

# Morgan Stanley Roth IRA

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## Regular Mail

Morgan Stanley Funds  
P.O. Box 219804  
Kansas City, MO 64121-9544

## Overnight Mail

Morgan Stanley Funds  
801 Pennsylvania Ave, Suite 219804  
Kansas City, MO 64105-1307

## For Assistance

1-800-869-6397  
9:00 a.m. - 5:30 p.m. ET, Mon-Fri

**Important Instructions:** To use a fillable form in Windows Edge, please click on the three dots at the upper right of the browser and select "Open with Internet Explorer" which will make the fillable sections appear.

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A Roth Individual Retirement Account (IRA) is one of the most advantageous ways to save for retirement. Depending on your income; you may qualify for a Roth IRA and enjoy these benefits.

- Possible tax credit for contributions
- Tax-deferred compounding growth of investment earnings
- Contribution flexibility — contribute annually or periodically
- Investment choice — a wide range of investment options
- Convenient rollover, transfer or conversion of assets from existing IRAs and employer-sponsored plans
- No mandatory distribution at age 73
- If you meet certain requirements, distributions are tax free

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## How to Invest

Putting your money to work in an IRA can be as easy as three steps with guidance from your financial advisor and quality investment options from Morgan Stanley.

1. Review your qualifications with your financial advisor to select the most appropriate type(s) of IRA(s) for your situation.
2. Choose your investment options.
3. Complete the account application. Also complete the Transfer Request form to transfer assets from another IRA or roll over assets from your employer's retirement plan.

Please make sure to read the appropriate investment prospectus, custodial agreement and disclosure statement carefully before investing. Your financial advisor can review this information with you.

# UMB Bank, n.a.

## Universal Individual Retirement Account Disclosure Statement

### Part 1. Description of Traditional IRAs

Part One of the Disclosure Statement describes the rules applicable to Traditional IRAs. IRAs described in these pages are called “Traditional IRAs” to distinguish them from the “Roth IRAs,” which are described in Part Two of this Disclosure Statement. Contributions to a Roth IRA are not deductible (regardless of your adjusted gross income), but withdrawals that meet certain requirements are not subject to federal income tax, so that dividends and investment growth on amounts held in the Roth IRA can escape federal income tax. Please see Part Two of this Disclosure Statement if you are interested in learning more about Roth IRAs.

Traditional IRAs described in this Disclosure Statement may be used as part of a simplified employee pension (SEP) plan maintained by your employer. Under a SEP your employer may make contributions to your Traditional IRA, and these contributions may exceed the normal limits on Traditional IRA contributions. This Disclosure Statement does not describe IRAs established in connection with a SIMPLE IRA program maintained by your employer. Employers provide special explanatory materials for accounts established as part of a SIMPLE IRA program. Traditional IRAs may be used in connection with a SIMPLE IRA program, but for the first two years of participation a special SIMPLE IRA (not a Traditional IRA) is required.

### Your Traditional IRA

This Part One contains information about your Traditional Individual Retirement Custodial Account with UMB Bank, n.a. as Custodian. A Traditional IRA gives you several tax benefits. Earnings on the assets held in your Traditional IRA are not subject to federal income tax until withdrawn by you. You may be able to deduct all or part of your Traditional IRA contribution on your federal income tax return. State income tax treatment of your Traditional IRA may differ from federal treatment; ask your state tax department or your personal tax adviser for details.

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

### Eligibility

#### What are the eligibility requirements for a Traditional IRA?

You are eligible to establish and contribute to a traditional IRA for a year if: (a) you received compensation (or earned income if you are self-employed) during the year for personal services you rendered (taxable alimony is treated like compensation for IRA purposes).

#### Can I Contribute to a Traditional IRA for my Spouse?

You can contribute to a separate traditional IRA for your spouse, regardless of whether your spouse had any compensation

or earned income in that year. This is called a “spousal IRA.” To make a contribution to a traditional IRA for your spouse, you must file a joint tax return for the year with your spouse. For a spousal IRA, your spouse must set up a different traditional IRA, separate from yours, to which you contribute.

#### May I Revoke My IRA?

You may revoke a newly established traditional IRA at any time on or before a day not less than seven days after the earlier of the date of establishment of the IRA or purchase into the IRA. A Traditional IRA may not be revoked after the 7 day period.

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

### Contributions

#### When Can I Make Contributions to a Traditional IRA?

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

#### How Much Can I Contribute to my Traditional IRA?

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

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

### IRA Contribution Limit

YEAR	LIMIT
2019-2022	\$6,000
2023	\$6,500
2024 - 2025	\$7,000

If you and your spouse have spousal Traditional IRAs, each spouse may contribute up to the IRA Contribution Limit to his or her IRA for a year as long as the combined compensation of both spouses for the year (as shown on your joint income tax return) is at least two times the IRA Contribution Limit.

If the combined compensation of both spouses is less than two times the IRA Contribution Limit, the spouse with the higher amount of compensation may contribute up to that spouse's compensation amount, or the IRA Contribution Limit, if less. The spouse with the lower compensation amount may contribute any amount up to that spouse's compensation plus any excess of the other spouse's compensation over the other spouse's IRA contribution. However, the maximum contribution to either spouse's Traditional IRA is the individual IRA Contribution Limit for the year.

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

### What are the Special Catch-Up Contribution Rules?

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

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

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

### How Do I Know if my Contribution is Tax Deductible?

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

If you are an active participant in an employer-sponsored plan, your Traditional IRA contribution may still be completely

or partly deductible on your tax return. This depends on the amount of your income and your tax filing status (see below).

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

### How do I Determine My or My Spouse's "Active Participant" status?

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

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

### What are the Deduction Restrictions for Active Participants?

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

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

**Table of Lower and Upper Limits for Active Participants in Employer Retirement Plan**

TAX YEAR	SINGLE OR HEAD OF HOUSEHOLD		MARRIED FILING JOINTLY OR QUALIFYING WIDOW(ER)		MARRIED FILING JOINTLY* NOT ACTIVE PARTICIPANT, BUT SPOUSE IS	
	LOWER LIMIT	UPPER LIMIT	LOWER LIMIT	UPPER LIMIT	LOWER LIMIT	UPPER LIMIT
2023	\$73,000	\$83,000	\$116,000	\$136,000	\$218,000	\$228,000
2024	\$77,000	\$87,000	\$123,000	\$143,000	\$230,000	\$240,000
2025	\$79,000	\$89,000	\$126,000	\$146,000	\$236,000	\$246,000

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

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

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

### **How Do I Determine My AGI?**

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

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

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

### **How can I Correct an Excess Contribution?**

Excess contributions may be corrected, without paying a 6% penalty, by withdrawing the excess and any earnings on the excess before the due date (including extensions) for filing your federal income tax return for the year for which you made the excess contribution. The IRS automatically grants to taxpayers who file their taxes by the April 15th deadline a six-month extension of time (until October 15) to remove an excess contribution for the tax year covered by that filing. A deduction should not be taken for any excess contribution. Earnings that are a gain must be included in your income for the tax year for which the contribution was made and may be subject to a 10% premature withdrawal tax if you have not reached age 59½. (Refer to IRS Publication 590 regarding reporting of gains or losses on withdrawn excess contributions). Note, any excess contribution withdrawn after the tax return due date (including any extensions) for the year for which the contribution was made will be subject to the 6% excise tax, except under limited circumstances. The IRS automatically grants to taxpayers who file their taxes by the April 15th deadline

a six-month extension of time (until October 15) to re-characterize a contribution or remove an excess contribution for the tax year covered by that filing. Any such excess contributions must be reported to the IRS (See ‘What Tax Information Must I Report to the IRS?’ in Part Three of this Disclosure Statement). Please consult with your tax advisor on specific questions regarding correction of excess contributions.

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

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

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

### **Conversion of Traditional IRA**

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

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

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

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



## Transfers/Rollovers

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

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

- payments over the lifetime or life expectancy of the participant (or participant and a designated beneficiary),
- installment payments for a period of 10 years or more,
- Required distributions (generally the rules require distributions starting at age 73 or for certain employees starting at retirement, if later)
- hardship withdrawals from a 401(k) plan or a 403(b) arrangement.

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

If you are over age 73 and are required to take minimum distributions under the tax laws, you may not roll over any amount required to be distributed to you under the minimum distribution rules. You also may not roll over a hardship distribution from a 401(k) or 403 (b) plan. Also, if you are receiving periodic payments over your or you and your designated beneficiary's life expectancy or for a period of at least 10 years, you may not roll over these payments. A rollover to a traditional IRA must be completed within 60 days after the distribution from the employer retirement plan to be valid.

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

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

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

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

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

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

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

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

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

Note that a stricter IRS rule for IRA to IRA rollovers applies in 2015 and later. After making a rollover from any of your Traditional IRAs to another Traditional IRA, you must wait a full year (365 days) before you can make another such rollover from any of your Traditional IRAs. The waiting period begins when you receive the direct payment of an amount that is eligible to roll over within 60 days. However, you can instruct a Traditional IRA custodian to transfer amounts from your IRA directly to another Traditional IRA custodian; such a direct transfer does not count as a rollover. Note also that the once-per-year rollover restriction does not apply to movement of money from an employer qualified plan to an IRA.

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

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

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

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

### **How Do Rollovers Affect my Contribution or Deduction Limits?**

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

## **Withdrawal**

### **When can I make withdrawals from my Traditional IRA?**

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

### **When must I start making withdrawals?**

You must begin making withdrawals when you reach age 73. You must take your first Required Minimum Distribution from your traditional IRA by April 1 following the year in which you reach 73, and by December 31 every year after, you must make minimum withdrawals in order to avoid penalty taxes. The rule allowing certain employees to postpone distributions from an employer qualified plan until actual retirement (even if this is after age 73) does not apply to traditional IRAs.

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

The penalty tax is 25% of the difference between the minimum withdrawal amount and your actual withdrawals during a year. The IRS may waive or reduce the penalty tax if you can show that your failure to make the required minimum withdrawals was due to reasonable cause and you are taking reasonable steps

to remedy the problem. See instructions for IRS Form 5329 for more information.

**Note:** The rules for Required Minimum Distributions changed in the year 2023. If you turned age 72 prior to 2023, the new age 73 requirement does not apply and you must continue to take your required minimum distributions.

### **How Are Withdrawals From My Traditional IRA Taxed?**

Amounts withdrawn by you are includible in your gross income in the taxable year that you receive them, and are taxable as ordinary income. Amounts withdrawn may be subject to income tax withholding by the custodian unless you elect not to have withholding. See Part Three below for additional information on withholding. Lump sum withdrawals from a Traditional IRA are not eligible for averaging treatment currently available to certain lump sum distributions from qualified employer retirement plans.

Since the purpose of a Traditional IRA is to accumulate funds for retirement, your receipt or use of any portion of your Traditional IRA before you attain age 59½ generally will be considered as an early withdrawal and subject to a 10% penalty tax.

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

- The distribution was a result of your death or disability.
- The purpose of the withdrawal is to pay certain higher education expenses for yourself or your spouse, child, or grandchild. Qualifying expenses include tuition, fees, books, supplies and equipment required for attendance at a post-secondary educational institution. Room and board expenses may qualify if the student is attending at least half-time.
- The withdrawal is used to pay eligible first-time homebuyer expenses. These are the costs of purchasing, building or rebuilding a principal residence (including customary settlement, financing or closing costs). The purchaser may be you, your spouse, or a child, grandchild, parent or grandparent of you or your spouse. An individual is considered a "first-time homebuyer" if the individual did not have (or, if married, neither spouse had) an ownership interest in a principal residence during the two-year period immediately preceding the acquisition in question. The withdrawal must be used for eligible expenses within 120 days after the withdrawal. (If there is an unexpected delay, or cancellation of the home acquisition, a withdrawal may be re-deposited as a rollover).
- There is a lifetime limit on eligible first-time homebuyer expenses of \$10,000 per individual.
- The distribution is one of a scheduled series of substantially equal periodic payments for your life or life expectancy (or the joint lives or life expectancies of you and your beneficiary).
- If there is an adjustment to the scheduled series of payments, the 10% penalty tax may apply. The 10% penalty will not apply if you make no change in the series of payments until the end of five years or until you reach age 59½, whichever

is later. If you make a change before then, the penalty will apply. For example, if you begin receiving payments at age 50 under a withdrawal program providing for substantially equal payments over your life expectancy, and at age 58 you elect to receive the remaining amount in your Traditional IRA in a lump-sum, the 10% penalty tax will apply to the lump sum and to the amounts previously paid to you before age 59½.

- The purpose of the withdrawal is to pay for qualified birth or adoption expenses. A qualified birth or adoption expense means any distribution to an individual if made during the 1-year period beginning on the date on which a child of the individual was born or which the legal adoption by the individual of an eligible adoptee is finalized. The aggregate amount which may be treated as a qualified birth or adoption distributions by any individual with respect to any birth or adoption shall not exceed \$5,000.
- The distribution does not exceed the amount of your deductible medical expenses for the year (generally speaking, medical expenses paid during a year are deductible if they are greater than 10% of your adjusted gross income for that year).
- The distribution does not exceed the amount you paid for health insurance coverage for yourself, your spouse and dependents. This exception applies only if you have been unemployed and received federal or state unemployment compensation payments for at least 12 weeks; this exception applies to distributions during the year in which you received the unemployment compensation and during the following year, but not to any distributions received after you have been reemployed for at least 60 days.
- A distribution is made pursuant to an IRS levy to pay overdue taxes.

### **How are Nondeductible Contributions Taxed When They are Withdrawn?**

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

### **Charitable Contributions from IRAs**

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

This rule is available only to IRA owners who are at least age 70½ at the time of the distribution and is available only for distributions to a charity. Also, the rule is available only for distributions from a Traditional IRA or Roth IRA; distributions from an ongoing active SEP-IRA or SIMPLE IRA do not qualify.

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

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

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

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

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

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

## Part 2. Description of Roth IRAs

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

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

### Your Roth IRA

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

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

### Eligibility

#### What are the eligibility requirements for a Roth IRA?

You are eligible to establish and contribute to a Roth IRA for a year if you received compensation (or earned income if you are self-employed) during the year for personal services you rendered. If you received taxable alimony, this is treated like compensation for Roth IRA purposes.

#### Can I Contribute to Roth IRA for my Spouse?

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

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

#### May I Revoke My IRA?

You may revoke a newly established Roth IRA at any time within seven days after the date on which you receive this Disclosure Statement. A Roth IRA established more than seven

days after the date of your receipt of this Disclosure Statement may not be revoked.

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

### Contributions

#### When Can I Make Contributions to a Roth IRA?

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

#### How Much Can I Contribute to my Roth IRA?

For each year when you are eligible (see above), you can contribute up to the lesser of the IRA Contribution Limit (see the following table) or 100% of your compensation (or earned income, if you are self-employed).

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

### IRA Contribution Limit

YEAR	LIMIT
2019-2022	\$6,000
2023	\$6,500
2024 - 2025	\$7,000

Your Roth IRA limit is reduced by any contributions for the same year to a Traditional IRA, but it is not reduced by Employer contributions made to a SEP IRA or SIMPLE IRA; salary reduction contributions to a SIMPLE or SAR-SEP are considered employer contributions for this purpose.

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



As noted above, the Roth IRA limits are reduced by any contributions for the same calendar year to a Traditional IRA maintained by you or your spouse.

For taxpayers with high-income levels, the contribution limits may be reduced (see below).

### **What are the Special Catch-Up Contribution Rules?**

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

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

Note that the rules on contribution limits for Roth IRAs (see below) apply to special “catch-up” contributions.

### **Are Contributions to a Roth IRA Tax Deductible?**

Contributions to a Roth IRA are not deductible. This is a major difference between Roth IRAs and Traditional IRAs. Contributions to a Traditional IRA may be deductible on your federal income tax return depending on whether or not you are an active participant in an employer-sponsored plan and on your income level.

### **Are the Earnings on my Roth IRA Funds Taxed?**

Any dividends on or growth of investments held in your Roth IRA are generally exempt from federal income taxes and will not be taxed until withdrawn by you, unless the tax-exempt status of your Roth IRA is revoked. If the withdrawal qualifies as a tax-free withdrawal (see below), amounts reflecting earnings or growth of assets in your Roth IRA will not be subject to federal income tax.

### **Which is Better, a Roth IRA or a Traditional IRA?**

This will depend upon your individual situation. A Roth IRA may be better if you are an active participant in an employer-sponsored plan and your adjusted gross income is too high to make a deductible IRA contribution (but not too high to make a Roth IRA contribution). Also, the benefits of a Roth IRA vs. a Traditional IRA may depend upon a number of other factors including: your current income tax bracket vs. your expected income tax bracket when you make withdrawals from your IRA, whether you expect to be able to make nontaxable withdrawals from your Roth IRA (see below), how long you expect to leave your contributions in the IRA, how much you expect the IRA to earn in the meantime, and possible future tax law changes.

Consult a qualified tax or financial adviser for assistance on this question.

### **Are there Any Restrictions on Contributions to my Roth IRA?**

Taxpayers with very high income levels may not be able to contribute to a Roth IRA at all, or their contribution may be

limited to an amount less than the IRA Contribution Limit. This depends upon your filing status and the amount of your adjusted gross income (AGI). The following table shows how the contribution limits are restricted:

**Note:** If you are a married taxpayer filing separately, your maximum Roth IRA Contribution Limit phases out over the first \$10,000 of adjusted gross income. If your AGI is \$10,000 or more you may not contribute to a Roth IRA for the year.

### **How do I Calculate my Limit if I Fall in the “Reduced Contribution” Range?**

If your AGI falls in the reduced contribution range, you must calculate your contribution limit. To do this, multiply your normal IRA Contribution Limit (or your compensation if less) by a fraction. The numerator is the amount by which your AGI exceeds the lower limit of the reduced contribution range. The denominator is \$15,000 (single taxpayers) or \$10,000 (married filing jointly). Subtract this from your normal limit and then round up to the nearest \$10. If you have AGI in the reduced contribution range, your Roth IRA Contribution Limit is the greater of the amount calculated or \$200.

Remember, your Roth IRA Contribution Limit is reduced by any contributions for the same year to a Traditional IRA. If you fall in the reduced contribution range, the reduction formula applies to the Roth IRA contribution limit left after subtracting your contribution for the year to a Traditional IRA. (If you are 50 or older at the end of a year, the reduction formula described above applies to your increased annual IRA Contribution Limit.)

### **How Do I Determine My AGI?**

AGI is your gross income minus those deductions which are available to all taxpayers even if they don't itemize. Instructions to calculate your AGI are provided with your income tax Form 1040 or 1040A.

There are three additional rules when calculating AGI for purposes of Roth IRA contribution limits. First, if you are making a deductible contribution for the year to a Traditional IRA, your AGI is not reduced by the amount of the deduction. Second, if you are converting a Traditional IRA to a Roth IRA in a year (see below), the amount includible in your income as a result of the conversion is not considered AGI when computing your Roth IRA contribution limit for the year. Third, Amounts you receive during the year under the age 73 required minimum distribution (RMD) rules are not considered part of your AGI for the year.

### **What Happens if I Contribute more than Allowed to my Roth IRA?**

The maximum contribution you can make to a Roth IRA generally is the IRA Contribution Limit (plus the amount of any “catch-up” contribution, if you are eligible) or 100% of compensation or earned income, whichever is less. As noted above, your maximum is reduced by the amount of any contribution to a Traditional IRA for the same year and may be further reduced as described above if you have high AGI. Any amount contributed to the Roth IRA above the maximum is considered an “excess contribution.”

## Roth IRA Contribution Limits

	SINGLE TAXPAYER	MARRIED FILING JOINTLY OR QUALIFYING WIDOW(ER)	THEN YOU MAY MAKE
Adjusted Gross Income (AGI) Level	2025: Less than \$150,000	2025: Less than \$236,000	Full IRA Contribution Limit
	2025: At least \$150,000 but less than \$165,000	2025: At least \$236,000 but less than \$246,000	Reduced IRA Contribution Limit (see Explanation below)
	2025: \$165,000 or more	2025: \$246,000 or more	Zero (No Contribution)

An excess contribution is subject to excise tax of 6% for each year it remains in the Roth IRA.

### How can I Correct an Excess Contribution?

Excess contributions may be corrected without paying a 6% penalty. To do so, you must withdraw the excess and any earnings on the excess before the due date (including extensions) for filing your federal income tax return for the year for which you made the excess contribution. The IRS automatically grants to taxpayers who file their taxes by the April 15th deadline a six-month extension of time (until October 15) to remove an excess contribution for the tax year covered by that filing. A deduction should not be taken for any excess contribution. Earnings on the amount withdrawn must also be withdrawn. (Refer to IRS Publication 590 to see how the amount you must withdraw to correct an excess contribution may be adjusted to reflect earnings as a gain or loss.) Earnings that are a gain must be included in your income for the tax year for which the contribution was made and may be subject to a 10% premature withdrawal tax if you have not reached age 59½ (unless an exception to the 10% penalty tax applies).

### What Happens if I Don't Correct the Excess Contribution by the Tax Return Due Date?

Any excess contribution not withdrawn by the tax return due date (including extensions) for the year for which the contribution was made is subject to the 6% excise tax. There is an additional 6% excise tax for each subsequent year the excess remains in your account.

You may reduce the excess contributions by making a withdrawal equal to the excess. Earnings need not be withdrawn. To the extent that no earnings are withdrawn, the withdrawal will not be subject to income taxes or possible penalties for premature withdrawals before age 59½. Excess contributions may also be corrected in a subsequent year to the extent that you contribute less than your Roth IRA Contribution Limit for the subsequent year. As the prior excess contribution is reduced or eliminated, the 6% excise tax will become correspondingly reduced or eliminated for subsequent tax years.

## Conversion of Existing Traditional IRA

### Can I convert an Existing Traditional IRA into a Roth IRA?

Yes, you can convert an existing Traditional IRA into a Roth IRA if you meet the eligibility requirements described below. Conversion may be accomplished in any of three ways: First, you can withdraw the amount you want to convert from your

Traditional IRA and roll it over to a Roth IRA within 60 days. Second, you can establish a Roth IRA and then direct the custodian of your Traditional IRA to transfer the amount in your Traditional IRA you wish to convert to the new Roth IRA. Third, if you want to convert an existing Traditional IRA with UMB Bank, n.a. as custodian to a Roth IRA, you may give us directions to convert; we will convert your existing account when the paperwork to establish your new Roth IRA is complete.

As a result of the Tax Increase Prevention and Reconciliation Act, from and after 2010, you are eligible to convert a Traditional IRA to a Roth IRA without regard to AGI. Married taxpayers are eligible to convert a Traditional IRA to a Roth IRA only if they filed a joint income tax return; married taxpayers filing separately are not eligible to convert. However, taxpayers that file separately and have lived apart for the entire taxable year are considered not married, so conversion is permitted. For conversions occurring in 2010, unless a taxpayer elects otherwise, the amount includable in gross income as a result of the conversion will be included ratably in the taxpayer's income in 2011 and 2012. Income inclusion will be accelerated if converted amounts are distributed before 2012.

If you accomplish a conversion by withdrawing from your Traditional IRA and rolling over to a Roth IRA within 60 days, the conversion eligibility requirements in the preceding sentence apply to the year of the withdrawal (even though the rollover contribution occurs in the following calendar year).

**Note:** If you have reached age 73 by the year when you convert another non-Roth IRA you own to a Roth IRA, be careful not to convert any amount that would be a required minimum distribution under the applicable age 73 rules. Under current IRS regulations, required minimum distributions may not be converted.

Special rules apply under which you may undo (or "re-characterize") a conversion. These rules are complex; be sure to consult a competent tax professional for assistance.

### What are the Tax Results from Converting?

The taxable amount in your Traditional IRA you convert to a Roth IRA will be considered taxable income on your federal income tax return for the year of the conversion. All amounts in a Traditional IRA are taxable except for your prior non-deductible contributions to the Traditional IRA.

If you convert a Traditional IRA (or a SEP IRA or SIMPLE IRA—see below) to a Roth IRA, under IRS rules income tax withholding will apply unless you elect not to have withholding. The Adoption Agreement or the Universal IRA Transfer of

Assets Form has more information about withholding. However, withholding income taxes from the amount converted (instead of paying applicable income taxes from another source) may adversely affect the anticipated financial benefits of converting. Consult your financial adviser for more information.

### **Can I Convert a SEP IRA or SIMPLE IRA Account to a Roth IRA?**

If you have a SEP IRA as part of an employer simplified employee pension (SEP) program, or a SIMPLE IRA as part of an employer SIMPLE IRA program, you can convert the IRA to a Roth IRA. However, with a SIMPLE IRA account, this can be done only after the SIMPLE IRA account has been in existence for at least two years. You must meet the eligibility rules summarized above to convert.

### **Should I convert my Traditional IRA to a Roth IRA?**

Only you can answer this question, in consultation with your tax or financial advisers. A number of factors, including the following, may be relevant. Conversion may be advantageous if you expect to leave the converted funds on deposit in your Roth IRA for at least five years and to be able to withdraw the funds under circumstances that will not be taxable (see below). The benefits of converting will also depend on whether you expect to be in the same tax bracket when you withdraw from your Roth IRA as you are now. Also, conversion is based upon an assumption that Congress will not change the tax rules for withdrawals from Roth IRAs in the future, but this cannot be guaranteed.

## **Transfers/Rollovers**

### **Can I Transfer or Roll Over a Distribution I Receive from my Employer's Retirement Plan into a Roth IRA?**

Distributions from qualified employer-sponsored retirement plans or 403(b) arrangements (for employees of tax-exempt employers) or eligible 457 plans (for employees of certain governmental employers) are not eligible for rollover or direct transfer to a Roth IRA. However, in certain circumstances it may be possible to make a direct rollover of an eligible distribution to a Traditional IRA and then to convert the Traditional IRA to Roth IRA (see above). Consult your tax or financial adviser for further information on this possibility.

Note: Beginning in 2010 participants in 401(k) and 403(b) plans are permitted to convert non-Roth accounts into designated Roth accounts under the plan. As with a conversion to a Roth IRA, a distributable event is required before a conversion within the plan to a designated Roth account is permitted. Non-Roth accounts that convert to designated Roth accounts are treated as taxable rollover distributions (to the extent that the converted assets are pretax) from the non-Roth source to the designated Roth source. Participants who roll over pretax accounts to designated Roth accounts in 2010 may elect to include the amount rolled over as income in 2010, or to include half the amount rolled in 2011 and half in 2012. In-plan conversions made after 2010 will be taxed in the year converted.

### **Can I Make a Rollover from my Roth IRA to another Roth IRA?**

You may make a rollover from one Roth IRA to another Roth IRA you already have or to one you establish to receive the rollover. Such a rollover must be completed within 60 days after the withdrawal from your first Roth IRA. In limited circumstances, when an IRA rollover could not be completed within 60 days due to circumstances beyond your control or not your fault, you can apply to the IRS for approval of a rollover after 60 days. However, IRS approval may not be needed if the financial institution receiving the rollover did not deposit the rollover amount in an IRA. Consult your tax adviser for more information.

Beginning in 2015, after making a rollover from any of your Roth IRAs to another Roth IRA, you must wait a full year (365 days) before you can make another such rollover from any of your Roth IRAs. The waiting period begins when you receive the direct payment of an amount that is eligible to roll over within 60 days. However, you can instruct a Roth IRA custodian to transfer amounts directly to another Roth IRA custodian; such a direct transfer does not count as a rollover. Note also that the once-per-year rollover restriction does not apply to movement of money from a Roth account in an employer qualified plan to a Roth IRA.

Consult your tax advisor for more information. The IRS website also is a good source of information for the most current rules regarding requirements for and restrictions on IRA to IRA rollovers.

### **How Do Rollovers Affect my Roth IRA Contribution Limits?**

Rollover contributions, if properly made, do not count toward the IRA Contribution Limit. Also, you may make a rollover from one Roth IRA to another even during a year when you are not eligible to contribute to a Roth IRA (for example, because your AGI for that year is too high).

## **Withdrawal**

### **When can I make withdrawals from my Roth IRA?**

You may withdraw from your Roth IRA at any time. If the withdrawal meets the requirements discussed below, it is tax-free. This means that you pay no federal income tax even though the withdrawal includes earnings or gains on your contributions while they were held in your Roth IRA.

### **When must I start making withdrawals?**

There are no rules on when you must start making withdrawals from your Roth IRA or on minimum required withdrawal amounts for any particular year during your lifetime. Unlike traditional IRAs, you are not required to start making withdrawals from a Roth IRA by April 1 following the year in which you reach age 73.

After your death, there are IRS rules on the timing and amount of distributions. In general, the amount in your Roth IRA must be distributed by the end of the tenth year after your death. Also, if your surviving spouse is your designated beneficiary, the spouse may defer the start of distributions until you would have reached age 73 had you lived, or treat the Roth IRA as his or her own.

## What are the requirements for a tax-free withdrawal?

To be tax-free, a withdrawal from your Roth IRA must meet two requirements. First, the Roth IRA must have been open for 5 or more years before the withdrawal. Second, at least one of the following conditions must be satisfied:

- You are age 59½ or older when you make the withdrawal.
- The withdrawal is made by your beneficiary after you die.
- You are disabled (as defined in IRS rules) when you make the withdrawal.
- You are using the withdrawal to cover eligible first time homebuyer expenses. These are the costs of purchasing, building or rebuilding a principal residence (including customary settlement, financing or closing costs). The purchaser may be you, your spouse or a child, grandchild, parent or grandparent of you or your spouse. An individual is considered a “first-time homebuyer” if the individual did not have (or, if married, neither spouse had) an ownership interest in a principal residence during the two-year period immediately preceding the acquisition in question. The withdrawal must be used for eligible expenses within 120 days after the withdrawal (if there is an unexpected delay, or cancellation of the home acquisition, a withdrawal may be re-deposited as a rollover).

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

For purposes of the 5-year rule, all your Roth IRAs are considered. As soon as the 5-year rule is satisfied for any Roth IRA, it is considered satisfied for all your Roth IRAs. For a Roth IRA that you started with an annual contribution, the 5-year period starts with the year for which you make the initial annual contribution. For a Roth IRA that you set up with amounts rolled over or converted from a non-Roth IRA, the 5-year period begins with the year in which the conversion or rollover was made.

## How Are Withdrawals From My Roth IRA Taxed if the Tax-Free Requirements are not Met?

If the qualified withdrawal requirements are not met, the tax treatment of a withdrawal depends on the character of the amounts withdrawn. To determine this, all your Roth IRAs (if you have more than one) are treated as one, including any Roth IRA you may have established with another Roth IRA custodian. Amounts withdrawn are considered to come out in the following order:

- First, all annual contributions.
- Second, all conversion amounts (on a first-in, first-out basis).
- Third, earnings (including dividends and gains).

A withdrawal treated as your own prior annual contribution amounts to your Roth IRA will not be considered taxable income in the year you receive it, nor will the 10% penalty apply. A withdrawal consisting of previously taxed conversion amounts also is not considered taxable income in the year of the withdrawal, but may be subject to the 10% premature withdrawal penalty. To the extent that the nonqualified

withdrawal consists of dividends or gains while your contributions were held in your Roth IRA, the withdrawal is includible in your gross income in the taxable year you receive it, and may be subject to the 10% withdrawal penalty.

For purposes of determining what portion of any withdrawal is includible in income, all of your Roth IRA accounts are considered as one single account. Therefore, withdrawals from Roth IRA accounts are not considered to be from earnings or interest until an amount equal to all prior annual contributions and, if applicable, all conversion amounts, made to all of an individual's Roth IRA accounts has been withdrawn.

Taxable withdrawals of dividends and gains from a Roth IRA are treated as ordinary income. Withdrawals of taxable amounts from a Roth IRA are not eligible for averaging treatment currently available to certain lump sum distributions from qualified employer-sponsored retirement plans, nor are such withdrawals eligible for capital gains tax treatment.

Your receipt of any taxable withdrawal from your Roth IRA before you attain age 59½ generally will be considered as an early withdrawal and subject to a 10% penalty tax.

The 10% penalty tax for early withdrawal will not apply if any of the following exceptions applies:

- The withdrawal was a result of your death or disability.
- The withdrawal is one of a scheduled series of substantially equal periodic payments for your life or life expectancy (or the joint lives or life expectancies of you and your beneficiary).
- If there is an adjustment to the scheduled series of payments, the 10% penalty tax will apply. For example, if you begin receiving payments at age 50 under a withdrawal program providing for substantially equal payments over your life expectancy, and at age 58 you elect to withdraw the remaining amount in your Roth IRA in a lump-sum, the 10% penalty tax will apply to the lump sum and to the amounts previously paid to you before age 59½ to the extent they were includible in your taxable income.
- The withdrawal is used to pay eligible higher education expenses. These are expenses for tuition, fees, books, and supplies required to attend an institution for post-secondary education. Room and board expenses are also eligible for a student attending at least half-time. The student may be you, your spouse, or your child or grandchild. However, expenses that are paid for with a scholarship or other educational assistance payment are not eligible expenses.
- The withdrawal is used to cover eligible first time homebuyer expenses (as described above in the discussion of tax-free withdrawals).
- The withdrawal does not exceed the amount of your deductible medical expenses for the year (generally speaking, medical expenses paid during a year are deductible if they are greater than 7.5% of your adjusted gross income for that year).



- The withdrawal does not exceed the amount you paid for health insurance coverage for yourself, your spouse and dependents. This exception applies only if you have been unemployed and received federal or state unemployment compensation payments for at least 12 weeks; this exception applies to distributions during the year in which you received the unemployment compensation and during the following year, but not to any distributions received after you have been reemployed for at least 60 days.
- A distribution is made pursuant to an IRS levy to pay overdue taxes.

There is one additional time when the 10% penalty tax may apply. If you convert an amount from a non-Roth IRA to a Roth IRA, and then make a withdrawal that is treated as coming from that converted amount within five years after the conversion, the 10% penalty applies (unless there is an exception). This rule is the one exception to the usual Roth IRA rule that, once the five-year requirement is satisfied for one of your Roth IRAs, it is satisfied for all your Roth IRAs.

**See the Table at the end of this Part for a summary of the rules on when withdrawals from your Roth IRA will be subject to income taxes or the 10% penalty tax.**

**Two Important Points:** First, the custodian will report withdrawals from your Roth IRA to the IRS on Form 1099-R as required and will complete Form 1099-R based on your Roth IRA account with the custodian. However, since all Roth IRAs are considered together when determining the tax treatment of withdrawals, and since you may have other Roth IRAs with other custodians (about which we have no information) you have sole responsibility for correctly reporting withdrawals on your tax return. It is essential that you keep proper records and report the income taxes properly if you have multiple Roth IRAs. Second, the discussion of the tax rules for Roth IRAs in this Disclosure Statement is based upon the best available information. However, there may be changes in IRS regulations or further legislation on the requirements for and tax treatment of Roth IRA accounts. Therefore, you should consult your tax adviser for the latest developments or for advice about how maintaining a Roth IRA will affect your personal tax or financial situation.

**Note:** In order to facilitate proper recordkeeping and tax reporting for your Roth IRA, the service company maintaining certain account records may require you to set up separate Roth IRAs to hold annual contributions and conversion amounts. In addition, the service company may require separate Roth IRAs for conversion amounts from different calendar years. Any such requirement will be noted in the Adoption Agreement for your Roth IRA or in the instructions for opening your Roth IRA.

Also, please see Part Three below which contains important information applicable to all UMB Bank, n.a. IRAs.

### Summary of Tax rules for Withdrawal

The following table summarizes when income taxes or the 10% premature withdrawal penalty tax will apply to a withdrawal from your Roth IRA. Remember, income taxes or penalties apply or not depending on the type of contribution withdrawn. This is determined under the IRS rules described above, considering all of your Roth IRAs together (including any you may maintain with another trustee or custodian). Therefore, if you have multiple Roth IRAs, the tax treatment of a withdrawal will not necessarily follow from the type of contributions held in the particular Roth IRA account you withdrew from. Also, the income and penalty tax rules for Roth IRA withdrawals are extremely complex; the following table is only a summary and may not cover every possible situation. Consult the IRS or your personal tax adviser if you have a question about your individual situation.

The table summarizes the tax rules that may apply if you withdraw from your Roth IRA. What happens if you die and your beneficiary wants to make withdrawals from the account? The following is a summary of the rules.

- First, if your beneficiary is not your surviving spouse, withdrawals by the beneficiary will be subject to income taxes depending on the type of contribution withdrawn as summarized in the table. However, in determining what type of contribution the beneficiary is withdrawing, any Roth IRAs the beneficiary owns in his or her own right are not considered (this is an exception to the normal rule that all Roth IRAs are considered together). A beneficiary will not be subject to the 10% premature withdrawal penalty because withdrawals following the original owner's death are an exception to the 10% penalty tax.
- Second, if your surviving spouse is the beneficiary, the spouse can elect either to receive withdrawals as beneficiary, or to treat your Roth IRA as the spouse's Roth IRA. If the spouse receives withdrawals as a beneficiary, the rules in the preceding paragraph generally apply to the spouse just as to any other beneficiary. If the spouse treats the Roth IRA as the spouse's own, there are a couple of special rules. First, the spouse will be treated as having had a Roth IRA for five years (one of the requirements for tax-free withdrawals) if either your Roth IRA or any of the spouse's Roth IRAs has been in effect for at least five years. Second, withdrawals will be subject to the 10% penalty tax unless an exception applies. Since the spouse has elected to treat your Roth IRA as the spouse's own Roth IRA, the exception for payments following your death will not apply.

Part 3. Rules for All IRAs (Traditional and Roth)

General Information

IRA Requirements

All IRAs must meet certain requirements. Contributions generally must be made in cash. The IRA trustee or custodian must be a bank or other person who has been approved by the Secretary of the Treasury. Your contributions may not be invested in life insurance or collectibles or be commingled with other property except in a common trust or investment fund. Your interest in the account must be non-forfeitable at all times. You may obtain further information on IRAs from any district office of the Internal Revenue Service.

TYPE OF CONTRIBUTION WITHDRAWN	QUALIFIED WITHDRAWAL	NOT A QUALIFIED WITHDRAWAL	
	(THE REQUIREMENTS FOR A QUALIFIED WITHDRAWAL ARE OUTLINED ABOVE)	EXEMPTION TO 10% TAX APPLIES (EXCEPTIONS ARE LISTED ABOVE)	EXEMPTION TO 10% TAX DOES NOT APPLY
Annual Contribution Amounts	No income or penalty tax on withdrawal		
Amounts Converted from Another Form of IRA	No income or penalty tax on withdrawal.	No income or penalty tax on withdrawal.	No income tax on withdrawal. Penalty tax applies to taxable amounts included in the conversion if the withdrawal occurs within 5 years of conversion.
Earnings, Gains or Growth of Account	No income or penalty tax on withdrawal.	No income or penalty tax on withdrawal.	Income and penalty tax apply.

Investments

How Are My IRA Contributions Invested?

You control the investment and reinvestment of contributions to your Traditional or Roth IRA. Investments must be in one or more of the Fund(s) available from time to time as listed in the Adoption Agreement for your Traditional or Roth IRA or in an investment selection form provided with your Adoption Agreement or from the Fund Distributor or Service Company. You direct the investment of your IRA by giving your investment instructions to the Distributor or Service Company for the Fund(s). Since you control the investment of your Traditional or Roth IRA, you are responsible for any losses; neither the Custodian, the Distributor nor the Service Company has any responsibility for any loss or diminution in value occasioned by your exercise of investment control. Transactions for your Traditional or Roth IRA will generally be at the

applicable public offering price or net asset value for shares of the Fund(s) involved next established after the Distributor or the Service Company (whichever may apply) receives proper and timely investment instructions from you; consult the current prospectus for the Fund(s) involved for additional information.

Before making any investment, you should review the current prospectus for any Fund you are considering as an investment for your Traditional IRA or Roth IRA. The prospectus will contain information about the Fund's investment objectives and policies, as well as any minimum initial investment or minimum balance requirements, any restrictions or limitations on transferring into or out of the Fund, and any sales, redemption or other charges. The method for computing and allocating annual earnings is set forth in the prospectus.

Because you control the selection of investments for your Traditional or Roth IRA and because mutual fund shares fluctuate in value, the growth in value of your Traditional or Roth IRA cannot be guaranteed or projected.

Are There Any Restrictions on the Use of my IRA Assets?

The tax-exempt status of your Traditional or Roth IRA will be revoked if you engage in any of the prohibited transactions listed in Section 4975 of the tax code. Upon such revocation, your Traditional or Roth IRA is treated as distributing its assets to you. The taxable portion of the amount in your IRA will be subject to income tax (unless, in the case of a Roth IRA, the requirements for a tax-free withdrawal are satisfied). Also, you may be subject to a 10% penalty tax on the taxable amount as a premature withdrawal if you have not yet reached the age of 59½. There may also be prohibited transaction penalty taxes.

Any investment in a collectible (for example, rare stamps) by your Traditional or Roth IRA is treated as a withdrawal; the only exception involves certain types of government-sponsored coins or certain types of precious metal bullion.

What Is A Prohibited Transaction?

Generally, a prohibited transaction is any improper use of the assets in your Traditional or Roth IRA. Some examples of prohibited transactions are:

- Direct or indirect sale or exchange of property between you and your Traditional or Roth IRA.
- Transfer of any property from your Traditional or Roth IRA to yourself or from yourself to your Traditional or Roth IRA.

Your Traditional or Roth IRA could lose its tax-exempt status if you use all or part of your interest in your Traditional or Roth IRA as security for a loan or borrow any money from your Traditional or Roth IRA. Any portion of your Traditional or Roth IRA used as security for a loan will be treated as a distribution in the year in which the money is borrowed. This amount may be taxable and you may also be subject to the 10% premature withdrawal penalty on the taxable amount.

## Fees and Expenses

### Custodian's Fees

There are no annual maintenance fees for ROTH IRAs Accounts.

### General Fee Policies

- Fees may be paid by you directly, or the Custodian may deduct them from your Traditional or Roth IRA.
- Fees may be changed upon 30 days written notice to you.
- The full annual maintenance fee will be charged for any calendar year during which you have a Traditional or Roth IRA with us. This fee is not prorated for periods of less than one full year.
- If provided for in this Disclosure Statement or the Adoption Agreement, termination fees are charged when your account is closed whether the funds are distributed to you or transferred to a successor custodian or trustee.
- The Custodian may charge you for its reasonable expenses for services not covered by its fee schedule.

### Other Charges

- There may be sales or other charges associated with the purchase or redemption of shares of a Fund in which your Traditional IRA or Roth IRA is invested. Before investing, be sure to review the current prospectus of any Fund you are considering as an investment for your Traditional IRA or Roth IRA for a description of applicable charges.

## Tax Matters

### What IRA Reports does the Custodian Issue?

The Custodian will report all withdrawals to the IRS and the recipient using Form 1099-R. For reporting purposes, a direct transfer of assets to a successor custodian or trustee is not considered a withdrawal (except for such a transfer that effects a conversion of a Traditional IRA to a Roth IRA, or a recharacterization of a Roth IRA back to a Traditional IRA).

The Custodian will report to the IRS the year-end value of your account and the amount of any rollover (including conversions of a Traditional IRA to a Roth IRA) or a regular annual contribution made during a calendar year, as well as the tax year for which a contribution is made. Unless the Custodian receives an indication from you to the contrary, it will treat any amount as a contribution for the tax year in which it is received. It is most important that a contribution between January and April 15th for the prior year be clearly designated as such.

### What Tax Information Must I Report to the IRS?

You must file Form 5329 with the IRS for each taxable year for which you made an excess contribution or you take a premature withdrawal that is subject to the 10% penalty tax, or you withdraw less than the minimum amount required from your Traditional IRA. If your beneficiary fails to make required minimum withdrawals from your Traditional or Roth IRA after your death, your beneficiary may be subject to an excise tax and be required to file Form 5329.

**Note:** If you are under age 59½ at the time of a withdrawal from your IRA, the IRS requires the Custodian to indicate on Form 1099-R that the withdrawal is subject to the 10% premature withdrawal penalty (see above). The only exceptions the IRS allows for purposes of Form 1099-R are for death or disability, a series of substantially equal periodic payments, or a distribution under an IRS levy. If another exception actually applies to you, you may have to file Form 5329 to claim the exception.

For Traditional IRAs, you must also report each nondeductible contribution to the IRS by designating it a nondeductible contribution on your tax return. Use Form 8606. In addition, for any year in which you make a nondeductible contribution or take a withdrawal, you must include additional information on your tax return. The information required includes: (1) the amount of your nondeductible contributions for that year; (2) the amount of withdrawals from Traditional IRAs in that year; (3) the amount by which your total nondeductible contributions for all the years exceed the total amount of your distributions previously excluded from gross income; and (4) the total value of all your Traditional IRAs as of the end of the year. If you fail to report any of this information, the IRS will assume that all your contributions were deductible. This will result in the taxation of the portion of your withdrawals that should be treated as a nontaxable return of your nondeductible contributions.

## Which Withdrawals Are Subject to Withholding?

### Roth IRA

Withdrawals from a Roth IRA are not subject to the 10% flat rate of withholding that applies to Traditional IRAs or to the mandatory 20% income tax withholding that applies to most distributions from qualified plans or 403(b) accounts that are not directly rolled over to another plan or IRA.

### Traditional IRA

Federal income tax will be withheld at a flat rate of 10% from any withdrawal from your Traditional IRA, unless you elect not to have tax withheld. Withdrawals from a Traditional IRA are not subject to the mandatory 20% income tax withholding that applies to most distributions from employer plans that are not directly rolled over to another plan or IRA.

### Account Termination

You may terminate your Traditional IRA or Roth IRA at any time after its establishment by sending a completed withdrawal form (or other withdrawal instructions in a form acceptable to the Custodian), or a transfer authorization form, to:

Morgan Stanley Funds  
P.O. Box 219804  
Kansas City, MO 64121-9544

Your Traditional IRA or Roth IRA with UMB Bank, n.a. will terminate upon the first to occur of the following:

- The date your properly executed withdrawal form or instructions (as described above) withdrawing your total Traditional IRA or Roth IRA balance is received and

accepted by the Custodian or, if later, the termination date specified in the withdrawal form.

- The date the Traditional IRA or Roth IRA ceases to qualify under the tax code. This will be deemed a termination.
- The transfer of the Traditional IRA or Roth IRA to another custodian/trustee.
- Any outstanding fees must be received prior to such a termination of your account.

The amount you receive from your IRA upon termination of the account will be treated as a withdrawal, and thus the rules relating to Traditional IRA or Roth IRA withdrawals will apply. For example, if the IRA is terminated before you reach age 59½, the 10% early withdrawal penalty may apply to the taxable amount you receive.

## **IRA Documents**

### **Traditional IRA**

The terms contained in Articles I to VII of Part One of the UMB Bank, n.a. Universal Individual Retirement Custodial Account document have been promulgated by the IRS in Form 5305-A for use in establishing a Traditional IRA Custodial Account that meets the requirements of Code Section 408(a) for a valid Traditional IRA. This IRS approval relates only to the form of Articles I to VII and is not an approval of the merits of the Traditional IRA or of any investment permitted by the Traditional IRA.

### **Roth IRA**

The terms contained in Articles I to VII of Part Two of the UMB Bank, n.a. Universal Individual Retirement Account Custodial Agreement have been promulgated by the IRS in Form 5305-RA for use in establishing a Roth IRA Custodial Account that meets the requirements of Code Section 408A for a valid Roth IRA. This IRS approval relates only to the form of Articles I to VII and is not an approval of the merits of the Roth IRA or of any investment permitted by the Roth IRA.

### **Traditional IRA and Roth IRA**

The terms contained in Article VIII of Part Three of the UMB Bank, n.a. Universal Individual Retirement Account document are additional provisions (not promulgated by the IRS) for both Traditional IRAs and Roth IRAs.

## **Additional Information**

For additional information you may write to the following address or call the following telephone number.

Morgan Stanley Funds  
P.O. Box 219804  
Kansas City, MO 64121-9544  
1-800-869-6397



# UMB Bank, n.a.

## ROTH Individual Retirement Custodial Account Agreement

Form 5305-RA under section 408A of the Internal Revenue Code.

FORM (Rev. April 2017)

The depositor named on the application is establishing a Roth individual retirement account (Roth IRA) under section 408A to provide for his or her retirement and for the support of his or her beneficiaries after death.

The custodian named on the application has given the depositor the disclosure statement required by Regulations section 1.408-6.

The depositor has assigned the custodial account the sum indicated on the application.

The depositor and the custodian make the following agreement:

### ARTICLE I

Except in the case of a qualified rollover contribution described in section 408A(e) or a recharacterized contribution described in section 408A(d)(6), the custodian will accept only cash contributions up to \$5,500 per year for 2013 through 2017. For individuals who have reached the age of 50 by the end of the year, the contribution limit is increased to \$6,500 per year for tax years 2013 through 2017. For years after 2017, these limits will be increased to reflect a cost-of-living adjustment, if any.

### ARTICLE II

1. The annual contribution limit described in Article I is gradually reduced to \$0 for higher income levels. For a depositor who is single or treated as a single, the annual contribution is phased out between adjusted gross income (AGI) of \$118,000 and \$133,000; for a married depositor filing jointly, between AGI of \$186,000 and \$196,000; and for a married depositor filing separately, between AGI of \$0 and \$10,000. These phase-out ranges are for 2017. For years after 2017, the phase-out ranges, except for the \$0 to \$10,000 range, will be increased to reflect a cost-of-living adjustment, if any. Adjusted gross income is defined in section 408A(c)(3).
2. In the case of a joint return, the AGI limits in the preceding paragraph apply to the combined AGI of the depositor and his or her spouse.

### ARTICLE III

The depositor's interest in the balance in the custodial account is nonforfeitable.

### ARTICLE IV

1. No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).
2. No part of the custodial account funds may be invested in collectibles (within the meaning of section 408(m)) except as

otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

### ARTICLE V

1. If the depositor dies before his or her entire interest is distributed to him or her and the depositor's surviving spouse is not the designated beneficiary, the remaining interest will be distributed in accordance with paragraph (a) below or, if elected or there is no designated beneficiary, in accordance with paragraph (b) below:
  - (a) The remaining interest will be distributed, starting by the end of the calendar year following the year of the depositor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the depositor.
  - (b) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the depositor's death.
2. The minimum amount that must be distributed each year under paragraph 1(a) above is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the designated beneficiary using the attained age of the beneficiary in the year following the year of the depositor's death and subtracting one from the divisor for each subsequent year.
3. If the depositor's surviving spouse is the designated beneficiary, such spouse will then be treated as the depositor.

### ARTICLE VI

1. The depositor agrees to provide the custodian with all information necessary to prepare any reports required by sections 408(i) and 408A(d)(3)(E), Regulations sections 1.408-5 and 1.408-6, or other guidance published by the Internal Revenue Service (IRS).
2. The custodian agrees to submit to the IRS and depositor the reports prescribed by the IRS.

### ARTICLE VII

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through IV and this sentence will be controlling. Any additional articles inconsistent with section 408A, the related regulations, and other published guidance will be invalid.

### ARTICLE VIII

This agreement will be amended as necessary to comply with the provisions of the Code, the related Regulations, and other

published guidance. Other amendments may be made with the consent of the persons whose signatures appear on the application.

## ARTICLE IX

**9.01 Definitions** – As used in this Article VIII the following terms have the following meanings

Adoption Agreement – is the application signed by the Depositor to accompany and adopt this Custodial Account. The Adoption Agreement may also be referred to as the “Account Application”.

Agreement- means the Roth Individual Retirement Account established using the terms of this agreement.

Ancillary Fund – means any mutual fund or registered investment company designated by Sponsor, which is (i) advised, sponsored or distributed by a duly licensed mutual fund or registered investment company other than the Custodian, and (ii) subject to a separate agreement between the Sponsor and such mutual fund or registered investment company, to which neither the Custodian nor the Service Company is a party; provided, however, that such mutual fund or registered investment company must be legally offered for sale in the state of the Depositor’s residence.

Beneficiary – has the meaning assigned in 9.11.

Custodial Account – the Custodial agreement and the provisions of the Adoption Agreement are the legal documents governing the Custodial Account.

Custodian – means UMB Bank, n.a. and any corporation or other entity that by merger, consolidation, purchase or otherwise, assumes the obligations of the Custodian.

Depositor – means the person signing the Adoption Agreement accompanying this Agreement.

Distributor – means the entity, which has a contract with the Fund(s) to serve as distributor of the shares of such Fund(s). In any case where there is no Distributor, the duties assigned hereunder to the Distributor may be performed by the Fund(s) or by an entity that has a contract to perform management or investment advisory services for the Fund(s).

Fund – means any mutual fund or registered investment company, which is advised, sponsored or distributed by Sponsor; provided, however, that such a mutual fund or registered investment company must be legally offered for sale in the state of the Depositor’s residence. Subject to the provisions of Section 9.03 below, the term “Fund” includes an Ancillary Fund.

Service Company – means any entity employed by the Custodian or the Distributor, including the transfer agent for the Fund(s), to perform various administrative duties of either the Custodian or the Distributor. In any case where there is no Service Company, the duties assigned hereunder to the Service Company will be performed by the Distributor (if any) or by an entity that has a contract to perform management or investment advisory services for the Fund(s).

Sponsor – means Morgan Stanley Funds. Reference to the Sponsor includes reference to any affiliate of Sponsor to which Sponsor has delegated (or which is in fact performing) any duty assigned to Sponsor under this Agreement.

Spouse – means an individual married to the Depositor under the laws of the applicable jurisdiction. The term “spouse” shall include same-sex individuals whose marriage was validly entered into in a jurisdiction whose laws authorize such marriage even if the couple is domiciled in a jurisdiction that does not recognize the validity of same-sex marriages. The term “spouse” shall not include individuals (whether of the same or opposite sex) who have entered into a registered domestic partnership, civil union, or other similar relationship recognized under the laws of a jurisdiction that is not denominated as marriage under the laws of the jurisdiction. A Depositor and his or her spouse are deemed to be “married” for all purposes of this Agreement.

**9.02 Revocation** – The Depositor may revoke the Custodial Account established hereunder by mailing or delivering a written notice of revocation to the Custodian within seven days after the Depositor receives the Disclosure Statement related to the Custodial Account. Mailed notice is treated as given to the Custodian on date of the postmark (or on the date of Post Office certification or registration in the case of notice sent by certified or registered mail). Upon timely revocation, the Depositor’s initial contribution will be returned, without adjustment for administrative expenses, commissions or sales charges, fluctuations in market value or other changes.

The Depositor may certify in the Adoption Agreement that the Depositor received the Disclosure Statement related to the Custodial Account at least seven days before the Depositor signed the Adoption Agreement to establish the Custodial Account, and the Custodian may rely upon such certification.

In any instance where it is established that the Depositor has had possession of the Disclosure Statement for more than seven days, it will be conclusively presumed that the Depositor has waived his or her right to revoke under this Section.

**9.03 Investments** – All contributions to the Custodial Account shall be invested and reinvested in full and fractional shares of one or more Funds. All such shares shall be held as book entry shares, and no physical shares or share certificate will be held in the Custodial Account. Such investments shall be made in such proportions and/or in such amounts as Depositor from time to time in the Adoption Agreement or by other written notice to the Service Company (in such form as may be acceptable to the Service Company) may direct.

The parties to this Agreement recognize and agree that the Sponsor may from time-to-time designate an Ancillary Fund in which all or a portion of the contributions to a

Custodial Account may be invested and reinvested. Despite any contrary provision of this Agreement, neither the Custodian nor the Service Company has any discretion with respect to the designation of any Ancillary Fund.

The Service Company shall be responsible for promptly transmitting all investment directions by the Depositor for the purchase or sale of shares of one or more Funds hereunder to the Funds' transfer agent for execution. However, if investment directions with respect to the investment of any contribution hereunder are not received from the Depositor as required or, if received, are unclear or incomplete in the opinion of the Service Company, the contribution will be returned to the Depositor, or will be held uninvested (or invested in a money market fund if available) pending clarification or completion by the Depositor, in either case without liability for interest or for loss of income or appreciation. If any other directions or other orders by the Depositor with respect to the sale or purchase of shares of one or more Funds are unclear or incomplete in the opinion of the Service Company, the Service Company will refrain from carrying out such investment directions or from executing any such sale or purchase, without liability for loss of income or for appreciation or depreciation of any asset, pending receipt of clarification or completion from the Depositor.

All investment directions by Depositor will be subject to any minimum initial or additional investment or minimum balance rules or other rules (by way of example and not by way of limitation, rules relating to the timing of investment directions or limiting the number of purchases or sales or imposing sales charges on shares sold within a specified period after purchase) applicable to a Fund as described in its prospectus.

All dividends and capital gains or other distributions received on the shares of any Fund shall be (unless received in additional shares) reinvested in full and fractional shares of such Fund (or of any other Fund offered by the Sponsor, if so directed).

If any Fund held in the Custodial Account is liquidated or is otherwise made unavailable by the Sponsor as a permissible investment for a Custodial Account hereunder, the liquidation or other proceeds of such Fund shall be invested in accordance with the instructions of the Depositor. If the Depositor does not give such instructions, or if such instructions are unclear or incomplete in the opinion of the Service Company, the Service Company may invest such liquidation or other proceeds in such other Fund (including a money market fund or Ancillary Fund if available) as the Sponsor designates, and provided that the Sponsor gives at least thirty (30) days advance written notice to the Depositor and the Service Provider. In such case, neither the Service Company nor the Custodian will have any responsibility for such investment.

Alternatively, if the Depositor does not give instructions and the Sponsor does not designate such other Fund as described above then the Depositor (or his or her Beneficiaries) will be deemed to have directed the Custodian to distribute any amount remaining in the Fund to (i) the Depositor (or to his Beneficiaries as their interests shall appear on file with the Custodian) or, (ii) if the Depositor is deceased with no Beneficiaries on file with the Custodian, then to the Depositor's estate, subject to the Custodian's right to reserve funds as provided in Section 9.17(b). The Sponsor and the Custodian will be fully protected in making any and all such distributions pursuant to this Section 9.03, provided that the Sponsor gives at least thirty (30) days advance written notice to the Depositor and the Service Provider. In such case, neither the Service Company nor the Custodian will have any responsibility for such distribution. The Depositor (or his or her Beneficiaries) shall be fully responsible for any taxes due on such distribution.

### **How are my IRA contributions invested**

You control the investment and reinvestment of contributions to your Roth IRA. Investments must be in one or more of the fund(s) available from time to time as listed in the Adoption Agreement for your Roth IRA or in an investment selection form provided with your Adoption Agreement or from the fund distributor or service company. You direct the investment of your IRA by giving your investment instructions to the distributor or service company for the fund(s). Since you control the investment of your Roth IRA, you are responsible for any losses; neither the custodian, the distributor nor the service company has any responsibility for any loss or diminution in value occasioned by your exercise of investment control. Transactions for your Roth IRA will generally be at the applicable public offering price or net asset value for shares of the fund(s) involved next established after the distributor or the service company (whichever may apply) receives proper and timely investment instructions from you; consult the current prospectus for the fund(s) involved for additional information.

Before making any investment, you should review the current prospectus for any fund you are considering as an investment for your Roth IRA. The prospectus will contain information about the fund's investment objectives and policies, as well as any minimum initial investment or minimum balance requirements, any restrictions or limitations on transferring into or out of the fund, and any sales, redemption or other charges. The method for computing and allocating annual earnings is set forth in the prospectus. In each prospectus, refer to the relevant section, which may have a heading such as "Performance Information" or "Dividends".

Because you control the selection of investments for your Roth IRA and because mutual fund shares fluctuate in value, the growth in value of your Roth IRA cannot be guaranteed or projected.

- 9.04 Exchanges** – Subject to the minimum initial or additional investment, minimum balance and other exchange rules applicable to a Fund, the Depositor may at any time direct the Service Company to exchange all or a specified portion of the shares of a Fund in the Custodial Account for shares and fractional shares of one or more other Funds. The Depositor shall give such directions by written or telephonic notice acceptable to the Service Company, and the Service Company will process such directions as soon as practicable after receipt thereof (subject to the second paragraph of Section 9.03).
- 9.05 Transaction pricing** – Any purchase or redemption of shares of a Fund for or from the Custodial Account will be effected at the public offering price or net asset value of such Fund (as described in the then effective prospectus for such Fund) next established after the Service Company has transmitted the Depositor's investment directions to the transfer agent for the Fund(s). Any purchase, exchange, transfer or redemption of shares of a Fund for or from the Custodial Account will be subject to any applicable sales, redemption or other charge as described in the then effective prospectus for such Fund.
- 9.06 Recordkeeping** – The Service Company shall maintain adequate records of all purchases or sales of shares of one or more Funds for the Depositor's Custodial Account. Any account maintained in connection herewith shall be in the name of the Custodian for the benefit of the Depositor. All assets of the Custodial Account shall be registered in the name of the Custodian or of a suitable nominee. The books and records of the Custodian shall show that all such investments are part of the Custodial Account.
- The Custodian shall maintain or cause to be maintained adequate records reflecting transactions of the Custodial Account. In the discretion of the Custodian, records maintained by the Service Company with respect to the Account hereunder will be deemed to satisfy the Custodian's recordkeeping responsibilities. The Service Company agrees to furnish the Custodian with any information the Custodian requires to carry out the Custodian's recordkeeping responsibilities.
- 9.07 Allocation of Responsibility** – Neither the Custodian nor any other party providing services to the Custodial Account will have any responsibility for rendering advice with respect to the investment and reinvestment of the Custodial Account, nor shall such parties be liable for any loss or diminution in value which results from Depositor's exercise of investment control over his Custodial Account. Depositor shall have and exercise exclusive responsibility for and control over the investment of the assets of his Custodial Account, and neither Custodian nor any other such party shall have any duty to question his or her directions in that regard or to advise him or her regarding the purchase, retention or sale of shares of one or more Funds for the Custodial Account.
- 9.08 Appointment of Investment Advisor** – The Depositor may in writing appoint an investment adviser with respect to the Custodial Account on a form acceptable to the Custodian and the Service Company. The investment adviser's appointment will be in effect until written notice to the contrary is received by the Custodian and the Service Company. While an investment adviser's appointment is in effect, the investment adviser may issue investment directions or may issue orders for the sale or purchase of shares of one or more Funds to the Service Company, and the Service Company will be fully protected in carrying out such investment directions or orders to the same extent as if they had been given by the Depositor.
- 9.09 Distributions**
- (a) Distribution of the assets of the Custodial Account shall be made at such time and in such form as Depositor (or Beneficiary if Depositor is deceased) shall elect by written order to the Custodian. It is the responsibility of the Depositor (or Beneficiary) by appropriate distribution instructions to the Custodian to ensure that any applicable distribution requirements of Code Section 401(a) (9) and Article IV above are met. If the Depositor (or Beneficiary) does not direct the Custodian to make distributions from the Custodial Account by the time that such distributions are required to commence in accordance with such distribution requirements, the Custodian (and Service Company) shall assume that the Depositor (or Beneficiary) is meeting any applicable minimum distribution requirements from another individual retirement arrangement maintained by the Depositor (or Beneficiary) and the Custodian and Service Company shall be fully protected in so doing. Depositor acknowledges that any distribution of a taxable amount from the Custodial Account (except for distribution on account of Depositor's disability or death, return of an "excess contribution" referred to in Code Section 4973, or a valid "rollover" from this Custodial Account) made earlier than age 59½ may subject Depositor to an "additional tax on early distributions" under Code Section 72(t) unless an exception to such additional tax is applicable. For that purpose, Depositor will be considered disabled if Depositor can prove, as provided in Code Section 72(m)(7).
- (b) Taxability of distributions – The Depositor acknowledges (i) that any withdrawal from the Custodial Account will be reported by the Custodian in accordance with applicable IRS requirements (currently, on Form 1099-R), (ii) that the information reported by the Custodian will be based on the amounts in the Custodial Account and will not reflect any other individual retirement accounts the Depositor may own and that, consequently, the tax treatment of the withdrawal may be different than if the Depositor had no other individual retirement accounts, and (iii) that, accordingly, it is the responsibility of the Depositor to maintain appropriate records so that the Depositor (or other person ordering the distribution) can correctly



compute all taxes due. Neither the Custodian nor any other party providing services to the Custodial Account assumes any responsibility for the tax treatment of any distribution from the Custodial Account; such responsibility rests solely with the person ordering the distribution.

**9.10** Distribution instructions – The Custodian assumes (and shall have) no responsibility to make any distribution except upon the written order of Depositor (or Beneficiary if Depositor is deceased) containing such information as the Custodian may reasonably request. Also, before making any distribution from or honoring any assignment of the Custodial Account, Custodian shall be furnished with any and all applications, certificates, tax waivers, signature guarantees, releases, indemnification agreements, and other documents (including proof of any legal representative's authority) deemed necessary or advisable by Custodian, but Custodian shall not be responsible for complying with any order or instruction which appears on its face to be genuine, or for refusing to comply if not satisfied it is genuine, and Custodian has no duty of further inquiry. Any distributions from the Custodial Account may be mailed, first-class postage prepaid, to the last known address of the person who is to receive such distribution, as shown on the Custodian's records, and such distribution shall to the extent thereof completely discharge the Custodian's liability for such payment.

**9.11 Designated Beneficiary**

(a) Designated Beneficiary. The term "Beneficiary" means the person or persons designated as such by the "designating person" (as defined below) on a form acceptable to the Custodian for use in connection with the Custodial Account, signed by the designating person, and filed with the Custodian. If, in the opinion of the Custodian or Service Company, any designation of beneficiary is unclear or incomplete, in addition to any documents or assurances the Custodian may request under Section 9.10, the Custodian or Service Company shall be entitled to request and receive such clarification or additional instructions as the Custodian in its discretion deems necessary to determine the correct Beneficiary(ies) following the Depositor's death. The form designating the Beneficiary(ies) may name individuals, trusts, estates, or other entities as either primary or contingent beneficiaries. However, if the designation does not effectively dispose of the entire Custodial Account as of the time distribution is to commence, the term "Beneficiary" shall then mean the designating person's estate, with respect to the assets of the Custodial Account not disposed of by the designation form. The form last accepted by the Custodian before such distribution is to commence, provided it was received by the Custodian (or deposited in the U.S. Mail or with a reputable delivery service) during the designating person's lifetime, shall be controlling and, whether or not fully dispositive of the Custodial Account, thereupon shall revoke all such forms previously filed by that person. The term "designating person" means Depositor during

his/her lifetime; only after Depositor's death, it also means Depositor's spouse if the spouse is a Beneficiary and elects to transfer assets from the Custodial Account to the spouse's own Custodial Account in accordance with applicable provisions of the Code. (Note: Married Depositors who reside in a community property or marital property state, may need to obtain spousal consent if they have not designated their spouse as the primary Beneficiary for at least half of their Custodial Account. Consult a lawyer or other tax professional for additional information and advice.)

- (b) Rights of Inheriting Beneficiary. Notwithstanding any provisions in this Agreement to the contrary, when and after the distribution from the Custodial Account to Depositor's Beneficiary commences, all rights and obligations assigned to Depositor hereunder shall inure to, and be enjoyed and exercised by, Beneficiary instead of Depositor.
- (c) Election by Spouse. If the Depositor's spouse is the sole Beneficiary on the Depositor's date of death, the spouse will not be treated as the Depositor if the spouse elects not to be so treated. In such event, the Custodial Account will be distributed in accordance with the other provisions of such Article IV, except that distributions to the Depositor's spouse are not required to commence until December 31 of the year in which the Depositor would have turned age 72.
- (d) Election by Successor Beneficiary/Separate Beneficiaries. In addition to the rights otherwise conferred upon Beneficiaries under this Agreement, all individual Beneficiaries may designate Successor Beneficiaries of their inherited Custodial Account. Any Successor Beneficiary designation by the Beneficiary must be made in accordance with the provisions of this Section 9.11. If a Beneficiary dies after the Participant but before receipt of the entire interest in the Custodial Account and has Successor Beneficiaries, the Successor Beneficiaries will succeed to the rights of the Beneficiary. If a Beneficiary dies after the Participant but before receipt of the entire interest in the Account and no Successor Beneficiary designation is in effect at the time of the Beneficiary's death, the Beneficiary will be the Beneficiary's estate. Upon instruction to the Custodian, each separate Beneficiary may receive his, her, or its interest as a separate account within the meaning of Treasury Regulation Section 1.401(a)(9)-8, Q&A-3, to the extent permissible by law. The trustee of a trust Beneficiary will exercise the rights of the trust Beneficiary, unless the trustee chooses to delegate the exercise of those rights to the Beneficiary to the extent permissible by law.
- (e) Despite any contrary provision of this Agreement, the Custodian may disregard the express terms of a Beneficiary designation under Section 9.11(a) and pay over the balance of the deceased Depositor's interest in his or her Custodial Account to a different person, trust, estate or other beneficiary, where the Custodian determines, in

the reasonable and good faith exercise of its discretion, that an applicable state law, court decree or other ruling governing the disposition or appointment of property incident to a divorce or other circumstance affecting inheritance rights so requires and if the Custodian has knowledge of the facts that may invalidate the designation of such Beneficiary.

- (f) Eligible Designated Beneficiary. An eligible designated beneficiary is any designated beneficiary who is the surviving spouse, a child under the age of majority, disabled or chronically ill, or any other person who is not more than 10 years younger than the participant/IRA owner.

## 9.12 Tax reporting responsibilities.

- (a) The Depositor agrees to provide information to the Custodian at such time and in such manner as may be necessary for the Custodian to prepare any reports required under Section 408(i) or Section 408A(d)(3)(E) of the Code and the regulations thereunder or otherwise.
- (b) The Custodian or the Service Company will submit reports to the Internal Revenue Service and the Depositor at such time and manner and containing such information as is prescribed by the Internal Revenue Service.
- (c) The Depositor, Custodian and Service Company shall furnish to each other such information relevant to the Custodial Account as may be required under the Code and any regulations issued or forms adopted by the Treasury Department thereunder or as may otherwise be necessary for the administration of the Custodial Account.
- (d) The Depositor shall file any reports to the Internal Revenue Service which are required of him by law, and neither the Custodian nor Service Company shall have any duty to advise Depositor concerning or monitor Depositor's compliance with such requirement.

## 9.13 Amendments

- (a) Depositor retains the right to amend this Agreement in any respect at any time, effective on a stated date which shall be at least 60 days after giving written notice of the amendment (including its exact terms) to Custodian by registered or certified mail, unless Custodian waives notice as to such amendment. If the Custodian does not wish to continue serving as such under this Custodial Account document as so amended, it may resign in accordance with Section 9.17 below.
- (b) Depositor delegates to the Custodian the Depositor's right so to amend, provided (i) the Custodian does not change the investments available under this Custodial Agreement, and (ii) the Custodian amends in the same manner all agreements comparable to this one, having the same Custodian, permitting comparable investments, and under which such power has been delegated to it; this includes the power to amend retroactively if necessary or appropriate in the opinion of the Custodian in order to

conform this Custodial Account to pertinent provisions of the Code and other laws or successor provisions of law, or to obtain a governmental ruling that such requirements are met, to adopt a prototype or master form of agreement in substitution for this Agreement, or as otherwise may be advisable in the opinion of the Custodian. Such an amendment by the Custodian shall be communicated in writing to Depositor, and Depositor shall be deemed to have consented thereto unless, within 30 days after such communication to Depositor is mailed, Depositor either (i) gives Custodian a written order for a complete distribution or transfer of the Custodial Account, or (ii) removes the Custodian and appoints a successor under Section 9.17 below.

Pending the adoption of any amendment necessary or desirable to conform this Agreement to the requirements of any amendment to any applicable provision of the Code or regulations or rulings issued thereunder (including any amendment to Form 5305-A or Form 5305-RA), the Custodian and the Service Company may operate the Custodial Account in accordance with such requirements to the extent that the Custodian and/or the Service Company deem necessary to preserve the tax benefits of the Account.

- (c) Notwithstanding the provisions of subsections (a) and (b) above, no amendment shall increase the responsibilities or duties of Custodian without its prior written consent.
- (d) This Section 9.13 shall not be construed to restrict the Custodian's right to substitute fee schedules in the manner provided by Section 9.16 below, and no such substitution shall be deemed to be an amendment of this Agreement.

## 9.14 Terminations

- (a) This Agreement shall terminate and have no further force and effect upon a complete distribution of the Custodial Account to the Depositor (or his or her Beneficiaries) or to a successor custodian or trustee in accordance with the instructions provided to the Custodian by the Depositor. In addition, the Sponsor shall have the right to terminate this Agreement and instruct the Custodian to distribute the Custodial Account upon thirty (30) days notice to the Custodian and the Depositor (or Beneficiary, if the Depositor is deceased). In the event of such termination by the Sponsor, the Custodian shall transfer the entire amount in the Custodial Account to a successor custodian or trustee as the Depositor (or Beneficiary) shall instruct or shall distribute the Custodial Account to the Depositor (or Beneficiary) if so directed. If, at the end of such thirty (30) day period, the Depositor (or Beneficiary) has not directed the Custodian to transfer or distribute the amount in the Custodial Account as described above then the Depositor (or Beneficiary,) will be deemed to have directed the Custodian to distribute any amount remaining in the Custodial Account to (i) the Depositor (or Beneficiary, as his/her interests shall appear on file with the Custodian) or, (ii) if the Depositor is deceased

with no Beneficiary on file with the Custodian, then to the Depositor's estate, subject to the Custodian's right to reserve funds as provided in Section 9.17(b). The Sponsor and the Custodian will be fully protected in making any and all such distributions pursuant to this Section 9.14(a). The Depositor (or Beneficiary) shall be fully responsible for any taxes due on such distribution.

- (b) Sections 9.15(f), 9.17(b) and 9.17(c) hereof shall survive the termination of the Custodial Account and this Agreement. Upon termination of the Custodial Account and this Agreement, the Custodian shall be relieved from all further liability hereunder or with respect to the Custodial Account and all assets thereof so distributed.

#### **9.15 Responsibilities of Custodian and service providers**

- (a) In its discretion, the Custodian may appoint one or more contractors or service providers to carry out any of its functions and may compensate them from the Custodial Account for expenses attendant to those functions. In the event of such appointment, all rights and privileges of the Custodian under this Agreement shall pass through to such contractors or service providers who shall be entitled to enforce them as if a named party.

- (b) The Service Company shall be responsible for receiving all instructions, notices, forms and remittances from Depositor and for dealing with or forwarding the same to the transfer agent for the Fund(s).

- (c) The parties do not intend to confer any fiduciary duties on Custodian or Service Company (or any other party providing services to the Custodial Account), and none shall be implied. Neither shall be liable (or assumes any responsibility) for the collection of contributions, the proper amount, time or tax treatment of any contribution to the Custodial Account or the propriety of any contributions under this Agreement, or the purpose, time, amount (including any minimum distribution amounts), tax treatment or propriety of any distribution hereunder, which matters are the sole responsibility of Depositor and Depositor's Beneficiary.

- (d) Not later than 60 days after the close of each calendar year (or after the Custodian's resignation or removal), the Custodian or Service Company shall file with Depositor a written report or reports reflecting the transactions effected by it during such period and the assets of the Custodial Account at its close. Upon the expiration of 60 days after such a report is sent to Depositor (or Beneficiary), the Custodian or Service Company shall be forever released and discharged from all liability and accountability to anyone with respect to transactions shown in or reflected by such report except with respect to any such acts or transactions as to which Depositor shall have filed written objections with the Custodian or Service Company within such 60 day period.

- (e) The Service Company shall deliver, or cause to be delivered by mail or electronically, to Depositor all

notices, prospectuses, financial statements and other reports to shareholders, proxies and proxy soliciting materials relating to the shares of the Funds(s) credited to the Custodial Account. The Custodian shall vote any shares held in the Custodial Account in accordance with the timely written instructions of the Depositor if received. If no timely written voting instructions are received from the Depositor, the Depositor agrees that the Custodian may vote such unvoted shares as instructed by the Sponsor, which may include voting in the same proportion of shares of the Fund for which written voting instructions were timely received by the Fund (or its agent) from the Fund's other shareholders or in accordance with the recommendations of the Fund's board of directors in the relevant proxy soliciting materials. In the latter case, the Custodian shall have no responsibility to separately review or evaluate the Fund's board of directors' voting recommendations nor have any liability for following the Depositor's instruction to follow the Fund's board of directors' recommendation.

- (f) Depositor shall always fully indemnify Service Company, Distributor, the Fund(s), Sponsor and Custodian and save them harmless from any and all liability whatsoever which may arise either (i) in connection with this Agreement and the matters which it contemplates, except that which arises directly out of the Service Company's, Distributor's, Fund's, Sponsor's or Custodian's bad faith, gross negligence or willful misconduct, (ii) with respect to making or failing to make any distribution, other than for failure to make distribution in accordance with an order therefor which is in full compliance with Section 9.10, or (iii) actions taken or omitted in good faith by such parties. Neither Service Company nor Custodian shall be obligated or expected to commence or defend any legal action or proceeding in connection with this Agreement or such matters unless agreed upon by that party and Depositor, and unless fully indemnified for so doing to that party's satisfaction.

- (g) The Custodian and Service Company shall each be responsible solely for performance of those duties expressly assigned to it in this Agreement, and neither assumes any responsibility as to duties assigned to anyone else hereunder or by operation of law.

- (h) The Custodian and Service Company may each conclusively rely upon and shall be protected in acting upon any written order from Depositor or Beneficiary, or any investment adviser appointed under Section 9.08, or any other notice, request, consent, certificate or other instrument or paper believed by it to be genuine and to have been properly executed, and so long as it acts in good faith, in taking or omitting to take any other action in reliance thereon. In addition, Custodian will carry out the requirements of any apparently valid court order relating to the Custodial Account and will incur no liability or responsibility for so doing.

## 9.16 Fees and Expenses

- (a) The Custodian, in consideration of its services under this Agreement, shall receive the fees specified on the applicable fee schedule. The fee schedule originally applicable shall be the one specified in the Adoption Agreement or Disclosure Statement, as applicable. The Custodian may substitute a different fee schedule at any time upon 30 days' written notice to Depositor. The Custodian shall also receive reasonable fees for any services not contemplated by any applicable fee schedule and either deemed by it to be necessary or desirable or requested by Depositor.
- (b) Any income, gift, estate and inheritance taxes and other taxes of any kind whatsoever, including transfer taxes incurred in connection with the investment or reinvestment of the assets of the Custodial Account, that may be levied or assessed in respect to such assets, and all other administrative expenses incurred by the Custodian in the performance of its duties (including fees for legal services rendered to it in connection with the Custodial Account) shall be charged to the Custodial Account. If the Custodian is required to pay any such amount, the Depositor (or Beneficiary) shall promptly upon notice thereof reimburse the Custodian.
- (c) All such fees and taxes and other administrative expenses charged to the Custodial Account shall be collected either from the amount of any contribution or distribution to or from the Custodial Account, or (at the option of the person entitled to collect such amounts) to the extent possible under the circumstances by the conversion into cash of sufficient shares of one or more Funds held in the Custodial Account (without liability for any loss incurred thereby). Notwithstanding the foregoing, the Custodian or Service Company may make demand upon the Depositor for payment of the amount of such fees, taxes and other administrative expenses. Fees which remain outstanding after 60 days may be subject to a collection charge.

## 9.17 Resignation or Replacement of Custodian

- (a) Upon 30 days' prior written notice to the Custodian, Depositor or Sponsor, as the case may be, may remove it from its office hereunder. Such notice, to be effective, shall designate a successor custodian and shall be accompanied by the successor's written acceptance. The Custodian also may at any time resign upon 30 days' prior written notice to Sponsor, whereupon the Sponsor shall notify the Depositor (or Beneficiary) and shall appoint a successor to the Custodian. In connection with its removal or resignation hereunder, the Custodian may, but is not required to, designate a successor custodian by written notice to the Sponsor or Depositor (or Beneficiary) if neither the Sponsor nor Depositor (or Beneficiary) designate a successor custodian, and the Sponsor or Depositor (or Beneficiary) will be deemed to have consented to such successor unless the Sponsor or

Depositor (or Beneficiary) designates a different successor custodian and provides written notice thereof together with such a different successor's written acceptance by such date as the Custodian specifies in its original notice to the Sponsor or Depositor (or Beneficiary) (provided that the Sponsor or Depositor (or Beneficiary) will have a minimum of 30 days to designate a different successor).

- (b) The successor custodian shall be a bank, insured credit union, or other person satisfactory to the Secretary of the Treasury under Code Section 408(a) (2). Upon receipt by Custodian of written acceptance by its successor of such successor's appointment, Custodian shall transfer and pay over to such successor the assets of the Custodial Account and all records (or copies thereof) of Custodian pertaining thereto, provided that the successor custodian agrees not to dispose of any such records without the Custodian's consent. Custodian is authorized, however, to reserve such sum of money or property as it may deem advisable for payment of all its fees, compensation, costs, and expenses, or for payment of any other liabilities constituting a charge on or against the assets of the Custodial Account or on or against the Custodian, with any balance of such reserve remaining after the payment of all such items to be paid over to the successor custodian.
- (c) No custodian shall be liable for the acts or omissions of its predecessor or its successor.

**9.18** Applicable Code. References herein to the "Code" and sections thereof shall mean the same as amended from time to time, including successors to such sections.

**9.19** Delivery of notices. Except where otherwise specifically required in this Agreement, any notice from Custodian to any person provided for in this Agreement shall be effective if sent by first-class mail to such person at that person's last address on the Custodian's records.

**9.20** Exclusive benefit. Depositor or Depositor's Beneficiary shall not have the right or power to anticipate any part of the Custodial Account or to sell, assign, transfer, pledge or hypothecate any part thereof. The Custodial Account shall not be liable for the debts of Depositor or Depositor's Beneficiary or subject to any seizure, attachment, execution or other legal process in respect thereof except to the extent required by law. At no time shall it be possible for any part of the assets of the Custodial Account to be used for or diverted to purposes other than for the exclusive benefit of the Depositor or his/her Beneficiary except to the extent required by law.

**9.21** Applicable law/Interpretation. When accepted by the Custodian, this Agreement is accepted in and shall be construed and administered in accordance with the laws of the state where the principal offices of the Custodian are located. Any action involving the Custodian brought by any other party must be brought in a state or federal court in such state.



This Agreement is intended to qualify under the Code as an Individual Retirement Account and entitle Depositor to the retirement savings deduction under Code section 219 if available. If any provision of this Agreement is subject to more than one interpretation or any term used herein is subject to more than one construction, such ambiguity shall be resolved in favor of that interpretation or construction which is consistent with the intent expressed in the preceding sentence.

However, the Custodian shall not be responsible for whether or not such intentions are achieved through use of this Agreement, and Depositor is referred to Depositor's attorney for any such assurances.

- 9.22** Professional advice. Depositor is advised to seek advice from Depositor's attorney regarding the legal consequences (including but not limited to federal and state tax matters) of entering into this Agreement, contributing to the Custodial Account, and ordering Custodian to make distributions from the Custodial Account. Depositor acknowledges that Custodian and Service Company (and any company associated therewith) are prohibited by law from rendering such advice.
- 9.23** Definition of written notice. If any provision of any document governing the Custodial Account provides for notice, instructions or other communications from one party to another in writing, to the extent provided for in the procedures of the Custodian, Service Company or another party, any such notice, instructions or other communications may be given by telephonic, computer, other electronic or other means, and the requirement for written notice will be deemed satisfied.
- 9.24** Governing documents. The legal documents governing the Custodial Account are the provisions of the Adoption Agreement
  - (a)** The Depositor acknowledges that the Service Company may require the establishment of different Roth IRA accounts to hold annual contributions under Code Section 408A(c)(2) and to hold conversion amounts under Code Section 408A(c)(3)(B). The Service Company may also require the establishment of different Roth IRA accounts to hold amounts converted in different calendar years. If the Service Company does not require such separate account treatment, the Depositor may make annual contributions and conversion contributions to the same account.
- 9.25** Conformity to IRS Requirements. This Agreement and the Adoption Agreement signed by the Depositor (as either may be amended) are the documents governing the Custodial Account. Articles I through VII of Part One of this Agreement are in the form promulgated by the Internal Revenue Service as Form 5305-A, as modified by subsequent guidance. It is anticipated that, if and when the Internal Revenue Service promulgates further changes to Form 5305-A, the Custodian will amend this Agreement correspondingly.

Articles I through VII of Part Two of this Agreement are in the form promulgated by the Internal Revenue Service as Form 5305-RA. It is anticipated that, if and when the Internal Revenue Service promulgates changes to Form 5305-RA, as modified by subsequent guidance, the Custodian will amend this Agreement correspondingly.

- 9.26** Conversion and recharacterization. If the Depositor maintains an Individual Retirement Account under Code Section 408(a), Depositor may convert or transfer such other IRA to a Roth IRA under Code Section 408A using the terms of this Agreement and the Adoption Agreement by completing and executing the Adoption Agreement and giving suitable directions to the Custodian and the custodian or trustee of such other IRA. Alternatively, the Depositor may convert or transfer such other IRA to a Roth IRA by use of a reply card or by telephonic, computer or electronic means in accordance with procedures adopted by the Custodian or Service Company intended to meet the requirements of Code Section 408A, and the Depositor will be deemed to have executed the Adoption Agreement and adopted the provisions of this Agreement and the Adoption Agreement in accordance with such procedures.  
  
In accordance with the requirements of Code section 408A(d)(6) and regulations thereunder, the Depositor may recharacterize a contribution to a Traditional IRA as a contribution to a Roth IRA, or may recharacterize a contribution to a Roth IRA as a contribution to a Traditional IRA, but the option to recharacterize a Roth IRA conversion is repealed by law, effective in 2018. The Depositor agrees to observe any limitations imposed by the Service Company on the number of such transactions in any year (or any such limitations or other restrictions that may be imposed by the Service Company or the IRS).
- 9.27** Representations by Depositor. The Depositor acknowledges that he or she has received and read the current prospectus for each Fund in which his or her Custodial Account is invested and the Individual Retirement Account Disclosure Statement related to the Custodial Account. The Depositor represents under penalties of perjury that his or her Social Security number (or other Taxpayer Identification Number) as stated in the Adoption Agreement is correct.
- 9.28** Custodial Acceptance. If all required forms and information are properly submitted, UMB Bank, n.a. will accept appointment as Custodian of the Custodial Account. However, this Agreement (and the Adoption Agreement) is not binding upon the Custodian until the Depositor has received a statement confirming the initial transaction for the Custodial Account. Receipt by the Depositor of a confirmation of the purchase of the Fund shares indicated in the Depositor's Adoption Agreement will serve as notification of UMB Bank, n.a.'s acceptance of appointment as Custodian of the Custodial Account.

**9.29 Minor Depositor.** If the Depositor is a minor under the laws of his or her state of residence, then a parent or guardian shall exercise all powers and duties of the Depositor, as indicated herein, and shall sign the Adoption Agreement on behalf of the minor. The Custodian's acceptance of the Custodial Account on behalf of any Depositor who is a minor is expressly conditioned upon the agreement of the parent or guardian to accept the responsibility to exercise all such powers and duties, and all parties hereto so acknowledge.

Upon attainment of the age of majority under the laws of the Depositor's state of residence at such time, the Depositor may advise the Custodian in writing (accompanied by such documentation as the Custodian may require) that he or she is assuming sole responsibility to exercise all rights, powers, obligations, responsibilities, authorities or requirements associated with the Custodial Account. Upon such notice to the Custodian, the Depositor shall have and shall be responsible for all of

the foregoing, the Custodian will deal solely with the Depositor as the person controlling the administration of the Custodial Account, and the Depositor's parent or guardian thereafter shall not have or exercise any of the foregoing. (Absent such written notice from the Depositor, Custodian shall be under no obligation to acknowledge the Depositor's right to exercise such powers and authority and may continue to rely on the parent or guardian to exercise such powers and authority until notified to the contrary by the Depositor.)

**9.30 Depositor's responsibilities.** Depositor acknowledges that it is his/her sole responsibility to report all contributions to or withdrawals from the Custodial Account correctly on his or her tax returns, and to keep necessary records of all the Depositor's IRAs (including any that may be held by another custodian or trustee) for tax purposes. All forms must be acceptable to the Custodian and dated and signed by the Depositor.

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

### PURPOSE OF FORM

Form 5305-RA is a model custodial account agreement that meets the requirements of section 408A. However, only Articles I through VIII have been reviewed by the IRS. A Roth individual retirement account (Roth IRA) is established after the form is fully executed by both the individual (depositor) and the custodian. This account must be created in the United States for the exclusive benefit of the depositor and his or her beneficiaries.

**Do not** file Form 5305-RA with the IRS. Instead, keep it with your records.

Unlike contributions to Traditional individual retirement arrangements, contributions to a Roth IRA are not deductible from the depositor's gross income; and distributions after five years that are made when the depositor is 59 ½ years of age or older or on account of death, disability, or the purchase of a home by a first-time homebuyer (limited to \$10,000), are not includible in gross income. For more information on Roth IRAs, including the required disclosures the custodian must give the depositor, see Pub. 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and Pub. 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

## Specific Instructions

**Article I** – The depositor may be subject to a six percent tax on excess contributions if (1) contributions to other individual retirement arrangements of the depositor have been made for the same tax year, (2) the depositor's adjusted gross income exceeds the applicable limits in Article II for the tax year, or (3) the depositor's and spouse's compensation is less than the amount contributed by or on behalf of them for the tax year.

**Article V** – This article describes how distributions will be made from the Roth IRA after the depositor's death. Elections made pursuant to this article should be reviewed periodically to ensure they correspond to the depositor's intent. Under paragraph three of Article V, the depositor's spouse is treated as the owner of the Roth IRA upon the death of the depositor,

rather than as the beneficiary. If the spouse is to be treated as the beneficiary and not the owner, an overriding provision should be added to Article IX.

**Article IX** – Article IX and any that follow it may incorporate additional provisions that are agreed to by the depositor and custodian to complete the agreement. They may include, for example, definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the custodian, custodian's fees, state law requirements, beginning date of distributions, accepting only cash, treatment of excess contributions, prohibited transactions with the depositor, etc. Attach additional pages if necessary.

# Disclosure Statement

## RIGHT TO REVOKE YOUR ROTH IRA

You have the right to revoke your Roth IRA within seven days of the receipt of the disclosure statement. If revoked, you are entitled to a full return of the contribution you made to your Roth IRA. The amount returned to you would not include an adjustment for such items as sales commissions, administrative expenses, or fluctuation in market value. You may make this revocation only by mailing or delivering a written notice to the custodian at the address listed below.

If you send your notice by first class mail, your revocation will be deemed mailed as of the postmark date.

Morgan Stanley Funds  
P.O. Box 219804  
Kansas City, MO 64121

## REQUIREMENTS OF A ROTH IRA

- A. Cash Contributions** – Your contribution must be in cash, unless it is a rollover or conversion contribution.
- B. Maximum Contribution** – The total amount you may contribute to a Roth IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation or \$7,000 for 2025, with possible cost-of-living adjustments each year thereafter. If you also maintain a Traditional IRA (i.e., an IRA subject to the limits of Internal Revenue Code Sections (IRC Secs.) 408(a) or 408(b)), the maximum contribution to your Roth IRAs is reduced by any contributions you make to your Traditional IRAs. Your total annual contribution to all Roth IRAs and Traditional IRAs cannot exceed the lesser of the dollar amounts described above or 100 percent of your compensation.

Your Roth IRA contribution is further limited if your modified adjusted gross income (MAGI) equals or exceeds \$236,000 (for 2025) if you are a married individual filing a joint income tax return, or equals or exceeds \$150,000 (for 2025) if you are a single individual. Married individuals filing a joint income tax return with MAGI equaling or exceeding \$246,000 (for 2025) may not fund a Roth IRA. Single individuals with MAGI equaling or exceeding \$165,000 (for 2025) may not fund a Roth IRA. Married individuals filing a separate income tax return with MAGI equaling or exceeding \$10,000 may not fund a Roth IRA. The MAGI limits described above are subject to cost-of-living increases for tax years beginning after 2025.

If you are married filing a joint income tax return and your MAGI is between the applicable MAGI phase-out range for the year, your maximum Roth IRA contribution is determined as follows. (1) Begin with the appropriate MAGI phase-out maximum for the applicable year and subtract your MAGI; (2) divide this total by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up

contributions if you are age 50 or older. For example, if you are age 30 with MAGI of \$241,000, your maximum Roth IRA contribution for 2025 is \$3,500  $(\$246,000 \text{ minus } \$241,000) \text{ divided by } \$10,000 \text{ and multiplied by } \$7,000$ .

If you are single and your MAGI is between the applicable MAGI phase-out for the year, your maximum Roth IRA contribution is determined as follows. (1) Begin with the appropriate MAGI phase-out maximum for the applicable year and subtract your MAGI; (2) divide this total by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. For example, if you are age 30 with MAGI of \$153,000, your maximum Roth IRA contribution for 2025 is \$5,600  $(\$165,000 \text{ minus } \$153,000) \text{ divided by } \$15,000 \text{ and multiplied by } \$7,000$ .

- C. Contribution Eligibility** – You are eligible to make a regular contribution to your Roth IRA, regardless of your age, if you have compensation for the taxable year for which the contribution is made and your MAGI is below the maximum threshold. Your Roth IRA contribution is not limited by your participation in an employer-sponsored retirement plan, other than a Traditional IRA.
- D. Catch-Up Contributions** – If you are age 50 or older by the close of the taxable year, you may make an additional contribution to your Roth IRA. The maximum additional contribution is \$1,000 per year. This amount is subject to possible cost-of-living adjustments each year beginning in tax year 2025.
- E. Nonforfeitable** – Your interest in your Roth IRA is nonforfeitable.
- F. Eligible Custodians** – The custodian of your Roth IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.
- G. Commingling Assets** – The assets of your Roth IRA cannot be commingled with other property except in a common trust fund or common investment fund.
- H. Life Insurance** – No portion of your Roth IRA may be invested in life insurance contracts.
- I. Collectibles** – You may not invest the assets of your Roth IRA in collectibles (within the meaning of IRC Sec. 408(m)). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Internal Revenue Service (IRS). However, specially minted United States gold and silver coins, and certain state-issued coins are permissible investments. Platinum coins and certain gold, silver, platinum, or palladium bullion (as described in IRC Sec. 408(m)(3)) are also permitted as Roth IRA investments.

**J. Beneficiary Distributions** – Upon your death, your beneficiaries are required to take distributions according to IRC Sec. 401(a)(9) and Treasury Regulation 1.408-8. These requirements are described below.

**1. Death of Roth IRA Owner Before January 1, 2020**

– Your designated beneficiary is determined based on the beneficiaries designated as of the date of your death, who remain your beneficiaries as of September 30 of the year following the year of your death. The entire amount remaining in your account will, at the election of your designated beneficiaries, either

- a. be distributed by December 31 of the year containing the fifth anniversary of your death, or
- b. be distributed over the remaining life expectancy of your designated beneficiaries.

If your spouse is your sole designated beneficiary, he or she must elect either option (a) or (b) by the earlier of December 31 of the year containing the fifth anniversary of your death, or December 31 of the year life expectancy payments would be required to begin. Your designated beneficiaries, other than a spouse who is the sole designated beneficiary, must elect either option (a) or (b) by December 31 of the year following the year of your death. If no election is made, distribution will be calculated in accordance with option (b). In the case of distributions under option (b), distributions must commence by December 31 of the year following the year of your death. Generally, if your spouse is the designated beneficiary, distributions need not commence until December 31 of the year you would have attained required minimum distribution (RMD) age (as described below), if later. If a beneficiary other than a person or qualified trust as defined in the Treasury Regulations is named, you will be treated as having no designated beneficiary of your Roth IRA for purposes of determining the distribution period. If there is no designated beneficiary of your Roth IRA, the entire Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

**Applicable Age for RMDs** – The applicable age for RMDs is age 70 ½ if you were born before July 1, 1949; age 72 if you were born on or after July 1, 1949, but before January 1, 1951; age 73 if you were born on or after January 1, 1951, but before January 1, 1960; and age 75 if you were born on or after January 1, 1960.

**2. Death of Roth IRA Owner On or After January 1, 2020** – Upon your death, your Roth IRA will be paid to your beneficiary. The beneficiary's options for payment will differ depending on whether the beneficiary is an eligible designated beneficiary, a designated beneficiary, or a nonperson beneficiary. The options described below assume that separate accounting for the inherited Roth IRA is established by December 31 of the year following the year of your death. If separate accounting is not established by this date, your beneficiaries' options may

be further limited, and payments may be accelerated. Beneficiaries should consult with their tax professional or attorney for a determination of their distribution options and payment calculations.

**Designated Beneficiary.** A designated beneficiary is an individual who is a beneficiary specified under the Roth IRA. Certain see-through trusts may also qualify as a designated beneficiary under the Roth IRA for purposes of determining the available payment options and distribution calculations. For purposes of determining the RMD due after your death, a designated beneficiary is determined based on the beneficiaries designated as of the date of your death, who remain your beneficiaries as of September 30 of the year following the year of your death.

**Eligible Designated Beneficiary.** An eligible designated beneficiary is any designated beneficiary who, as of the day of your death, is any one of the following:

- your surviving spouse,
- your child who has not reached the age of 21,
- a disabled individual (a physician must determine that your impairment can be expected to result in death or to be of long, continued, and indefinite duration),
- an individual who is not more than 10 years younger than you, or
- a chronically ill individual (the individual must have been certified by a licensed health care practitioner that, as of the date of the certification, the individual is someone who (1) is unable to perform (without substantial assistance from another individual) at least two activities of daily living for an indefinite period due to a loss of functional capacity, (2) has a level of disability similar to the level of disability described above requiring assistance with daily living based on loss of functional capacity, or (3) requires substantial supervision to protect the individual from threats to health and safety due to severe cognitive impairment).

**a. Payment Options for Beneficiaries.**

**Designated Beneficiary.** The entire amount remaining in your account will generally be distributed by December 31 of the year containing the tenth anniversary of your death unless you have an eligible designated beneficiary, or you have no designated beneficiary for purposes of determining a distribution period. This 10-year rule is not subject to an annual distribution requirement.

**Eligible Designated Beneficiary.** If your beneficiary is an eligible designated beneficiary, the beneficiary may choose to distribute the entire amount remaining in your account by using either the:

- i. 10-year rule: This option requires a total distribution of the entire account by December



31 of the year containing the tenth anniversary of your death. No annual payment is required under this option.

- ii. Life expectancy payment option: Annual payments taken over the remaining life expectancy of the eligible designated beneficiary.

If your spouse is your sole eligible designated beneficiary, he or she must elect either the 10-year rule or life expectancy payments by the earlier of December 31 of the year containing the tenth anniversary of your death, or December 31 of the year you would have attained the applicable age for RMDs. If no election is made, distributions will be made in accordance with the life expectancy payment option. All other eligible designated beneficiaries must elect either the 10-year rule or life expectancy payment option by December 31 of the year following the year of your death. If no election is made by an eligible designated beneficiary, payments will be made using the life expectancy payment option.

Note that certain trust beneficiaries (e.g., certain trusts for disabled and chronically ill individuals, and certain see-through trusts) may take a distribution of the amount remaining in your account over the remaining life expectancy of the designated beneficiary of the trust. The trustee of the trust is responsible for determining whether the trust is a see-through trust, the trust beneficiary's options, and the minimum payment required for the year. No trust paperwork is required to be provided to the Roth IRA trustee or custodian.

Generally, life expectancy distributions to an eligible designated beneficiary must commence by December 31 of the year following the year of your death. However, if your spouse is the eligible designated beneficiary, distributions need not commence until December 31 of the year you would have attained the applicable age for RMDs (as described in the Applicable Age for RMDs section above), if later. If your eligible designated beneficiary is your minor child, life expectancy payments must begin by December 31 of the year following the year of your death and continue until the child reaches the age of majority (age 21). Once the age of majority is reached, the beneficiary will have 10 years to deplete the account with annual payments continuing each year.

**No Designated Beneficiary.** If a beneficiary other than a person (e.g., your estate, a charity, or a trust that is not a see-through trust) is named, you will be treated as having no designated beneficiary of your Roth IRA for purposes of determining the distribution period. If there is no designated beneficiary of your Roth IRA, the entire Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

**Hypothetical RMD.** If your spouse beneficiary is using the ten-year rule and, before the tenth year, chooses to treat the Roth IRA as his or her own or roll over the Roth IRA to his or her own Roth IRA, a hypothetical RMD may be needed to be calculated and distributed. This amount is not eligible to roll over or be treated as the spouse's own Roth IRA. If, in the year the spouse is treating the Roth IRA as his or her own or rolling over to his or her own Roth IRA, the spouse beneficiary will attain the applicable age for RMDs or older, the spouse beneficiary must calculate and distribute a hypothetical RMD amount that would have been required had the life expectancy payment option applied instead of the ten-year option. This RMD amount must be calculated and distributed for each year, beginning with the later of the year the Roth IRA owner or the spouse beneficiary would have obtained the applicable age for RMDs and for each year until the year the transaction moving the Roth IRA to the spouse beneficiary's own Roth IRA occurs. The amount is calculated using the spouse beneficiary's life expectancy in those years using the Uniform Lifetime Table. For additional information on hypothetical RMD requirements, you may wish to obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

- b. **Special Rules for Spouse Beneficiaries.** A spouse who is the sole eligible designated beneficiary of your entire Roth IRA will be deemed to elect to treat your Roth IRA as his or her own by either (1) transferring it to a Roth IRA in the spouse beneficiary's name, (2) making contributions to your Roth IRA or (3) failing to timely remove an RMD from your Roth IRA. Regardless of whether the spouse is the sole eligible designated beneficiary of your Roth IRA, a spouse beneficiary may roll over his or her share of the assets to his or her own Roth IRA.

**Missed RMD** – If your beneficiary fails to remove an RMD after your death, an excess accumulation penalty tax of 25 percent is imposed on the amount of the RMD that should have been taken but was not. If the failure to take an RMD is corrected in a timely manner, the penalty tax is reduced to 10 percent. Your beneficiary must file IRS Form 5329 along with the income tax return to report and remit any additional taxes to the IRS.

The correction window for the reduced penalty begins on the date the penalty tax is imposed and ends (1) the date a notice of deficiency regarding the tax is mailed, (2) the date the tax is assessed, or (3) the last day of the second taxable year beginning after the year in which the tax is imposed, whichever is earlier.

**K. Waiver of 2020 RMD** – Life expectancy payments for beneficiaries were waived for calendar year 2020. In addition, if the five-year rule applies to a Roth IRA with respect to any decedent, the five-year period is determined without regard to calendar year 2020 because of this waiver. For example, if a Roth IRA owner died in 2019, the beneficiary's five-year period ends in 2025 instead of 2024.

## INCOME TAX CONSEQUENCES OF ESTABLISHING A ROTH IRA

**A. Contributions Not Deducted** – No deduction is allowed for Roth IRA contributions, including transfers, rollovers, and conversion contributions.

**B. Contribution Deadline** – The deadline for making a Roth IRA contribution is your tax return due date (not including extensions). You may designate a contribution as a contribution for the preceding taxable year in a manner acceptable to us. For example, if you are a calendar-year taxpayer and you make your Roth IRA contribution on or before your tax filing deadline, your contribution is considered to have been made for the previous tax year if you designate it as such.

If you are a member of the Armed Forces serving in a combat zone, hazardous duty area, or contingency operation, you may have an extended contribution deadline of 180 days after the last day served in the area. In addition, your contribution deadline for a particular tax year is also extended by the number of days that remained to file that year's tax return as of the date you entered the combat zone. This additional extension to make your Roth IRA contribution cannot exceed the number of days between January 1 and your tax filing deadline, not including extensions.

**C. Tax Credit for Contributions** – You may be eligible to receive a tax credit for your Roth IRA contributions. This credit may not exceed \$1,000 in a given year. You may be eligible for this tax credit if you are

- age 18 or older as of the close of the taxable year,
- not a dependent of another taxpayer, and
- not a full-time student.

The credit is based upon your income (see chart below), and will range from 0 to 50 percent of eligible contributions. In order to determine the amount of your contributions, add all of the contributions made to your Roth IRA and reduce these contributions by any distributions that you have taken during the testing period. The testing period begins two years prior to the year for which the credit is sought and ends on the tax return due date (including extensions) for the year for which the credit is sought. In order to determine your tax credit, multiply the applicable percentage from the chart below by the amount of your contributions that do not exceed \$2,000.

## 2025 Adjusted Gross Income\*

JOINT RETURN		HEAD OF A HOUSEHOLD		ALL OTHER CASES		APPLICABLE PERCENTAGE
OVER	NOT OVER	OVER	NOT OVER	OVER	NOT OVER	
	\$47,500		\$35,625		\$23,750	50
\$47,500	\$51,000	\$35,625	\$38,250	\$23,750	\$25,500	20
\$51,000	\$79,000	\$38,250	\$59,250	\$25,500	\$39,500	10
\$79,000		\$59,250		\$39,500		0

\* Adjusted gross income (AGI) includes foreign earned income and income from Guam, American Samoa, North Mariana Islands, and Puerto Rico. AGI limits are subject to cost-of-living adjustments each year.

**D. Excess Contributions** – An excess contribution is any amount that is contributed to your Roth IRA that exceeds the amount that you are eligible to contribute. If the excess is not corrected timely, an additional penalty tax of six percent will be imposed upon the excess amount. The procedure for correcting an excess is determined by the timeliness of the correction as identified below.

- 1. Removal Before Your Tax Filing Deadline.** An excess contribution may be corrected by withdrawing the excess amount, along with the earnings attributable to the excess, before your tax filing deadline, including extensions, for the year for which the excess contribution was made. An excess withdrawn under this method is not taxable to you, but you must include the earnings attributable to the excess in your taxable income in the year in which the contribution was made. The six percent excess contribution penalty tax will be avoided.
- 2. Removal After Your Tax Filing Deadline.** If you are correcting an excess contribution after your tax filing deadline, including extensions, remove only the amount of the excess contribution. The six percent excess contribution penalty tax will be imposed on the excess contribution for each year it remains in the Roth IRA. An excess withdrawal under this method is not taxable to you.
- 3. Carry Forward to a Subsequent Year.** If you do not withdraw the excess contribution, you may carry forward the contribution for a subsequent tax year. To do so, you under-contribute for that tax year and carry the excess contribution amount forward to that year on your tax return. The six percent excess contribution penalty tax will be imposed on the excess amount for each year that it remains as an excess contribution at the end of the year.

You must file IRS Form 5329 along with your income tax return to report and remit any additional taxes to the IRS.

**E. Tax-Deferred Earnings** – The investment earnings of your Roth IRA are not subject to federal income tax as they accumulate in your Roth IRA. In addition, distributions of your Roth IRA earnings will be free from federal income tax if you take a qualified distribution, as described below.

**F. Taxation of Distributions** – The taxation of Roth IRA distributions depends on whether the distribution is a qualified distribution or a nonqualified distribution.

**1. Qualified Distributions.** Qualified distributions from your Roth IRA (both the contributions and earnings) are not included in your income. A qualified distribution is a distribution that is made after the expiration of the five-year period beginning January 1 of the first year for which you made a contribution to any Roth IRA (including a conversion from a Traditional IRA or a rollover from an employer-sponsored retirement plan), and is made on account of one of the following events.

- Attainment of age 59½
- Disability
- First-time homebuyer purchase
- Death

For example, if you made a contribution to your Roth IRA for 2015, the five-year period for determining whether a distribution is a qualified distribution is satisfied as of January 1, 2020.

**2. Nonqualified Distributions.** If you do not meet the requirements for a qualified distribution, any earnings you withdraw from your Roth IRA will be included in your gross income and, if you are under age 59½, may be subject to an early distribution penalty tax. However, when you take a distribution, the amounts you contributed annually to any Roth IRA and any military death gratuity or Servicemembers' Group Life Insurance (SGLI) payments that you rolled over to a Roth IRA, will be deemed to be removed first, followed by conversion and employer-sponsored retirement plan rollover contributions made to any Roth IRA on a first-in, first-out basis. Therefore, your nonqualified distributions will not be taxable to you until your withdrawals exceed the amount of your annual contributions, rollovers of your military death gratuity or SGLI payments, and your conversions and employer-sponsored retirement plan rollovers.

**G. Income Tax Withholding** – Any nonqualified withdrawal of earnings from your Roth IRA may be subject to federal income tax withholding. Ten percent deferral income tax withholding will be applied unless you choose to withhold a different amount or elect not to have withholding apply. We are not required to withhold taxes from any distribution that we reasonably believe is not taxable.

**H. Early Distribution Penalty Tax** – If you are under age 59½ and receive a nonqualified Roth IRA distribution, an additional early distribution penalty tax of 10 percent generally will apply to the amount includible in income in the year of the distribution. If you are under age 59½ and receive a distribution of conversion amounts or employer-sponsored retirement plan rollover amounts within the five-year period beginning with the year in which the conversion or employer-sponsored retirement plan rollover occurred, an additional

early distribution penalty tax of 10 percent generally will apply to the amount of the distribution. The additional early distribution penalty tax of 10 percent generally will not apply if one of the following exceptions apply. **1) Death.** After your death, payments made to your beneficiary are not subject to the 10 percent early distribution penalty tax. **2) Disability.** If you are disabled at the time of distribution, you are not subject to the additional 10 percent early distribution penalty tax. In order to be disabled, a physician must determine that your impairment can be expected to result in death or to be of long, continued, and indefinite duration. **3) Substantially equal periodic payments.** You are not subject to the additional 10 percent early distribution penalty tax if you are taking a series of substantially equal periodic payments (at least annual payments) over your life expectancy or the joint life expectancy of you and your beneficiary. You must continue these payments for the longer of five years or until you reach age 59½. **4) Unreimbursed medical expenses.** If you take payments to pay for unreimbursed medical expenses that exceed a specified percentage of your adjusted gross income, you will not be subject to the 10 percent early distribution penalty tax. For further detailed information and effective dates you may obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS. The medical expenses may be for you, your spouse, or any dependent listed on your tax return. **5) Health insurance premiums.** If you are unemployed and have received unemployment compensation for 12 consecutive weeks under a federal or state program, you may take payments from your Roth IRA to pay for health insurance premiums without incurring the 10 percent early distribution penalty tax. **6) Higher education expenses.** Payments taken for certain qualified higher education expenses for you, your spouse, or the children or grandchildren of you or your spouse, will not be subject to the 10 percent early distribution penalty tax. **7) First-time homebuyer.** You may take payments from your Roth IRA to use toward qualified acquisition costs of buying or building a principal residence. The amount you may take for this reason may not exceed a lifetime maximum of \$10,000. The payment must be used for qualified acquisition costs within 120 days of receiving the distribution. **8) IRS levy.** Payments from your Roth IRA made to the U.S. government in response to a federal tax levy are not subject to the 10 percent early distribution penalty tax. **9) Qualified reservist distributions.** If you are a qualified reservist member called to active duty for more than 179 days or an indefinite period, the payments you take from your Roth IRA during the active duty period are not subject to the 10 percent early distribution penalty tax. **10) Qualified birth or adoption.** Payments from your Roth IRA for the birth of your child or the adoption of an eligible adoptee will not be subject to the 10 percent early distribution penalty tax if the distribution is taken during the one-year period beginning on the date of birth of your child or the date on which your legal adoption of an eligible adoptee is finalized. An eligible adoptee means any individual (other than your spouse's child) who has not attained age 18 or is

physically or mentally incapable of self-support. The aggregate amount you may take for this reason may not exceed \$5,000 for each birth or adoption. **11) Terminal Illness.** Payments from your Roth IRA made because you are terminally ill are not subject to the 10 percent early distribution penalty tax. You are terminally ill if you have been certified by a physician, in accordance with documentation requirements to be established by the IRS, as having an illness or physical condition that can reasonably be expected to result in death in 84 months or less after the date of certification. **12)**

**Qualified Disaster Recovery Distribution.** If you are an affected Roth IRA owner in a federally declared disaster area, you may take up to \$22,000 per disaster from your Roth IRA without incurring the 10 percent early distribution penalty tax. **13) Domestic Abuse.** If you are a victim of domestic abuse you may withdrawal up to \$10,000 (subject to possible cost-of-living adjustments each year beginning in 2025) or 50% of your Roth IRA balance, whichever is less, within one year of the abuse without incurring the 10 percent early distribution penalty tax. **14) Emergency Personal Expenses.** You may take one withdrawal in a calendar year as an emergency personal expense distribution for the purposes of meeting unforeseeable or immediate financial needs relating to necessary personal or family emergency expenses, without incurring the 10 percent early distribution penalty tax. The amount that may be treated as an emergency personal expense distribution in any calendar year is \$1,000 or the total balance in your Roth IRA over \$1,000, determined as of the date of each such distribution, whichever is less. No further emergency personal expense distributions are allowed during the immediately following three calendar years unless repayment occurs, or you have made an IRA contribution after the previous distribution in an amount at least equal to the previous distribution that has not been repaid.

You must file IRS Form 5329 along with your income tax return to the IRS to report and remit any additional taxes or to claim a penalty tax exception.

- I. Required Minimum Distributions** – You are not required to take distributions from your Roth IRA during your lifetime (as required for Traditional and savings incentive match plan for employees of small employers (SIMPLE) IRAs). However, your beneficiaries generally are required to take distributions from your Roth IRA after your death. See the section titled Beneficiary Payouts in this disclosure statement regarding beneficiaries' required minimum distributions.
- J. Roth IRA Portability** – Your Roth IRA may be transferred to another Roth IRA of yours, rolled over to another Roth IRA of yours, may receive rollover contributions, or may receive conversion contributions, provided that all of the applicable rules are followed. Rollover is a term used to describe a movement of cash or other property to your Roth IRA from another Roth IRA, or from your employer's qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan. Conversion is a term used to describe the

movement of Traditional IRA or SIMPLE IRA assets to a Roth IRA. A conversion generally is a taxable event. The general portability rules are summarized below. These transactions are often complex. If you have any questions regarding a transfer, rollover, or conversion, please see a competent tax advisor.

**1. Roth IRA-to-Roth IRA Transfers.** You may transfer your Roth IRA to another Roth IRA at any time with no limits on the number of transfers that may be completed in a 12-month period. A transfer is the movement of assets directly from one Roth IRA to another and is not subject to taxation or the early distribution penalty tax. You may not transfer a Roth IRA to any other type of IRA, and you may not transfer a Traditional IRA or a SIMPLE IRA to a Roth IRA.

**2. Roth IRA-to-Roth IRA Rollovers.** Assets distributed from your Roth IRA may be rolled over to the same Roth IRA or another Roth IRA of yours if the requirements of IRC Sec. 408(d)(3) are met.

**3. IRA-to-IRA Rollover Restrictions.** A distribution that is payable to you and is eligible to be rolled over from any IRA must be rolled over within 60 days after the distribution is received. In the case of a distribution for a first-time homebuyer where there was a delay or cancellation of the purchase, the 60-day rollover period may be extended to 120 days.

Only one distribution from any IRA (Traditional, Roth, or SIMPLE) may be rolled over to another IRA in a 12-month period, regardless of the number of your IRAs you own. A distribution may be rolled over to the same IRA or to another IRA that is eligible to receive the rollover.

For more information on rollover limitations, you may obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov)

**4. Employer-Sponsored Retirement Plan-to-Roth IRA Rollovers.** You may roll over, directly or indirectly, any eligible rollover distribution from an eligible employer-sponsored retirement plan to your Roth IRA. An eligible rollover distribution is defined generally as any distribution from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan unless it is a required minimum distribution, hardship distribution, part of a certain series of substantially equal periodic payments, corrective distributions of excess contributions, excess deferrals, excess annual additions and any income allocable to the excess, deemed loan distribution, dividends on employer securities, or the cost of life insurance coverage.

If you elect to receive the distribution from the plan prior to placing it in a Roth IRA, thereby conducting an indirect rollover, your eligible rollover distribution generally must be rolled over to your Roth IRA not later



than 60 days after you receive the distribution. In the case of a plan loan offset due to plan termination or severance from employment, the deadline for completing the rollover is your tax return due date (including extensions) for the year in which the offset occurs.

Although the rollover amount generally is included in income, the 10 percent early distribution penalty tax will not apply to rollovers from eligible employer-sponsored retirement plans to a Roth IRA or inherited Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent early distribution penalty tax.

**5. Rollovers of Designated Roth Account Assets.**

Designated Roth account assets distributed from a 401(k) cash or deferred arrangement, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan, may be rolled into your Roth IRA.

**6. Beneficiary Rollovers From Employer-Sponsored Retirement Plans.**

If you are a spouse or nonspouse beneficiary of a deceased employer-sponsored retirement plan participant, or the trustee of an eligible type of trust named as a beneficiary of such participant, you may directly roll over inherited assets, less any applicable RMDs, from a qualified retirement plan, 403(a) annuity, 403(b) tax sheltered annuity, or 457(b) eligible governmental deferred compensation plan to an inherited Roth IRA, as permitted by the IRS. Although the rollover amount generally is included in income when rolled over to an inherited Roth IRA, the 10 percent early distribution penalty tax will not apply to rollovers from eligible employer-sponsored retirement plans to an inherited Roth IRA. If the inherited plan that is being rolled over contains designated Roth assets, the designated Roth assets may only be rolled over to an inherited Roth IRA and are not taxable when rolled over. A spouse beneficiary may also indirectly roll over these assets to an inherited Roth IRA within 60 days of receipt. The Roth IRA must be maintained as an inherited Roth IRA, subject to the beneficiary distribution requirements.

**7. Traditional IRA-to-Roth IRA Conversions.** If you convert to a Roth IRA, the amount of the conversion from your Traditional IRA to your Roth IRA will be treated as a distribution for income tax purposes and is includible in your gross income (except for any nondeductible contributions). Although the conversion amount generally is included in income, the 10 percent early distribution penalty tax will not apply to conversions from a Traditional IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent early distribution penalty tax. If you are required to take an RMD for the year, you must remove all your RMDs for all your IRAs before converting your Traditional IRA.

**8. SIMPLE IRA-to-Roth IRA Conversions.** You are eligible to convert all or any portion of your existing SIMPLE IRA

into your Roth IRA, provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. The amount of the conversion from your SIMPLE IRA to your Roth IRA will be treated as a distribution for income tax purposes and is includible in your gross income. Although the conversion amount generally is included in income, the 10 percent early distribution penalty tax will not apply to conversions from a SIMPLE IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent early distribution penalty tax. If you are required to take an RMD for the year, you must remove all of your RMD for all of your IRAs before converting your SIMPLE IRA.

**9. Rollovers of Military Death Benefits.** If you receive or have received a military death gratuity or a payment from the SGLI program, you may be able to roll over the proceeds to your Roth IRA. The rollover contribution amount is limited to the sum of the death benefits or SGLI payment received, less any such amount that was rolled over to a Coverdell education savings account. Proceeds must be rolled over within one year of receipt of the gratuity or SGLI payment for deaths occurring on or after June 17, 2008. Any amount that is rolled over under this provision is considered nontaxable basis in your Roth IRA.

**10. Qualified HSA Funding Distribution.** If you are eligible to contribute to a health savings account (HSA), you may be eligible to take a one-time tax-free qualified HSA funding distribution from your Roth IRA and directly deposit it to your HSA. The amount of the qualified HSA funding distribution may not exceed the maximum HSA contribution limit in effect for the type of high deductible health plan coverage (i.e., single or family coverage) that you have at the time of the deposit, and counts toward your HSA contribution limit for that year. For further detailed information, you may wish to obtain IRS Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans.

**11. Rollover of IRS Levy.** If you receive a refund of eligible retirement plan assets that had been wrongfully levied, you may roll over the amount returned up until your tax return due date (not including extensions) for the year in which the money was returned.

**12. Qualified Tuition Program to Roth IRA.** Funds from a qualified tuition program of a designated beneficiary that has been maintained for 15 or more years may be paid in a direct trustee-to-trustee transfer to a designated beneficiary's Roth IRA if the funds have been the qualified tuition program for at least five years. The designated beneficiary must be eligible to make a Roth IRA contribution and the amount of the rollover counts towards the Roth IRA contribution limit for the year. The total that a designated beneficiary may roll over from a qualified tuition program during his or her lifetime may not exceed \$35,000.

**13. Written Election.** At the time you make a rollover or conversion to a Roth IRA, you must designate in writing to the custodian your election to treat that contribution as a rollover or conversion.

## K. Repayments of Certain Distributions

**1. Qualified Birth or Adoption Distributions.** If you have taken a qualified birth or adoption distribution, you may generally pay all or a portion of the aggregate amount of such distribution to a Roth IRA at any time during the three-year period beginning on the day after the date on which such distributions was received. In the case of a qualified birth or adoption distribution made on or before December 29, 2022, the deadline to repay the distribution is December 31, 2025.

**2. Terminal Illness Distributions.** If you have taken a terminal illness distribution, you may generally pay all or a portion of the aggregate amount of such distribution to a Roth IRA at any time during the three-year period beginning on the day after the date on which such distributions was received.

**3. Domestic Abuse Distributions.** Beginning in 2024, If you have taken a distribution because you are a victim of domestic abuse, you may generally pay all or a portion of the aggregate amount of such distribution to a Roth IRA at any time during the three-year period beginning on the day after the date on which such distributions was received.

**4. Emergency Personal Expense Distributions.** If you had taken an emergency expense distribution, the distribution may be repaid within a three-year period. No further emergency personal expense distributions are allowed during the immediately following three calendar years unless repayment occurs, or you have made Roth IRA contributions after the previous distribution that has not been repaid.

**5. Qualified Disaster Recovery Distributions.** If you have taken a qualified disaster recovery distribution, the distribution may be recontributed to a Roth IRA at any time during the three-year period beginning on the day after the date on which such distribution was received.

For further information, you may wish to obtain IRS publication 590-A, *contributions to individual retirement arrangements (IRAs)*, or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

**L. Transfer Due to Divorce** – If all or any part of your Roth IRA is awarded to your spouse or former spouse in a divorce or legal separation proceeding, the amount so awarded will be treated as the spouse's Roth IRA (and may be transferred pursuant to a court-approved divorce decree or written legal separation agreement to another Roth IRA of your spouse), and will not be considered a taxable distribution to you. A transfer is a tax-free direct movement of cash and/or property from one Roth IRA to another.

**M. Recharacterizations** – If you make a contribution to a Traditional IRA and later recharacterize either all or a portion of the original contribution to a Roth IRA along with net income

attributable, you may elect to treat the original contribution as having been made to the Roth IRA. The same methodology applies when recharacterizing a contribution from a Roth IRA to a Traditional IRA. The deadline for completing a recharacterization is your tax filing deadline (including any extensions) for the year for which the original contribution was made. You may not recharacterize a Roth IRA conversion or an employer-sponsored retirement plan rollover.

## N. Fees and Expenses

### *Custodian's fees*

The following is a list of the fees charged by the custodian for maintaining a Roth IRA.

Account installation fee	\$0.00
Annual maintenance fee per mutual fund installation fee	\$25.00, maximum of \$50.00
Termination, rollover, or transfer or accounts to successor custodian	\$25.00, maximum of \$50.00

### *General fee policies*

- Fees may be paid by you directly, or the custodian may deduct them from your Roth IRA.
- Fees may be changed upon 30 day-written notice to you.
- The full annual maintenance fee will be charged for any calendar year during which you have a Roth IRA with us. This fee is not prorated for periods of less than one full year.
- If provided for in this Disclosure Statement or the Adoption Agreement, termination fees are charged when your account is closed whether the funds are distributed to you or transferred to a successor custodian or trustee.
- The Custodian may charge you for its reasonable expenses for services not covered by its fee schedule.

### *Other charges*

There may be sales or other charges associated with the purchase or redemption of shares of a fund in which your Roth IRA is invested. Before investing, be sure to review the current prospectus of any fund you are considering as an investment for your Roth IRA for a description of applicable charges.

## O. Tax Matters

### **What IRA reports does the custodian issue?**

The custodian will report all withdrawals to the IRS and the recipient using Form 1099-R. For reporting purposes, a direct transfer of assets to a successor custodian or trustee is not considered a withdrawal or a recharacterization of a Roth IRA contribution back to a traditional IRA).

The custodian will report to the IRS the year-end value of your account and the amount of any rollover or a regular annual contribution made during a calendar year, as well as the tax year for which a contribution is made. Unless the custodian receives an indication from you to the contrary, it will treat any amount as a contribution for the tax year in which it is received. It is

most important that a contribution between January and April 15 for the prior year be clearly designated as such.

### **What tax information must I report to the IRS?**

You must file Form 5329 with the IRS for each taxable year for which you made an excess contribution or you take a premature withdrawal that is subject to the 10% penalty tax, IRA. If your beneficiary fails to make required withdrawals from your Roth IRA after your death, your beneficiary may be subject to an excise tax and be required to file Form 5329

- P. Account Termination** – You may terminate your Roth IRA at any time after its establishment by sending a completed withdrawal form (or other withdrawal instructions in a form acceptable to the custodian), or a transfer authorization form, to:

Morgan Stanley Funds  
P.O. Box 219804  
Kansas City, MO 64121

Your Roth IRA with UMB Bank, n.a. will terminate upon the first to occur of the following:

- The date your properly executed withdrawal form or instructions (as described above) withdrawing your total Roth IRA balance is received and accepted by the custodian or, if later, the termination date specified in the withdrawal form.
- The date the Roth IRA ceases to qualify under the tax code. This will be deemed a termination.
- The transfer of the Roth IRA to another custodian/trustee.

Any outstanding fees must be received prior to such a termination of your account.

The amount you receive from your Roth IRA upon termination of the account will be treated as a withdrawal, and thus the rules relating to Roth IRA withdrawals will apply. For example, if the IRA is terminated before you reach age 59½, the 10% early withdrawal penalty may apply to the taxable amount you receive.

- Q. Additional Information-** For additional information you may write to the following address or call the following telephone number.

Morgan Stanley Funds  
P.O. Box 219804  
Kansas City, MO 64121  
Phone: 1-800-869-6397

## **LIMITATIONS AND RESTRICTIONS**

- A. Spousal Roth IRA** – If you are married and have compensation for the taxable year for which the contribution is made, you may contribute to a Roth IRA established for the benefit of your spouse, regardless of whether or not your spouse has compensation. You must file a joint income tax return for the year for which the contribution is made.

The amount you may contribute to your Roth IRA and your spouse's Roth IRA is the lesser of 100 percent of your combined eligible compensation or \$14,000 for 2025. This

amount may be increased with cost-of-living adjustments each year. However, you may not contribute more than the individual contribution limit to each Roth IRA. Your contribution may be further limited if your MAGI falls within the minimum and maximum thresholds.

If your spouse is age 50 or older by the close of the taxable year, and is otherwise eligible, you may make an additional contribution to your spouse's Roth IRA. The maximum additional contribution is \$1,000 per year. This amount is subject to possible cost-of-living adjustments each year beginning in 2025.

- B. Gift Tax** – Transfers of your Roth IRA assets to a beneficiary made during your life and at your request may be subject to federal gift tax under IRC Sec. 2501.
- C. Special Tax Treatment** – Capital gains treatment and 10-year income averaging authorized by IRC Sec. 402 do not apply to Roth IRA distributions.
- D. Prohibited Transactions** – If you or your beneficiary engage in a prohibited transaction with your Roth IRA, as described in IRC Sec. 4975, your Roth IRA will lose its tax-deferred or tax-exempt status, and you generally must include the value of the earnings in your account in your gross income for that taxable year. The following transactions are examples of prohibited transactions with your Roth IRA. (1) Taking a loan from your Roth IRA (2) Buying property for personal use (present or future) with Roth IRA assets (3) Receiving certain bonuses or premiums because of your Roth IRA.
- E. Pledging** – If you pledge any portion of your Roth IRA as collateral for a loan, the amount so pledged will be treated as a distribution and may be included in your gross income for that year.

## **OTHER**

- A. IRS Plan Approval** – Articles I through VIII of the agreement used to establish this Roth IRA have been approved by the IRS. The IRS approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.
- B. Additional Information** – For further information on Roth IRAs, you may wish to obtain IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), or Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), by calling 800-TAX-FORM, or by visiting [www.irs.gov](http://www.irs.gov) on the Internet.
- C. 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 organizations to obtain, verify, and record information that identifies each person who opens an account. Therefore, when you open a Roth IRA, you are required to provide your name, residential address, date of birth, and identification number. We may require other information that will allow us to identify you.

**D. Qualified Reservist Distributions** – If you are an eligible qualified reservist who has taken penalty-free qualified reservist distributions from your Roth IRA or retirement plan, you may retribute those amounts to a Roth IRA generally within a two-year period from your date of return.

**E. Qualified Charitable Distributions** – If you are age 70½ or older, you may be eligible take tax-free Roth IRA distributions of up to \$108,000 (for 2025) per year and have these distributions paid directly to certain charitable organizations. This amount is subject to possible cost-of-living adjustments each year beginning in tax year 2025. A qualified charitable distribution also includes a one-time charitable distribution of up to \$50,000 to a split interest entity (i.e., charitable gift annuity, charitable remainder unitrust, and charitable remainder annuity trust). Special tax rules may apply. For further detailed information and effective dates you may obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

**F. Disaster Related Relief** – If you qualify (for example, you sustained an economic loss due to, or are otherwise considered affected by a federally-declared disaster in a specified disaster area, you may be eligible for favorable tax treatment on distributions, rollovers, and other transactions involving your Roth IRA. Qualified disaster relief includes an automatic 60-day extension to perform certain acts and may include penalty-tax free early distributions made during specified timeframes for each disaster, the ability to include distributions in your gross income ratably over multiple years, the ability to roll over distributions to an eligible retirement plan without regard to the 60-day rollover rule, and more.

**Qualified Disaster Recovery Distribution.** If your principal residence is located in a qualified disaster area and you have sustained an economic loss by reason of such disaster, you may receive up to \$22,000 per disaster in aggregate distributions from your retirement plan and IRA's as qualified disaster recovery distributions. A qualified disaster is any major disaster declared by the President under section 401 of the Robert T Stafford Relief and Emergency Assistance Act after January 26, 2021. These distributions are not subject to the 10 percent early distribution penalty tax. In addition, unless you elect otherwise, any amount required to be included in your gross income for such taxable year shall be included ratably over a three-taxable year period, beginning with the taxable year of the distribution. Qualified disaster recovery distributions may be repaid at any time generally within a three-year period beginning on the day after the date the distribution was received.

**Repayments of Withdrawals for Home Purchase.** If you received a qualified first time homebuyer distribution to purchase or construct a principal residence in the qualified disaster area, but which was not used on account of the qualified disaster, you are able to repay the distribution within 180 days of the applicable date of such disaster. The distribution must have been made during the period (1) beginning 180 days before the first day of the FEMA declared incident period, and (2) ending 30 days after the last day of the FEMA declared incident period.

For additional information on specific disasters, including a complete listing of disaster areas, qualification requirements for relief, and allowable disaster-related Roth IRA transactions, you may wish to obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).



# UMB Bank, n.a.

## Universal Individual Retirement Account Custodial Agreement

### Part 1. ROTH IRA Owner Information

(Deceased Individual if Established as Inherited ROTH IRA)

Name		Taxpayer ID Number
Residence Address		
Mailing Address		
Home Phone Number	Mobile Phone Number	Email Address
Date of Birth		Date of Death (if applicable)

### Part 1B. Inherited ROTH IRA Owner Information

(Complete this section for Inherited ROTH IRAs Only)

**Note:** Inherited IRAs may only be established with assets acquired by a nonspouse beneficiary due to the death of the individual named above.

Name	Taxpayer ID Number	Date of Birth
Residence Address		
Mailing Address		
Primary Phone	Email Address	

U.S. Citizenship Status: ☐ Citizen ☐ Resident Alien

### Part 2. Electronic Delivery

Morgan Stanley is pleased to offer planet-friendly electronic delivery of fund documents. If you consent to electronic delivery, when a statement or a new prospectus or Shareholder report becomes available, you will be notified by e-mail. The email will provide a secure link for you to login to your account to view or download your most recent statement(s), or provide a URL for you to view your new prospectus or Shareholder report online. Please note that no confidential information will be sent over the Internet. In order to view your account statements, you must set up an online account with a User ID and secure password. Your enrollment in e-delivery will remain in effect as long as your account remains active or until you cancel your enrollment. You may change your email address of record or cancel your enrollment in e-delivery at any time at [morganstanley.com](http://morganstanley.com) or by calling one of our Investor Service Representatives during normal business hours at 1-800-869-6397. If you cancel your enrollment in e-delivery, you will automatically receive printed materials in the mail.

I consent to have the following checked fund documents delivered to me electronically at the e-mail address provided below:

☐ Account Statements

☐ Prospectus and Shareholder Reports

☐ Daily Confirmations (*Morgan Stanley will email you when certain online account activity is initiated on your account*)

E-mail Address: \_\_\_\_\_

In order for you to receive notifications and to view your fund documents, you will need a valid email address, a personal computer with appropriate web browser and email software, access to the internet, and Adobe Acrobat viewer software to view PDF-formatted documents (available free of charge at [www.adobe.com](http://www.adobe.com)). Please note that although there is no charge for e-delivery, there may be costs, such as usage charges from Internet access providers, and risks, such as system outages, associated with electronic access to our documents. These costs and risks are your responsibility.

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### Part 3. Contribution Information

Source of Funds (Select One):

☐ Regular/Spousal Contribution      Amount: \_\_\_\_\_      Tax Year: \_\_\_\_\_

☐ Conversion      Current Morgan Stanley Account/Plan Number: \_\_\_\_\_

Current Account Type:   ☐ Traditional IRA   ☐ SEP IRA   ☐ SIMPLE IRA\*

\*You may not convert SIMPLE IRA assets to Roth IRA until at least two years have elapsed from the time of your initial participation in your employer's SIMPLE IRA plan.

Is the conversion being completed within 60 days of receipt of the distribution?

☐ Yes   ☐ No (Note: Conversion contributions typically must be made within 60 days of distribution. Conversion contributions beyond 60 days will only be accepted if accompanied by a Self-Certification of Late Rollover/Conversion form.)

☐ Check here if a Self-Certification of Late Rollover/Conversion form is attached.

☐ Not Applicable this is a direct conversion

☐ Direct Transfer (Note: Select this option only if you are transferring assets directly from another Roth IRA)

☐ Rollover      Source: ☐ Roth IRA      ☐ Employer-Sponsored Plan (e.g., 401(a), 401(k), 403(b), governmental 457(b))

Is the rollover being completed within 60 days of receipt of the distribution?

☐ Yes   ☐ No (Note: Rollovers contributions typically must be made within 60 days of distribution. Rollover contributions beyond 60 days will only be accepted if accompanied by a Self-Certification of Late Rollover/Conversion form.)

☐ Check here if a Self-Certification of Late Rollover/Conversion form is attached.

☐ Not Applicable this is a direct rollover from an employer-sponsored plan

☐ Other      Explain: \_\_\_\_\_

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### Part 4. Payment Method

You can open your account using any of these methods. Please check your choice:

☐ By Check (Payable to Morgan Stanley for the total amount)      ☐ Other (Please refer to Part 8)

Part 5. Portfolio and Class Section

Please indicate Portfolio, class, and amount for purchase of the following Portfolio(s):

Morgan Stanley Institutional Fund Trust Portfolios

Class IS shares minimum: \$10,000,000 for each Portfolio  
Class A shares minimum: \$1,000 for each Portfolio

Corporate Bond Portfolio

<input type="checkbox"/> CLASS I SHARES (8136)	\$
<input type="checkbox"/> CLASS A SHARES (8184)	\$
<input type="checkbox"/> CLASS C SHARES (8526)	\$

Global Multi-Asset Income Portfolio

<input type="checkbox"/> CLASS IS SHARES (8234)	\$
<input type="checkbox"/> CLASS I SHARES (8233)	\$
<input type="checkbox"/> CLASS A SHARES (8232)	\$
<input type="checkbox"/> CLASS C SHARES (8531)	\$

Global Strategist Portfolio

<input type="checkbox"/> CLASS IS SHARES (8533)	\$
<input type="checkbox"/> CLASS I SHARES (8146)	\$
<input type="checkbox"/> CLASS A SHARES (8186)	\$
<input type="checkbox"/> CLASS C SHARES (8501)	\$

Class I shares minimum: \$5,000,000 for each Portfolio  
Class C shares minimum: \$1,000 for each Portfolio

High Yield Portfolio

<input type="checkbox"/> CLASS IR SHARES (8721)	\$
<input type="checkbox"/> CLASS IS SHARES (8221)	\$
<input type="checkbox"/> CLASS I SHARES (8108)	\$
<input type="checkbox"/> CLASS A SHARES (8110)	\$
<input type="checkbox"/> CLASS C SHARES (8528)	\$

Mid Cap Growth Portfolio

<input type="checkbox"/> CLASS IS SHARES (8215)	\$
<input type="checkbox"/> CLASS I SHARES (8128)	\$
<input type="checkbox"/> CLASS A SHARES (8188)	\$

Strategic Income Portfolio

<input type="checkbox"/> CLASS IS SHARES (8225)	\$
<input type="checkbox"/> CLASS I SHARES (8223)	\$
<input type="checkbox"/> CLASS A SHARES (8222)	\$
<input type="checkbox"/> CLASS C SHARES (8530)	\$

## Part 5. Portfolio and Class Section (continued)

Please indicate Portfolio, class, and amount for purchase of the following Portfolio(s):

### Morgan Stanley Institutional Fund, Inc. Portfolios

Class IS shares minimum: \$10,000,000 for each Portfolio

Class A shares minimum: \$1,000 for each Portfolio

#### Active International Allocation Portfolio

<input type="checkbox"/> CLASS I SHARES (8056)	\$
<input type="checkbox"/> CLASS A SHARES (8034)	\$
<input type="checkbox"/> CLASS C SHARES (8503)	\$

#### Advantage Portfolio

<input type="checkbox"/> CLASS IS SHARES (8202)	\$
<input type="checkbox"/> CLASS I SHARES (8045)	\$
<input type="checkbox"/> CLASS A SHARES (8046)	\$
<input type="checkbox"/> CLASS C SHARES (8504)	\$

#### Asian Equity Portfolio

<input type="checkbox"/> CLASS I SHARES (8164)	\$
<input type="checkbox"/> CLASS A SHARES (8165)	\$
<input type="checkbox"/> CLASS C SHARES (8505)	\$

#### Asia Opportunity Portfolio

<input type="checkbox"/> CLASS IS SHARES (8539)	\$
<input type="checkbox"/> CLASS I SHARES (8537)	\$
<input type="checkbox"/> CLASS A SHARES (8536)	\$
<input type="checkbox"/> CLASS C SHARES (8538)	\$

#### Emerging Markets Fixed Income Opportunities

<input type="checkbox"/> CLASS IS SHARES (8204)	\$
<input type="checkbox"/> CLASS I SHARES (8120)	\$
<input type="checkbox"/> CLASS A SHARES (8127)	\$
<input type="checkbox"/> CLASS C SHARES (8527)	\$

#### Emerging Markets Leaders Portfolio

<input type="checkbox"/> CLASS IS SHARES (8229)	\$
<input type="checkbox"/> CLASS I SHARES (8227)	\$
<input type="checkbox"/> CLASS A SHARES (8226)	\$
<input type="checkbox"/> CLASS C SHARES (8507)	\$

#### Emerging Markets Portfolio

<input type="checkbox"/> CLASS IR SHARES (8705)	\$
<input type="checkbox"/> CLASS IS SHARES (8205)	\$
<input type="checkbox"/> CLASS I SHARES (8071)	\$
<input type="checkbox"/> CLASS A SHARES (8044)	\$
<input type="checkbox"/> CLASS C SHARES (8506)	\$

Class I shares minimum: \$5,000,000 for each Portfolio

Class C shares minimum: \$1,000 for each Portfolio

#### Emerging Markets Small Cap

<input type="checkbox"/> CLASS IS SHARES (8543)	\$
<input type="checkbox"/> CLASS I SHARES (8541)	\$
<input type="checkbox"/> CLASS A SHARES (8540)	\$
<input type="checkbox"/> CLASS C SHARES (8542)	\$

#### Frontier Markets Portfolio

<input type="checkbox"/> CLASS IS SHARES (8231)	\$
<input type="checkbox"/> CLASS I SHARES (8419)	\$
<input type="checkbox"/> CLASS A SHARES (8421)	\$
<input type="checkbox"/> CLASS C SHARES (8508)	\$

#### Global Advantage Portfolio

<input type="checkbox"/> CLASS I SHARES (8023)	\$
<input type="checkbox"/> CLASS A SHARES (8025)	\$
<input type="checkbox"/> CLASS C SHARES (8509)	\$

#### Global Endurance Portfolio

<input type="checkbox"/> CLASS IS SHARES (8253)	\$
<input type="checkbox"/> CLASS I SHARES (8252)	\$
<input type="checkbox"/> CLASS A SHARES (8254)	\$
<input type="checkbox"/> CLASS C SHARES (8255)	\$

#### Global Franchise Portfolio

<input type="checkbox"/> CLASS IS SHARES (8532)	\$
<input type="checkbox"/> CLASS I SHARES (8003)	\$
<input type="checkbox"/> CLASS A SHARES (8013)	\$
<input type="checkbox"/> CLASS C SHARES (8535)	\$

#### Global Opportunity Portfolio

<input type="checkbox"/> CLASS IR SHARES (8706)	\$
<input type="checkbox"/> CLASS IS SHARES (8206)	\$
<input type="checkbox"/> CLASS I SHARES (8065)	\$
<input type="checkbox"/> CLASS A SHARES (8066)	\$
<input type="checkbox"/> CLASS C SHARES (8512)	\$



## Part 5. Portfolio and Class Section (continued)

Please indicate Portfolio, class, and amount for purchase of the following Portfolio(s):

### Morgan Stanley Institutional Fund, Inc. Portfolios

Class IS shares minimum: \$10,000,000 for each Portfolio

Class A shares minimum: \$1,000 for each Portfolio

#### Global Sustain Portfolio

<input type="checkbox"/> CLASS IS SHARES (8220)	\$
<input type="checkbox"/> CLASS I SHARES (8217)	\$
<input type="checkbox"/> CLASS A SHARES (8219)	\$
<input type="checkbox"/> CLASS C SHARES (8513)	\$

#### Growth Portfolio

<input type="checkbox"/> CLASS IR SHARES (8708)	\$
<input type="checkbox"/> CLASS IS SHARES (8208)	\$
<input type="checkbox"/> CLASS I SHARES (8058)	\$
<input type="checkbox"/> CLASS A SHARES (8036)	\$
<input type="checkbox"/> CLASS C SHARES (8515)	\$

#### International Advantage Portfolio

<input type="checkbox"/> CLASS IS SHARES (8241)	\$
<input type="checkbox"/> CLASS I SHARES (8124)	\$
<input type="checkbox"/> CLASS A SHARES (8132)	\$
<input type="checkbox"/> CLASS C SHARES (8517)	\$

#### International Equity Portfolio

<input type="checkbox"/> CLASS IS SHARES (8209)	\$
<input type="checkbox"/> CLASS I SHARES (8063)	\$
<input type="checkbox"/> CLASS A SHARES (8038)	\$
<input type="checkbox"/> CLASS C SHARES (8518)	\$

Class I shares minimum: \$5,000,000 for each Portfolio

Class C shares minimum: \$1,000 for each Portfolio

#### International Opportunity Portfolio

<input type="checkbox"/> CLASS IR SHARES (8710)	\$
<input type="checkbox"/> CLASS IS SHARES (8210)	\$
<input type="checkbox"/> CLASS I SHARES (8005)	\$
<input type="checkbox"/> CLASS A SHARES (8028)	\$
<input type="checkbox"/> CLASS C SHARES (8519)	\$

#### Multi Asset Portfolio

<input type="checkbox"/> CLASS IS SHARES (8534)	\$
<input type="checkbox"/> CLASS I SHARES (8112)	\$
<input type="checkbox"/> CLASS A SHARES (8114)	\$
<input type="checkbox"/> CLASS C SHARES (8502)	\$

#### Small Company Growth Portfolio

<input type="checkbox"/> CLASS IS SHARES (8216)	\$
<input type="checkbox"/> CLASS I SHARES (8062)	\$
<input type="checkbox"/> CLASS A SHARES (8037)	\$

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## Part 6. Beneficiary Designation

Roth IRA Owner (or Inherited Roth IRA Owner) designate beneficiaries below. If the primary or contingent status is not indicated, the individual or entity will be considered a primary beneficiary. After your death, the Roth IRA assets will be distributed in equal shares (unless indicated otherwise) to the primary beneficiaries who survive you. If no primary beneficiaries are living when you die, the Roth IRA assets will be distributed in equal shares (unless otherwise indicated) to the contingent beneficiaries who survive you. The interest of any beneficiary that predeceases the Roth IRA owner terminates completely, and the percentage share of any remaining beneficiaries will be increased on a pro rata basis. You may revoke or change the beneficiary designation at any time by completing a new IRA Change of Beneficiary Form and providing it to the Custodian. To name a trust as your beneficiary, attach to this form either a copy of the trust agreement or a certification, in writing, acceptable to the IRA Custodian.

Type: ☐ Primary    ☐ Contingent    Share Percentage: \_\_\_\_\_ %    Relationship to IRA Owner: ☐ Spouse    ☐ Nonspouse

Name	Taxpayer ID Number	Date of Birth
Residence Address		

Type: ☐ Primary    ☐ Contingent    Share Percentage: \_\_\_\_\_ %    Relationship to IRA Owner: ☐ Spouse    ☐ Nonspouse

Name	Taxpayer ID Number	Date of Birth
Residence Address		

Type: ☐ Primary    ☐ Contingent    Share Percentage: \_\_\_\_\_ %    Relationship to IRA Owner: ☐ Spouse    ☐ Nonspouse

Name	Taxpayer ID Number	Date of Birth
Residence Address		

Type: ☐ Primary    ☐ Contingent    Share Percentage: \_\_\_\_\_ %    Relationship to IRA Owner: ☐ Spouse    ☐ Nonspouse

Name	Taxpayer ID Number	Date of Birth
Residence Address		

☐ Addendum attached for additional beneficiaries. If you need additional space to name beneficiaries, attach a separate sheet that includes all of the information requested above. Sign and date the sheet.

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## Part 7. Spousal Consent

Roth IRA owners who reside in or whose IRA is located in a community or marital property state should review this section. This section may have important tax consequences to you and your spouse so please consult with a competent advisor prior to completing. If you are not currently married and you marry in the future, you must complete a new beneficiary designation that includes the spousal consent provisions. If this is an Inherited IRA, seek competent legal/tax advice to see if spousal consent is required.

### Current Marital Status

- ☐ I am not married – I understand that if I become married in the future, I must complete a new beneficiary designation that includes the spousal consent provisions.
- ☐ I am married – I understand that if I designate a primary beneficiary other than my spouse, my spouse must sign below.

### Consent of Spouse

By signing below, I acknowledge that I am the spouse of the Roth IRA Owner and agree with and consent to my spouse's designation of a primary beneficiary other than, or in addition to, me. I have been advised to consult a competent advisor and I assume all responsibility regarding this consent. The Custodian has not provided me any legal or tax advice.

Signature of Spouse	Date
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Part 8. Automatic Investment Program and Bank Authorization

**Note:** Adding or changing bank information in the future will require a Medallion Signature Guarantee.

Complete this section to establish Bank Instructions on your account. You can select to use either the Automated Clearing House (ACH) privilege or the Federal Funds Wire privilege allowing you to transfer money directly between your Morgan Stanley IRA account and your bank account. Please select all applicable options and attach a voided check below.

☐ Establish Automated Clearing House (ACH) method:

This option allows you to move money between accounts upon request and processes within 3-5 business days.

Once this option has been added, there will be a 10 business day pre-note period before the bank instructions can be used. Choose applicable options below:

☐ Use to Redeem    ☐ Use to Contribute    ☐ Use for Automatic Investment Plan – Details provided below

☐ Establish Federal Funds Wire method – For Redemption proceeds to be wired upon request.

This option can be used to move money from your Morgan Stanley IRA account to your bank account. The money moves within 1-2 business days. Please check with your banking institution for proper instructions and any fees that could be incurred.

The bank ABA/Routing Number for wire transactions often differs from what is printed on your checks. Please check with your bank to confirm the proper ABA/Routing Number for wire transactions.

Contributions made to your IRA using the automatic investment option will be for the current tax year. This option allows you to automatically invest a minimum of \$100 per fund per quarter from your bank account into your Morgan Stanley account on a regular basis. Minimum initial investment requirements are waived for most funds provided you establish a \$50 per fund per quarter investment plan.

Tape your voided check or preprinted deposit slip here. Please do not use staples. This Account Application must be preceded or accompanied by the appropriate prospectus(es) or summary prospectus(es). Please refer to the Fund Selection Form to obtain the appropriate fund number(s). Be sure the funds you want are currently open to new investors. Please note that we are not able to accept cash, money orders or traveler’s checks. There is a 10-day holding period placed on investments purchased via check.

Amount and Frequency

Transfer \$ \_\_\_\_\_ from my bank account to \_\_\_\_\_  
(Morgan Stanley Fund Name)

☐ Monthly, on the \_\_\_\_\_ day of each month.

☐ Quarterly, on the \_\_\_\_\_ day of January, April, July, and October.

☐ Other: \_\_\_\_\_

Type of Bank Account: ☐ Checking    ☐ Savings

Tape your voided check or preprinted deposit slip here.  
Please do not use staples.

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**Part 9. Broker/Firm Information. Please designate your broker or financial advisor.**

By designating a financial intermediary or financial advisor, I hereby authorize the Fund, its Transfer Agent and its Principal Underwriter to accept instructions from and transmit information (such as statements) to such designee concerning my account. Please note: Morgan Stanley Investment Management Distributors, Inc. strongly encourages the use of a financial advisor when purchasing shares of Morgan Stanley Funds. If you do not designate a financial intermediary below, all transactions placed directly with the Fund are deemed to be unsolicited orders. If you do not designate an advisor, sales charges and fees will be paid to Morgan Stanley Investment Management Distributors, Inc., the Fund's underwriter and distributor.

Firm Name		E-mail Address
Registered Rep. Name		Representative's Assistant
Branch Address		
Main Office Phone Number	Branch Phone Number	Fax Number
Firm Number	Firm-Assigned Branch Number	Firm-Assigned Registered Rep. Number

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**Part 10. Right of Accumulation Discount/Letter of Intent (Optional)**

You may reduce your Class A sales charge by establishing a Letter of Intent. To qualify for a reduced sales charge on purchases of Class A shares, I agree to the Letter of Intent and escrow agreement conditions set forth in the Fund's prospectus. Although I am not obligated to do so, I intend to invest an aggregate amount which, together with investments made to Morgan Stanley Funds (excluding reinvested dividends, capital gains or appreciation), will equal or exceed the amount selected below. If during the 13-month period you redeem any of the shares that you purchased pursuant to the statement of intention, the value of the redeemed shares will not be included for purposes of satisfying your Letter of Intent.

☐ \$50,000    ☐ \$100,000    ☐ \$250,000    ☐ \$500,000    ☐ \$1,000,000 or more

Part of my shares will be held in escrow. If I do not invest the amount indicated, within 13 months, Morgan Stanley can redeem the escrowed shares to satisfy the sales charge.

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**Part 10B. Right of Accumulation (if applicable)/Letter of Intent**

Provide all eligible Morgan Stanley Accounts numbers (or SSNs) for Rights of Accumulation or Letter of Intent (use additional sheet if necessary):

Account(s) or SSN(s)	Account(s) or SSN(s)
Account(s) or SSN(s)	Account(s) or SSN(s)

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**Part 11. Marijuana Related Business (MRB) Policy****Marijuana-Related Business Question:**

Is the Client a Marijuana-Related Business, involved with a Marijuana-Related Business, or derives revenue from or substantially invests in a Marijuana-Related Business?

☐ YES    ☐ NO

**Definition:**

A Marijuana-Related Business includes: 1) an individual or entity directly involved in the manufacturing, production, sale or distribution of marijuana, whether for medicinal, recreational, or any other use; 2) an individual or entity that derives a substantial source of wealth, compensation, revenue or income from marijuana-related activity (e.g., service providers that cater largely to Marijuana-Related Businesses, commercial lessors that lease property to Marijuana-Related Businesses, etc.); or 3) an individual or entity that is directly and predominantly involved in supplying products, equipment or material intended or designed for use in furtherance of the manufacturing, production, sale, use or distribution of marijuana (e.g., marijuana LED grow-lights, marijuana grow tents, hydroponics, etc.).



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## Part 12. Acknowledgement

Note: This application will not be processed unless signed below by the Roth IRA Owner (or Inherited Roth IRA Owner.)

By signing this Roth IRA Application, I certify that the information I have provided is true, correct, and complete, and the Custodian may rely on what I have provided. In addition, I have read and received copies of the Roth IRA Application, IRS Form 5305-RA, Disclosure Statement and Financial Disclosure, including the applicable fee schedule. I agree to be bound to their terms and conditions. I understand that I am responsible for the Roth IRA transactions I conduct, and I will indemnify and hold the Custodian harmless from any consequences related to executing my directions. If I have indicated any amounts as “carryback” contributions, I understand the contributions will be credited for the prior tax year. I understand that if the deposit establishing the Roth IRA contains rollover dollars, I elect to irrevocably designate this deposit as a rollover contribution. If I am an Inherited Roth IRA Owner, I understand the distribution requirements and the contribution limitations applicable to Inherited Roth IRA Owners. I have been advised to seek competent legal and tax advice and have not been provided any such advice from the Custodian.

If I have not designated a financial intermediary herein, I certify that if I am making the investment decisions set forth on this application without the help of a financial advisor and I make these investment decisions without solicitation, suitability determination or advice or recommendation provided by Morgan Stanley, Morgan Stanley Investment Management Distributors, Inc. or their affiliates.

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## Part 13. Roth IRA Adoption Agreement

Terms and Conditions: I, the Participant, acknowledge receiving and reading the Roth IRA Application and Adoption Agreement Instructions, the Roth IRA Combined Disclosure Statement, the Roth IRA Custodial Account Agreement, the Roth IRA Custodial Account Agreement and the Privacy Notice (the “Account Documents”). I acknowledge receiving and reading the current prospectus for each Mutual Fund I may have designated for investment. The Custodian, upon proper instructions from me, is authorized to exchange units of one Eligible Asset for units of any other Eligible Asset and to purchase units of any Eligible Asset with the proceeds of any redemption.

In the event any asset or property held in the custodial account (or any asset or property previously subject to the operation of this section and administered by the Custodian) is redeemed or liquidated, matures, or is otherwise converted to cash or other property (a “Liquidation”) for any reason or under any circumstances and the Custodian does not receive timely instructions designating what it should do with the proceeds of such Liquidation (the “Proceeds”) from any person lawfully entitled to give instructions with respect to the account, including without limitation the registered owner of the custodial account (“Owner”) and successors and representatives of the Owner, including beneficiaries, heirs, executors, and administrators, or other proper persons or entities, or instructions are received but they cannot reasonably or practicably be carried out as given or are ambiguous or unclear, the Owner expressly directs and authorizes the Custodian to take “Any Reasonable Course Of Conduct”. “Any Reasonable Course Of Conduct” is hereby defined to mean a course of conduct that the Custodian determines to be reasonable under the circumstances—this course of conduct may include any one or more of the following, but it is not limited to the following: (i) depositing Proceeds in an FDIC-insured bank account or any other account, or using Proceeds to purchase shares of a money market mutual fund or any other asset or property, (ii) distributing Proceeds to persons the Custodian reasonably determines to be lawfully entitled to distributions from the account, (iii) holding Proceeds un-invested in a general account of the Custodian or other depository and (iv) resigning as Custodian and engaging in a course of conduct, including any described in clauses (i) through (iii), outright and free of trust, if the Owner does not appoint a Custodian which immediately accepts transfer of all Proceeds, although nothing in this clause (iv) shall be interpreted to obligate the Custodian to resign before taking any course of conduct, including any described in clauses (i) through (iii).

In the event any agreement or understanding (other than this custodial account agreement) pursuant to which or in consideration of which the Custodian serves as custodian of the Account is terminated (and is not renewed or replaced) and a successor custodian does not take custody of the account in connection with or following such termination, the Custodian, after not less than 30 days notice to the Owner or such other persons as the Custodian reasonably determines to be entitled to give instructions with respect to the account, may (i) take Any Reasonable Course Of Conduct with respect to any assets or property in the custodial account, any Proceeds or any asset or property previously subject to the operation of this section and still administered by the Custodian, and (ii) may reset custodial fees charged to and owed by the account owner to the Custodian to an amount equal to the costs of maintaining the account.

The Custodian is authorized to pay or recover any costs and expenses associated with taking Any Reasonable Course of Conduct by utilizing the assets, property or Proceeds involved or by retaining a portion of such in a reserve and subsequently distributing any unused portion of the reserve. To offset administrative costs of the Custodian under any of the above described circumstances not otherwise recovered the Custodian shall be entitled to retain for its own account any incidental benefits earned in connection with taking Any Reasonable Course of Action, including “float”, bank service credits or overnight investment earnings.

The Custodian shall not be liable for any action taken in reliance on this section, unless such liability is required by the Internal Revenue Code or regulations implementing the Internal Revenue Code, and the Owner expressly waives and releases the Custodian from all such liability. Without limiting the generality of the foregoing, in the event the Custodian makes a distribution from the account to the persons it reasonably determines to be entitled to account distributions, the owner and such persons shall bear sole responsibility for any taxes, fines, assessments, penalties, levies, tariffs, or other liabilities or consequences of any nature arising or resulting from the distribution, including non-monetary liabilities or consequences, and for taking any actions following the distribution to avoid or mitigate any liabilities or consequences.

This section shall not be interpreted so as to impose any duty of any nature on the Custodian if any one or more of the events described in this section occurs, whether a duty to take or omit to take any act in particular, to place Proceeds in any particular asset or property, to take possession of Proceeds if possession is discretionary, to exercise discretionary investment authority over the account, or to distribute Proceeds to the Owner. For purposes of clarification, it is the intention of this section to provide the Custodian with the broadest possible discretion permitted by law, including the discretion to hold Proceeds un-invested.

The Owner authorizes the Custodian to escheat or otherwise remit to appropriate jurisdictions in accordance with applicable abandoned property or other laws any assets or property in the custodial account, any Proceeds or any asset or property previously subject to the operation of this section and still administered or held by the Custodian, and to the extent any of the foregoing consists of anything other than cash, the Custodian may escheat or remit the non-cash asset, property or Proceeds or the cash resulting from a liquidation of such non-cash asset, property or Proceeds.

The account owner acknowledges and accepts the risks of owning the account as described in this section, including the investment risks and tax consequences of the Custodian taking Any Reasonable Course Of Conduct.

I hereby establish an Individual Retirement Account ("IRA") in accordance with instructions provided on these pages entitled Roth Individual Retirement Account (IRA) Application and Adoption Agreement and agree to participate under the terms and conditions contained in the Account Documents and on the aforementioned pages (the "Full Agreement"). (My IRA account with the Custodian is called the "IRA Account" on this page).

I agree that this IRA becomes effective only upon written acceptance by the Custodian and that such written acceptance will consist of a confirmation of transaction statement.

I agree that the Custodian may amend (add to, delete from or revise) any term of the Full Agreement at any time by notice to me and that my sole remedy if I disagree with the amendment is to transfer funds in the IRA Account to another custodian. I agree that the Full Agreement is binding on me and on my successors in interest.

Each contribution to my IRA will be invested in accordance with the written instructions I provide with respect to that contribution. In the event that this is a rollover contribution, the undersigned hereby irrevocably elects, pursuant to the requirements of Section 1.402(a)(5)-1T of the IRS regulations, to treat this contribution as a rollover contribution.

**Custodial Fees:** \$25 annual maintenance fee per fund, per account, up to a maximum amount of \$50 per year. This fee is owed and due for each full and partial calendar year that the IRA Account is open. This fee may be paid in advance. The participant may pay the fee with funds other than those in the IRA Account ("non-custodial funds"). If the fee for a calendar year is not paid by the participant from non-custodial funds by the date reasonably designated by the Custodian or prior to closing the IRA Account, the Custodian is authorized to deduct the fee from funds in the IRA Account at any time immediately after such payment due date or immediately after receiving instructions to close the IRA Account. The Custodian is authorized to change the fee but will give at least 30 days written notice to the participant of any fee change. The Custodian will keep those records, identify and file returns and provide other information concerning the IRA as required of custodians by the Internal Revenue Code and any regulations issued or forms adopted by the Internal Revenue Service or U.S. Treasury Department.

I understand that the telephone transaction privileges will apply to my account. If I have telephone transaction privileges, I agree that neither the Custodian, Morgan Stanley Investment Management, nor their transfer agent, their agents, officers, trustees, directors or employees will be liable for any loss, liability or expense for acting, or refusing to act on instructions given under the telephone transaction privileges that are reasonably believed to be genuine and I accept the risk of loss.

I direct that all benefits upon my death be paid as indicated on the beneficiary designation. If I named a beneficiary that is a Trust, I understand I must provide certain information concerning such Trust to the Custodian.

I (the Participant) certify under penalties of perjury that (i) all information I have provided on this form or otherwise in connection with establishing my IRA is true, correct, and complete, and (ii) I am a US person (including a US resident alien) and that my Social Security Number is true, correct and complete and that this number is my Taxpayer Identification Number. (Foreign persons must use appropriate Form W-8).

Certification Under Interest and Dividend Compliance Act of 1983. As required by law and under penalties of perjury, I certify that I am a U.S. citizen, or resident, or (1) the Social Security or other taxpayer identification number (TIN) provided on this application is my correct TIN, and (2) currently I am not under IRS notification that I am subject to backup withholding. (Please strike out clause (2) if you are currently under notification.) (3) I am a U.S. person (including a U.S. resident alien). If a TIN is not supplied, the Fund or Insured Plus Account withholds 30% of reportable dividends or interest and/or redemptions, and your account may be closed, unless you are not a U.S. citizen or resident.

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 of Roth IRA Owner (or Inherited IRA Owner)	Date
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## U.S. Customer Privacy Notice

FACTS	WHAT DOES MSIM DO WITH YOUR PERSONAL INFORMATION?
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<b>WHY?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<b>WHAT?</b>	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> <li>• Social Security number and income</li> <li>• Investment experience and risk tolerance</li> <li>• Checking account information and wire transfer instructions</li> </ul>
<b>HOW?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons MSIM chooses to share; and whether you can limit this sharing.

REASONS WE CAN SHARE YOUR PERSONAL INFORMATION	DOES MSIM SHARE?	CAN YOU LIMIT THIS SHARING?
<b>For our everyday business purposes</b> —such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes</b> —to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes</b> —information about your transactions and experiences	Yes	No*
<b>For our affiliates' everyday business purposes</b> —information about your creditworthiness	Yes	Yes*
<b>For our affiliates to market to you</b>	Yes	Yes*
<b>For nonaffiliates to market to you</b>	No	We don't share

<b>TO LIMIT OUR SHARING</b>	Call toll-free: (844) 312-6327 or email: <a href="mailto:msimprivacy@morganstanley.com">msimprivacy@morganstanley.com</a> . Please include your name, address, and first three digits (and only the first three digits) of your account number in the email. If we serve you through an investment professional, please contact them directly. Specific Internet addresses, mailing addresses, and telephone numbers are listed on your statements and other correspondence.  <b>Please note:</b> If you are a new customer, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.
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<b>QUESTIONS?</b>	Call toll-free: (844) 312-6327 or email: <a href="mailto:msimprivacy@morganstanley.com">msimprivacy@morganstanley.com</a>
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<b>WHO WE ARE</b>	
<b>Who is providing this notice?</b>	Morgan Stanley Investment Management Inc. and its investment management affiliates ("MSIM") (See Affiliates definition below.)

WHAT WE DO	
<b>How does MSIM protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We have policies governing the proper handling of customer information by personnel and requiring third parties that provide support to adhere to appropriate security standards with respect to such information.
<b>How does MSIM collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>• open an account or make deposits or withdrawals from your account</li> <li>• buy securities from us or make a wire transfer</li> <li>• give us your contact information</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing. (See below for more on your rights under state law.)</p>
<b>What happens when I limit sharing for an account I hold jointly with someone else?</b>	Your choices will apply to everyone on your account

DEFINITIONS	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• <i>Our affiliates include registered investment advisers such as Eaton Vance Management and Calvert Research and Management, registered brokerdealers such as Morgan Stanley Distribution, Inc. and Eaton Vance Distributors, Inc., and registered and unregistered funds sponsored by Morgan Stanley Investment Management such as the registered funds within Morgan Stanley Institutional Fund, Inc. (together, the "Investment Management Affiliates"); and companies with a Morgan Stanley name and financial companies such as Morgan Stanley Barney LLC and Morgan Stanley &amp; Co. (the, "Morgan Stanley Affiliates").</i></li> </ul>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• <i>MSIM does not share with nonaffiliates so they can market to you.</i></li> </ul>
<b>Joint marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>• <i>MSIM does not jointly market.</i></li> </ul>

OTHER IMPORTANT INFORMATION	
<p><b>* PLEASE NOTE: MSIM does not share your creditworthiness information or your transactions and experiences information with the Morgan Stanley Affiliates, nor does MSIM enable the Morgan Stanley Affiliates to market to you. Your opt outs will prevent MSIM from sharing your creditworthiness information with the Investment Management Affiliates and will prevent the Investment Management Affiliates from marketing their products to you.</b></p>	
<p><b>Vermont:</b> Except as permitted by law, we will not share personal information we collect about Vermont residents with Nonaffiliates unless you provide us with your written consent to share such information.</p>	
<p><b>California:</b> Except as permitted by law, we will not share personal information we collect about California residents with Nonaffiliates and we will limit sharing such personal information with our Affiliates to comply with California privacy laws that apply to us.</p>	



*This Canadian Offering Memorandum constitutes an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale, and only by persons permitted to sell these securities. This Canadian Offering Memorandum is not, and under no circumstances is to be construed as, an advertisement or a public offering of these securities in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of these securities, and any representation to the contrary is an offence.*

# **CANADIAN OFFERING MEMORANDUM**

## **DATED FEBRUARY 2025**

### **MORGAN STANLEY INSTITUTIONAL FUND TRUST**

#### **(the “Trust”)**

**Private Placement in Canada of Shares (the “Shares”) of the Discovery Portfolio, Dynamic Value Portfolio, the Global Strategist Portfolio, the Corporate Bond Portfolio, the High Yield Portfolio, the Ultra-Short Income Portfolio and any other Portfolios of the Trust offered under this Canadian Offering Memorandum (each a “Fund” and together the “Funds”)**

#### **THE OFFERING**

The Shares are being offered in Canada in the Provinces of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec and Saskatchewan as part of an offering that is being made in one or more other countries (the “Offering”). The Offering is described in the attached summary prospectuses, in each case dated as of January 28, 2025 (together, the “**Summary Prospectus**”). Each Fund’s prospectus, in each case dated as of January 28, 2025 (together, the “**Prospectus**”) and the statement of additional information dated January 28, 2025 (the “**SAI**”) are incorporated by reference into the Summary Prospectus. The full text of each of the Summary Prospectus, the Prospectus and the SAI are incorporated by reference into this Canadian Offering Memorandum and form a part of it. The Summary Prospectus, the Prospectus and the SAI may be amended or further supplemented by one or more documents from time to time (“**Supplementary Material**”). The full text of all Supplementary Material, if any, concerning the Offering shall also be incorporated by reference into this Canadian Offering Memorandum and deemed to form part of it. Morgan Stanley Distribution, Inc. (the “**Distributor**”) acts as the distributor of the Shares and one or more other dealers may be appointed by the Distributor or the Trust to market and sell the Shares (each, a “Placement Agent”). The term “Canadian Offering Memorandum” means this introductory Canadian supplement, together with the attached Summary Prospectus, and the Prospectus and the SAI incorporated by reference therein. The definitions in the Summary Prospectus, the Prospectus or the SAI (except as otherwise stated) apply throughout this Canadian Offering Memorandum.

#### **RELATIONSHIP BETWEEN THE DISTRIBUTOR, THE ADVISER AND THE TRUST**

**Morgan Stanley Investment Management Inc. (the “Adviser”) is the adviser of the Trust. The Distributor and the Adviser are affiliates. The Trust may be considered a “related” or “connected” issuer of the Distributor for the purposes of applicable Canadian securities laws. For more information, see the Summary Prospectus. The decision to offer the Shares and the terms upon which the Shares are being offered were determined by the Trust and the Distributor.**

#### **ADDITIONAL INFORMATION ABOUT THIS CANADIAN OFFERING MEMORANDUM**

The Offering is being made exclusively through this Canadian Offering Memorandum and not through any advertisement of the Shares. No person has been authorized to give any information or to make any representation other than those contained or incorporated by reference in this Canadian Offering Memorandum and any decision to purchase Shares should be based solely on information contained or incorporated by reference in this document.

**Investing in the Shares involves certain risks. See “Principal Risks” and “Additional Information about Fund Investment Strategies and Related Risks” in the Summary Prospectus and/or the Prospectus. Canadian purchasers are advised to review carefully this Canadian Offering Memorandum, including the documents incorporated by reference, and to consult with their own legal and financial advisers prior to investing in the Shares.**

#### **RESALE RESTRICTIONS**

The Shares have not been nor will they be qualified for sale to the public under applicable Canadian securities laws and, accordingly, any offer and sale of the Shares in Canada will be made on a basis which is exempt from the prospectus requirements of Canadian securities laws.

Any resale of the Shares must be made in accordance with, or pursuant to an exemption from, or in a transaction not subject to, the prospectus requirements of those laws. In addition, in order to comply with the dealer registration requirements of Canadian securities laws, any resale of the Shares must be made either by a person not required to register as a dealer under applicable Canadian securities laws, or through an appropriately registered dealer or in accordance with an exemption from the dealer registration requirements. These Canadian resale restrictions may in some circumstances apply to resales made outside of Canada. Purchasers of Shares are advised to seek Canadian legal advice prior to any resale of Shares.

## REPRESENTATIONS AND AGREEMENT BY PURCHASERS

Each purchaser of Shares in Canada will be deemed to have represented to the Trust, the Adviser, the Distributor and any Placement Agent that the purchaser:

- (a) is located or resident in one of the Provinces of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec and Saskatchewan and is entitled under applicable provincial securities laws to purchase the Shares without the benefit of a prospectus qualified under those securities laws;
- (b) is basing its investment decision solely on this Canadian Offering Memorandum (including the Summary Prospectus, the Prospectus and the SAI incorporated therein) and not on any other information concerning the Trust, the Funds or the Offering;
- (c) has reviewed and acknowledges the terms referred to above under the heading “Resale Restrictions”;
- (d) is an “accredited investor” as defined in Section 73.3 of the Securities Act (Ontario) or National Instrument 45-106 *Prospectus Exemptions* (“NI 45-106”), as applicable, and, if relying on subsection (m) of the definition of that term in NI 45-106, is not a person created or being used solely to purchase or hold securities as an accredited investor;
- (e) is a “permitted client” as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, and if resident in Ontario, Québec or Newfoundland and Labrador, is a “permitted client” as defined in Multilateral Instrument 32-102 *Registration Exemptions for Non-Resident Investment Fund Managers*;
- (f) is either purchasing the Shares as principal for its own account, or is deemed to be purchasing Shares as principal by applicable law;
- (g) to the best of the purchaser’s knowledge, is not using funds to purchase the Shares which: (i) were obtained or derived, directly or indirectly, as a result of illegal activities, (ii) are intended to be used, directly or indirectly, in order to carry out a criminal offence, a terrorist activity or for the benefit of a terrorist group, (iii) are owned or controlled by a terrorist group, and (iv) are being tendered on behalf of a person or entity who has not been identified to the purchaser;
- (h) is not a person or entity identified on a list established under section 83.05 of the Criminal Code (Canada) or in any Regulations made under the *United Nations Act* (Canada), the *Freezing Assets of Corrupt Foreign Officials Act* (Canada), the *Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)* (Canada), the *Special Economic Measures Act* (Canada) or any other Canadian statutes or regulations which take legislative measures against terrorist financing and against financial dealings with certain sanctioned individuals and entities (collectively, “STCS Legislation”);
- (i) acknowledges that it, the Trust, the Adviser, the Distributor or any Placement Agent may in the future be required by law to disclose its name and other related information, on a confidential basis, pursuant to STCS Legislation and it agrees to the foregoing; and
- (j) will promptly notify the Trust, the Adviser, the Distributor and any Placement Agent if it discovers that any such representations cease to be true, and shall provide the Trust with appropriate information in connection therewith.

The investor acknowledges and agrees that by considering the investment opportunity, and as applicable by purchasing securities of the issuer, it: (i) expressly wishes and requests that all communications and documents, as well as any agreement and form of order and confirmation, as applicable, be drafted up in the English language only, (ii) acknowledges that the issuer is from outside the Province of Québec and that any agreement related to a purchase securities, as applicable, is being formed outside of the Province of Québec, and (iii) acknowledges that certain essential terms of a potential investment are negotiated.

*L’investisseur reconnaît et convient qu’en considérant l’occasion d’investissement, et, le cas échéant, en souscrivant à des titres de l’émetteur, il déclare : i) qu’il souhaite et demande expressément que toutes les communications, tous les documents, ainsi que toute entente et tout formulaire de demande et de confirmation, selon le cas, soient rédigés uniquement en anglais, ii) qu’il reconnaît que l’émetteur est de l’extérieur de la province de Québec et que toute convention relative à la souscription de titres, le cas échéant, est conclue à l’extérieur de la province de Québec, et iii) qu’il reconnaît que les certaines modalités essentielles de l’occasion d’investissement sont négociées.*

## CANADIAN TAX CONSIDERATIONS

THIS CANADIAN OFFERING MEMORANDUM DOES NOT ADDRESS THE CANADIAN TAX CONSEQUENCES OF THE ACQUISITION, HOLDING OR DISPOSITION OF THE SHARES. PROSPECTIVE PURCHASERS OF SHARES ARE STRONGLY ADVISED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE CANADIAN AND OTHER TAX CONSIDERATIONS APPLICABLE TO THEM.

## INDIRECT COLLECTION OF PERSONAL INFORMATION

By purchasing these Shares, the purchaser acknowledges that its name and other specified information, including the number of Shares it has purchased, may be disclosed to Canadian securities regulatory authorities as part of a Report of Exempt Distribution on Form 45-106F1 (the “**Report**”) and may become available to the public in accordance with the requirements of applicable laws. The purchaser consents to the disclosure of that information.

Each individual purchaser of these Shares located or resident in Canada is hereby notified that the following personal information about the purchaser will be disclosed to Canadian securities regulatory authorities in the Report: his or her full legal name, residential street address, telephone number, email address (if available), details of securities purchased and details of the prospectus exemption relied on. The information required to be provided in the Report is collected on behalf of and used by the securities regulatory authority or regulator under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation. If you have any questions about the collection and use of this information, contact the securities regulatory authority or regulator in the province where you are located or resident, as listed in the attached Annex A. By purchasing these Shares each individual purchaser authorizes this indirect collection of information by the securities regulatory authorities and regulators.

## RIGHTS OF ACTION

In connection with this distribution of Shares which constitute “eligible foreign securities” as defined in Ontario Securities Commission Rule 45-501 *Ontario Prospectus and Registration Exemptions* and Multilateral Instrument 45-107 *Listing Representations and Statutory Rights of Action Disclosure Exemptions* or other applicable provisions, the Trust, the Adviser, the Distributor or any Placement Agent has delivered to you this Canadian Offering Memorandum which may constitute an offering memorandum under applicable securities laws in Canada. The purchaser may have, depending on the province in which the trade was made, remedies for rescission or damages if the offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the relevant province. The purchaser should refer to any applicable provisions of the securities legislation of the relevant province for particulars of these rights or consult with a legal advisor.

## ENFORCEMENT OF LEGAL RIGHTS

The Trust, the Adviser, the Distributor, any Placement Agent and their respective directors and officers, as well as any experts named in this document, are likely to be located outside of Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Trust, the Adviser, the Distributor, any Placement Agent or those persons. All or a substantial portion of the assets of the Trust, the Adviser, the Distributor, any Placement Agent and those persons is likely to be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against the Trust, the Adviser, the Distributor, any Placement Agent or those persons in Canada or to enforce a judgment obtained in Canadian courts against the Trust, the Adviser, the Distributor, any Placement Agent or those persons outside of Canada.

## INVESTMENT FUND MANAGER REGISTRATION

The Adviser is considered to be the investment fund manager of the Trust for purposes of Canadian securities law; however, the Adviser is not registered, and is relying on an exemption from registration, as an investment fund manager in Ontario, Québec and Newfoundland and Labrador. The head office of the Adviser is located in New York, USA. The agent for service of process of the Adviser in Ontario is Osler, Hoskin & Harcourt LLP, 100 King Street West, 1 First Canadian Place, Suite 6200, Toronto, ON M5X 1B8, the agent for service of process of the Adviser in Québec is Osler, Hoskin & Harcourt LLP, 1000 De La Gauchetière Street West, Suite 1100, Montreal, QC H3B 4W5 and the agent for service of process of the Adviser in Newfoundland is Stewart McKelvey LLP, 100 New Gower Street, Suite 1100, Cabot Place, P.O. Box 5038, St. John's, NL A1C 6K3.

## ANNEX A

### PUBLIC OFFICIALS WHO CAN ANSWER QUESTIONS ABOUT THE INDIRECT COLLECTION OF PERSONAL INFORMATION

#### **Alberta Securities Commission**

Suite 600, 250 – 5th Street SW  
Calgary, Alberta T2P 0R4  
Telephone: 403-297-6454  
Toll free in Canada: 1-877-355-0585  
Facsimile: 403-297-2082  
Public official contact regarding indirect collection of  
information: FOIP Coordinator

#### **British Columbia Securities Commission**

P.O. Box 10142, Pacific Centre  
701 West Georgia Street  
Vancouver, British Columbia V7Y 1L2  
Inquiries: 604-899-6854  
Toll free in Canada: 1-800-373-6393  
Facsimile: 604-899-6581  
Email: FOI-privacy@bcsc.bc.ca  
Public official contact regarding indirect collection of  
information: FOI Inquiries

#### **The Manitoba Securities Commission**

500 – 400 St. Mary Avenue  
Winnipeg, Manitoba R3C 4K5  
Telephone: 204-945-2561  
Toll free in Manitoba: 1-800-655-5244  
Facsimile: 204-945-0330  
Public official contact regarding indirect collection of  
information: Director

#### **Government of Newfoundland and Labrador Financial Services Regulation Division**

P.O. Box 8700  
Confederation Building  
2nd Floor, West Block  
Prince Philip Drive  
St. John's, Newfoundland and Labrador A1B 4J6  
Attention: Director of Securities  
Telephone: 709-729-4189  
Facsimile: 709-729-6187  
Public official contact regarding indirect collection of  
information: Superintendent of Securities

#### **Nova Scotia Securities Commission**

Suite 400, 5251 Duke Street  
Duke Tower  
P.O. Box 458  
Halifax, Nova Scotia B3J 2P8  
Telephone: 902-424-7768  
Facsimile: 902-424-4625  
Public official contact regarding indirect collection of  
information: Executive Director

#### **Ontario Securities Commission**

20 Queen Street West, 22nd Floor  
Toronto, Ontario M5H 3S8  
Telephone: 416-593-8314  
Toll free in Canada: 1-877-785-1555  
Facsimile: 416-593-8122  
Email: exemptmarketfilings@osc.gov.on.ca  
Public official contact regarding indirect collection of  
information: Inquiries Officer

#### **Autorité des marchés financiers**

800, rue du Square-Victoria, 22e étage  
C.P. 246, tour de la Bourse  
Montréal, Québec H4Z 1G3  
Telephone: 514-395-0337 or 1-877-525-0337  
Facsimile: 514-873-6155 (For filing purposes only)  
Facsimile: 514-864-6381 (For privacy requests only)  
Email: financementdessocietes@lautorite.qc.ca  
(For corporate finance issuers); fonds\_dinvestissement@  
lautorite.qc.ca (For investment fund issuers)  
Public official contact regarding indirect collection of  
information: Corporate Secretary

#### **Financial and Consumer Services Commission (New Brunswick)**

85 Charlotte Street, Suite 300  
Saint John, New Brunswick E2L 2J2  
Telephone: 506-658-3060  
Toll free in Canada: 1-866-933-2222  
Facsimile: 506-658-3059  
Email: info@fcnb.ca  
Public official contact regarding indirect collection of  
information: Chief Executive Officer and Privacy Officer

#### **Financial and Consumer Affairs Authority of Saskatchewan**

Suite 601 - 1919 Saskatchewan Drive  
Regina, Saskatchewan S4P 4H2  
Telephone: 306-787-5842  
Facsimile: 306-787-5899  
Public official contact regarding indirect collection of  
information: Director

#### **Prince Edward Island Securities Office**

95 Rochford Street, 4th Floor Shaw Building  
P.O. Box 2000  
Charlottetown, Prince Edward Island C1A 7N8  
Telephone: 902-368-4569  
Facsimile: 902-368-5283  
Public official contact regarding indirect collection of  
information: Superintendent of Securities

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