



TAX WITHHOLDING NOTICE

Effective January 1, 2023, the IRS will require completion of form W-4R when making or updating withholding elections for systematic withdrawals or cash dividends, or when requesting a one-time distribution.

Federal income tax regulations require this notice to be sent with respect to your Individual Retirement Account(s) or 403(b)(7) Custodial Retirement Account(s) from which you are receiving distributions. Any distribution received from this account is subject to federal income tax withholding.

403(b) Accounts: The Internal Revenue Code requires 20% withholding on "eligible rollover distributions" unless the distribution is paid directly to a custodian or trustee as a Direct Rollover to an IRA, to another 403(b), or to a workplace retirement plan that is willing to accept the assets.

If the distribution is not considered to be an "eligible rollover distribution", the distribution is subject to the 10% tax withholding rules. You have the option to withhold tax rates between 0% and 100% based on your individual situation and the advice of your tax advisor.

IRA Accounts: You have the option to withhold tax rates between 0% and 100% based on your individual situation and the advice of your tax advisor.

Your original withholding election will apply to your systematic withdrawal plan until you change it. You may change or revoke your election at any time by providing us with new withholding instructions using form W-4R (please see link below) or by contacting Investor Services. Please understand you may incur tax penalties under the estimated tax payment rules if your estimated tax payment and withholding are insufficient.

How to proceed:

1. If you want your withholding election to remain unchanged, no action is required.
2. If you want to change or revoke your previous election, please contact Investor Services or complete and sign IRS Form W-4R and return it with this letter. The mailing address and telephone number can be found on the bottom of the page.

The information and other communication you receive from Clipper Fund are for informational purposes only and are not intended to be a recommendation or investment advice. Please consult your advisor before making all investment-related decisions. Additional information can be found on the IRS website <https://www.irs.gov/forms-pubs/about-form-w-4r>.

If you are not enrolled in a systematic withdrawal plan, requesting a distribution, receiving cash dividends, or would like your current withholding election to remain unchanged, you do not need to take any action.