsible for determining whether particular kinds of transactions, which may be recommended to you (for instance, margin, options, and short sales), are appropriate for you.

Your financial organization is responsible for the acceptance and, in certain instances, execution of securities orders.

Your financial organization is responsible for knowing the facts about any orders for the purchase or sale of securities for your account.

Pershing®

A BNY Securities Group Co.
Solutions from The Bank of New York

One Pershing Plaza
Jersey City, New Jersey 07399

Pershing LLC, member NASD, NYSE, SIPC. Trademark(s) of Pershing Investments LLC.

NASD® belongs to its respective owner.
BRO-DISC-REV-10/04

If your financial organization is a market maker in any securities or otherwise trades as principal with you, it is responsible for compliance with fair pricing and disclosure responsibilities to you.

If your financial organization obtains possession of any cash or securities intended for your account, it is responsible for correctly identifying and promptly forwarding the same to Pershing.

Your financial organization is responsible for supervising the activities of the individual (if any) who services your account, for resolving any complaints regarding the handling of your account, and, in general, for the ongoing relationship that it has with you.

In all of the above matters relating to the servicing of your account, Pershing has no involvement and assumes no responsibility.

Responsibilities of Pershing

In general, Pershing is only responsible for those services provided at the request or direction of your financial organization as contemplated by the Clearing Agreement.

Pershing will create computer-based account records on your behalf in such name(s) and with such address(es) as your financial organization directs.

Pershing will process orders for the purchase, sale, or transfer of securities for your account as your financial organization directs. Pershing is not obligated to accept orders for securities transactions for your account directly from you and will do so only in exceptional circumstances.

Pershing will receive and deliver cash and securities for your account and will record such receipts and deliveries according to information provided either by your financial organization or directly, in writing, by you.

Pershing will hold in custody securities and cash received for your account, and will collect and disburse dividends and interest and process reorganization and voting instructions with respect to securities held in custody. Pershing is responsible for the custody of your cash and securities only after it comes into Pershing's physical possession or control.

Pershing will prepare and transmit to you or provide facilities to your financial organization for the preparation and transmission of confirmations of trades. Pershing will prepare and transmit periodic account statements summarizing transactions processed for your account to you.

If your financial organization opens a margin account for you, Pershing will loan you money for the purpose of purchasing or holding securities subject to the terms of Pershing's written Margin Agreement and Pershing margin policies and applicable margin regulations. Your financial organization is responsible for obtaining the initial margin as required by Regulation T. Thereafter, Pershing will calculate the amount of maintenance margin required. Pershing will advise you of those requirements, usually through your financial organization. Pershing will also calculate the interest charged on your debit balance, if any.

In connection with all of the functions that Pershing performs, Pershing maintains the books and records required by law and by business practice.

Pershing will provide your financial organization with written reports of all transactions processed for your account to enable it to carry out its responsibilities under the Clearing Agreement.

Pershing will assist you and your financial organization with any discrepancies or errors that may occur in the processing of transactions for your account.

PERSHING DOES NOT CONTROL, AUDIT, OR OTHERWISE SUPERVISE THE ACTIVITIES OF YOUR FINANCIAL ORGANIZATION OR ITS EMPLOYEES. PERSHING DOES NOT VERIFY INFORMATION PROVIDED BY YOUR FINANCIAL ORGANIZATION REGARDING YOUR ACCOUNT OR TRANSACTIONS PROCESSED FOR YOUR ACCOUNT NOR UNDERTAKE RESPONSIBILITY FOR REVIEWING THE APPROPRIATENESS OF TRANSACTIONS ENTERED BY YOUR FINANCIAL ORGANIZATION ON YOUR BEHALF.

The Clearing Agreement does not encompass transactions in commodities futures contracts or investments other than marketable securities, which Pershing normally processes on recognized exchanges and over-the-counter markets.

In furnishing its services under the Clearing Agreement, Pershing may use and rely upon the services of clearing agencies, automatic data processing vendors, proxy processing, transfer agents, securities pricing services, and other similar organizations.

This statement addresses the basic allocation of functions regarding the handling of your account. It is not meant as a definite enumeration of every possible circumstance, but only as a general disclosure.

CREDIT DISCLOSURE

Cash Accounts

Cash accounts may be subject, at Pershing's discretion, to interest on any debit balances in U.S. dollars or any other currency resulting from failure to make payment in full for securities purchased, from failure to timely deliver securities sold, from proceeds of sales paid prior to settlement date, or for other charges which may be made to the account.

Margin Accounts

Purchases of securities on credit, commonly known as margin purchases, enable you to increase the buying power of your equity and thus increase the potential for profit or loss. A portion of the purchase price is deposited when buying securities on margin, and Pershing extends credit for the remainder. This loan appears as debit balance in U.S. dollars or any other currency on your monthly account statement. Pershing charges interest on the debit balance in U.S. dollars or any other currency and requires you to maintain securities, cash, or other property to secure repayment of funds advanced and interest due.

Interest will be charged in the appropriate currency for any credit extended to you for the purpose of buying, trading, or carrying any securities for any cash withdrawals made against the collateral of securities, or for any other extension of credit. When funds are paid in advance of settlement on the sale of securities, interest will be charged in the appropriate currency on such amount from date of payment until settlement date. In the event that any other charge is made to the account in U.S. dollars or any other currency for any reason, interest may be charged on the resulting debit balances.

Interest Rates

Interest charged on any debit balances in cash accounts or credit extended in margin accounts may be up to 3.00 percentage points above the Pershing Base Lending Rate for that currency. The Pershing Base Lending Rate for each currency will be set with reference to commercially recognized interest rates, industry conditions relating to the extension of credit, and general credit market conditions. For a loan in a currency other than US dollars, the Pershing Base Lending Rate will be set based on the above referenced criteria in the country whose currency is the basis of the loan. The Pershing Base Lending Rate for each currency will change without prior notice. When the Pershing Base Lending Rate for a particular currency changes during an interest period, interest will be calculated according to the number of days each rate is in effect during that period. If the rate of interest charged to you is changed for any other reason, you will be notified at least 30 days in advance.

Interest Period

The interest period begins on the 20th of each month and ends on the 19th of the following month. Accordingly, the interest charges for the period as shown on your monthly statement are based only on the daily net debit and credit balances for the interest period.

Method of Interest Computation

At the close of each interest period during which credit was extended to you, an interest charge is computed by multiplying the average daily debit balance for that currency by the applicable schedule rate and by the number of days during which a debit balance was outstanding and then dividing by 360. If there has been a change in the Pershing Base Lending Rate for that currency, separate computations will be made with respect to each rate of charge for the appropriate number of days at each rate during the interest period. If not paid, the interest charge for credit extended to your account at the close of the interest period is added to the opening debit balance for that currency for the next interest period. Agreements are governed by the laws of the State of New York.

With the exception of credit balances in your short account, all other credit and debit balances in the same currency will be combined daily and interest will be charged on the resulting average daily net debit balances for that currency for the interest period. Credit balances in one currency will not be combined or netted with debit balances in a different currency. If there is a debit in your cash account and you hold

a margin account, interest will be calculated on the combined debit balance for that currency and charged to the margin account. Any credit balance in your short account is disregarded because such credit collateralizes the stock borrowed for delivery against the short sale. Such credit is disregarded even if you should be long the same position in your margin account (for instance, short sale against the box).

If the security that you sold short (or sold short against the box) appreciates in market price over the selling price, interest will be charged in U.S. dollars or any other currency on the appreciation in value. Correspondingly, if the security that you sold short depreciates in market price, the interest charged will be reduced since your average debit balance will decline. This practice is known as "marking-to-the-market." Weekly, a closing price is used to determine any appreciation or depreciation of the security sold short

If your account is short shares of stock on the record date of a dividend or other distribution, however such short position occurs, on the following business day, your account will be charged the amount of the dividend or other distribution.

General Margin Policies

The amount of credit that may be extended by Pershing and the terms of such extension are governed by rules of the Federal Reserve Board and the New York Stock Exchange, Inc. Within the guidelines of these rules and subject to adjustment required by changes in such rules and our business judgment.

Pershing establishes certain policies with respect to margin accounts. Pershing may require the deposit of additional acceptable collateral at any time. Margin account equity is the current market value of securities and cash deposited as security less the amount owed Pershing for credit extended at its discretion. It is our general policy to require margin account holders to maintain equity in their accounts of the greater of 30 percent of the current market value or \$3 per share for common stock. Pershing applies other standards for other types of securities. For instance, securities valued at less than \$5 per share may not be purchased in a margin account. Also, certain securities may be ineligible for margin credit from time to time. For information with respect to general margin maintenance policy for municipal bonds, corporate bonds, U.S. Treasury notes and bonds, and other securities, as well as information about the eligibility of particular securities for margin credit, please contact your financial organization.

Notwithstanding the above general policies, Pershing reserves the right, at its discretion, to require the deposit of additional collateral and to set required margin at a higher or lower amount with respect to particular accounts or classes of accounts as it deems necessary. In making these determinations, Pershing may take into account various factors including the size of the account, liquidity of a position, concentrations of securities in an account, or a decline in creditworthiness. If you fail to meet a margin, call in a timely manner, some or all of your positions may be liquidated.

Deposits of Collateral, Lien on Accounts, and Liquidation

In the event that additional collateral is requested, you may deposit funds or acceptable securities into your margin

account. If satisfactory collateral is not promptly deposited after a request is made, Pershing or your financial organization may, at its discretion, liquidate securities held in any of your accounts. In this connection, pursuant to our Margin Agreement, Pershing retains a security and other property held in your accounts, including securities held for safekeeping so long as any credit extended remains outstanding.

Callable Securities

Securities which are held for your account and which are in "street name," or are being held by a securities depository, are commingled with the same securities being held for other clients of financial organizations and for Pershing's own clients. Your ownership of these securities is reflected in our records. You have the right at any time to require delivery to you of any such securities that are fully paid for or are in excess of margin requirements.

The terms of many bonds allow the issuer to partially redeem or "call" the issue prior to maturity date. Certain preferred stocks are also subject to being called by the issuer. Whenever any such security being held by us is partially "called," we will determine, through a random selection procedure as prescribed by New York Stock Exchange Rules, the ownership of the securities to be submitted for redemption without regard to unsettled sales. In the event that such securities owned by you are selected and redeemed, your account will be credited with the proceeds.

Should you not wish to be subject to this random selection process, you must instruct our financial organization to have Pershing deliver your securities to you. Delivery will be effected provided, of course, that your position is unencumbered or had not already been called by the issuer as described prior to receipt by Pershing of your instructions. The probability of one of your securities being called is the same whether they are held by you or by Pershing for you.

Miscellaneous Credits

Pershing credits to your account funds belonging to you such as dividends, interest, redemptions, and proceeds of corporate reorganizations on the day such funds are received by us. These funds come to us from issuers and various intermediaries in which we are participants, such as the Depository Trust Company. Periodically, certain of those intermediaries pass on to their participants some or all of the interest earned on funds while in the possession of the intermediary. To the extent Pershing receives such payments, we retain them.

Information regarding when Pershing credits your account with funds due to you, when those funds are available to you, and/or when you begin earning interest on those funds is available from your financial organization.

Substitute Payments

To the extent Pershing determines (in accordance with federal income tax regulations) that your securities have been loaned, certain payments you receive with respect to such loaned securities will be reclassified as "substitute payments." The federal income tax consequences of receiving a substitute payment are receipt of a payment made by the underlying

security. For instance, a dividend received by a corporation may qualify for the dividends received deduction. However, the receipt of a substitute payment in lieu of a dividend will not qualify for the dividends received deduction. Individuals may also be affected if certain payments (such as exempt-interest dividends, capital gain distributions, return of capital, and foreign tax credit dividends) are reclassified as substitute payments. We suggest you contact your tax advisor to discuss the tax treatment of substitute payments.

Payment for Order Flow Practices

The following statement is provided to you as required by Rule 11Ac1-3 of the Securities Exchange Act of 1934.

Pershing and its affiliate, Pershing Trading Company, L.P. ("PTC"), send certain equity orders to exchanges, Electronic Communication Networks or broker-dealers during normal business hours and during extended trading sessions. Certain venues provide payments or charge access fees to Pershing or PTC depending upon the characteristics of the order and any subsequent execution. The details of these payments and fees are available upon written request.

Pershing receives compensation for directing listed options order flow to certain option exchanges. Compensation is generally in the form of a per contract cash payment.

Pershing and PTC have selected certain market makers to provide execution of OTC securities transactions who have agreed to accept orders, transmitted electronically up to a specified size, and to execute them at or better than the national best bid or offer (NBBO). On larger orders, or if the designated market makers do not make a market in the subject security, Pershing and PTC directly contact market makers to obtain an execution. The designated market makers to whom orders are automatically routed are selected based on the consistently high quality of their OTC executions in one or more market segments and their ability to provide opportunities for executions at prices superior to the NBBO.

If an order for an exchange-listed security is not immediately executable on the exchange to which it is routed, such order may be represented in the national marketplace using the various means available for price discovery.

Pershing and PTC also regularly review reports for quality of execution purposes.

Mutual Fund Breakpoint Discounts and Other Disclosures Relating to Mutual Fund Fees and Revenue Sharing

Before investing in mutual funds, it is important that you understand the sales charges, expenses, and management fees that you will be charged as well as the breakpoint discounts to which you may be entitled. Understanding these charges and breakpoint discounts will assist you in identifying the best investment for your particular needs and may help you to reduce the cost of your investment. This section will give you general background information about these charges and discounts; however, sales charges, expenses, management fees, and breakpoint discounts vary from mutual fund to mutual fund. Therefore, you should discuss these matters with your investment professional and review each mutual fund's prospectus and statement of

additional information (which are available from your investment professional) to obtain the specific information regarding the charges and breakpoint discounts associated with a particular mutual fund.

Sales Charges

Investors who purchase mutual funds must make certain choices, including which funds to purchase and which share class is most advantageous in light of their specific investing needs. Each mutual fund has a specified investment strategy. You need to consider whether the mutual fund's investment strategy is compatible with your investment objectives. Additionally, many mutual funds offer different share classes. Although each share class represents a similar interest in the mutual fund's portfolio, the mutual fund will charge you different fees and expenses depending upon your choice of share class. As a general rule, Class A shares carry a "front-end" sales charge or "load" that is deducted from your investment at the time you buy the fund shares. This sales charge is a percentage of your total purchase. As explained below, many mutual funds offer volume discounts to the front end sales charge assessed on Class A shares at certain predetermined levels of investment, which are called "breakpoint discounts." In contrast, Class B and C shares usually do not carry any front-end sales charges. Instead, investors who purchase Class B or C shares pay asset-based sales charges, which may be higher or lower than the charges associated with Class A shares. Investors that purchase Class B or C shares may also be required to pay a sales charge known as a contingent deferred sales charge when they sell their shares, depending upon the rules of the particular mutual fund.

Breakpoint Discounts

Most mutual funds offer investors a variety of ways to qualify for breakpoint discounts on the sales charge associated with the purchase of Class A shares. In general, most mutual funds provide breakpoint discounts to investors who make large purchases at one time. The extent of the discount depends upon the size of the purchase. Generally, as the amount of the purchase increases, the percentage used to determine the sales load decreases. In fact, the entire sales charge may be waived for investors that make very large purchases of Class A shares. Mutual fund prospectuses contain tables that illustrate the available breakpoint discounts and the investment levels at which breakpoint discounts apply.

Additionally, most mutual funds allow investors to qualify for breakpoint discounts based upon current holdings from prior purchases through Rights of Accumulation and from future purchases based upon Letters of Intent. Mutual funds have different rules regarding the availability of Rights of Accumulation and Letters of Intent. Therefore, you should discuss these matters with your investment professional and review the mutual fund's prospectus and statement of additional information to determine the specific terms upon which a mutual fund offers Rights of Accumulation or Letters of Intent.

Rights of Accumulation—Many mutual funds allow investors to count the value of previous purchases of the same fund, or another fund within the same fund family, with the value of

DISCLOSURE STATEMENT

THIS STATEMENT CONTAINS IMPORTANT INFORMATION. PLEASE READ IT CAREFULLY AND RETAIN IT FOR FUTURE REFERENCE. IN PARTICULAR YOU SHOULD REVIEW THE “CREDIT DISCLOSURE” SECTION ON MARGIN ACCOUNTS.

DISCLOSURE REQUIRED BY NEW YORK STOCK EXCHANGE RULE 382

Pershing LLC (“Pershing”) is the New York Stock Exchange member carrying organization for the broker-dealer or other financial organization (“financial organization”) with which you opened your securities account. Your financial organization is independent of Pershing and retained Pershing to provide certain record keeping and operational services, which may include execution and settlement of securities transactions, custody of securities and cash balances, and extension of credit on margin transactions. These services are provided under a written Clearing Agreement between Pershing and your financial organization. It is important that you understand the responsibilities of your financial organization and Pershing under the Clearing Agreement as outlined below.

Responsibilities of Your Financial Organization

Your financial organization has general responsibility for servicing and supervising your securities account through its own personnel in accordance with its own policies and applicable laws and regulations.

Your financial organization is responsible for approving the opening of your account and obtaining necessary account documentation.

To help fight the funding of terrorism and money laundering activities, U.S. law and international best practice requires financial organizations to obtain, verify, and record information that identifies each person who opens an account. You will be asked for appropriate identifying information when you establish your account by your financial organization or by Pershing. The information you provide may be used to perform a credit check and verify your identity by using internal sources and third-party vendors.

Your financial organization is responsible for knowing you and your stated investment objectives.

Your financial organization is responsible for any investment advice, investment recommendations, or investment management services that may be provided to you. It is also responsible for determining whether particular kinds of transactions, which may be recommended to you (for instance, margin, options, and short sales), are appropriate for you.

Your financial organization is responsible for the acceptance and, in certain instances, execution of securities orders.

Your financial organization is responsible for knowing the facts about any orders for the purchase or sale of securities for your account.

If your financial organization is a market maker in any securities or otherwise trades as principal with you, it is responsible for compliance with fair pricing and disclosure responsibilities to you.

If your financial organization obtains possession of any cash or securities intended for your account, it is responsible for correctly identifying and promptly forwarding the same to Pershing.

Your financial organization is responsible for supervising the activities of the individual (if any) who services your account, for resolving any complaints regarding the handling of your account, and, in general, for the ongoing relationship that it has with you.

In all of the above matters relating to the servicing of your account, Pershing has no involvement and assumes no responsibility.

Responsibilities of Pershing

In general, Pershing is only responsible for those services provided at the request or direction of your financial organization as contemplated by the Clearing Agreement.

Pershing will create computer-based account records on your behalf in such name(s) and with such address(es) as your financial organization directs.

Pershing will process orders for the purchase, sale, or transfer of securities for your account as your financial organization directs. Pershing is not obligated to accept orders for securities transactions for your account directly from you and will do so only in exceptional circumstances.

Pershing will receive and deliver cash and securities for your account and will record such receipts and deliveries according to information provided either by your financial organization or directly, in writing, by you.

Pershing will hold in custody securities and cash received for your account, and will collect and disburse dividends and interest and process reorganization and voting instructions with respect to securities held in custody. Pershing is responsible for the custody of your cash and securities only after it comes into Pershing's physical possession or control.

Pershing will prepare and transmit to you or provide facilities to your financial organization for the preparation and transmission of confirmations of trades. Pershing will prepare and transmit periodic account statements summarizing transactions processed for your account to you.

If your financial organization opens a margin account for you, Pershing will loan you money for the purpose of purchasing or holding securities subject to the terms of Pershing's written Margin Agreement and Pershing margin policies and applicable margin regulations. Your financial organization is responsible for obtaining the initial margin as required by Regulation T. Thereafter, Pershing will calculate the amount of maintenance margin required. Pershing will advise you of those requirements, usually through your financial organization. Pershing will also calculate the interest charged on your debit balance, if any.

In connection with all of the functions that Pershing performs, Pershing maintains the books and records required by law and by business practice.

Pershing will provide your financial organization with written reports of all transactions processed for your account to enable it to carry out its responsibilities under the Clearing Agreement.

Pershing will assist you and your financial organization with any discrepancies or errors that may occur in the processing of transactions for your account.

PERSHING DOES NOT CONTROL, AUDIT, OR OTHERWISE SUPERVISE THE ACTIVITIES OF YOUR FINANCIAL ORGANIZATION OR ITS EMPLOYEES. PERSHING DOES NOT VERIFY INFORMATION PROVIDED BY YOUR FINANCIAL ORGANIZATION REGARDING YOUR ACCOUNT OR TRANSACTIONS PROCESSED FOR YOUR ACCOUNT NOR UNDERTAKE RESPONSIBILITY FOR REVIEWING THE APPROPRIATENESS OF TRANSACTIONS ENTERED BY YOUR FINANCIAL ORGANIZATION ON YOUR BEHALF.

The Clearing Agreement does not encompass transactions in commodities futures contracts or investments other than marketable securities, which Pershing normally processes on recognized exchanges and over-the-counter markets.

In furnishing its services under the Clearing Agreement, Pershing may use and rely upon the services of clearing agencies, automatic data processing vendors, proxy processing, transfer agents, securities pricing services, and other similar organizations.

This statement addresses the basic allocation of functions regarding the handling of your account. It is not meant as a definite enumeration of every possible circumstance, but only as a general disclosure.

CREDIT DISCLOSURE

Cash Accounts

Cash accounts may be subject, at Pershing's discretion, to interest on any debit balances in U.S. dollars or any other currency resulting from failure to make payment in full for securities purchased, from failure to timely deliver securities sold, from proceeds of sales paid prior to settlement date, or for other charges which may be made to the account.

Margin Accounts

Purchases of securities on credit, commonly known as margin purchases, enable you to increase the buying power of your equity and thus increase the potential for profit or loss. A portion of the purchase price is deposited when buying securities on margin, and Pershing extends credit for the remainder. This loan appears as debit balance in U.S. dollars or any other currency on your monthly account statement. Pershing charges interest on the debit balance in U.S. dollars or any other currency and requires you to maintain securities, cash, or other property to secure repayment of funds advanced and interest due.

Interest will be charged in the appropriate currency for any credit extended to you for the purpose of buying, trading, or carrying any securities for any cash withdrawals made against the collateral of securities, or for any other extension of credit. When funds are paid in advance of settlement on the sale of securities, interest will be charged in the appropriate currency on such amount from date of payment until settlement date. In the event that any other charge is made to the account in U.S. dollars or any other currency for any reason, interest may be charged on the resulting debit balances.

Interest Rates

Interest charged on any debit balances in cash accounts or credit extended in margin accounts may be up to 3.00 percentage points above the Pershing Base Lending Rate for that currency. The Pershing Base Lending Rate for each currency will be set with reference to commercially recognized interest rates, industry conditions relating to the extension of credit, and general credit market conditions. For a loan in a currency other than US dollars, the Pershing Base Lending Rate will be set based on the above referenced criteria in the country whose currency is the basis of the loan. The Pershing Base Lending Rate for each currency will change without prior notice. When the Pershing Base Lending Rate for a particular currency changes during an interest period, interest will be calculated according to the number of days each rate is in effect during that period. If the rate of interest charged to you is changed for any other reason, you will be notified at least 30 days in advance.

Interest Period

The interest period begins on the 20th of each month and ends on the 19th of the following month. Accordingly, the interest charges for the period as shown on your monthly statement are based only on the daily net debit and credit balances for the interest period.

Method of Interest Computation

At the close of each interest period during which credit was extended to you, an interest charge is computed by multiplying the average daily debit balance for that currency by the applicable schedule rate and by the number of days during which a debit balance was outstanding and then dividing by 360. If there has been a change in the Pershing Base Lending Rate for that currency, separate computations will be made with respect to each rate of charge for the appropriate number of days at each rate during the interest period. If not paid, the interest charge for credit extended to your account at the close of the interest period is added to the opening debit balance for that currency for the next interest period. Agreements are governed by the laws of the State of New York.

With the exception of credit balances in your short account, all other credit and debit balances in the same currency will be combined daily and interest will be charged on the resulting average daily net debit balances for that currency for the interest period. Credit balances in one currency will not be combined or netted with debit balances in a different currency. If there is a debit in your cash account and you hold

a margin account, interest will be calculated on the combined debit balance for that currency and charged to the margin account. Any credit balance in your short account is disregarded because such credit collateralizes the stock borrowed for delivery against the short sale. Such credit is disregarded even if you should be long the same position in your margin account (for instance, short sale against the box).

If the security that you sold short (or sold short against the box) appreciates in market price over the selling price, interest will be charged in U.S. dollars or any other currency on the appreciation in value. Correspondingly, if the security that you sold short depreciates in market price, the interest charged will be reduced since your average debit balance will decline. This practice is known as “marking-to-the-market.” Weekly, a closing price is used to determine any appreciation or depreciation of the security sold short

If your account is short shares of stock on the record date of a dividend or other distribution, however such short position occurs, on the following business day, your account will be charged the amount of the dividend or other distribution.

General Margin Policies

The amount of credit that may be extended by Pershing and the terms of such extension are governed by rules of the Federal Reserve Board and the New York Stock Exchange, Inc. Within the guidelines of these rules and subject to adjustment required by changes in such rules and our business judgment.

Pershing establishes certain policies with respect to margin accounts. Pershing may require the deposit of additional acceptable collateral at any time. Margin account equity is the current market value of securities and cash deposited as security less the amount owed Pershing for credit extended at its discretion. It is our general policy to require margin account holders to maintain equity in their accounts of the greater of 30 percent of the current market value or \$3 per share for common stock. Pershing applies other standards for other types of securities. For instance, securities valued at less than \$5 per share may not be purchased in a margin account. Also, certain securities may be ineligible for margin credit from time to time. For information with respect to general margin maintenance policy for municipal bonds, corporate bonds, U.S. Treasury notes and bonds, and other securities, as well as information about the eligibility of particular securities for margin credit, please contact your financial organization.

Notwithstanding the above general policies, Pershing reserves the right, at its discretion, to require the deposit of additional collateral and to set required margin at a higher or lower amount with respect to particular accounts or classes of accounts as it deems necessary. In making these determinations, Pershing may take into account various factors including the size of the account, liquidity of a position, concentrations of securities in an account, or a decline in creditworthiness. If you fail to meet a margin, call in a timely manner, some or all of your positions may be liquidated.

Deposits of Collateral, Lien on Accounts, and Liquidation

In the event that additional collateral is requested, you may deposit funds or acceptable securities into your margin

account. If satisfactory collateral is not promptly deposited after a request is made, Pershing or your financial organization may, at its discretion, liquidate securities held in any of your accounts. In this connection, pursuant to our Margin Agreement, Pershing retains a security and other property held in your accounts, including securities held for safekeeping so long as any credit extended remains outstanding.

Callable Securities

Securities which are held for your account and which are in “street name,” or are being held by a securities depository, are commingled with the same securities being held for other clients of financial organizations and for Pershing’s own clients. Your ownership of these securities is reflected in our records. You have the right at any time to require delivery to you of any such securities that are fully paid for or are in excess of margin requirements.

The terms of many bonds allow the issuer to partially redeem or “call” the issue prior to maturity date. Certain preferred stocks are also subject to being called by the issuer. Whenever any such security being held by us is partially “called,” we will determine, through a random selection procedure as prescribed by New York Stock Exchange Rules, the ownership of the securities to be submitted for redemption without regard to unsettled sales. In the event that such securities owned by you are selected and redeemed, your account will be credited with the proceeds.

Should you not wish to be subject to this random selection process, you must instruct our financial organization to have Pershing deliver your securities to you. Delivery will be effected provided, of course, that your position is unencumbered or had not already been called by the issuer as described prior to receipt by Pershing of your instructions. The probability of one of your securities being called is the same whether they are held by you or by Pershing for you.

Miscellaneous Credits

Pershing credits to your account funds belonging to you such as dividends, interest, redemptions, and proceeds of corporate reorganizations on the day such funds are received by us. These funds come to us from issuers and various intermediaries in which we are participants, such as the Depository Trust Company. Periodically, certain of those intermediaries pass on to their participants some or all of the interest earned on funds while in the possession of the intermediary. To the extent Pershing receives such payments, we retain them.

Information regarding when Pershing credits your account with funds due to you, when those funds are available to you, and/or when you begin earning interest on those funds is available from your financial organization.

Substitute Payments

To the extent Pershing determines (in accordance with federal income tax regulations) that your securities have been loaned, certain payments you receive with respect to such loaned securities will be reclassified as “substitute payments.” The federal income tax consequences of receiving a substitute payment are receipt of a payment made by the underlying

security. For instance, a dividend received by a corporation may qualify for the dividends received deduction.

However, the receipt of a substitute payment in lieu of a dividend will not qualify for the dividends received deduction. Individuals may also be affected if certain payments (such as exempt-interest dividends, capital gain distributions, return of capital, and foreign tax credit dividends) are reclassified as substitute payments. We suggest you contact your tax advisor to discuss the tax treatment of substitute payments.

Payment for Order Flow Practices

The following statement is provided to you as required by Rule 11Ac1-3 of the Securities Exchange Act of 1934.

Pershing and its affiliate, Pershing Trading Company, L.P. (“PTC”), send certain equity orders to exchanges, Electronic Communication Networks or broker-dealers during normal business hours and during extended trading sessions. Certain venues provide payments or charge access fees to Pershing or PTC depending upon the characteristics of the order and any subsequent execution. The details of these payments and fees are available upon written request.

Pershing receives compensation for directing listed options order flow to certain option exchanges. Compensation is generally in the form of a per contract cash payment.

Pershing and PTC have selected certain market makers to provide execution of OTC securities transactions who have agreed to accept orders, transmitted electronically up to a specified size, and to execute them at or better than the national best bid or offer (NBBO). On larger orders, or if the designated market makers do not make a market in the subject security, Pershing and PTC directly contact market makers to obtain an execution. The designated market makers to whom orders are automatically routed are selected based on the consistently high quality of their OTC executions in one or more market segments and their ability to provide opportunities for executions at prices superior to the NBBO.

If an order for an exchange-listed security is not immediately executable on the exchange to which it is routed, such order may be represented in the national marketplace using the various means available for price discovery.

Pershing and PTC also regularly review reports for quality of execution purposes.

Mutual Fund Breakpoint Discounts and Other Disclosures Relating to Mutual Fund Fees and Revenue Sharing

Before investing in mutual funds, it is important that you understand the sales charges, expenses, and management fees that you will be charged as well as the breakpoint discounts to which you may be entitled. Understanding these charges and breakpoint discounts will assist you in identifying the best investment for your particular needs and may help you to reduce the cost of your investment. This section will give you general background information about these charges and discounts; however, sales charges, expenses, management fees, and breakpoint discounts vary from mutual fund to mutual fund. Therefore, you should discuss these matters with your investment professional and review each mutual fund’s prospectus and statement of

additional information (which are available from your investment professional) to obtain the specific information regarding the charges and breakpoint discounts associated with a particular mutual fund.

Sales Charges

Investors who purchase mutual funds must make certain choices, including which funds to purchase and which share class is most advantageous in light of their specific investing needs. Each mutual fund has a specified investment strategy. You need to consider whether the mutual fund's investment strategy is compatible with your investment objectives. Additionally, many mutual funds offer different share classes. Although each share class represents a similar interest in the mutual fund's portfolio, the mutual fund will charge you different fees and expenses depending upon your choice of share class. As a general rule, Class A shares carry a "front-end" sales charge or "load" that is deducted from your investment at the time you buy the fund shares. This sales charge is a percentage of your total purchase. As explained below, many mutual funds offer volume discounts to the front end sales charge assessed on Class A shares at certain predetermined levels of investment, which are called "breakpoint discounts." In contrast, Class B and C shares usually do not carry any front-end sales charges. Instead, investors who purchase Class B or C shares pay asset-based sales charges, which may be higher or lower than the charges associated with Class A shares. Investors that purchase Class B or C shares may also be required to pay a sales charge known as a contingent deferred sales charge when they sell their shares, depending upon the rules of the particular mutual fund.

Breakpoint Discounts

Most mutual funds offer investors a variety of ways to qualify for breakpoint discounts on the sales charge associated with the purchase of Class A shares. In general, most mutual funds provide breakpoint discounts to investors who make large purchases at one time. The extent of the discount depends upon the size of the purchase. Generally, as the amount of the purchase increases, the percentage used to determine the sales load decreases. In fact, the entire sales charge may be waived for investors that make very large purchases of Class A shares. Mutual fund prospectuses contain tables that illustrate the available breakpoint discounts and the investment levels at which breakpoint discounts apply.

Additionally, most mutual funds allow investors to qualify for breakpoint discounts based upon current holdings from prior purchases through Rights of Accumulation and from future purchases based upon Letters of Intent. Mutual funds have different rules regarding the availability of Rights of Accumulation and Letters of Intent. Therefore, you should discuss these matters with your investment professional and review the mutual fund's prospectus and statement of additional information to determine the specific terms upon which a mutual fund offers Rights of Accumulation or Letters of Intent.

Rights of Accumulation—Many mutual funds allow investors to count the value of previous purchases of the same fund, or another fund within the same fund family, with the value of

the current purchase to qualify for breakpoint discounts. Moreover, mutual funds may allow investors to count existing holdings in multiple accounts, such as individual retirement accounts (IRAs) or accounts at other financial organizations to qualify for breakpoint discounts. Therefore, if you have accounts at other financial organizations and wish to take advantage of the balances in these accounts to qualify for a breakpoint discount, you must advise your investment professional about those balances. You may need to provide documentation establishing the holdings in those other accounts to your investment professional if you wish to rely upon balances in accounts at another firm.

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

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

Letters of Intent—Most mutual funds allow investors to qualify for breakpoint discounts by signing a Letter of Intent, which commits the investor to purchasing a specified amount of Class A shares within a defined period of time, usually 13 months. For instance, if an investor plans to purchase \$50,000 worth of Class A shares over a period of 13 months, but each individual purchase would not qualify for a breakpoint discount, the investor could sign a Letter of Intent at the time of the first purchase and receive the breakpoint discount associated with a \$50,000 investment on the first and all subsequent purchases. Additionally, some funds offer retroactive Letters of Intent that allow investors to rely upon purchases in the recent past to qualify for a breakpoint discount. However, if an investor fails to invest the amount required by the Letter of Intent, the fund is entitled to retroactively deduct the correct sales charges based upon the amount that the investor actually invested. If you intend to make several purchases within a 13 month period, you should consult your investment professional and the mutual fund

prospectus to determine if it would be beneficial for you to sign a Letter of Intent. As you can see, understanding the availability of breakpoint discounts is important because it may allow you to purchase Class A shares at a lower price. The availability of breakpoint discounts may save you money and may also affect your decision regarding the appropriate share class in which to invest. Therefore, you should discuss the availability of breakpoint discounts with your investment professional and carefully review the mutual fund prospectus and its statement of additional information, which you can get from your investment professional, when choosing among the share classes offered by a mutual fund. If you wish to learn more about mutual fund share classes or mutual fund breakpoints, you can also review the investor alerts that are available on the NASD® web site at:
www.nasdr.com/alert_mfclasses.htm
www.nasdr.com/alert_breakpoints.htm.

Mutual Fund and Money Fund Fees and Revenue Sharing

Pershing may receive certain operational servicing fees from funds in lieu of clearance charges assessed to your financial organization. These payments from mutual funds may be shared with your financial organization and may be a significant source of revenue for your financial organization. Similarly, your financial organization may share in revenue along with Pershing in payment made by money market funds in accordance with a formula based on money market funds held for you by us. In addition, Pershing may receive fees from funds for compensation for certain recordkeeping and other administrative tasks Pershing performs in connection with your account. Should you have any questions in this regard, please contact your financial organization or investment professional.

Liens and Levies

If for any reason your account is subject to a lien or levy directed to Pershing, Pershing will abide by the directions of the Federal, State, or other levying authority unless it receives a court order staying or quashing the lien or levy, or some other form of release from the levying authority. In the event Pershing receives a lien or levy on your account, your account may be assessed a reasonable processing fee.

Disclosure Required by New York Stock Exchange Rule 446(D)

Pershing maintains a business continuity plan, including redundant data centers and alternate processing facilities, to address interruptions to our normal course of business. These plans are reviewed annually and updated as necessary.

Our plans outline the actions Pershing will take in the event of a building, city-wide, or regional incident, including relocating technology and operational personnel to preassigned alternate regional facilities. Technology data processing can also be switched to an alternate regional data center.

All Pershing operational facilities are equipped for resumption of business and are tested several times per year. Our recovery time objective for business resumption, including those involving a relocation of personnel or technology, is four (4) hours. This recovery objective may be negatively affected by the unavailability of external resources and circumstances beyond our control.

In the event that your financial organization experiences a significant business interruption, Pershing may be contacted directly to process limited trade-related transactions, cash disbursements, and security transfers. Instructions to Pershing must be in writing and transmitted via facsimile or postal service as follows:

Pershing LLC
P.O. Box 2065
Jersey City, New Jersey 07303-2065

Fax: (201) 413-5368

For additional information about how to request funds and securities when your financial organization cannot be contacted due to a significant business interruption, please visit the About Pershing section of the Pershing web site at www.pershing.com or call (201) 413-3635 for recorded instructions. If you cannot access the instructions from the web site or the previously noted telephone number, Pershing may be contacted at: (213) 624-6100, extension 500, as an alternate telephone number for recorded instructions.

Electronic Confirmations

Certain clients receive electronic confirmations through Depository Trust Company or other institutional delivery systems in lieu of hard copy confirmations of each transaction. You should be aware that all of the terms, conditions, and disclosures set forth on such hard copy confirmations will continue to apply to each confirmation processed electronically, including among other things, the following:

- Securities purchased on a cash or margin basis are or may be hypothecated under circumstances which will permit the commingling thereof with securities carried for other clients, but such securities, if hypothecated, will be withdrawn from hypothecation as soon as practicable after receipt of payment herefor.
- If the transaction is a purchase by you in a cash account and sufficient funds are not already in your account with us, it is agreed that you will make full payment for the securities described on the confirmation promptly and not later than settlement date in accordance with the terms of this transaction and that you do not contemplate sale of such securities prior to making such payment. If the securities described are not already held in your account with us, we are acting upon your representation that you or your principal own such securities, and it is agreed that you will promptly and not later than settlement date deposit such securities with us. If full payment for the securities purchased by you in the transaction is not received by us, or if securities sold by you are not delivered to us in proper form on or after the first trading day after settlement date, we may at our option cancel or otherwise liquidate the transaction without notice to you, and you will be liable to us for any resulting loss, including, without limitation, all expenses, attorney's fees, and other costs incurred by us and interest thereon.
- Provisions of agreements and contracts shall inure to any successor of your financial organization or Pershing.

-
- It is understood and agreed that all transactions are subject to the rules and customs of the exchange or market (and its clearing house, if any) where they are executed. The name of the broker or party and the time of execution will be furnished on request.
 - Commission rates are subject to negotiation, and any commission charged to you on the transaction may be more or less than commissions charged to or by others in similar transactions. The source and amount of other commissions charged by us in connection with the transaction will be furnished on request.
 - Call features may exist for securities. Call features for fixed income securities may affect yield. Complete information will be provided upon request.
 - The ratings that appear in the description of some fixed income securities have been obtained from ratings services that Pershing believed to be reliable; however, Pershing cannot guarantee their accuracy. Securities for which a rating is not available are marked “UNRATED.”
 - If the transaction involves an asset-backed security including a municipal collateralized mortgage obligation which represents an interest in or is secured by a pool of receivables or other financial assets that are subject continuously to prepayment, then the actual yield of such security may vary according to the rate at which the underlying receivable or other financial assets are prepaid. Information concerning the factors that affect yield (including at a minimum estimated yield, weighted average life, and the prepayment assumptions of underlying yield) will be furnished upon your written request.

Lost Securities

If your periodic client statement indicates that securities were forwarded to you and you have not received them, you should notify your financial organization or Pershing immediately. If notification is received within 120 days after the mailing date, as reflected on your periodic statement, replacement will be made free of charge. Thereafter, a fee for replacement may apply.

PERSHING PRIVACY POLICY

For the purposes of this section the term “our customer” refers to you.

Working on behalf of your financial organization, we, at Pershing LLC, recognize the importance of protecting the confidentiality of nonpublic personal information that we collect about our customers. The information is used to ensure accuracy in reporting and record keeping, to maintain our customers’ accounts, and to carry out requested transactions. Keeping this information secure is a top priority for us, and we are pleased to share with you our privacy policy.

1. We collect nonpublic personal information about our customers from the following sources:
 - Applications or other forms (such as name, address, social security number, assets, and income).
 - Customers’ transactions with us, their financial organizations, or others.

-
- Consumer reporting agencies (such as credit worthiness and credit history).
2. Our internal data security policies restrict access to nonpublic personal information to authorized employees. We maintain physical, electronic, and procedural safeguards that are designed to comply with federal standards to guard our customers' nonpublic personal information. Employees who violate our data security policies are subject to disciplinary action, up to and including termination.
 3. We may disclose nonpublic personal information about our customers to our affiliates, such as banks, mortgage lenders, and securities broker-dealers, in order to provide our customers with access to product offerings and product upgrades, and in order for our affiliates to provide services to us, such as data processing and loan servicing. We may disclose to our affiliates all of the information that we collect, as described above.
 4. We may disclose nonpublic personal information about our customers to nonaffiliated third-parties with whom we have contracted to perform services on our behalf, such as, printing, mailing, fraud prevention, and data processing services, as well as nonaffiliated financial organizations with which we have clearing agreements. We may disclose all of the information that we collect, as described above. We may also disclose nonpublic personal information about our customers as permitted or required by law.
 5. We do not disclose nonpublic personal information about former customers, except as permitted or required by law.
 6. If our customers visit a Pershing internet web site, we may occasionally use a "cookie" in order to provide better service, to facilitate our customers' use of the web site, to track usage of the web site, and to address security hazards. A cookie is a small piece of information that a web site stores on a personal computer and which it can later retrieve. We may use cookies for some administrative purposes, for example, to store our customers' preferences for certain kinds of information. None will contain information that will enable anyone to contact our customers via telephone, e-mail, or any other means. If our customers are uncomfortable with the use of cookie technology, they can set their browsers to refuse cookies. Certain of our services, however, could be dependent on cookies and our customers may disable those services by refusing cookies.

Complaints concerning services provided by Pershing
may be directed to:

Complaints
Pershing LLC
Office of the General Counsel
One Pershing Plaza
Jersey City, New Jersey 07399

(201) 413-3330

Pershing[®]

A BNY Securities Group Co.
Solutions from The Bank of New York

One Pershing Plaza
Jersey City, New Jersey 07399

Pershing LLC, member NASD, NYSE, SIPC. Trademark(s) of Pershing Investments LLC.

NASD[®] belongs to its respective owner.
BRO-DISC-REV-10/04