X-Square Balanced IRA Disclosure Agreement

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I. Introduction

This document contains the terms and conditions for opening an Individual Retirement Account (IRA), whether it is a Roth IRA, a Traditional IRA, or an Educational IRA with X-Square Capital ("the advisor").
The Customer, upon signing the account documents (including this IRA Agreement) and by establishing an IRA with the advisor, (1) agrees and acknowledges that his/her contractual relationship with the advisor will be subject to the terms and conditions established herein. When the word "Customer" is used in this document, it refers to the individual that is opening an IRA account with the advisor. The Custodian for the IRA will be Charles Schwab & Co., Inc.

II. Individual Retirement Account (IRA) Agreement

A. General Information

1. Regulations

The IRA opened by the Customer is regulated under the provisions of the Puerto Rico Internal Revenue Code of 2011 and applicable regulations issued by the Puerto Rico Treasury Department and/or the Office of the Commissioner of Financial Institutions of Puerto Rico. The applicable sections of the 2011 Code provide further details on the requirements for establishing and investing in an IRA. If the Customer has any additional questions regarding the requirements for establishing and investing in an IRA they should contact their legal or tax advisor.

In the case of the IRA meeting all the requirements of the 2011 Code, the Customer will be responsible for deciding how the contributions will be organized and invested. The Customer can choose between investing in the Roth IRA or the Traditional IRA.

If the Customer chooses the Traditional IRA, it means that the contributions are deducted from the Customer's adjusted Gross Income, which are then deducted from the tax return in Puerto Rico for the year in which the contribution is made.

If the Customer chooses the Roth IRA, it means that the contributions that the Customer makes are subject to the taxpayer's taxable

income; however, the appreciation generated by the investment from these contributions will not be taxable if the individual receives funds from the account pursuant to a qualified distribution.

2. **Eligibility**
   In order for the Customer to establish an IRA with the advisor, the individual must receive some sort of compensation derived from services from sources within Puerto Rico. Compensation does not include interest, dividends, rents, royalties or capital gains or other non- employment income
   The Customer must be a resident of Puerto Rico to establish or maintain an IRA.
   A Customer can make contributions to a Deductible IRA up to the tax year in which the person reaches 74 years of age. After the attainment of 74, the Customer cannot make any additional contributions to the IRA.

3. **Amendments**
   The advisor reserves the right to amend the terms and conditions established herein at any moment. Unless another term is established in this document, or by law or regulation, said amendments could be effective as soon as they are communicated.

4. **Recession Rights**
   The Customer may cancel or revoke his IRA account within the first seven business days after opening it by notifying the advisor through email, info@xsquarecapital.com. The Initial deposit will be refunded after subtracting any penalties that the investment instrument might apply to the contribution.

B. Investment Alternative

1. Every contribution made towards the Roth or Traditional IRA will represent a participation in the X-Square Balanced Fund, which is a mutual fund managed by the advisor. The Fund's investment objective is to seek conservation of capital, current income and long-term growth of capital and income. The Fund uses a balanced approach to invest in a broad range of securities, including common stocks and investment-grade bonds.

C. Contributions and Deductions

1. **Maximum Allowable Contribution**
   Maximum contribution is $5,000 per individual and $10,000 for a married couple filing joint returns.
   The contribution that an individual or married couple filing jointly can make to an IRA is limited to the lesser of the maximum amounts described above and the adjusted gross income (in the case of married individuals filing joint returns, the aggregate adjusted gross income) derived from salaries and earnings attributed to professions or occupations, for the year in which the contribution is made (hereinafter the Maximum Allowable Amount).
   If the Customer makes a contribution to an IRA in excess of the Maximum Allowable Amount it will be understood that the total balance of the IRA was distributed to the Customer on the first day of the year in which the excess contribution was made, and will be subject to tax. In addition, said amount will be subject to a 10% penalty imposed by the 2011 Code for early distributions.

2. **Contribution Deadline**
   The Customer must make his/her contributions to an IRA by no later than the date prescribed by law for the Customer to file his/her Puerto Rico income tax return for that year (including any extension of time for filing).

3. **Age Limit to Contribute to a Deductible IRA**
   A Customer can make a contribution towards the Traditional IRA only until he/she is 74 years of age. For the Roth IRA, the Customer can keep paying contributions even after 74 years of age.

4. **Spousal.** You may make spousal Traditional IRA contributions for a year, if: 1) your spouse has compensation that is includible in gross income for such year; 2) you have less compensation than your spouse for such year; and 3) you file a joint federal income tax return for such year.

D. Non Transferable, Irrevocable, and Nonforfeitable

Contributions to the Roth or Traditional IRA are non-transferable, irrevocable, and nonforfeitable, except as specifically provided in the 2011 Code.

E. Rollovers

The amounts distributed from an IRA established by the Customer may be transferred to another IRA within sixty (60) days. Rollover contributions to another IRA will not be taxable until they are withdrawn from the new IRA. If the rollover is not made in time (the first 60 days) it may be considered an excess contribution with adverse tax consequences.

A Customer is only allowed to make one tax free rollover from an IRA to another IRA within any one-year period. However, if a transfer is made directly between IRA trustees, such one-year restriction does not apply.

An IRA, that has been established under the United States Internal Revenue Code of 1986, does not qualify to make or receive rollovers from an IRA in Puerto Rico.

The 2011 Code does not provide for rollovers from a nondeductible or Roth IRA to a regular IRA.

F. Charges and Expenses

The advisor may impose a one time initial set-up fee for establishing the account, upon opening the account, and an annual management fee.

Any of the fees presented above may be waived, reduced, or increased based on the advisor's discretion taking into consideration any unforeseen causations.

G. Distributions

1. Qualified Distributions

The Customer may begin to receive the accumulated amount in his/her IRA on or after sixty years of age. This is the case only when it is a non-deductible Roth IRA.

For the Traditional IRA, the distribution must begin no later than the taxable year on which the customer attains age seventy five. In said case, the regular IRA may be distributed in a lump sum payment, in periodic payments or in substantially equal payments, beginning not later than the end of the year in which the Customer attains age seventy-five (75), and payable during a period that does not exceed the life expectancy of the Customer, or the joint life expectancy of the Customer and his/her spouse. The Customer should inform the advisor in which way he/she would like to have the IRA distributed 30 days before their seventy fifth birthday. If not, then the IRA

Any distributable amount that is not claimed by the Customer within ninety (90) days following his/her 75th birthday will be withdrawn from the IRA account and deposited in a savings account with the Bank for the benefit of the Customer. The amount so transferred shall be deemed distributed to the Customer, for tax purposes, at the end of the taxable year in which the Customer reaches 75 years of age.

a. **Distribution due to Death of the Customer**

   If the Customer dies before the entire balance of his/her IRA is distributed, the remaining balance of the Customer's IRA will be distributed to his/her beneficiaries within five (5) years of his/her death. However, if at the time of the Customer's death the Customer had already elected to receive distributions over a certain term permitted by the 2011 Code, and such distributions had already commenced, the distributions will continue to the beneficiaries as scheduled. If the beneficiary of a Customer is the Customer's surviving spouse, the same rule applies at the death of the surviving spouse with respect to his/her beneficiaries if distributions to the surviving spouse have commenced.

   The beneficiaries of a Customer or of his/her surviving spouse will be those persons who, under applicable law and rules of joint property, community property, estate and succession laws, have the right to the IRA in the event of the death of the Customer or of his/her surviving spouse

b. **Distributions to Cover the College Education Expenses of Direct Dependents**

   To qualify for the penalty exemption, the Customer must present a certificate from the University stating that the direct dependent is a regular student at that institution or was accepted to register at said institution. The certificate must provide a detailed description of the dependent's educational expenses, including the dollar amounts that must be paid by the Customer. No reimbursements of costs already paid will be made.

2. **Tax Treatment of Distributions**

   a. **Traditional IRA**

Under the 2011 Code, income taxes will be paid with respect to the contributions made by the Customer to the IRA. Pursuant to a ruling issued to the Trust by the Puerto Rico Treasury Department, the interest income generated from such deposits will be tax exempt when distributed to the Customers. The 2011 Code also provides that interest earned on deposits in Puerto Rico banking institutions is eligible for an income tax exclusion, currently of up to $2,000 ($4,000 if married filing jointly). To the extent such interest in any given year exceeds the amount excludable from gross income, the amount in excess may be subject to a tax rate of ten percent (10%) if the taxpayer elects that such interest be subject to withholding at source. Therefore, interest in excess of $2,000 ($4,000 if married filing jointly) generated by IRA, may be subject to a ten percent (10%) tax at the Customer's election. The Customer also may opt to be taxed at a tax rate of ten percent (10%), to be withheld at source, on such part of the total or partial distribution from his/her IRA that consists of income from sources within Puerto Rico, as such term is defined by the Secretary of Treasury for such purposes.

If the distribution is not considered a Qualified Distribution, as explained above, then it will be subject to a 10% penalty imposed by the 2011 Code or 15% in case of having prepaid income taxes.

If a Customer is currently receiving retirement benefits from the Commonwealth of Puerto Rico Employee Retirement System or its instrumentalities, the Judiciary Employee Retirement System, or the Teacher's Retirement System and requests a total or partial distribution from its IRA, he/she may elect to be taxed at a special 10% tax rate, instead of the tax rates described above, on those amounts attributable to nonexempt interest or to appreciation in value on the account

The Code provides for various categories of tax-exempt income and income subject to preferential tax rates to be considered for purposes of Alternate Minimum Tax (AMT) for individuals. At present, AMT applies to individual taxpayers with incomes subject to an AMT of $25,000 or more. The AMT

top rate is 24% for incomes subject to an AMT in excess of $250,000. These provisions may affect the taxation of taxpayers that receive IRA Distributions that include interests that would be otherwise exempt from regular income tax or subject to preferential tax rates. The Customer should consult a financial and/or legal counselor for more information

b. Roth IRA

The contributions towards the Roth IRA, contrary to those made to the Traditional IRA, are considered after-tax contributions, which means that they are not subject to tax. The appreciation value and interest earned are also not considered taxable income if the distribution is considered a Qualified distribution, was explained above. If they are not considered a qualified distribution, then they are subject to the penalty for nonqualified distributions.

3. Early Distributions

Prior to attaining the age of sixty (60), a Customer may only receive distributions from his/her IRA without being subject to the ten percent (10%) tax penalty imposed by the 2011 Code for early withdrawals, under the following situations: (i) a timely withdrawal of excess contributions; (ii) distributions as a result of the death of the Customer, or his/ her disability, or loss of employment; (iii) if the funds are used to pay the expenses of the Customer's direct dependents in connection with their university studies; (iv) if used to purchase or build the Customer's first principal residence; (v) to repair or rebuild the Customer's principal residence which has been damaged by fire, hurricane, earthquake or other casualty; (vi) to prevent imminent foreclosure or incurring in default of the mortgage on a Customer's principal residence, including for refinancing, as a result of job loss or substantial verifiable income reduction, subject to presentation of evidence of such necessity, circumstance and use, provided, however, that the Customer may withdraw up to one-half of the funds deposited with the advisor or up to a total of $20,000, whichever is higher; (vii) if used to pay expenses for treatment of any terminal, degenerative, chronic or severe disease of the Customer or a family member of the Customer up to the fourth degree of consanguinity or up to the second degree of affinity whose foreseeable effect certified by a physician is the loss of life or a

permanent physical disability; or (viii) withdrawal of up to $1,200 every six (6) years to acquire or purchase a computer to be used by a Customer's dependent through the second degree of consanguinity (i.e., son or daughter, grandson or granddaughter, or sibling) who is studying up to the university level; or (ix) withdrawal of up to the maximum amount $20,000 to acquire an effective and environmentally amicable renewal energy system for the Customer's residence; or (x) if used to pay a liability for child support that is overdue by six (6) months or more. The Customer must present satisfactory evidence to the Trustee in accordance with the 2011 Code and the applicable regulations certifying that the distribution qualifies for any of these exemptions. In addition, the ten percent (10%) (fifteen percent (15%) in certain cases) tax penalty imposed under the 2011 Code for early withdrawals will also not apply to (i) a transfer to another IRA in a rollover contribution within the sixty-day (60) period after the distribution date if the payment is made in the name of the new IRA trustee that will receive the rollover contribution and the rollover complies with the requirements of the 2011 Code; (ii) a transfer of title in an IRA to a former spouse of the Customer as a result of a divorce proceeding; or (iii) a distribution not otherwise includible in gross income.

H. Reports

The advisor will prepare and send quarterly and annual reports to each Customer, disclosing the details of all the transactions related to the Roth or Traditional IRA as required by the 2011 Code.

I. IRA or Roth IRA as Collateral

The use of the Traditional or the Roth IRA as a Collateral is prohibited and if exercised, then the 10% penalty for early distribution will be applicable to the IRA.

III. Disclosures of IRA and Roth IRA

A. Minimum Deposits Requirements

A minimum initial deposit of $500 is required to open an IRA account with the advisor.

B. Transaction Limitations

After opening the IRA account, additional deposits are not permitted at any time. Partial withdrawals of principal prior to maturity will not be permitted or they will be subject to the penalty explained below.

C. Purchasing X-Square Balanced Fund Shares

The Trust may buy shares on any "business day." Business days are Monday through Friday, other than days the NYSE is closed, including the following holidays: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas Day.

Class A shares of the Fund are sold at NAV per share, plus any applicable sales charge. The NAV generally is calculated as of the close of trading on the NYSE every day the NYSE is open. The NYSE normally closes at 4:00 p.m., prevailing Eastern Time ("ET"). The NAV of each class of shares of the Fund is calculated by taking the total value of the Fund's assets attributed to that class, subtracting its liabilities, and then dividing by the total number of shares of that class outstanding, rounded to the nearest cent. Purchase orders received by a designated intermediary before the close of trading on the NYSE will be effective at the NAV next calculated after your order is received. On occasion, the NYSE closes before 4:00 p.m. ET. When that happens, purchase orders received after the NYSE closes will be effective the following business day.

With respect to any Customer, X-Square shall transmit an order to purchase Fund shares to the Custodian only to the extent there are sufficient assets in the Customer's account to effect the order.

IV. X-Square Balanced Fund Disclosures

An investor should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. *To obtain a prospectus containing this and other information, please call 1-833-X-SQUARE or download one from www.xsquarecapital.com.* Read the prospectus carefully before you invest.

Investing involves risks, including loss of principal.

An investment in the Fund is subject to, among others, the following risks: Asset-Backed Securities Risk: Asset-backed securities are subject to credit, interest rate, prepayment, extension, valuation and liquidity risk. Credit Risk: The issuer of bonds or other debt securities may be unable or unwilling, or may be percived as unable or unwilling, to make timely interest or principal payments or otherwise honor its obligations. Derivatives Risk: Derivatives may be more sensitive to changes in economic or market conditions than other types of investments; this could result in losses that significantly exceed the fund's original investment. High-Yield Risk: The Fund's high-yield fixed income securities, sometimes known as "junk bonds" will be subject to greater credit risk, price volatility, and risk of loss than investment grade securities, which can adversely affect the Fund's return and net asset value. Liquidity Risk: Certain Fund holdings may be deemed to be less liquid or illiquid because they cannot be readily sold without significantly impacting the value of holdings. Small Cap Stock Risk: Stocks of smaller companies may be subject to more abrupt or erratic movements than stocks or larger, more established companies.

ALPS Distributors, Inc. is the distributor of the X-Square Balanced Fund. There is no affiliation between X-Square Capital, LLC and ALPS Distributors, Inc. ALPS Distributors, Inc. 1290 Broadway, Suite 1000, Denver, CO 80203.

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