



**PACIFIC WEST SECURITIES, INC.**  
Member NASD/SIPC

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## C SHARE DISCLOSURE

*To be used when purchasing Class C Shares in the amount of \$50,000 or greater*

Mutual Funds are intended to be long-term investments. However, the industry recognizes the need for some customers to hold their mutual fund purchases for 1-3 years. That is the primary reason that C Shares are used. Often times, customers choose to purchase C Shares for other reasons. Class C Shares may be an appropriate choice for investors who would like the ability to periodically reallocate or move between fund families without additional costs. The following is intended to disclose the fees associated with holding large dollar amounts in C Shares for long periods of time.

If an investor with \$50,000 or greater purchased A Shares instead of C Shares they are likely to have received breakpoints, or sales charge discounts, on the amount they invested. Even though with C Shares there are no up-front sales charges, there is an annual charge of at least 1% that continues for the life of the investment instead of the smaller on-going charge in an A Share, that is usually around 0.5%. The NASD has also provided an expense analyzer for Representatives and customers to use. You can access the analyzer at [www.nasd.com/investor\\_information](http://www.nasd.com/investor_information) for specific information on the fund(s) you are purchasing. In the below illustration, the annual charges in the A Share are .76% and in the C Share they are 1.55%.

To illustrate the difference between investing in A Shares versus C Shares, consider the following example. Using a hypothetical "Growth" Fund with an annual return of 10% (returns and fees vary by fund, please read your fund(s)' prospectus for detailed information) the approximate value of \$50,000 invested would look like this:

Years	A Shares (4.5% up-front charge)	C Shares	Difference(if invested in "C" Shares)
*5	\$74,023	\$74,475	+\$452
*6	\$80,807	\$80,652	-\$155
*10	\$114,753	\$110,931	-\$3,822

In year 6 the cost associated with C Share purchases begins to negatively impact your return, assuming you stay in the same fund. By year 10, you will have paid a substantial amount of money in additional fees.

The approximate value of \$100,000 invested and held would look like this:

Years	A Shares (3.5% up-front charge)	C Shares	Difference (if invested in "C" Shares)
*5	\$149,597	\$148,950	-\$647
*10	\$231,911	\$221,862	-\$10,049
*15	\$359,516	\$330,465	-\$29,051

\*The calculations were obtained by using the NASD Expense Analyzer located on the NASDs' website [www.nasd.com](http://www.nasd.com). This is for illustration purposes and the rate of return is not a guarantee.

**I have reviewed the above information with my financial professional as it relates to my investment and have determined that my purchase in C shares is appropriate for me. I understand that the longer I hold my investment the more money I will pay in fees. I also understand that if I surrender my investment in the first year, I may be subject to the contingent deferred sales charge as described in my fund(s)' prospectus(es). I have received, reviewed and understand the prospectus(es) and relative fees for the fund(s) I have chosen. These facts notwithstanding, I believe my needs will be better served in C Shares.**

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Date

**I have reviewed these facts with the above customer and feel it is in their best interest to purchase C Shares. I have provided my customer with the fund prospectus for the fund(s) they are purchasing.**

\_\_\_\_\_  
Representative Signature

\_\_\_\_\_  
Date