

SECURE Act of 2019

IRA Disclosure Supplement

On December 20, 2019, President Trump signed into law the Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019. Many of the provisions contained within the SECURE Act are effective January 1, 2020.

Due to the extremely short timeframe between the bill's passage and the January 1, 2020 effective date for some of the bill's key IRA provisions, financial service providers are having to proceed in good faith with minimal guidance from federal regulators. It is anticipated that federal regulators will publish guidance soon concerning the changes brought about by the SECURE Act of 2019.

In the interim, this IRA Disclosure Supplement is being provided to notify you of recent changes made by the SECURE Act that are not yet reflected in your IRA Plan Agreement and Disclosure Statement. This Disclosure Supplement is intended to provide you with a general, high-level overview of the IRA changes included in the SECURE Act of 2019. Given the complexity of these changes and the near-term lack of federal guidance, we encourage you seek the assistance of a competent tax and/or legal professional if you have questions or concerns about how you may be affected by the SECURE Act of 2019.

Required Minimum Distributions Beginning at Age 72

The SECURE Act of 2019 changes the age at which Traditional, SEP and SIMPLE IRA owners must begin taking required minimum distributions (RMDs).

Individuals Born **After** June 30, 1949

Under the SECURE Act of 2019, individuals born after June 30, 1949, must begin taking required minimum distributions at age 72. For these individuals, the deadline for taking the first required distribution is April 1 of the year following the year in which they turn age 72.

Individuals Born **Before** July 1, 1949

Individuals born before July 1, 1949, must begin required minimum distributions by no later than April 1 following the year in which they attain age 70½. Accordingly, Traditional, SEP and SIMPLE IRA owners who attained age 70½ during 2019 must take their first required minimum distribution by no later than April 1, 2020.

Traditional IRA Funding—Age 70½ Restriction

The SECURE Act of 2019 eliminates the 70½ age restriction for funding a Traditional IRA.

2020 Tax Year and Beyond

Under the SECURE Act of 2019, the age restriction on funding a Traditional IRA has been eliminated beginning with the 2020 tax year. For 2020 and later years, individuals who have earned income from working may continue to fund their IRA beyond age 70½.

Not Applicable for 2019 Carryback Contributions

While this change takes effect on January 1, 2020, the new rule DOES NOT apply to carryback contributions made for the 2019 tax year (i.e., individuals who are age 70½ or older during 2019 cannot make a Traditional IRA contribution for the 2019 tax year).

Penalty-Free IRA Withdrawals for Certain Births/Adoptions

While taxable IRA withdrawals taken prior to age 59½ are typically subject to the IRS early withdrawal penalty, certain exceptions exist. Beginning January 1, 2020, a new penalty exception allows certain qualifying individuals to withdraw up to \$5,000 from an IRA (or other tax-qualified savings plan) before age 59½ in the case of a qualifying birth or qualifying adoption.

Qualified Birth or Adoption Distribution

To be considered a "Qualified Birth or Adoption Distribution", the distribution must be taken during the 1-year period beginning on the date on which a child of the individual is born or on which the legal adoption of an eligible adoptee is finalized.

\$5,000 Limit

The maximum amount any one individual can claim as a Qualified Birth or Adoption Distribution with respect to one child or one eligible adoptee is \$5,000, regardless of the number of IRAs and/or employer-sponsored retirement plans he/she owns.

Eligible Adoptee

Under the new penalty exception, the term “Eligible Adoptee” generally means any individual who has not attained age 18 or is physically or mentally incapable of self-support.

Rollover Option

In addition to claiming an exemption from the 10% early withdrawal penalty, individuals who take a Qualified Birth or Adoption Distribution have the option to recontribute (i.e., roll over) the distribution back into an IRA in the future.

Accelerated Withdrawals for IRA Beneficiaries

Effective for deaths occurring on or after January 1, 2020, the SECURE Act of 2019 changes the withdrawal options for many nonspouse IRA beneficiaries. Under the SECURE Act of 2019, nonspouse beneficiaries of IRA owners who pass away on or after January 1, 2020, must generally withdraw all inherited IRA assets by December 31 of the year containing the tenth anniversary of the IRA owner’s death.

Exceptions for Spousal Beneficiaries

The options available to spousal IRA beneficiaries are relatively unchanged under the SECURE Act. Spouse beneficiaries will still typically have the options of treating a decedent’s IRA as his or her own or of taking life expectancy distributions from the inherited IRA. In addition, spouse beneficiaries will now have the option—at least in some cases—of withdrawing the proceeds from a decedent’s IRA over a 10-year period.

Exceptions for Certain Nonspouse Beneficiaries

While nonspouse beneficiaries of IRA owners who pass away on or after January 1, 2020 must generally withdraw all the inherited IRA assets within 10 years, there are exceptions for certain categories of nonspouse beneficiaries:

Children

A minor child beneficiary of the IRA owner who has not yet reached the age of majority at the time of the IRA owner’s death is generally eligible to take annual minimum distributions based on his/her own single life expectancy until reaching the age of majority. Once the child reaches the age of majority, such beneficiary will typically be required to withdraw the remaining balance of the inherited IRA within 10 years from when the child reaches the age of majority.

Disabled Individuals

A nonspouse beneficiary who meets certain statutory requirements to qualify as disabled will generally be eligible to take annual minimum distributions over his/her single life expectancy.

Chronically Ill Individuals

A nonspouse beneficiary who meets certain statutory requirements to qualify as chronically ill will generally be eligible to take annual minimum distributions over his/ her single life expectancy.

Beneficiaries Not More than 10 Years Younger than IRA Owner

A nonspouse beneficiary who is not more than 10 years younger than the IRA owner will generally be eligible to take annual minimum distributions based on his/her single life expectancy.

5-Year Withdrawal Period for Some Non-Person Beneficiaries

While the SECURE Act of 2019 requires that most nonspouse beneficiaries withdraw all assets from an inherited IRA within 10 years of the death of the IRA owner, non-person beneficiaries (i.e., estates, charities, etc.), under certain circumstances, must withdraw IRA assets from a deceased IRA owner’s IRA within 5 years following the death of an IRA owner.

Special Rules for Trust Beneficiaries

Under the SECURE Act of 2019, the withdrawal requirements applicable in the case of a trust beneficiary vary widely depending on many factors including, but not limited to, whether all underlying beneficiaries of the trust beneficiary are considered “designated beneficiaries” according to statutory requirements and whether any of the underlying beneficiaries of the trust are considered chronically ill or disabled.



Instructions for Opening Your Clifford Capital Funds IRA

I. Included in this kit is:

- a. An IRA Application (Mail to Clifford Capital Funds).
- b. The IRA Disclosure and Plan Agreement.
- c. A Transfer or Direct Rollover Request form. You may use this form to request your current custodian, trustee, or employer to directly transfer your plan assets to your Clifford Capital Funds IRA.

II. To Open Your Clifford Capital Funds IRA:

- Step 1** Complete the IRA Application. See Designation of Beneficiary explanation below.
- Step 2** If you are requesting a transfer or direct rollover of current plan assets (held elsewhere) to your Clifford Capital Funds IRA, complete the Transfer or Direct Rollover Request form. You should complete this form **in addition** to the IRA Application.
- Step 3** Return the forms to the address below.
- Step 4** Include a check for the amount of your IRA contribution made payable to the mutual fund(s) in which you are investing.
- Step 5** Retain the IRA Plan Agreement and Disclosure for your records.

III. Designation of Beneficiary

You may designate a beneficiary to receive the IRA funds upon your death. The space provided is to name primary and contingent beneficiaries. If more space is needed, you may attach a supplementary sheet. If you wish a more complicated type of designation of beneficiary, you should consult an attorney. Some state's laws require married individuals to name their spouse as beneficiary. Married individuals should consult with their tax advisors prior to designating someone other than their spouse. You may change your beneficiary at any time by writing to the Custodian. If any of your beneficiaries die before you, the deceased beneficiary's share will be reallocated among the surviving beneficiaries on a *pro rata basis*. If none of your beneficiaries survive you, or if the Custodian cannot locate your beneficiary after a reasonable search, any balance in the IRA will be paid to your estate.

Revocation Information:

You have the right to revoke this Individual Retirement Account (IRA) within seven days of receiving your disclosure statement. To revoke your IRA account notify in writing by first-class mail to the address below and the notification will be accepted as the date notice is received and time-stamped.

Clifford Capital Funds
c/o Commonwealth Fund Services
8730 Stony Point Parkway, Suite 205
Richmond, VA 23235



IRA ACCOUNT APPLICATION

U.S. Mail and Overnight:
 Clifford Capital Funds
 c/o Commonwealth Fund Services
 8730 Stony Point Parkway, Suite 205
 Richmond, VA 23235

Toll Free:
 (800) 628-4077

IMPORTANT INFORMATION
 Please do not use this application to establish a regular Clifford Capital Funds account. To request a regular Clifford Capital Funds Account Application, please call (800) 628-4077 or visit our website at www.cliffordcapfunds.com. If you have any questions regarding this application or how to invest, please call Shareholder Services at (800) 628-4077.

In compliance with the USA PATRIOT Act, all mutual funds are required to obtain the following information for all registered owners and all authorized individuals: full name, date of birth, Social Security number, and permanent street address. This information will be used to verify your true identity. We will return your application if any of this information is missing, and we may request additional information from you for verification purposes. In the rare event that we are unable to verify your identity, the Fund reserves the right to redeem your account as an age-appropriate distribution at the current day's net asset value.

1. IRA Owner Information

Name (first, middle, last)

Social Security Number

Date of Birth

Address

City, State, ZIP Code

Daytime Phone

Evening Phone

Citizen and Permanent U.S. Resident? YES NO
 (Clifford Capital Funds are open to U.S. residents only)

2. Contribution Information

Amount to be Invested: <i>(may choose one or both funds)</i>	Partners Fund	Focused Small Cap Value Fund
	\$ _____	\$ _____
Select only one:	<input type="checkbox"/> Investor Class (\$2,500 Minimum)	<input type="checkbox"/> Institutional Class (\$100,000 Minimum)
Account Type: <i>(check one)</i>	<input type="checkbox"/> Regular/Spousal	<input type="checkbox"/> SEP IRA
	<input type="checkbox"/> Roth	<input type="checkbox"/> Rollover
	<input type="checkbox"/> Transfer	<input type="checkbox"/> Conduit*

* If you are moving assets from a qualified plan or tax-sheltered annuity and do not want to commingle these assets with regular IRA contributions, select this option.

Initial Contribution Type:					
Type	Amount	Tax Year	Type	Amount	Tax Year
<input type="checkbox"/> Roth IRA	\$ _____	_____	<input type="checkbox"/> Transfer from IRA	\$ _____	_____
<input type="checkbox"/> Regular/Spousal IRA	\$ _____	_____	<input type="checkbox"/> Rollover from Simple IRA**	\$ _____	_____
<input type="checkbox"/> SEP IRA	\$ _____	_____	<input type="checkbox"/> Transfer from Simple IRA**	\$ _____	_____
<input type="checkbox"/> Rollover from IRA/ Qualified Plan (e.g. 401(k)) /Tax-sheltered Annuity	\$ _____	_____	<input type="checkbox"/> Coverdell Educational IRA	\$ _____	_____

** Simple IRA (SRA) funds cannot be combined with regular IRA funds during the first two years of initial participation

3. Designation of Beneficiary

In the event of my death, pay my IRA balance to the following primary beneficiary(ies):
(See instructions for additional conditions.)

_____ Name	_____ SSN or TIN	_____ Relationship	_____ Date of Birth	_____ Address	_____ %
				_____ City, State, ZIP Code	

_____ Name	_____ SSN or TIN	_____ Relationship	_____ Date of Birth	_____ Address	_____ %
				_____ City, State, ZIP Code	

If all of the primary beneficiaries die before me, pay my IRA balance to the following contingent beneficiaries:

_____ Name	_____ SSN or TIN	_____ Relationship	_____ Date of Birth	_____ Address	_____ %
				_____ City, State, ZIP Code	

_____ Name	_____ SSN or TIN	_____ Relationship	_____ Date of Birth	_____ Address	_____ %
				_____ City, State, ZIP Code	

If no percentage rate is indicated, the beneficiaries will share equally.

Total % _____

4. Signatures and Certifications

I certify under the penalty of perjury that my social security number stated above is correct, that I am of legal age in my state of residence and I agree that the designation of the tax year for my contribution and my election to treat a contribution as a rollover (if applicable) are irrevocable. By signing this application, I hereby authorize and appoint Fifth Third Bank to act as Custodian of my account. I indemnify Fifth Third Bank when making distributions in accordance with my beneficiary designation on file or in accordance with the Custodial Account Agreement absent any such designation. I acknowledge that I have received the IRA Disclosure Statement and IRA Custodial Account Agreement at least seven days prior to the date I signed this application. I have read both, which are incorporated in this application by reference, and I accept and agree to be bound by the terms and conditions contained in the IRA Custodial Account Agreement. I also certify that I have received and read the current Prospectus and understand that mutual fund shares are not obligations of or guaranteed by a bank, nor are they insured by the FDIC.

IRA Owner's Signature

Date

Fifth Third Bank

Date

Complete only if required by State Law	
<p>Spousal Consent: I am the spouse of the IRA Owner and I approve and consent to the naming of a beneficiary other than myself. I transmute (transfer) any community property interest I have in this IRA into the separate property of my spouse.</p>	
_____ Spouse's Signature	_____ Date

Fifth Third Bank accepts this application and agrees to act as Custodian of the account. **A confirmation will be sent to you regarding the above transaction(s) and will serve as notification of the Custodian's acceptance.**

Send completed forms to:

Clifford Capital Funds
c/o Commonwealth Fund Services
8730 Stony Point Parkway, Suite 205
Richmond, VA 23235



1. Account Information

Account Holder Name(s): _____

Account Number: _____
(Leave blank if form accompanies a new application)

2. Transfers* (\$100 Minimum)

Transfer the amount of \$ _____ to the account listed above on the frequency selected below.

Select an option:

Monthly, beginning on the 15th of _____ (insert month)

Quarterly, beginning on the 15th of _____ (insert month)

Select your fund:

(should match either your current fund holding OR the fund selected for a new account)

Partners Fund

Investor Class (CLFFX)

Institutional Class (CLIFX)

Focused Small Cap Value Fund

Institutional Class (FSVWX)

* if establishing an Automatic Fund Investment for more than one fund, please complete a separate form for each fund

3. Bank Information

Please complete with your bank information.

Bank Name

Bank Address

City, State, ZIP Code

Account Number

Checking Savings

ABA Transit Routing Number (Bank)

Signature

Date

Please attach a copy of a voided check (checking account) or a pre-printed deposit slip (savings account) from the bank to enable transfer of funds.

I hereby authorize Commonwealth Fund Services, Inc. upon receiving instructions from me in accordance with the instructions provided to make investments into my mutual fund account. **I acknowledge that this authorization may only be revoked by providing written notice to Commonwealth Fund Services, Inc.** in such time and manner as to afford Commonwealth Fund Services, Inc. and the bank a reasonable opportunity to act upon it.

Signature of Primary Account Holder

Date

Signature of Additional Account Holder

Date

For Joint Account Registrations: If the name(s) on your bank account in Section 1 are not identical to the mutual fund account names, all bank account owners who are not owners of the mutual fund account must sign below.

Bank Account Owner's Name

Bank Account Owner's Signature