



# Designation of Beneficiary Form

## 1-800-432-2504

Because this form has important tax and/or legal consequences, you are encouraged to consult with your own financial or legal adviser before completing it. You should periodically review your designated beneficiaries and, if necessary, submit an updated form.

You may complete this form if you wish to register your existing non-retirement account as a Transfer on Death (TOD) account or you may also use this form to modify the beneficiaries for an existing TOD, IRA or 403(b) account. Please mail this form to: **Clipper Fund, PO Box 219167, Kansas City, MO 64121-9167.** For overnight delivery: **Clipper Fund, 430 W 7<sup>th</sup> Street, Suite 219167, Kansas City, MO 64105-1407.**

**A TOD option may be added to the following account registrations only:**

- Individual
- Joint Tenants with Rights of Survivorship (JTWROS)

**Important: The beneficiaries named on this form will replace any existing beneficiary information listed on your account. You must specify ALL Primary and Contingent Beneficiaries on this form even if you are changing only one beneficiary.**

### PART 1. ACCOUNT REGISTRATION

Name of Shareholder (Please Print)		Social Security Number
Name of Joint Shareholder (if any)		Social Security Number
Fund Number(s)	Account Number	Daytime Telephone Number

### PART 2. PRIMARY BENEFICIARY

This document shall revoke any prior beneficiary designations. At the death of the account holder or, in the case of joint tenants, at the death of the last surviving account holder, all of the assets in the account specified in Part 1 shall be transferred to the following beneficiary(ies) who survive the last surviving account holder. For additional beneficiaries, please attach a separate sheet. Your spouse may need to sign in Part 4.

1. _____ Name	_____	3. _____ Name	_____
_____	_____	_____	_____
Percentage	Social Security Number	Percentage	Social Security Number
_____	_____	_____	_____
Relationship	Birth Date	Relationship	Birth Date
2. _____ Name	_____	4. _____ Name	_____
_____	_____	_____	_____
Percentage	Social Security Number	Percentage	Social Security Number
_____	_____	_____	_____
Relationship	Birth Date	Relationship	Birth Date

**Please note: For entities such as a charitable organization, provide the full name of the organization. For Trust designations, provide the full name of the trust and all applicable trustees. It is recommended that you inform your beneficiaries that they have been designated as such and that they will need to contact the Fund upon your death, in order to settle your account. It is also advisable to keep a copy of this designation along with other important documents, such as a will or trust agreement, and inform designees whenever changes are made.**



# CLIPPER FUND

## PART 3. CONTINGENT BENEFICIARY

At the death of the account holder or, in the case of joint tenants, at the death of the last surviving account holder, if none of the primary beneficiaries are living, all of the assets in the account specified in Part 1 shall be transferred to the following beneficiary(ies) who survive the last surviving account holder. For additional beneficiaries, please attach a separate sheet.

1. \_\_\_\_\_  
Name

\_\_\_\_\_

Percentage                      Social Security Number

\_\_\_\_\_

Relationship                      Birth Date

3. \_\_\_\_\_  
Name

\_\_\_\_\_

Percentage                      Social Security Number

\_\_\_\_\_

Relationship                      Birth Date

2. \_\_\_\_\_  
Name

\_\_\_\_\_

Percentage                      Social Security Number

\_\_\_\_\_

Relationship                      Birth Date

4. \_\_\_\_\_  
Name

\_\_\_\_\_

Percentage                      Social Security Number

\_\_\_\_\_

Relationship                      Birth Date

## PART 4. SPOUSAL CONSENT (if applicable)

### Spousal Consent - Community Property States Only:

*If you are married, please read the following information that applies to residents of community property or marital property states if the spouse is not designated as primary beneficiary for at least half of the account. It is the Account Owner's responsibility to determine if this section applies. The Account Owner may need to consult with legal counsel. Neither the Fund nor its Agent are liable for any consequences resulting from a failure of the Account Owner to provide proper spousal consent.*

**IMPORTANT:** This Designation of Beneficiary may have tax or estate planning effects and consequences. If you are married and reside in a community property or marital property state (currently Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington or Wisconsin), you may need to obtain your spouse's consent if you have not designated your spouse as primary beneficiary for at least half of your Account. Note that the states listed here may change. See your attorney or tax professional for additional information and advice.

**Waiver of Beneficiary Rights by Spouse:** As the spouse of the above-named owner of the account, I hereby consent to the designation of the beneficiary(ies) named in Part 2.

\_\_\_\_\_  
Signature of Spouse

\_\_\_\_\_  
Date

## PART 5. SIGNATURE OF SHAREHOLDER(S) REQUIRED. All shareholders listed on the current account registration must complete this section.

By signing this form, I/we revoke any prior beneficiary designation for the account referenced above. I/we reserve the right to change, modify or revoke this beneficiary designation at any time by an instrument similar to this one, delivered to the Fund herein mentioned, prior to my/our death. I/we agree that this account shall be governed by the rules set forth on this form. If no beneficiary survives my/our death, the Estate for the most recently deceased shareholder will receive the shares. I/we agree that the Clipper Fund or any of its affiliates, officers, directors or employees will not be liable for any loss, expense or cost for acting upon instructions I/we provided in connection with the transfer upon my death of the balance in the account referenced in Part 1 to the beneficiaries listed in Part 2 or 3.

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Joint Shareholder

\_\_\_\_\_  
Date



## Rules Governing TOD Registration

Per your instruction, the transfer agent ("Agent") for the mutual fund(s) in which you are invested will register your account as a Transfer on Death (TOD) account. Set forth below are the rules that govern such TOD accounts.

Please note that only simple beneficiary designations will be accepted for TOD accounts. More complicated directions may be handled instead through a will or trust drawn by your attorney. By providing you with this information, the Agent does not intend to give, and is not giving, any advice as to the legal effect of a TOD registration under applicable state laws governing inheritance and probate procedures. Since TOD directions do affect the disposition of the account owner's property at death, you should consult with your attorney or tax advisor to make certain that the directions are consistent with your estate planning and tax planning objectives.

**1. Who may designate a TOD registration?** A TOD registration may be designated by (i) a sole account owner or (ii) by two or more joint owners only if the joint owners hold the account as joint tenants with rights of survivorship (and not tenants in common) or as community property. A custodian for a Uniform Transfers to Minors Act (UTMA) or Uniform Gifts to Minors Act (UGMA) account may not designate a TOD on the registration.

**2. Account owner** The term "account owner," as used herein, refers to either the sole owner of the account or all joint owners of the account in the case of multiple owners. Actions to be taken by the "account owner" must be taken by all joint owners in the case of multiple owners. Beneficiaries are not "account owners" and have no rights in the account until the death of the last surviving account owner.

**3. Designation of primary and contingent beneficiaries** An account owner may designate primary beneficiaries of the TOD account. An account owner may designate one, or more than one, beneficiary of the TOD account. The Agent requires a Social Security Number for each designated beneficiary (unless the beneficiary is not a US person and has no US tax identification number) in order to ensure that the account is transferred to the appropriate person or persons upon the death of the last surviving account owner.

Primary beneficiaries are the first in line to receive the account upon the death of the last surviving account owner if, and only if they survive all the owners.

An account owner also may designate contingent beneficiaries of the TOD account. Contingent beneficiaries receive the account upon the death of the account owner(s) if, and only if, there are no surviving primary beneficiaries.

An account owner is not required to designate any contingent beneficiaries in a TOD registration. See also Section 5 for more information on rights of beneficiaries under your designation.

**4. Minors as beneficiaries** If a beneficiary of a TOD account is a minor at the time of inheritance, a custodian, trustee, or parent or guardian must act on behalf of the beneficiary.

### 5. Rights of designated beneficiaries

(a). **Default arrangement is pro rata.** When an account owner instructs the Agent to register an account in TOD form and names multiple beneficiaries, the Agent will treat the multiple beneficiaries as owning equal percentages as the default arrangement.

(b). **Optional percentage designations.** If an account owner wishes that the shares of his/her account be distributed unequally among beneficiaries, the account owner must clearly state on the form a percentage for each beneficiary. The total of all percentages must equal 100%. If the percentages do not equal 100%, or if the instructions are unclear, the Agent will request further instructions from the account owner, and, if necessary, will use the pro rata default stated above in Section 5(a) unless valid instructions are received.

(c). **Optional designations under Lineal Descendants Per Stirpes (LDPS).** If an account owner wishes to have the share of the account intended for a beneficiary to pass to the children of the designated beneficiary in the event a designated beneficiary dies before distribution from the account, the account owner must specifically instruct the Agent to register the account as Lineal Descendants Per Stirpes or "LDPS." If the abbreviation "LDPS" does not appear on the TOD designation, the share intended for any designated beneficiary will not pass to that deceased beneficiary's children or descendants.

(d). **Choice of LDPS designations applies to all beneficiaries on an account.** If a TOD account with multiple beneficiaries is registered LDPS, the LDPS registration will apply to all beneficiaries designated, both primary and contingent. However, the shareowner also may specifically designate a distinction between the treatment of primary beneficiaries as a class and contingent beneficiaries as a separate class. E.g., all primary beneficiaries may be designated as pro rata and all contingent beneficiaries designated as LDPS, or vice versa. It is not possible, however, to mix the two types of designations within either class of beneficiaries.

(e). **If a beneficiary dies and no LDPS designation is made.** In the case of multiple beneficiaries, if one of the beneficiaries does not survive the account owner and no LDPS designation is made, the deceased beneficiary's share of the account will be divided among the remaining beneficiaries upon the death of the last surviving account owner.

(f). **If all beneficiaries die before the last surviving account owner and no LDPS designation is made.** If no beneficiary survives the last surviving account owner and no "LDPS" designation has been made, the account will be treated as part of the estate of the account owner.

### 6. Revocations or changes TOD registrations may not be made irrevocable.

The account owner may revoke or change a beneficiary designation. Change or revocation requires a letter of instruction signed by the account owner or, by all owners if the account is jointly owned.

**7. Controlling terms** The TOD beneficiary designation completed by the account owner expressly provides that the Fund and its Agent shall honor the account owner's instructions.

As a result, the following terms will apply:

(a). An account owner may change the TOD beneficiary or revoke the TOD registration at any time during his life by a written instruction to the Fund or its Agent.

(b). The beneficiary or status of the account may also be changed by a court order directed to Agent or Fund.

(c). The beneficiary or status of the account will not be automatically be changed by events subsequent to the establishment of the account as a TOD (e.g. divorce).

(d). The beneficiary or status of the account will not be automatically be changed by third party requests based on state statutes.

### 8. Dividends, interest, capital gains, and other distributions after the account owner's death:

(a). Accruals (undistributed earnings) of the account which occur after the death of the last surviving account owner (or last surviving joint owner) stay with the account and pass to the beneficiary or beneficiaries.

(b). Where the account has been coded for cash distributions, and such distributions have actually been paid out prior to notice to the Agent of the death of the last surviving account owner, such distributions are deemed to be the property of the estate of the original account owner and do not pass with the account to the designated beneficiaries.

### 9. Redemption or Transfer by a TOD beneficiary or beneficiaries

A single beneficiary on a TOD registration must provide all of the following to redeem or transfer shares from a TOD account following the death of the last surviving account owner: (i) a letter of instruction signed by the beneficiary, Medallion Guaranteed, stating the name of the deceased account owner and the date of death; (ii) a completed new account application or change of registration form, (iii) a Form W-9 or any successor form to Form W-9, and (iv) an inheritance tax waiver if required by the decedent's state of residence. Foreign persons must also complete Form W-8BEN or any successor form to W-8BEN. In the case of multiple beneficiaries, in addition to the requirements above, the beneficiary must also provide an affidavit under penalty of perjury that there are no known disputes or claims that would affect the requested distribution. Additional redemption or transfer requirements may be imposed at the time of redemption.