Harbor Funds®

March 2021

Individual Retirement Account

Disclosure Statement and Custodial Agreement

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Harbor Funds IRA

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Instructions and Important Forms for Opening Your Harbor Funds Individual Retirement Account (IRA)

Carefully read the applicable sections of the IRA Disclosure Statement and Custodial Agreement contained in this booklet, the Harbor IRA Account Application, and the prospectus for the Fund(s) in which you are investing. We suggest you keep this booklet for your files. Consult your financial or tax advisor if you have any questions about how establishing a Traditional IRA or Roth IRA will affect your financial situation.

For more information or to request a Harbor IRA Account Application or a Harbor Account Transfer form, call 800-422-1050 or visit our website at ***harborfunds.com***. For more detailed information regarding Internal Revenue Service (IRS) rules and regulations governing IRAs, refer to IRS Publications 590-A and 590-B. You may obtain these publications by calling the IRS at 800-829-3676 or visiting the IRS website at ***irs.gov***. For more information on the Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019, which also contains several major retirement-related provisions, please visit ***congress.gov***.

The Disclosure Statement in this booklet provides you with the basic information that you should know about a Harbor Funds IRA. The Disclosure Statement provides general information about the governing rules for these IRAs and the benefits and features offered through each type of IRA. However, the Harbor IRA Account Application and the Custodial Agreement are the primary documents controlling the terms and conditions of your Harbor Funds IRA, and these shall govern in the case of any difference with the Disclosure Statement.

Harbor IRA Account Application

Use the Harbor IRA Account Application to establish a Harbor Funds' Traditional or Roth IRA. You may use the Harbor IRA Account Application to establish only one Traditional IRA or one Roth IRA; separate Harbor IRA Account Applications must be completed to establish multiple IRAs.

Harbor Account Transfer Form

Use the Harbor Account Transfer form to transfer assets from an existing IRA with another custodian, or to authorize a direct rollover from an employer's qualified retirement plan, a 403(b) annuity or custody account, or a governmental employer's eligible 457 plan to a Harbor Funds IRA. Before using this form for a direct rollover, check with your employer regarding procedures for direct rollovers.

Harbor Roth IRA Conversion Form

Use the Harbor Roth IRA Conversion form to authorize a conversion from a Harbor Funds Traditional IRA into a new or existing Harbor Funds Roth IRA. If you have not already established a Harbor Funds Roth IRA, you must also complete the Harbor IRA Account Application.

Harbor Recharacterization of IRA Contribution Form

Use the Harbor Recharacterization of IRA Contribution form to recharacterize all or part of a contribution that you made to a Harbor Funds Roth IRA. The recharacterization of an IRA conversion, an action that could previously be completed using this form, became no longer available after October 15, 2018 in accordance with the Tax Cuts and Jobs Act of 2017.

Power to Revoke

For a period of seven (7) days following the date on which you establish a Harbor Funds IRA, you have the right to revoke your Harbor Funds IRA. To revoke your Harbor Funds IRA, mail or deliver a written notice of revocation to Harbor Funds Distributors, Inc., c/o Harbor Services Group, Inc., P.O. Box 804660, Chicago, IL 60680-4108. 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 Harbor Funds IRA within the seven-day period, you are entitled to a return of the entire amount you originally contributed into your Harbor Funds IRA, without adjustment for such items as sales charges, administrative expenses or fluctuations in market value.

Frequently Asked Questions

What is an IRA?

An Individual Retirement Account (IRA) is a custodial account created to provide individuals a simple tax-advantaged way to accumulate funds for retirement. There are two basic types of IRAs – Traditional and Roth.

Frequently Asked Questions — Continued

Can my Harbor Funds IRA be used in connection with a SEP plan maintained by my employer?

A Harbor Funds Traditional IRA may be used in connection with a Simplified Employee Pension (SEP) plan maintained by your employer. To establish a Traditional IRA as part of your employer's SEP plan, complete the Harbor IRA Account Application, indicating that the IRA is part of a SEP plan. You should also enclose a copy of your SEP plan with your completed IRA Account Application. A Roth IRA cannot be used in connection with a SEP plan.

What is a SIMPLE IRA?

A Savings Incentive Match Plan for Employees IRA (SIMPLE IRA) is a plan that certain small employers can set up for the benefit of their employees. Harbor Funds does not offer SIMPLE IRAs.

What is the difference between a Traditional IRA and a Roth IRA?

With a Traditional IRA, you may contribute up to the maximum contribution limit for the year and you may be able to deduct the contribution from taxable income, thereby reducing your current income taxes. Under prior law, individuals were prohibited from making contributions to traditional IRAs after they attained age 70½. Commencing in 2020, however, the SECURE Act eliminated this age restriction.

Taxes on investment earnings are deferred until the money is withdrawn. Withdrawals are taxed as additional ordinary income when received. Non-deductible contributions, if any, are withdrawn tax-free. Withdrawals before age 59½ are assessed a 10% premature withdrawal penalty in addition to income tax, unless an exception applies. You are required to begin taking withdrawals from your Traditional IRA after you reach age 70½ (if you were born before July 1, 1949) or after you reach age 72 (if you were born on or after July 1, 1949). Those who have already begun taking Required Minimum Distributions (RMDs) must continue to do so.

With a Roth IRA, the contribution limits are the same as for a Traditional IRA, but there is no tax deduction for contributions. All earnings in the account are tax-free. Most importantly, you do not pay income taxes on qualified withdrawals from your Roth IRA, if certain requirements are met. Additionally, there is no age limit on making contributions to Roth IRAs and there is no requirement that you begin making minimum withdrawals at a certain age.

The following table highlights some of the major differences between a Traditional IRA and a Roth IRA:

Characteristic	Traditional IRA	Roth IRA
Eligibility to Contribute	Individuals (and their spouses) who receive compensation Individuals of any age may contribute (new as of 2020, based on the passing of the SECURE Act)	Individuals (and their spouses) who receive compensation Individuals of any age may contribute

Frequently Asked Questions — Continued

Characteristic	Traditional IRA	Roth IRA
Contribution Limits for 2020 and 2021	Individuals may contribute up to $6,000 for 2020 ($7,000 if you are age 50 or older for 2020) or $6,000 for 2021 ($7,000 if you are age 50 or older for 2021), or 100% of compensation, whichever is lower The contribution limit applies to your aggregate contributions to both Traditional and Roth IRAs for a given year.	Individuals may contribute up to $6,000 for 2020 ($7,000 if you are age 50 or older for 2020) or $6,000 for 2021 ($7,000 if you are age 50 or older for 2021), or 100% of compensation, whichever is lower Your ability to contribute to a Roth IRA phases out at certain income levels: **For 2020** - $124,000 to $139,000 for single taxpayers and $196,000 to $206,000 for married tax payers filing joint returns for 2020; and **For 2021** - $125,000 to $140,000 for single taxpayers and $198,000 to $208,000 for married tax payers filing joint returns for 2021. The contribution limit applies to your aggregate contributions to both Traditional and Roth IRAs for a given year.
Tax Treatment of Contributions	Deductibility depends on income level for individuals who are active participants in an employer-sponsored retirement plan	No deduction permitted for amounts contributed
Required Minimum Distributions (RMDs)	Distributions must begin by: April 1 of the year following the year in which you turn age 70½ (if you were born before July 1, 1949); or April 1 of the year following the year in which you turn age 72 (if you were born on or after July 1, 1949). Please note that those who have already begun taking RMDs must continue to do so. RMDs were waived in 2020 due to the CARES Act.	None
Federal Income Tax Treatment of Distributions	Total distribution (contribution + earnings) taxable as income in year withdrawn except for any prior non-deductible contributions	Tax-free if a qualified distribution

Which IRA is better for me?

For certain tax payers, the Traditional IRA may be more attractive than a Roth IRA. Among these are:

- Those who want a current tax deduction; or
- Those with higher income levels who are ineligible to make a Roth IRA contribution but want to take advantage of tax deferred earnings on retirement investments, even if a tax deduction for the Traditional IRA contribution is unavailable.

For others, the benefits of a Roth IRA outweigh a Traditional IRA. Among these are:

- Those who would be financially hurt by being forced to begin distributions from a Traditional IRA at age 72;

Frequently Asked Questions — Continued

- Younger workers who can benefit from many years of tax-free earnings; or
- Those who cannot deduct the contribution to a Traditional IRA.

However, your current and expected future tax brackets and the anticipated size of your estate at retirement will impact your decision. For example, if you expect to be in a lower tax bracket after retirement, you may be able to claim a deduction on a contribution to a Traditional IRA now and then pay tax on the distribution at a lower tax rate in the future.

Everyone must evaluate the two IRAs carefully, taking into consideration such factors as age, anticipated future earnings, tax situation and personal preference. Also, state tax laws vary from state to state and may differ from federal tax laws.

We suggest that you consult with a financial or tax advisor to determine whether you should establish a Traditional or Roth IRA or convert any or all of an existing Traditional IRA to a Roth IRA. Your tax advisor can also advise you as to the state tax consequences that may affect whether a Traditional or Roth IRA is better for you.

Disclosure Statement – Part One
DESCRIPTION OF TRADITIONAL IRAS

Part One of this Disclosure Statement describes the rules applicable to Traditional IRAs. Roth IRAs 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.

IMPORTANT: Please see Part Three of this Disclosure Statement which contains important information applicable to all Harbor Funds IRAs.

Your Harbor Funds Traditional IRA

This Part One contains information about your Harbor Funds Traditional Individual Retirement Custodial Account with State Street Bank and Trust Company 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 advisor 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:

- 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 IRA purposes.
- For 2020 and later, there is no age limit on making regular contributions to traditional IRAs. If you turned 70 ½ or older for the year 2019, you can't make a regular contribution to a traditional IRA.

Can I contribute to a Traditional IRA for my spouse?

If you file a joint tax return, you may be able to contribute to an IRA even if you didn't have taxable compensation, as long as your spouse did. Each of you and your spouse can make a contribution up to the current limit; however, the total of your combined contributions can't be more than the taxable compensation reported on your joint return.

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, 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.

IRA CONTRIBUTION LIMITS

Year	Limit	"Catch Up" Limit
2020	$6,000	$1,000
2021	$6,000	$1,000

Individuals age 50 or over may make special "catch up" contributions to their Traditional IRAs. (See *"What are the special catch-up contribution rules?"* for details.)

Contributions — Continued

If you and your spouse have 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 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. 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 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.

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

Contributions — Continued

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 $0 and your Upper Limit is always $10,000.)

TABLE OF LOWER AND UPPPER 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
2020	$65,000	$75,000	$104,000	$124,000	$196,000	$206,000
2021	$66,000	$76,000	$105,000	$125,000	$198,000	$208,000

* 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.

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-A. 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-A, "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 (for 2021) a six-month extension of time (until October 15) to recharacterize a contribution or 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-B 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. 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.

Contributions — Continued

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 State Street Bank and Trust Company 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.

The opportunity to convert a regular IRA to a Roth IRA is generally available to all taxpayers regardless of income.

Before 2019, special rules applied under which you were allowed to undo (or “recharacterize”) a conversion. These rules were eliminated in the Tax Cuts and Jobs Act of 2017 effective of tax years commencing after 2018. Individuals who perform IRA conversions or retirement plan rollovers to Roth IRAs may no longer recharacterize these transactions if they were performed after December 31, 2017. A Roth IRA conversion made in 2017 could have been recharacterized as a contribution to a traditional IRA so long as the recharacterization was made by October 15, 2018.

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 70½ (if you were born before July 1, 1949) or at age 72 (if you were born on or after July 1, 1949) or for certain employees starting at retirement, if later), and
- 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 a 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 were born before July 1, 1949 or if you are over age 72 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.

Transfers/Rollovers — Continued

NOTE: Other than in the case of non-U.S. citizens with no U.S. source income, 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 advisor 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 an employer 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. The IRS has established procedures that apply in limited circumstances (e.g., when an IRA rollover could not be completed within 60 days due to circumstances beyond your control or not your fault) under which a rollover is permitted 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 advisor for more information. Similar exceptions to the 60-day requirement for a valid rollover apply to plan-to-IRA and IRA-to-plan rollovers.

NOTE: You can make only one rollover from a Traditional IRA to another (or the same) Traditional IRA in any 12-month period, regardless of the number of Traditional IRAs you own.

You can, however, continue to make as many transfers as you want from one IRA custodian or trustee directly to another, because this type of transfer is not a rollover. You can also make as many rollovers from Traditional IRAs to Roth IRAs as you want.

May a rollover or transfer include after-tax or non-deductible 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 non-deductible contributions from another Traditional IRA, may include after-tax or non-deductible 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.

Withdrawals

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.

When must I start making withdrawals?

If you have not withdrawn the total amount held in your Traditional IRA by April 1 following the year in which you reach 72 (if you were born after June 30, 1949), you must make minimum withdrawals in order to avoid penalty taxes. If you were born before July 1, 1949, the beginning date for your first required minimum distribution is April 1 of the year following the calendar year in which you reach age 70 ½. You must also make minimum withdrawals if you have already begun taking your required minimum distributions. The rule allowing certain employees to postpone distributions from an employer qualified plan until actual retirement (even if this is after age 72) 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 lifetime table is the equivalent of the joint life expectancy of the IRA owner and his/her spousal beneficiary who is up to 10 years younger than the owner. (An IRS joint life expectancy table may be used if the spouse is the sole beneficiary and is more than 10 years younger than the owner, and a separate single life expectancy table should be used by for beneficiaries who are not the spouse of the IRA owner.) The uniform table should also be used for all unmarried IRA owners calculating their own withdrawals and married owners whose spouses aren't the sole IRA beneficiaries. 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 into the uniform table. Although the required minimum distribution rules have been simplified in some ways, they are still, in general, complex. Consult your tax advisor for assistance.

What is the consequence if I fail to take required minimum distributions?

If you do not take any distributions, or if the distributions are not large enough, you may have to pay an excise tax on the amount not distributed as required. The penalty tax is 50% 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.

What happens after an IRA owner's death?

After an IRA owner's death, there are IRS rules on the timing and amount of distributions. For the year of the account owner's death, use the distribution the account owner would have received. For the year following the owner's death, the distribution will depend on the identity of the designated beneficiary. Please see https://www.irs.gov/retirement-plans for further information, or consult your tax advisor for assistance.

Please note that based on the passing of the SECURE Act, which became effective January 1, 2020, for IRA account owners who die after December 31, 2019, the entire balance of the participant's account is required to be distributed within ten years. There is an exception for distributions made to an eligible designated beneficiary including a surviving spouse, a child who is still a minor, a disabled or chronically ill person or a person not more than ten years younger than the IRA account owner. The new ten-year rule applies regardless of whether the participant dies before, on or after the required beginning date, which effective January 1, 2020 is generally the day the account owner turns age 72. The rules surrounding those deemed eligible designed beneficiaries (compared to other beneficiaries who inherit an IRA or other account) are complex; please consult your tax advisor for assistance.

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 of this Disclosure Statement 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 59 ½ generally will be considered as an early withdrawal and subject to a 10% penalty tax.

Withdrawals — Continued

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

- The distribution was a result of your death or disability.
- The withdrawal is used to pay for expenses related to the birth of a child or adoption (for distributions of up to $5,000 in aggregate from IRAs and other retirement plans).
- 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 redeposited 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 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 non-deductible contributions taxed when they are withdrawn?

A withdrawal of non-deductible contributions (not including earnings) will be tax-free. However, if you made both deductible and non-deductible contributions to your Traditional IRA, then each distribution will be treated as partly a return of your non-deductible 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 non-deductible Traditional IRA contributions bear to the total balance of all your Traditional IRAs (including rollover IRAs and SEPs, but not including Roth IRAs).

Disclosure Statement – Part Two
DESCRIPTION OF ROTH IRAS

Part Two of the Disclosure Statement describes the rules generally applicable to Roth IRAs. Traditional IRAs are described in Part One of this Disclosure Statement. 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.

IMPORTANT: Please see Part Three of this Disclosure Statement which contains important information applicable to all Harbor Funds IRAs.

Your Harbor Funds 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 (See *"Withdrawals"*) are met. State income tax treatment of your Roth IRA may differ from federal treatment; ask your state tax department or your personal tax advisor 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.

You may contribute to a Roth IRA regardless of your age.

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.

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, 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).

IRA CONTRIBUTION LIMITS

Year	Limit	"Catch Up" Limit
2020	$6,000	$1,000
2021	$6,000	$1,000

Individuals age 50 and over may make special "catch-up" contributions to their Roth IRAs. (See '*What are the special catch-up contribution rules?*' for details.)

Your Roth IRA limit is reduced by any contributions for the same year to a Traditional IRA, but it is not reduced by contributions made to either a SEP IRA or a SIMPLE IRA; salary reduction contributions for these purposes are considered employer contributions.

Contributions — Continued

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.

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 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, 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, 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.

Contributions — Continued

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:

	Single Taxpayer	Married Filing Jointly or Qualifying Widow(er)	Then You May Make
Adjusted Gross Income (AGI) Level	2020: Up to $123,999 2021: Up to $124,999	2020: Up to $195,999 2021: Up to $197,999	Full IRA Contribution Limit
	2020: $124,000 to $138,999 2021: $125,000 to $139,999	2020: $196,000 to $205,999 2021: $198,000 to $207,999	Reduced IRA Contribution Limit (see explanation below)
	2020: $139,000 or more 2021: $140,000 or more	2020: $206,000 or more 2021: $208,000 or more	Zero (No Contribution)

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, 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-specific 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."

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 (for 2021) a six-month extension of time (until October 15) to remove an excess contribution for the tax year covered by that filing.

Contributions — Continued

A deduction should not be taken for any excess contribution. Earnings on the amount withdrawn must also be withdrawn. (Refer to IRS Publication 590-B 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 State Street Bank and Trust Company 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.

You are eligible to convert a Traditional IRA to a Roth IRA without regard to AGI.

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).

Caution: If you have reached age 70½ (if you were born before July 1, 1949) or age 72 (if you were born on or after July 1, 1949) 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-specific rules. Under current IRS regulations, required minimum distributions may not be converted.

Special rules apply under which you may undo (or "recharacterize") a conversion. Individuals who perform IRA conversions or retirement plan rollovers to Roth IRAs may no longer recharacterize these transactions if they were performed after December 31, 2017. A Roth IRA conversion made in 2017 could have been recharacterized as a contribution to a traditional IRA so long as the recharacterization was made by October 15, 2018. The rules surrounding recharacterizations 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 Account Application 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.

Conversion of Existing Traditional IRA — Continued

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. 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. Consult your tax or financial adviser for further information on this possibility.

NOTE: 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. In-plan conversions are 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. The IRS has established procedures that apply in limited circumstances (e.g., when an IRA rollover could not be completed within 60 days due to circumstances beyond your control or not your fault) under which a rollover is permitted 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 advisor for more information.

As of January 1, 2015, you can make only one rollover from a Roth IRA to another (or the same) Roth IRA in any 12-month period, regardless of the number of Roth IRAs you own.

You can, however, continue to make as many transfers as you want from one Roth IRA custodian or trustee directly to another, because this type of transfer is not a rollover. You can also make as many rollovers from Traditional IRAs to Roth IRAs as you want.

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).

Withdrawals

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.

Withdrawals — Continued

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 the April 1 following the year in which you reach age 70½ (if you were born before July 1, 1949) or age 72 (if you were born on or after July 1, 1949).

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 fifth year after your death (if such death occurred before 2020). However, distributions to a designated beneficiary that begin by the end of the year following the year of your death and that are paid over the life expectancy of the beneficiary satisfy the rules. Also, if your surviving spouse is your designated beneficiary, the spouse may defer the start of distributions until you would have reached age 70½ (if you were born before July 1, 1949) or age 72 (if you were born on or after July 1, 1949) had you lived.

Effective January 1, 2020, for IRA account owners who die after December 31, 2019, the SECURE Act requires the entire balance of the participant's account to be distributed within ten years. There is an exception for distributions made to an eligible designated beneficiary including a surviving spouse, a child who is still a minor, a disabled or chronically ill person or a person not more than ten years younger than the IRA account owner. The new ten-year rule applies regardless of whether the participant dies before, on or after the required beginning date, which effective January 1, 2020 is generally the day the account owner turns age 72. Please consult your tax advisor for assistance.

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.
- You are using the withdrawal to pay for expenses related to the birth or adoption of a child (for distributions of up to $5,000 in aggregate from IRAs and other retirement plans).
- 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 redeposited 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).

Withdrawals — Continued

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 59 ½ 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 used to pay for expenses related to the birth of a child or adoption (for distributions of up to $5,000 in aggregate from IRAs and other retirement plans).
- 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 59 ½ 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 10% 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 Disclosure Statement - Part Two for a summary of the rules on when withdrawals from your Roth IRA will be subject to income taxes or the 10% penalty tax.

Withdrawals — Continued

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 advisor 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 Account Application for your Roth IRA or in the instructions for opening your Roth IRA.

Summary of Tax Rules for Withdrawals

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 advisor if you have a question about your individual situation.

Type of Contribution Withdrawn	Qualified Withdrawal	Not a Qualified Withdrawal	
	(*the requirements for a qualified withdrawal are outlined under the section "Withdrawals"*)	**Exception to 10% tax applies** (*exceptions are listed under the section "Withdrawals"*)	**Exception 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	Income tax applies. No penalty tax.	Income *and* penalty tax apply.

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

Summary of Tax Rules for Withdrawals — Continued

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.

- As previously noted, effective January 1, 2020, for IRA account owners who die after December 31, 2019, the SECURE Act requires the entire balance of the participant's account to be distributed within ten years. There is an exception for distributions made to an eligible designated beneficiary including a surviving spouse, a child who is still a minor, a disabled or chronically ill person or a person not more than ten years younger than the IRA account owner. The new ten-year rule applies regardless of whether the participant dies before, on or after the required beginning date, which effective January 1, 2020 is the day the account owner turns age 72. Please consult your tax advisor for assistance.

Disclosure Statement – Part Three
RULES FOR ALL IRAS (TRADITIONAL AND ROTH)

This IRA Disclosure Statement is provided in accordance with IRS regulations. Please read the following information together with the IRA Custodial Agreement and the Harbor Funds Prospectus for the fund(s) you select for your IRA investments.

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.

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 Account Application for your Traditional or Roth IRA or in an investment selection form provided with your Account Application 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. 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 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 Internal Revenue Code of 1986 (the "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 59 ½. 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

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 non-deductible contribution to the IRS by designating it a non-deductible contribution on your tax return. Use Form 8606. In addition, for any year in which you make a non-deductible contribution or take a withdrawal, you must include additional information on your tax return. The information required includes: (1) the amount of your non-deductible contributions for that year; (2) the amount of withdrawals from Traditional IRAs in that year; (3) the amount by which your total non-deductible 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 non-deductible 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.

Qualified Charitable Distributions

IRA owners age 70 ½ or older may donate up to $100,000 of IRA assets per year tax-free to qualifying charitable organizations. These are called "qualified charitable distributions" (QCDs). First available in 2006, the QCD provision was created by the Pension Protection Act of 2006 as a temporary provision. The provision was extended by subsequent laws in two-year increments through 2014. The Consolidated Appropriations Act of 2016, enacted in December 2015, extended QCDs through 2015 and made them permanent. The SECURE Act impacted QCDs in that an individual who makes one or more deductible IRA contribution(s) after age 70 ½ will reduce the amount of available QCDs by the total post-age 70 ½ contribution amount(s).

Qualified Charitable Distributions — Continued

QCDs may be taken from Traditional and Roth IRAs, and from simplified employee pension (SEP) and SIMPLE IRAs if the plan is not "ongoing." A plan is ongoing if an employer contribution is made for the plan year ending with or within the IRA owner's taxable year for which the QCD tax treatment is sought.

Following are the general requirements for QCDs.

- QCDs must be paid directly to qualified charities other than a private foundation or donor-advised fund; distributions paid to the IRA owner are not eligible for QCD treatment.
- For married couples filing a joint income tax return, the annual $100,000 QCD limit applies separately to each spouse.
- For Roth IRAs, the only assets that represent taxable assets from which to claim a tax exemption are the earnings attributable to a nonqualified distribution.
- QCDs are not subject to withholding.
- QCDs satisfy IRA owner and beneficiary RMDs for the applicable year.
- Because QCDs are not included in a taxpayer's income, individuals may not also take charitable income tax deductions for QCDs.

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 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.

Retirement Savings Contributions Credit (Saver's Credit)

You may be able to take a tax credit for making eligible contributions to your IRA or employer-sponsored retirement plan.

Who is eligible for the Saver's Credit?

You're eligible for the credit if you're:

1. Age 18 or older;
2. Not a full-time student; and
3. Not claimed as a dependent on another person's return.

Amount of the Saver's Credit

The amount of the credit is 50%, 20% or 10% of your retirement plan or IRA contributions up to $2,000 ($4,000 if married filing jointly), depending on your adjusted gross income.

2021 Saver's Credit			
Credit Rate	**Married Filing Jointly**	**Head of Household**	**All Other Filers***
50% of your contribution	AGI not more than $39,500	AGI not more than $29,625	AGI not more than $19,750
20% of your contribution	$39,501 - $43,000	$29,626 - $32,250	$19,751 - $21,500
10% of your contribution	$43,001 - $66,000	$32,251- $49,500	$21,501 - $33,000
0% of your contribution	more than $66,000	more than $49,500	more than $33,000
2020 Saver's Credit			
Credit Rate	**Credit Rate**	**Credit Rate**	**Credit Rate**
50% of your contribution	AGI not more than $39,000	AGI not more than $29,250	AGI not more than $19,500
20% of your contribution	$39,001 - $42,500	$29,250 - $31,875	$19,501 - $21,250
10% of your contribution	$42,501 - $65,000	$31,876 - $48,750	$21,251 - $32,500
0% of your contribution	more than $65,000	more than $48,750	more than $32,500

* Single, married filing separately, or qualifying widow(er)

Retirement Savings Contributions Credit (Saver's Credit) — Continued

Retirement Savings Eligible for the Saver's Credit

The Saver's Credit can be taken for your contributions to a Traditional or Roth IRA; your 401(k), SIMPLE IRA, SARSEP, 403(b), 501(c)(18) or governmental 457(b) plan; and your voluntary after-tax employee contributions to your qualified retirement and 403(b) plans.

Rollover contributions (money that you moved from another retirement plan or IRA) are not eligible for the Saver's Credit. Also, your eligible contributions may be reduced by any recent distributions you received from a retirement plan or IRA.

Account Termination

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

By U.S. Mail	By Registered, Certified, or Express Mail
Harbor Funds P.O. Box 804660 Chicago, IL 60680-4108	Harbor Funds 111 South Wacker Drive, 34th Floor Chicago, IL 60606

Your Traditional IRA or Roth IRA with Harbor Funds will terminate upon the first to occur of the following:

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

The amount you receive from your Harbor 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 your Harbor IRA is terminated before you reach age 59 ½, 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 Harbor Funds Custodial Agreement 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 Harbor Funds 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 Harbor Funds Custodial Agreement 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.

Harbor Funds
P.O. Box 804660
Chicago, IL 60680-4108
800-422-1050

PROVISIONS APPLICABLE TO TRADITIONAL IRAS

The following provisions of Articles I to VII are in the form promulgated by the Internal Revenue Service in Form 5305-A (Rev. April 2017), for use in establishing a Traditional Individual Retirement custodial account. References are to sections of the Internal Revenue Code of 1986, as amended (the "Code").

ARTICLE I

1. Except in the case of a rollover contribution described in Code sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), an employer contribution to a Simplified Employee Pension (SEP) as described in Code section 408(k), the custodian will accept only cash contributions up to $5,500 per year for 2013 through 2018 and up to $6,000 per year for 2019, 2020 and 2021. 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 2013 through 2018 and up to $7,000 for 2019, 2020 and 2021. For years after 2021, these limits will be increased to reflect a cost-of-living adjustment, if any.

2. In addition to the amounts described in paragraph (1) above, an individual may make additional contributions specifically authorized by statute–such as repayments of Qualified Reservist Distributions, repayments of certain plan distributions made on account of a federally declared disaster and certain amounts received in connection with the Exxon Valdez litigation.

3. If this is an inherited IRA within the meaning of Code section 408(d)(3)(C), no contributions will be accepted.

ARTICLE II

The Depositor's interest in the balance in the Custodial Account is non-forfeitable.

ARTICLE III

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 IV

1. Notwithstanding any provision of this Agreement to the contrary, the distribution of the Depositor's interest in the Custodial Account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a) (6) and the regulations thereunder, the provisions of which are herein incorporated by reference.

2. The Depositor's entire interest in the Custodial Account must be, or begin to be, distributed not later than the Depositor's required beginning date, April 1 following the calendar year in which the Depositor reaches age 70½ (for a Depositor born before July 1, 1949) or age 72 (for a Depositor born on or after July 1, 1949). By that date, the Depositor may elect, in a manner acceptable to the Custodian, to have the balance in the Custodial Account distributed in:

(a) A single-sum; or

(b) Payments over a period not longer than the life of the Depositor or the joint lives of the Depositor and his or her designated Beneficiary.

3. If the Depositor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:

(a) If the Depositor dies on or after the required beginning date and:

(i) The designated Beneficiary is the Depositor's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.

(ii) The designated Beneficiary is not the Depositor's surviving spouse, the remaining interest will be distributed over the Beneficiary's remaining life expectancy as determined in the year following the death of the Depositor and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.

ARTICLE IV — Continued

(iii) There is no designated Beneficiary, the remaining interest will be distributed over the remaining life expectancy of the Depositor as determined in the year of the Depositor's death and reduced by 1 for each subsequent year.

(b) If the Depositor dies before the required beginning date, the remaining interest will be distributed in accordance with paragraph (i) below or, if elected or there is no designated Beneficiary, in accordance with paragraph (ii) below.

(i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the Depositor's death. If, however, the designated Beneficiary is the Depositor's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the Depositor would have reached age 70½ (for a Depositor born before July 1, 1949) or age 72 (for a Depositor born on or after July 1, 1949). But, in such case, if the Depositor's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with paragraph (a) (ii) above (but not over the period in paragraph (a) (iii), even if longer), over such spouse's designated Beneficiary's life expectancy, or in accordance with paragraph (ii) below if there is no such designated Beneficiary.

(ii) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Depositor's death.

4. If the Depositor dies before his or her entire interest has been distributed and if the designated Beneficiary is not the Depositor's surviving spouse, no additional contributions may be accepted in the account.

5. The minimum amount that must be distributed each year, beginning with the year containing the Depositor's required beginning date, is known as the "required minimum distribution" and is determined as follows:

(a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the Depositor reaches age 70½ (for a Depositor born before July 1, 1949) or age 72 (for a Depositor born on or after July 1, 1949), is the value of the Depositor's Custodial Account at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the Depositor's designated Beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the value of the Depositor's Custodial Account at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a) (9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the Depositor's (or, if applicable, the Depositor and spouse's) attained age (or ages) in the year.

(b) The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the Depositor's death (or the year the Depositor would have reached age 70½ (for a Depositor born before July 1, 1949) or age 72 (for a Depositor born on or after July 1, 1949), if applicable under paragraph 3(b)(i)) is the value of the Depositor's Custodial Account 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 individual specified in such paragraphs 3(a) and 3(b)(i).

(c) The required minimum distribution for the year the Depositor reaches age 70½ (for a Depositor born before July 1, 1949) or age 72 (for a Depositor born on or after July 1, 1949) can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.

6. The owner of two or more IRAs (other than Roth IRAs) may satisfy the minimum distribution requirements described above by taking from one IRA the amount required to satisfy the requirement for another in accordance with the regulations under section 408(a)(6).

ARTICLE V

1. The Depositor agrees to provide the Custodian with all information necessary to prepare any reports required by Code section 408(i) and Treasury Regulations sections 1.408-5 and 1.408-6.

2. The Custodian agrees to submit to the Internal Revenue Service (IRS) and the Depositor the reports prescribed by the IRS.

ARTICLE V — Continued

3. If this is an inherited IRA within the meaning of Code section 408(d) (3) (C) maintained for the benefit of a designated Beneficiary of a deceased Depositor, references in this document to the "Depositor" are to the deceased Depositor.

ARTICLE VI

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

ARTICLE VII

This Agreement will be amended as necessary to comply with the provisions of the Code and the related regulations. Other amendments may be made with the consent of the persons whose signatures appear on the Account Application.

PROVISIONS APPLICABLE TO ROTH IRAS

The following provisions of Articles I to VII are in the form promulgated by the Internal Revenue Service in Form 5305-RA (revised April 2017), for use in establishing a Roth Individual Retirement Custodial Account. References are to sections of the Internal Revenue Code of 1986, as amended ("Code").

ARTICLE I

Except in the case of a qualified rollover contribution described in Code section 408A(e) or a recharacterized contribution described in Code section 408A(d)(6), the Custodian will accept only cash contributions that, when added to all the Depositor's Roth IRAs for a taxable year, does not exceed $5,500 per year for 2013 through 2018 or $6,000 for 2019, 2020 or 2021. 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 2013 through 2018 and to $7,000 for 2019, 2020 and 2021. For years after 2021, these limits will be increased to reflect a cost-of-living adjustment, if any. The contribution described in the previous sentence is referred to as a "regular contribution." Despite the preceding limits on contributions, a Depositor may make additional contributions specifically authorized by statute–e.g., repayments of Qualified Reservist Distributions, repayments of certain plan distributions made on account of a federally declared disaster and certain amounts received in connection with the Exxon Valdez litigation. Contributions may be limited under Article II below.

If this is an inherited IRA within the meaning of Code section 408(d)(3)(C), no contributions will be accepted.

A regular contribution to a non-Roth IRA may be recharacterized pursuant to the rules in Treasury Regulations section 1.408A-5 as a regular contribution to this IRA.

A "qualified rollover contribution" is a rollover contribution of a distribution from an eligible retirement plan described in Code section 402(c)(8)(B). If the distribution is from an IRA, the rollover must meet the requirements of Code section 408(d)(3), except the one-rollover-per year rule of Code section 408(d)(3)(B) does not apply if the distribution is from a non-Roth IRA. If the distribution is from an eligible retirement plan other than an IRA, the rollover must meet the requirements of Code sections 402(c), 402(e)(6), 403(a)(4), 403(b)(8), 403(b)(10), 408(d)(3) or 457(e)(16), as applicable. A qualified rollover contribution also includes (i) and (ii) below.

(i) All or part of a military death gratuity or service members' group life insurance ("SGLI") payment may be contributed if the contribution is made within 1 year of receiving the gratuity or payment. Such contributions are disregarded for purposes of the one-rollover-per-year rule under Code section 408(d)(3)(B).

(ii) All or part of an airline payment (as defined in section 125 of the Worker, Retiree, and Employer Recovery Act of 2008, Pub. L. 110-458 ("WRERA") received by certain airline employees may be contributed if the contribution is made within 180 days of receiving the payment.

The Custodial Account is established for the exclusive benefit of the Depositor or his or her beneficiaries. If this is an inherited IRA within the meaning of Code section 408(d)(3)(C) maintained for the benefit of a designated Beneficiary of a deceased Depositor, references in this document to the "Depositor" are to the deceased Depositor.

ARTICLE II

The maximum regular contribution that can be made to all the Depositor's Roth IRAs for a taxable year is the smaller amount determined under (i) or (ii) below.

ARTICLE II — Continued

(i) The maximum regular contribution is phased out ratably between certain levels of modified adjusted gross income in accordance with the following table:

2021			
Filing Status	**Full Contribution**	**Phase out Range**	**No Contribution**
Single or Head of Household	$124,999 or less	$125,000 to $139,999	$140,000 or more
Married-Filing Jointly, or Joint Return of Qualifying Widow(er)	$197,999 or less	$198,000 to $207,999	$208,000 or more
Married-Separate Return	$0	$0 to $10,000	$10,000 or more
2020			
Filing Status	**Full Contribution**	**Phase out Range**	**No Contribution**
Single or Head of Household	$123,999 or less	$124,000 to $138,999	$139,000 or more
Married-Filing Jointly, or Joint Return of Qualifying Widow(er)	$195,999 or less	$196,000 to $205,999	$206,000 or more
Married-Separate Return	$0	$0 to $10,000	$10,000 or more

An individual's modified adjusted gross income ("modified AGI") for a taxable year is defined in Code section 408A(c)(3) and does not include any amount included in adjusted gross income as a result of a qualified rollover contribution. In the case of a joint return, the limits on modified adjusted gross income apply to the combined modified adjusted gross income of the Depositor and his or her spouse. If the individual's modified adjusted gross income for a taxable year is in the phase-out range, the maximum regular contribution determined under this table for that taxable year is rounded up to the next multiple of $10 and is not reduced below $200. The dollar amounts above are adjusted annually in multiples of $1,000 for cost-of-living increases.

(ii) If the Depositor makes regular contributions to both Roth and non-Roth IRAs for a taxable year, the maximum regular contribution that can be made to all of the Depositor's Roth IRAs for that taxable year is reduced by the regular contributions made to the Depositor's non-Roth IRAs for the taxable year.

No contributions will be accepted under a SIMPLE IRA plan established by any employer pursuant to Code section 408(p). Also, no transfer or rollover of funds attributable to contributions made by a particular employer under its SIMPLE IRA plan will be accepted from a SIMPLE IRA, that is, an IRA used in conjunction with a SIMPLE IRA plan, prior to the expiration of the 2-year period beginning on the date the Depositor first participated in that employer's SIMPLE IRA plan.

ARTICLE III

The Depositor's interest in the balance in the Custodial Account is non-forfeitable.

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.

PROVISIONS APPLICABLE TO ROTH IRAS

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 entire remaining interest will be distributed in accordance with (a) below or, if elected or there is no designated Beneficiary, in accordance with (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 value of the Custodial Account at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Treasury 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 1 from the divisor for each subsequent year.

3. If the Depositor's spouse is the designated Beneficiary, such spouse will then be treated as the Depositor.

4. If this is an inherited IRA within the meaning of Code section 408(d)(3)(C) established for the benefit of a nonspouse designated Beneficiary by a direct trustee-to-trustee transfer from a retirement plan of a deceased Depositor under Code section 402(c)(11), then, notwithstanding any election made by the deceased individual pursuant to the preceding sentence, the nonspouse designated Beneficiary may elect to have distributions made under this Article V, paragraph (1)(a) if the transfer is made no later than the end of the year following the year of death.

5. The required minimum distributions payable to a designated Beneficiary from this IRA may be withdrawn from another IRA the Beneficiary holds from the same decedent in accordance with Q&A-9 of Treasury Regulations section 1.408-8.

ARTICLE VI

1. The Depositor agrees to provide the Custodian with all information necessary to prepare any reports required by Code sections 408(i) and 408A(d)(3)(E), and Treasury 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 VI and this sentence will be controlling. Any additional articles that are not consistent with Code 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 in the Account Application.

PROVISIONS APPLICABLE TO BOTH TRADITIONAL IRAS AND ROTH IRAS

ARTICLE IX

1. ***Definitions. As used in this Article IX the following terms have the following meanings:***

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

"**Agreement**" means this Harbor Funds Custodial Agreement (consisting of either Part One or Part Two, Part Three and the Account Application signed by the Depositor).

"**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 Section 11.

"**Custodial Account**" means the individual retirement account established using the terms of this Agreement. The Custodial Account may be a Traditional Individual Retirement Account or a Roth Individual Retirement Account, as specified by the Depositor. See Section 24.

"**Custodian**" means State Street Bank and Trust Company 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 Account Application 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 3 below, the term "Fund" includes an Ancillary Fund.

"**Qualified Reservist Distribution**" means a distribution (i) from an IRA or elective deferrals under a section 401(k) or 403(b) plan, or a similar arrangement, (ii) to an individual ordered or called to active duty after September 11, 2001 (because he or she is a member of a reserve component) for a period of more than 179 days or for an indefinite period, and (iii) made during the period beginning on the date of the order or call and ending at the close of the active duty period.

"**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 Harbor 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 any jurisdiction. The term "spouse" shall include same-sex individuals whose marriage was validly entered into. 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.

2. ***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 the 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.

ARTICLE IX — Continued

The Depositor may certify in the Account Application that the Depositor received the Disclosure Statement related to the Custodial Account at least seven days before the Depositor signed the Account Application 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.

3. ***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 Account Application 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 Company. 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 17(b). The Sponsor and the Custodian will be fully protected in making any and all such distributions pursuant to this Section 3, provided that the Sponsor gives at least thirty (30) days advance written notice to the Depositor and the Service Company. 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.

ARTICLE IX — Continued

4. ***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 3 of this Article IX).

5. ***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.

6. ***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 therefor. The Service Company agrees to furnish the Custodian with any information the Custodian requires to carry out the Custodian's recordkeeping responsibilities.

7. ***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.

8. ***Appointment of Investment Adviser.*** 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. **(a)** ***Distributions.*** Distribution of the assets of the Custodial Account shall be made at such time and in such form as Depositor (or the Beneficiary if Depositor is deceased) shall elect by written order to the Custodian. It is the responsibility of the Depositor (or the Beneficiary) by appropriate distribution instructions to the Custodian to ensure that any applicable distribution requirements of Code section 401(a)(9) and Article V 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 U.S. Code section 4973, or a "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

ARTICLE IX — Continued

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), that Depositor is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or be of long-continued and indefinite duration.

(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.

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.

11. **(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 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 (Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington or Wisconsin), 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.

ARTICLE IX — Continued

(c) ***Election by Spouse.*** Notwithstanding Section 3 of Article IV of Part Two above, 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 V, 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 70½ (for a Depositor born before July 1, 1949) or age 72 (for a Depositor born on or after July 1, 1949).

(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 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.

(e) Despite any contrary provision of this Agreement, the Custodian may disregard the express terms of a Beneficiary designation under Section 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.

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 (including Form 5329), and neither the Custodian nor Service Company shall have any duty to advise Depositor concerning or monitor Depositor's compliance with such requirement.

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 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

ARTICLE IX — Continued

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 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 13 shall not be construed to restrict the Custodian's right to substitute fee schedules in the manner provided by Section 16 below, and no such substitution shall be deemed to be an amendment of this Agreement.

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 his or her Beneficiaries 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 his or her Beneficiaries) shall instruct or shall distribute the Custodial Account to the Depositor (or his or her Beneficiaries) if so directed. If, at the end of such thirty (30) day period, the Depositor (or his or her Beneficiaries) has not directed the Custodian to transfer or distribute the amount in the Custodial Account 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 Custodial Account 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 17(b). The Sponsor and the Custodian will be fully protected in making any and all such distributions pursuant to this Section 14(a). The Depositor (or his or her Beneficiaries) shall be fully responsible for any taxes due on such distribution.

(b) Sections 15(f), 17(b) and 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.

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,

ARTICLE IX — Continued

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, 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. No shares shall be voted, and no other action shall be taken pursuant to such documents, except upon receipt of adequate written instructions from Depositor.

(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 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 8, 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.

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 Account Application 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)

ARTICLE IX — Continued

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.

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.

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.

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.

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.

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 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.

ARTICLE IX — Continued

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.

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.

24. ***Governing Documents.*** The legal documents governing the Custodial Account are as follows:

    (a) If in the Account Application the Depositor designated the Custodial Account as a Traditional IRA under Code section 408(a), the provisions of Part One and Part Three of this Agreement and the provisions of the Account Application are the legal documents governing the Custodial Account.

    (b) If in the Account Application the Depositor designated the Custodial Account as a Roth IRA under Code section 408A, the provisions of Part Two and Part Three of this Agreement and the provisions of the Account Application are the legal documents governing the Custodial Account.

    (c) In the Account Application the Depositor must designate the Custodian Account as either a Roth IRA or a Traditional IRA, and a separate account will be established for such IRA. One Custodial Account may not serve as a Roth IRA and a Traditional IRA (through the use of subaccounts or otherwise).

    (d) 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.

    (e) The Depositor acknowledges that the Service Company may require the establishment of different Traditional IRA accounts to hold pre-tax amounts and any after-tax amounts.

25. ***Conformity to IRS Requirements.*** This Agreement and the Account Application 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 VIII of Part Two of this Agreement are in the form promulgated by the Internal Revenue Service as Form 5305-RA, as modified by subsequent guidance. It is anticipated that, if and when the Internal Revenue Service promulgates changes to Form 5305-RA, the Custodian will amend this Agreement correspondingly.

    The Internal Revenue Service has endorsed the use of documentation permitting a Depositor to establish either a Traditional IRA or Roth IRA (but not both using a single Account Application), and this Agreement complies with the requirements of the IRS guidance for such use. If the Internal Revenue Service subsequently determines that such an approach is not permissible, or that the use of a "combined" Account Application does not establish a valid Traditional IRA or a Roth IRA (as the case may be), the Custodian will furnish the Depositor with replacement documents and the Depositor will if necessary sign such replacement documents. Depositor acknowledges and agrees to such procedures and to cooperate with Custodian to preserve the intended tax treatment of the Account.

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 Account Application by completing and executing the Account Application and giving suitable directions to the Custodian and the custodian or trustee of such other IRA. Alternatively, the Depositor may convert or

ARTICLE IX — Continued

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 Account Application and adopted the provisions of this Agreement and the Account Application in accordance with such procedures.

In accordance with the requirements of 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. 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).

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 Account Application is correct.

28. ***Custodial Acceptance.*** If all required forms and information are properly submitted, State Street Bank and Trust Company will accept appointment as Custodian of the Custodial Account. However, this Agreement (and the Account Application) 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 Account Application will serve as notification of State Street Bank and Trust Company's acceptance of appointment as Custodian of the Custodial Account.

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 Account Application 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.)

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.

31. ***SECURE Act.*** Effective January 1, 2020, for IRA account owners who die after December 31, 2019, the SECURE Act requires the entire balance of the participant's account to be distributed within ten years. There is an exception for distributions made to an eligible designated beneficiary including a surviving spouse, a child who is still a minor, a disabled or chronically ill person or a person not more than ten years younger than the IRA account owner. The new ten-year rule applies regardless of whether the participant dies before, on or after the required beginning date, which effective January 1, 2020 is the day the account owner turns age 72. Please consult your tax advisor for assistance.

FACTS — WHAT DOES STATE STREET DO WITH YOUR PERSONAL INFORMATION?

Why?	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.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: ■ Social Security number and income ■ Account balances and payment history ■ Transaction and transactions histories When you are *no longer* our customer, we continue to share your information as described in this notice.
How?	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 State Street chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does State Street share?	Can you limit this sharing?
For our everyday business purposes — such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes — to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes — information about your transactions and experiences	No	We don't share
For our affiliates' everyday business purposes — information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For nonaffiliates to market to you	No	We don't share

To limit our sharing	You cannot limit sharing your information for our everyday business purposes.
Questions?	Email: PrivacyOffice@StateStreet.com

STATE STREET

Who we are?	
Who is providing this notice?	State Street Bank & Trust Company, its subsidiaries, affiliates or assigns ("State Street").
What we do?	
How does State Street protect my personal information?	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.
How does State Street collect my personal information?	We collect your personal information, for example, when you ■ Open an account ■ Pay us by check ■ Make deposits and withdrawals from your account ■ Provide your account information ■ Provide your contact information
Why can't I limit all sharing?	Federal law gives you the right to limit only ■ sharing for affiliates' everyday business purposes—information about your creditworthiness ■ affiliates from using your information to market to you ■ sharing for nonaffiliates to market to you
What happens when I limit sharing for an account I hold jointly with someone else?	You cannot limit sharing your information for our everyday business purposes.

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies.
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

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