

MUTUAL FUND SHARE CLASS DISCLOSURE

Due to our arrangement with our primary custodian Pershing Advisory Services LLC (Pershing) and its parent Bank of New York Mellon on behalf of clients this document illustrates the types of costs within various share classes and the fees you may incur for their services with respect to holding and processing mutual fund transactions.

INSTITUTIONAL SHARES – Most commonly used class by registered investment advisors

Funds typically purchased by large institutional buyers, such as pension plans, broker dealers, registered investment advisors and financial intermediaries. These share classes are typically only offered to investors who invest \$1 million or more. Invariably, institutional shares generally have the lowest expenses in the mutual fund universe. Typically, the maximum front load is 0%, the maximum deferred load is 0%, the maximum 12b-1 fee (generally thought of as a sales charge) is 0%, and the investment minimum is \$25,000 or more. Commonly known as I or Y shares. As a result, the institutional class shares often have the lowest annual expenses of any share class provided by a Mutual Fund distributor. However, both the mutual fund sponsor and the custodian limit the types of institutional investors who can buy the shares.

Pershing, generally makes most shares of this class/type available without an additional cost to a client.

INVESTOR SHARE CLASS FUNDS

Investor share classes can be purchased by individual investors usually with no front or deferred load charged. Investment minimums may be slightly higher though in many cases but not all can be waived thru our relationship with Pershing. Typically, the maximum front load is 0%, the maximum deferred load is 0%, the maximum 12b-1 fee is sometimes 0% and sometimes between 1bp and 25 bps, Definitionally bps= basis points and 1 bp is 1 /100th of a percent.

Pershing generally makes shares of this class/type available without an additional cost to a client. Limitations can occur either because of Pershing or specific requirements of the mutual fund family.

ADVISOR SHARE CLASS FUNDS

Funds typically purchased through advisors, but generally requiring a higher minimum investment. Typically, the maximum front load is 0%, the maximum deferred load is 0%, the maximum 12b-1 fee is between 0 and 50 bps, and the investment minimum is \$2,500 or less though in many cases can be waived thru our relationship with Pershing.

Pershing generally makes most shares of this class/type available without an additional cost to a client. Limitations can occur either because of Pershing or specific requirements of the mutual fund family.

RETIREMENT SHARE CLASS FUNDS (Generally R, now also F)

Many mutual fund families offer one or more share classes originally and specifically for use by employee-sponsored retirement plans as investment options for plan participants ("Retirement Shares"). Funds available through retirement plans, R share classes are purchased by retirement plan participants, usually without any sales loads. The fees that these funds charge range widely though most Retirement shares are ultra-low-cost and are often being made available to non-retirement customers. Typically, the maximum front load is 0%, the maximum deferred load is 0%, and in many cases, there are no 12b-1 fees. The investment minimum varies. Mutual fund families generally have specific eligibility criteria for purchasing the shares. This ultra-low cost share class comes with a trade-off. Because there is no compensation cost to the financial intermediary within the share class the provider may charge a higher processing fee for a transaction. Thus, the size of the purchase and the planned holding period matter greatly, as does the fact that processing fees will be incurred for each transaction no matter the size.

Pershing generally but not always makes most shares of this class type available with surcharge cost of \$25 per transaction to a client.

SPECIAL SHARE CLASSES USED BY FINANCIAL INTERMEDIARIES (F,K,N)

Many mutual fund families now offer one or more share classes specifically for use by Financial Intermediaries. The mutual fund families generally have specific eligibility criteria for purchasing the shares. These shares are available to investors with larger initial investments. Typically, the maximum front load is 0%, the maximum deferred load is 0%, the maximum 12b-1 fee is generally 0 but could be 25-50 bps, and the investment minimum is generally \$1-5 million. This ultra-low cost share class comes with a trade-off and that is because there is no compensation to the financial intermediary within the share class, the intermediary may charge a higher processing fee for a transaction. Thus, the size of the purchase and the planned holding period matter greatly, as does the fact that processing fees will be incurred for each transaction no matter the size.

Pershing generally but not always makes most shares of this class type available with a surcharge transaction cost of \$25 per transaction.

CLASS A SHARES

Although Class A shares typically charge a front-end sales charge or commission (sales charges on mutual funds are also referred to as “loads”) that is included in the price of the fund shares, for our clients these charges are waived by the fund because of contractual relationship with Pershing. Class A shares’ 12b-1 fees (generally .25% or \$25 per \$10,000 of fund assets per year).

In very rare and limited situations this class of share may be used by our firm and can still result in the lowest overall cost. This is for very small dollar investments that are not planned to be held long or for situations where a high number of transactions are anticipated to be needed.

The following chart illustrates the costs when using common share classes

		Pershing Charges to Client		
		No	\$20	\$25 Surcharge
		Transaction Fee	Processing	Processing Fee
-<Lowest share cost Highest->	Share Classes			
	Class A	X		
	Advisor	X		
	Investor	X		
	Institutional	X	X	X (rare)
	Retirement /Special			X
Share Classes*				

* These share classes are generally between 1 and 12 basis points cheaper annually and most commonly are between 5 and 10

A basis point is 1 /100th of a per-cent

It is important to understand if access is given through a financial intermediary and the fund company there can be HIGHER transaction fees so that Financial Intermediary can be compensated for their services and a share class with the lowest cost may not actually be the cheapest overall.

529 PLAN BACKGROUND

Established under Internal Revenue Code 529, a 529 College Savings Plan is a qualified tuition program through which individuals make investments to accumulate savings for qualified higher education costs for beneficiaries. 529 plans allow investors to save money in an account in which the earnings grow income-tax deferred and when used to pay for "qualified higher education expenses" will be federal income tax-free. In many states, participants receive state incentives, including tax deductions or credits, based on their participation in the in-state program(s). Although most 529 Plans have been modeled after mutual funds or "funds of funds," they are not subject to regulation under the Investment Company Act.

If you are purchasing shares in either an in or out-of-state plan note that all have limited investment options and other restrictions. We are happy to discuss the advantages and disadvantages of investing in a certain plan. You may also contact your home state's college savings plan to learn more about any state tax or other benefits that might be available in conjunction with an investment in that state's college savings plan. Also, the age of the beneficiary should always be considered when selecting a plan and share class within a 529 plan.

OHIO 529 PLAN – CURRENT PROVIDERS BLACKROCK AND VANGUARD

If an Ohio resident as a service to our clients we will assist in the asset allocation and administration of BlackRock's Ohio 529 plans without additional cost to clients or compensation to us. Currently administered by Pershing's parent company BlackRock institutional shares classes are offered without transaction fees to participant beneficiaries.

You are also encouraged to review the Ohio Vanguard 529 plan offerings if you are comfortable handling the administration and money movement between accounts. It is possible the investment costs of Vanguard options are lower.

PERSHING'S USE OF A VERSION OF VIRGINIA'S 529 PLAN

If or when there is no state tax benefit such as TX or NV or the benefit is not significant enough to warrant using an in-state plan or investment options are limited we also can assist clients thru Pershing. Pershing currently uses Virginia's American Funds 529 plan and as a service to our clients without additional cost to clients or compensation to us we will also assist in the administration of that 529 plan.

As with all state plans investment options are limited and Pershing currently uses American's Funds F-2 class and no transaction fees are incurred.

EXCHANGES BETWEEN FUNDS AND WITHIN THE SAME FUND FAMILY

A "family of funds" is a group of mutual funds that share administrative and distribution systems. Some funds offer exchange privileges within a family of funds, allowing shareholders to transfer their holdings from one fund to another as their investment goals or tolerance for risk change. Some funds may impose fees for exchanges. Bear in mind that exchanges have tax consequences. Even if the fund does not charge you for the transfer, you will be liable for any capital gain on the sale of your old shares or, depending on the circumstances, eligible to take a capital loss.

Additionally, and importantly, Pershing may charge a fee for processing the exchange on your behalf which is currently between \$0 and \$15.

CONVERSIONS OF THE SAME FUND WITHIN THE SAME FUND FAMILY

Due to the complexity and the addition of additional share classes within the mutual fund industry many funds offer their clients the ability to convert to a class with a lower internal cost. This should only be done without a tax consequence. When we believe this is in the client's best interest based on expected holding period and asset amount, we will provide this as part of our service. Pershing may charge a fee for processing the exchange on your behalf which currently ranges between \$0 and \$25.

Much of the description of the various share classes are provided by Morningstar, a performance and investment provider our firm contracts with.

While there is common nomenclature used by Mutual Fund Distributors to describe certain share classes, with respect to Retirement and Special Share classes there are many different alpha numeric combinations now used to classify these shares. Common ones include F, I, K, N R, Y, Z and number ranges currently between 1 and 6 though this is not meant to be all inclusive.