

REFUND NOTIFICATION LETTER TEMPLATE – CUSTOMERS ONLY
PURCHASE IS AT NAV

[Important: This letter may be sent to customers whose **only** purchases of front-end load mutual funds through your firm were purchased at NAV.]

Dear Customer:

An industry-wide survey indicated that customers did not receive breakpoint discounts of certain front end sales charges in approximately one out of every five purchases of Class A mutual fund shares that were eligible for such discounts. Customers are eligible for a refund if they were entitled to a breakpoint discount on this sales charge and did not receive it. Our records indicate that you purchased Class A mutual fund shares through our firm from the period of January 1, 1999 to November 3, 2003 at the net asset value of the fund share.

Our review of transactions for your account showed that you did not pay a front-end sales charge in connection with your purchases of Class A mutual funds from our firm during the period noted above. If this is accurate, and you were not charged a commission on the purchases, you would not be entitled to a refund from our firm. However, because many funds aggregate purchases to determine breakpoint discounts, you may be entitled to a refund on sales charges paid on purchases made through other firms, and therefore, we are providing some background information on breakpoint discounts which may help you determine whether you may be entitled to a refund.

Many mutual funds allow customers to aggregate different purchases of Class A shares to qualify for a breakpoint. Therefore, there is a chance you may be able to aggregate the shares you purchased through our firm with other purchases that you or a family member made to qualify for a breakpoint discount. These other purchases would have been made with a front end sales charge and through another entity such as another brokerage firm or the mutual fund itself. If you were due a breakpoint discount on these other purchases and you did not receive it, you are entitled to a refund from that other entity. We have included with this letter a form to notify the appropriate entity that you believe that you are entitled to a refund. To help you determine if you are eligible for a refund from these other entities, we've included information on breakpoint discounts and the refund process.

Breakpoint Discounts

Breakpoint discounts reduce the front-end sales charge you pay when you purchase Class A mutual fund shares. The investment levels at which the discounts become available are called "breakpoints." The amount of the discount is based on the size of the investment, and the discount increases as the size of the investment increases. For example, a 5% front-end load for a \$10,000 mutual fund purchase may be reduced to 4.25% for a

\$50,000 purchase and to 0% for a \$1 million purchase. Typically, breakpoint discounts begin at investment levels of \$50,000, but may begin at \$25,000, and further discounts are then given at \$100,000 and \$250,000 and higher.

You may receive a breakpoint discount based on how much money you invest in a single mutual fund. In addition, many funds allow investors to obtain breakpoint discounts in other ways. To reach a breakpoint discount, funds may permit you to combine:

- purchases that you made at different times, such as through Letters of Intent or Rights of Accumulation;
- purchases of different funds from the same fund family;
- purchases of funds from the same fund family made by related parties, such as your spouse or children; and
- purchases of funds from the same fund family made in different accounts, such as your 401(k) plans, your IRAs, educational savings accounts or accounts at other brokerage firms.

Each fund family sets its own breakpoint discounts and the rules regarding which accounts you can rely upon to become eligible to receive a breakpoint discount. You can get information about the breakpoint discounts offered by a mutual fund you own by reviewing the fund's prospectus or Statement of Additional Information, checking a mutual fund company's Web site or by contacting your broker.

Refund Process

If you think that you may not have received a breakpoint discount to which you were entitled, please complete and return the attached form to the firm from which you purchased the mutual fund shares with a sales load. It is important that you provide the other firm from which you purchased the mutual fund shares with information about your accounts and mutual fund holdings. This will enable the other firm to check its records to determine whether you qualify for a refund. If the other firm's records do not reflect a connection between your accounts and the accounts of related parties, such as a spouse, parent or child, or if you make a claim based upon mutual fund holdings held outside of the other firm, such as at a different brokerage firm or in a 401(k) plan, the other firm may not be able to determine that you are entitled to a discount and a refund. If you choose not to provide the other firm with information on these other accounts, it will limit its analysis of your right to a refund to the information the firm has.

If you have any questions, please contact the firm from which you purchased mutual fund shares and incurred a sales charge, as that firm will be able to provide you with information about purchases you made from that firm. You may also contact us for additional information about your mutual fund purchases made through our firm.

For additional information about mutual fund breakpoints, please visit NASD's Investor Education web page at <http://www.nasd.com/investor> and review NASD's Investor Alert called *Mutual Fund Breakpoints: Are You Owed a Refund?*