

# AMERICAN INVESTORS COMPANY

## Explanation of Your Investment Mutual Fund/529 Purchase(s)

\_\_\_\_\_, a registered representative with American Investors Company (AIC), has reviewed your investment(s) with you. By initialing the statement(s) that pertain to your investment(s) and signing the form at the bottom, you acknowledge the following:

\_\_\_\_\_ *Initials* **You have received a prospectus. Please read it carefully.** It contains important information about your investment.

\_\_\_\_\_ *Initials* Your registered representative has explained the nature of your investment and its relative risks. You understand that mutual funds are subject to market conditions and that current yield quotations are a "snapshot" of the current rate and may be higher or lower in the future. You understand that the net asset value (principal balance) of your mutual fund can be adversely affected by market conditions and/or interest rate fluctuations. For mutual funds investing in U.S. government securities (e.g., Treasury securities and GNMA instruments), you further understand that neither underlying mutual fund share prices or fund performance is guaranteed, nor are they FDIC insured.

\_\_\_\_\_ *Initials* Your registered representative has explained the various sales charge structures and options available to you with respect to your mutual fund purchase(s), which are summarized in more detail below. You should be aware that if you elect to purchase "A" shares in several fund families (rather than one) or if you elect to purchase "C" shares, you may reduce or eliminate the benefits of any sales charge discounts from breakpoints (or volume discounts) that might otherwise be associated with making all "A" share purchases in one fund family.

### Please initial the sales charge structure applicable to your current purchase(s).

\_\_\_\_\_ *Initials* For shares containing a front-end sales charge, commonly referred to as "A" shares, a specified percentage (as set forth in the prospectus) is deducted from the initial investment. Shares subject to a front-end sales charge typically benefit from breakpoints whereby the sales charge on larger volume purchases is discounted as set forth in the prospectus. "A" shares typically have the lowest internal expense structure.

\_\_\_\_\_ *Initials* For shares containing a back-end sales charge, commonly referred to as "B" shares, there is no sales charge deducted from the initial investment. Shares subject to a back-end sales charge are typically charged a higher internal expense fee than shares subject to a front-end sales charge and purchasers who liquidate their investment during the contingent deferred sales charge ("CDSC") period will be subject to a contingent deferred sales charge in accordance with the schedule set forth in the prospectus.

\_\_\_\_\_ *Initials* For shares subject to an ongoing asset-based sales charge, commonly referred to as "C" shares, there is typically no sales charge deducted from the initial investment. Shares subject to an ongoing asset-based sales charge are typically charged a higher internal expense fee than shares subject to a front-end sales charge. An investor in "C" shares may be subject to a minimal contingent deferred sales charge ("CDSC") for a short period (typically one-year) as set forth in the prospectus. "C" shares may be more expensive than either "A" or "B" shares over long holding periods.

### **Reason for choosing asset-based sales charge structure or "C" shares (check all that apply):**

- ☐ I am opposed to paying an upfront sales charge
- ☐ I want the flexibility to be able to change between different fund families without incurring an upfront sales charge regardless of my stated investment time horizon
- ☐ I want to diversify assets across various fund families in accordance with an asset allocation plan, which would reduce or eliminate any benefits from breakpoints that may be available in other share classes
- ☐ I do not have a "buy and hold" investment philosophy and may choose to hold funds for relatively short time periods although my stated investment time horizon may not be "short"
- ☐ Other (please specify) \_\_\_\_\_

### **For 529 Plans ONLY (initial if applicable)**

\_\_\_\_\_ *Initials* You understand that purchasing a 529 Plan of a state, other than your state of residence, may result in the loss of tax benefits.

\_\_\_\_\_ *Initials* You understand that depending on your state of residence, there may be negative tax consequences if you use 529 Plan funds for K-12 education expenses.

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name