

## **Dalton Strategic USA Patriot Act Customer Identification Program Notice**

### **Important Information You Need to Know About Opening A New Account**

To help the government fight the funding of terrorism and money laundering activities, federal law requires financial institutions to obtain, verify, and record information that identifies each person who opens an account.

#### **Types of Information You Will Need to Provide**

When you open an account, DSIS is required to collect information such as the following from you:

- \* Your name
- \* Date of birth
- \* Address
- \* Identification number:
  - U.S. Citizen: taxpayer identification number (Social Security number or employer identification number)
  - Non-U.S. Citizen: taxpayer identification number, passport number and country of issuance, alien identification card number, or government-issued identification showing nationality, residence, and a photograph of you.

You may also need to show your driver's license or other identifying documents. DSIS may also screen your name against various databases to verify your identity. All information and documentation will be treated in a manner so as to protect your privacy.

A corporation, partnership, trust or other legal entity may need to provide other information, such as its principal place of business, local office, employer identification number, certified articles of incorporation, government-issued business license, a partnership agreement, or a trust agreement.

Securities and Exchange Commission, FINRA, and New York Stock Exchange rules may also require you to provide additional information, such as your net worth, annual income, occupation, employment information, investment experience and investment objectives.

#### **If Your Identity Cannot Be Verified**

In certain circumstances we may not be able to open an account or conduct any transactions for you until we have obtained and verified the necessary identification information. If we have opened an account for you, we may have to restrict trading or close it if you do not supply the necessary information or documents, or if we are unable to verify your identity.

We thank you for your patience and hope that you will support DSIS's efforts to deny terrorists and money launderers access to America's financial system.

## **For Investment Advisory Clients**

You have the right to receive, annually, an updated copy of our Form ADV Part II or Disclosure Brochure. If you'd like to receive and review the form, please contact your representative, the broker dealer at 765-987-7557, or email us at [compliance@investmoney.net](mailto:compliance@investmoney.net).

## **Dalton Strategic Mutual Funds Breakpoint Discounts Disclosure Statement**

Before investing in mutual funds, it is important that you understand the sales charges, expenses, and management fees that you will be charged, as well as the breakpoint discounts to which you may be entitled. Understanding these charges and breakpoint discounts will assist you in identifying the best investment for your particular needs and may help you reduce the cost of your investment. This disclosure document will give you general background information about these charges and discounts. However, sales charges, expenses, management fees, and breakpoint discounts vary from mutual fund to mutual fund. Therefore, you should discuss these issues with your financial advisor and review each mutual fund's prospectus and statement of additional information, which are available from your financial advisor, to get the specific information regarding the charges and breakpoint discounts associated with a particular mutual fund.

### **Sales Charges**

Investors that purchase mutual funds must make certain choices, including which funds to purchase and which class share is most advantageous. Each mutual fund has a specified investment strategy. You need to consider whether the mutual fund's investment strategy is compatible with your investment objectives. Additionally, most mutual funds offer different share classes. Although each share class represents a similar interest in the mutual fund's portfolio, the mutual fund will charge you different fees and expenses depending upon your choice of share class. As a general rule, Class A shares carry a "front-end" sales charge or "load" that is deducted from your investment at the time you buy fund shares. This sales charge is a percentage of your total purchase. As explained below, many mutual funds offer volume discounts to the front-end sales charge assessed on Class A shares at certain pre-determined levels of investment, which are called "breakpoint discounts." In contrast, Class B and C shares usually do not carry any front-end sales charges. Instead, investors that purchase Class B or C shares pay asset-based sales charges, which may be higher than the charges associated with Class A shares. Investors that purchase Class B and C shares may also be required to pay a sales charge known as a contingent deferred sales charge when they sell their shares, depending upon the rules of the particular mutual fund.

### **Breakpoint Discounts**

Most mutual funds offer investors a variety of ways to qualify for breakpoint discounts on the sales charge associated with the purchase of Class A shares. In general, most mutual funds provide breakpoint discounts to investors who make large purchases at one time. The extent of the discount depends upon the size of the purchase. Generally, as the amount of the purchase increases, the percentage used to determine the sales load decreases. In fact, the entire sales charge may be waived for investors that make very large purchases of Class A shares. Mutual fund prospectuses contain tables that illustrate the available breakpoint discounts and the investment levels at which breakpoint discounts apply. Additionally, most mutual funds allow investors to qualify for breakpoint discounts based upon current holdings from prior purchases through "Rights of Accumulation," and future purchases, based upon "Letters of Intent." This document provides general information regarding Rights of Accumulation and Letters of Intent. However, mutual funds have different rules regarding the availability of Rights of Accumulation and Letters of Intent. Therefore, you should discuss these issues with your financial advisor and

review the mutual fund prospectus to determine the specific terms upon which a mutual fund offers Rights of Accumulation or Letters of Intent.

\* Rights of Accumulation – Many mutual funds allow investors to count the value of previous purchases of the same fund, or another fund within the same fund family, with the value of the current purchase, to qualify for breakpoint discounts. Moreover, mutual funds allow investors to count existing holdings in multiple accounts, such as IRAs or accounts at other broker-dealers, to qualify for breakpoint discounts. Therefore, if you have accounts at other broker-dealers and wish to take advantage of the balances in these accounts to qualify for a breakpoint discount, you must advise your financial advisor about those balances. You may need to provide documentation establishing the holdings in those other accounts to your financial advisor if you wish to rely upon balances in accounts at another firm.

In addition, many mutual funds allow investors to count the value of holdings in accounts of certain related parties, such as spouses or children, to qualify for breakpoint discounts. Each mutual fund has different rules that govern when relatives may rely upon each other's holdings to qualify for breakpoint discounts. You should consult with your financial advisor or review the mutual fund's prospectus or statement of additional information to determine what these rules are for the fund family in which you are investing. If you wish to rely upon the holdings of related parties to qualify for a breakpoint discount, you should advise your financial advisor about these accounts. You may need to provide documentation to your financial advisor if you wish to rely upon balances in accounts at another firm.

Mutual funds also follow different rules to determine the value of existing holdings. Some funds use the current net asset value (NAV) of existing investments in determining whether an investor qualifies for a breakpoint discount. However, a small number of funds use the historical cost, which is the cost of the initial purchase, to determine eligibility for breakpoint discounts. If the mutual fund uses historical costs, you may need to provide account records, such as confirmation statements or monthly statements, to qualify for a breakpoint discount based upon previous purchases. You should consult with your financial advisor and review the mutual fund's prospectus to determine whether the mutual fund uses either NAV or historical costs to determine breakpoint eligibility.

Letters of Intent – Most mutual funds allow investors to qualify for breakpoint discounts by signing a Letter of Intent, which commits the investor to purchasing a specified amount of Class A shares within a defined period of time, usually 13 months. For example, if an investor plans to purchase \$50,000 worth of Class A shares over a period of 13 months, but each individual purchase would not qualify for a breakpoint discount, the investor could sign a Letter of Intent at the time of the first purchase and receive the breakpoint discount associated with \$50,000 investments on the first and all subsequent purchases. Additionally, some funds offer retroactive Letters of Intent that allow investors to rely upon purchases in the recent past to qualify for a breakpoint discount. However, if an investor fails to invest the amount required by the Letter of Intent, the fund is entitled to retroactively deduct the correct sales charges based upon the amount that the investor actually invested. If you intend to make several purchases within a 13 month period, you should consult your financial advisor and the mutual fund prospectus to determine if it would be beneficial for you to sign a Letter of Intent.

As you can see, understanding the availability of breakpoint discounts is important because it may allow you to purchase Class A shares at a lower price. The availability of breakpoint discounts may save you money and may also affect your decision regarding the appropriate share class in which to invest. Therefore, you should discuss the availability of breakpoint discounts with your financial advisor and carefully review the mutual fund prospectus and its statement of additional information, which you can get from your financial advisor, when choosing among

the share classes offered by a mutual fund. If you wish to learn more about mutual fund share classes or mutual fund breakpoints, you may wish to review the investor alerts available on the FINRA Web site.

See <http://www.finra.org/Investors/ProtectYourself/InvestorAlerts/MutualFunds/p006022>, and <http://www.finra.org/InvestorInformation/InvestorAlerts/MutualFunds/MutualFundBreakpointsABreakWorthTaking/p006008> or visit the many mutual fund Web sites available to the public.

## **Dalton Strategic Identification Theft Notice**

### **What to do if you're a victim of Identity Theft**

If you are a client of and feel you may be a victim of identity theft, please contact your financial advisor immediately.

In addition, take the following four steps as soon as possible, and keep a record with the details of your conversations and copies of all correspondence.

- \* Place a fraud alert on your credit reports, and review your credit reports.

Fraud alerts can help prevent an identity thief from opening any more accounts in your name. Contact the toll-free fraud number of any of the three consumer reporting companies below to place a fraud alert on your credit report. You only need to contact one of the three companies to place an alert. The company you call is required to contact the other two, which will place an alert on their versions of your report, too. If you do not receive a confirmation from a company, you should contact that company directly to place a fraud alert.

- o TransUnion: 1-800-680-7289;  
www.transunion.com;  
Fraud Victim Assistance Division,  
P.O. Box 6790, Fullerton, CA 92834-6790
- o Equifax: 1-800-525-6285;  
www.equifax.com;  
P.O. Box 740241, Atlanta, GA 30374-0241
- o Experian: 1-888-EXPERIAN (397-3742);  
www.experian.com;  
P.O. Box 9532, Allen, TX 75013

Once you place the fraud alert in your file, you're entitled to order one free copy of your credit report from each of the three consumer reporting companies, and, if you ask, only the last four digits of your Social Security number will appear on your credit reports. Once you get your credit reports, review them carefully. Look for inquires from companies you haven't contacted, accounts you didn't open, and debts on your accounts that you can't explain. Check that information, like your Social Security number, address(es), name or initials, and employers are correct. If you find fraudulent or inaccurate information, get it removed. See *Correcting Fraudulent Information in Credit Reports* to learn how. When you correct your credit report, use an Identity Theft Report with a cover letter explaining your request, to get the fastest and most complete results.

Continue to check your credit reports periodically, especially for the first year after you discover the identity theft, to make sure no new fraudulent activity has occurred.

- \* Close the accounts that you know, or believe, have been tampered with or opened fraudulently.

Call and speak with someone in the security or fraud department of each company. Follow up in writing, and include copies (NOT originals) of supporting documents. It's important to notify credit card companies and banks in writing. Send your letters by certified mail, return receipt requested, so you can document what the company received and when. Keep a file of you correspondence and enclosures.

When you open new accounts, use new Personal Identification Numbers (PINs) and passwords. Avoid using easily available information like your mother's maiden name, your birth date, the last four digits of your Social Security number or your phone number, or a series of consecutive numbers.

If the identify thief has made charges or debits on your accounts, or has fraudulently opened accounts, ask the company for the forms to dispute those transactions:

- o For charges and debits on existing accounts, ask the representative to send you the company's fraud dispute forms. If the company doesn't have special forms, use the sample letter to dispute the fraudulent charges or debits. In either case, write to the company at the address given for "billing inquires" NOT the address for sending your payments.

- o If you want to file a dispute directly with the company, and do not want to file a report with the police, ask if the company accepts the FTC's ID Theft Affidavit . If it does not, ask the representative to send you the company's fraud dispute forms.

- o However, filing a report with the police and then providing the company with an Identity Theft Report will give you greater protection. For example, if the company has already reported these unauthorized accounts or debts on your credit report, an Identity Theft Report will require them to stop reporting that information. Use the cover letter to explain to the company the rights Identity Theft Report. More information about getting and using an Identity Theft Report can be found here.

Once you have resolved your identity theft dispute with the company, ask for a letter stating that the company has closed the disputed accounts and has discharged the fraudulent debts. This letter is your best proof if errors relating to this account reappear on your credit report or you are contacted again about the fraudulent debt.

\* File a complaint with the Federal Trade Commission.

You can file a complaint with the FTC using the online complaint form; or call the FTC's Identity Theft Hotline, toll-free: 1-877-ID-THEFT (438-4338); TTY: 1-866-653-4261; or write Identity Theft Clearinghouse, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, DC 20580. Be sure to call the hotline to update your complaint if you have any additional information or problems.

By sharing your identity theft complain with the FTC, you will provide important information that can help law enforcement officials across the nation track down identity thieves and stop them. The FTC can refer victims' complaints to other government agencies and companies for further action, as well as investigate companies for violation of laws the agency enforces.

Additionally, you can provide a printed copy of your online Complaint form to the police to incorporate into their report. The printed FTC ID Theft Complaint, in conjunction with the police report, can constitute an identity Theft Report and entitle you to certain protections. This Identity Theft Report can be used to (1) permanently block fraudulent information from appearing on your credit report; (2) ensure that debts do not reappear on your credit report; (3) prevent a company from continuing to collect debts that result from identity theft; and (4) place an extended fraud alert on your credit report.

\* File a report with your local police or the police in the community where the identity theft took place.

Call your local police department and tell them that you want to file a report about your identity theft. Ask them if you can file the report in person.

If you cannot, ask if you can file a report over the Internet or telephone. See below for information about Automated Reports.

If the police are reluctant to take your report, ask to file a "Miscellaneous Incident" report, or try another jurisdiction, like your state police. You also can check with your state Attorney General's office to find out if state law requires the police to take reports for identity theft. Check the Blue Pages of your telephone directory for the phone number or check [www.naag.org](http://www.naag.org) for a list of state Attorneys General.

When you go to your local police department to file your report, take a printed copy of your FTC ID Theft Complaint form, your cover letter, and your supporting documentation. The cover letter explains why a police report and an ID Theft Complaint are so important to victims.

Ask the officer to attach or incorporate the ID Theft Complaint into their police report. Tell them that you need a copy of the Identity Theft Report (the police report with your ID theft complaint attached or incorporated) to dispute the fraudulent accounts and debts created by the identity thief. (In some jurisdictions the officer will not be able to give you a copy of the official police report, but should be able to sign your Complaint and write the police report number in the "Law Enforcement Report" section.)