



Disclosure Statement: SIMPLE IRA

This Disclosure Statement summarizes the requirements for the Savings Incentive Match Plan for Employees of Small Employers Individual Retirement Act (SIMPLE IRA) to which you make salary deferral contributions and to which your employer makes contributions on your behalf under a SIMPLE IRA Plan. The details under which the SIMPLE IRA is governed are specified by law and are covered in the SIMPLE IRA Custodial Account Agreement (SIMPLE IRA). This Disclosure Statement is only a summary of the rules.

SECTION 1 – REVOCATION OF ACCOUNT

You have the right to revoke the SIMPLE IRA at any time within seven (7) days after you execute the SIMPLE IRA Application. Upon revocation, you are entitled to a return of the entire amount you originally contributed to the SIMPLE IRA without any deduction for sales commissions, administrative expenses, other fees or fluctuations in market value.

To revoke the SIMPLE IRA, you must personally deliver or mail a written notice of revocation to us, postmarked within seven (7) days of executing the SIMPLE IRA custodial account agreement. Mail the notice by first class mail to:

Pacific Premier Trust
Processing Center
P.O. Box 981012
Boston, MA 02298

Mailed notice will be deemed given on the date that it is postmarked, if it is properly addressed and deposited either in the United States mail, first class postage prepaid or with an IRS approved overnight service.

If you have any questions or concerns regarding the revocation of your IRA, please call or write to us. Our telephone number, address, and contact name, to be used for communications, can be found on the application that accompanies this Disclosure Statement.

SECTION 2 – STATUTORY REQUIREMENTS

2.1 Statutory Requirements. A SIMPLE IRA must satisfy certain requirements of the Internal Revenue Code. The SIMPLE IRA Custodial Account Agreement incorporates those requirements. In brief, the Internal Revenue Code requires that the IRA be governed by a written instrument. The Custodian, except in the case of a rollover contribution, will accept only cash contributions. With certain limited exceptions, only a bank or trust company may act as Custodian/Trustee of the IRA. Your contributions may not be invested in life insurance contracts or collectibles (within the meaning of Internal Revenue Code § 408(m)). Your interest in the SIMPLE IRA must be nonforfeitable at all times. With certain exceptions, the SIMPLE IRA may not be commingled with other property and distribution of your interest in the SIMPLE IRA must be made under specific guidelines.

2.2 No Borrowing. You may not utilize the SIMPLE IRA for any purpose other than retirement benefits. The use of the SIMPLE IRA as security for a loan will result in a deemed distribution of the SIMPLE IRA to the extent of the portion used as security. This deemed distribution would subject you to current income taxation and, unless you have attained age 59½, to the 10% penalty tax (or possibly the

25% penalty tax if two years of participation have not lapsed) on the taxable portion of the SIMPLE IRA deemed distribution.

SECTION 3 – CONTRIBUTIONS BY THE PARTICIPANT

3.1 Contributions. Contributions to the Custodial Account may be one of the following:

- (a) **Your salary deferral contributions to your (SIMPLE) IRA plan.** A salary deferral contribution is a contribution made based on your election with your employer to have an amount contributed to your SIMPLE IRA rather than having the amount paid to you in cash.
- (b) **Your employer's matching contributions and non-elective contributions to your SIMPLE IRA plan.** Your employer may make either an employer matching contribution or an employer non-elective contribution to your SIMPLE IRA for years during which you are eligible.
- (c) **Rollover Contributions from a qualified retirement plan, Traditional IRA or SEP IRA to a SIMPLE IRA (See Section 4).**
- (d) **Transfer amounts from another SIMPLE IRA (See Section 4).**

NOTE: While the SECURE 2.0 Act of 2022 generally permits Roth contributions to SEPs and SIMPLE IRAs effective January 1, 2023, Pacific Premier Trust is not currently accepting Roth contributions to SEP and SIMPLE IRAs custodied by Pacific Premier Trust.

3.2 Contribution/Deferral Limits

- (a) **Amount of Salary Deferral Contributions.** The maximum amount of salary deferral contributions you may make to your SIMPLE IRA cannot exceed the lesser of 100% of your compensation or \$15,500 for 2023 or \$16,000 for 2024. The contribution limit may be periodically increased for cost-of-living adjustments.
- (b) **Catch-Up Contributions.** If you turn age 50 or older before the end of the taxable year, you may contribute an additional \$3,500 to your SIMPLE IRA for 2023 and 2024. This catch-up contribution limit may be periodically increased for cost-of-living adjustments.
- (c) **Employer Matching or Non-elective Contributions**
 - (i) **Matching Contribution.** Under a SIMPLE IRA plan, your employer generally may make a matching contribution equal to the amount of your salary deferral contributions, up to a limit of 3% of your compensation for the year. For more information, see your employer's plan.

- (ii) **Non-elective Contribution.** Instead of making a matching contribution, your employer may make a non-elective contribution equal to 2% of your compensation for the year. For more information, see your employer's plan.

3.3 Timing of Contributions. Your employer generally must deposit your salary deferral contributions and any catch-up contributions to your SIMPLE IRA as soon as the amounts can be reasonably segregated from your employer's general assets but no later than the end of the 30-day period following the last day in the month in which the contributions were withheld from your paycheck. Any employer matching or non-elective contributions must be made to your SIMPLE IRA by the due date, including any extensions, for your employer's federal income tax return for the year in which the contributions are being made.

SECTION 4 – ROLLOVER CONTRIBUTION BY THE PARTICIPANT

4.1 Eligible Participant. You are eligible to establish a rollover SIMPLE IRA if the contribution you wish to make satisfies the definition of a Qualifying Rollover Contribution (See Section 4.3).

Unlike the rules relating to regular contributions to SIMPLE IRAs, you may establish a rollover SIMPLE IRA even if you do not have any *compensation or income other than the funds with which you wish to establish the rollover IRA.*

The Qualifying Rollover Contribution may consist of cash and/or property including, in the case of a qualified retirement plan, the proceeds from the sale of property received.

4.2 No Contribution Limit. There is no limit on the amount of the rollover contribution you may make to the SIMPLE IRA.

4.3 Qualifying Rollover Contribution. During the 2-year period beginning on the first day your employer deposited contributions to your SIMPLE IRA, you may roll over amounts from one SIMPLE IRA to another SIMPLE IRA in your name.

Once you have satisfied the 2-year holding period described above, you may roll over amounts from your SIMPLE IRA to a traditional IRA, SEP IRA, SIMPLE IRA or an eligible retirement plan. For this purpose, an eligible retirement plan includes a qualified employer plan (such as a 401(k), profit sharing or pension plan), a qualified employee annuity, a 403(b) tax sheltered annuity and a 457(b) plan of an eligible state or local government.

You must make the rollover contribution of the property and/or cash within 60 days of receipt of the property and/or cash from the distributing IRA or employer plan. The IRS may, but it is not required to waive this 60-day requirement in very limited situations, such as where a casualty or disaster prevented you from making the contribution within the 60-day period.

4.4 Rollover to Another SIMPLE IRA/12 Month Rule. You may make only one rollover from an IRA to another (or the same) IRA in any 12-month period, regardless of the number of IRAs you own. This limit will be calculated by aggregating all the IRAs owned by you (including SEP and SIMPLE IRAs as well as Traditional IRAs and Roth IRAs), effectively treating them as one IRA for purposes of this rule. Trustee-to-trustee transfers between IRAs are not subject to this rule and you can make an unlimited number of trustee-to-trustee transfers.

Generally, you should use trustee-to-trustee transfers to move funds between IRAs to preserve your ability to do a rollover when absolutely necessary.

4.5 Custodian's Acceptance of Rollover Contribution. Before making a rollover contribution to this SIMPLE IRA, you should consult your tax advisor not only with respect to the technical requirements of such rollovers but also with respect to the economics of the rollover. The Custodian emphasizes that it assumes no responsibility to determine whether the participant's contribution to the SIMPLE IRA satisfies the definition of Qualifying Rollover Contribution.

4.6 Transfer Due to Divorce. Your former spouse, pursuant to a divorce decree or legal separation order, may transfer assets from your SIMPLE IRA to his/her SIMPLE IRA. All transferred assets will be treated as a separate SIMPLE IRA of your spouse or former spouse.

4.7 Roth Conversions. In general, you may not convert any portion of your SIMPLE IRA to a Roth IRA during the 2-year period that begins on the date the first contribution is made to your SIMPLE IRA account. After the 2-year period, you may convert your SIMPLE IRA to a Roth IRA. If you are required to take a required minimum distribution (RMD) for the tax year of the conversion from the SIMPLE IRA, you must take the RMD before making the conversion. RMDs may not be converted.

Any amount that is converted to a Roth IRA is includible in gross income as a distribution for the taxable year in which the amount is distributed or transferred. The 10% early withdrawal penalty tax (see Section 5.3) generally does not apply to amounts that are converted from a SIMPLE IRA to a Roth IRA. Conversions made after December 31, 2017 cannot be recharacterized.

4.8 Rollover of Coronavirus Related Distributions. In general, section 2202 of the CARES Act provides for expanded distribution options and favorable tax treatment for up to \$100,000 of coronavirus-related distributions from eligible retirement plans (certain employer retirement plans, such as section 401(k) and 403(b) plans, and IRAs) to qualified individuals, as well as special rollover rules with respect to such distributions. A coronavirus-related distribution is a distribution that is made from an eligible retirement plan to a qualified individual from January 1, 2020, to December 30, 2020, up to an aggregate limit of \$100,000 from all plans and IRAs. You may repay all or part of the amount of a coronavirus-related distribution to an eligible retirement plan, provided that you complete the repayment within three years after the date that the distribution was received. If you repay a coronavirus-related distribution, the distribution will be treated as though it were repaid in a direct trustee-to-trustee transfer so that you do not owe federal income tax on the distribution.

SECTION 5 – DISTRIBUTIONS AND FEDERAL TAX IMPLICATIONS

5.1 Federal Tax Aspects of Distribution. You may request a distribution from the SIMPLE IRA at any time. Funds accumulated in a SIMPLE IRA are taxable as ordinary income to you in the year distributed. In addition, penalty taxes may apply to certain distributions, as described below.

If you made nondeductible contributions to a Traditional IRA or rolled over after-tax amounts from an employer retirement plan, each distribution from your SIMPLE IRA may consist of a nontaxable portion and a taxable portion. You should consult with a tax professional prior to making withdrawals from your SIMPLE IRA.

5.2 Income Tax Withholding. SIMPLE IRA distributions are subject to Federal Income Tax withholding unless you, or upon your death, your beneficiary, affirmatively elect not to have withholding apply. The required Federal Income Tax withholding rate is 10% of the distributed amount.

5.3 Penalty Tax for Early Distributions. Any distribution from your SIMPLE IRA before you reach age 59½ is subject to a nondeductible federal penalty tax, unless one of the exceptions discussed below is applicable. The amount of the penalty tax is 10% of the taxable amount distributed (which will still be subject to ordinary income tax in the year distributed). Generally, the 10% early distribution tax does not apply to SIMPLE IRA distributions that are made:

- (a) On or after you reach age 59½;
- (b) Following your death or your becoming disabled at any age;
- (c) To effect a timely rollover to another IRA;
- (d) To correct an excess contribution before the due date of the Participant's tax return;
- (e) To pay medical expenses up to the amount of your deductible medical expenses;
- (f) To pay health insurance premiums for you, your spouse and your dependents if you are unemployed and have received federal or state unemployment compensation for at least 12 consecutive weeks;
- (g) As part of a series of substantially equal periodic payments (made at least annually) over your life expectancy or the joint life expectancies of you and your beneficiaries;
- (h) To pay "qualified higher education expenses" incurred by you, your spouse or your (or your spouse's) child(ren) or grandchild(ren);
- (i) To pay for a "qualified first time home purchase" (up to \$10,000 during your lifetime) for you, your spouse or the children, grandchildren or parents of you or your spouse;
- (j) To pay for expenses related to the birth or adoption of a child (for distributions of up to \$5,000 in the aggregate from IRAs and other retirement plans);
- (k) Pursuant to an IRS levy to pay overdue taxes; or
- (l) As a "qualified reservist distribution" paid to certain reservists who are called or ordered to active duty after September 11, 2001 for at least 180 days or indefinitely.
- (m) To terminally ill individuals.
- (n) Pursuant to a federally declared disaster (for disasters with an incident period beginning on or after January 26, 2021) covering an area in which your principal place of abode is located (if the distribution is within 180 days after the first day of the incident period or, if later, the date of the disaster declaration), up to a maximum of \$22,000.

Generally, you may repay distributions made after December 29, 2022 for qualified birth and adoption expenses, terminal illness, and federally declared disasters, all as described above, to an employer-sponsored retirement plan or to an IRA within three years following the date of distribution. In addition, if you received a distribution

to be used for qualified first-time home purchase expenses with respect to the purchase or construction of your principal residence in a federally declared disaster area (for which the disaster period commences on or after January 26, 2021), but the distribution was not so used, and you received the distribution during the period beginning 180 days prior to the disaster period and ending 30 days after the disaster period, you may repay the distribution to an employer-sponsored retirement plan or an IRA at any time within 180 days after the later of the first day of the disaster period or the date of the disaster declaration.

You are required to file IRS Form 5329 for any tax year for which this 10% penalty is due.

5.4 Special Tax Treatment. Capital gains treatment and 10-year income averaging pursuant to Code Section 402 do not apply to IRA distributions.

5.5 Qualified Charitable Distributions. If you are age 70½ or older, you may directly transfer up to \$100,000 per year to a qualified charitable organization. These distributions, called "qualified charitable distributions" are excluded from income and count toward satisfying your required minimum distributions (RMD) for the year. This rule is available only for distributions from a Traditional IRA or Roth IRA; **distributions from an ongoing active SEP-IRA or SIMPLE IRA do not qualify.** Certain charitable organizations are not eligible, including donor-advised funds and certain private foundations. You may count any one-time distribution of up to \$50,000 to a charitable gift annuity, charitable remainder unitrust or charitable remainder annuity trust toward the \$100,000 lifetime limit. The \$100,000 lifetime limit and the \$50,000 limit are indexed to the cost-of-living after 2023.

SECTION 6 – REQUIRED MINIMUM DISTRIBUTIONS

6.1 Required Minimum Distributions. Required minimum distributions (RMDs) require you to take annual minimum distributions from your SIMPLE IRA once you reach age 73 (age 70½ if you attained age 70½ before 2020 and age 72 if you attained age 72 before January 1, 2023) and that your beneficiaries take minimum distributions from your SIMPLE IRA after your death.

6.2 During Your Lifetime. Your first RMD must be taken by April 1 following the year you attain age 73 (age 70½ if you attained age 70½ before 2020 and age 72 if you attained age 72 before January 1, 2023), which is your required beginning date. Second year and subsequent distributions must be taken by December 31 of each year until your death. RMDs are taxable in the calendar year you receive them.

Distribution Calculation. Your RMD will generally be calculated by dividing your previous year-end adjusted balance in your Traditional IRA by the distribution periods in the Uniform Lifetime Table provided by the IRS, using your age on your birthday in the distribution year. The Uniform Lifetime Table is a table that is used whether or not you have named a beneficiary and regardless of the age or type of beneficiary you may have named. However, if your only beneficiary is your spouse and your spouse is more than 10 years younger than you, you may be able to calculate the required distribution amount using the Joint and Last Survivor Table provided by the IRS. The rules on calculating RMDs are complex; consult with your tax advisor for assistance or see IRS Publication 590-B, Distributions from Individual Retirement Accounts (IRAs).

6.3 Multiple IRAs. If you have more than one Traditional IRA or SIMPLE IRA, you must calculate a separate RMD for each IRA. You may, however, take the aggregate total of your RMDs from one or more of your Traditional IRAs or SIMPLE IRAs.

6.4 After Your Death. After you die, the entire interest in the SIMPLE IRA must be distributed by the end of the tenth anniversary of your death unless your beneficiary is an “eligible designated beneficiary” or you do not have a “designated beneficiary” for purposes of determining a distribution period. This requirement applies to your beneficiaries regardless of whether you die before, on or after your required beginning date. If you die after your required beginning date, the proposed RMD regulations issued in February 2022 require your beneficiary to take an RMD annually over the 10-year period until the IRA is depleted. If you die before your required beginning date, there is no requirement to take annual RMDs, under the 10-year rule, but the IRA must be depleted by the end of the tenth year following the anniversary of your death.

Eligible Designated Beneficiary. If your beneficiary is an “eligible designated beneficiary”, the entire interest in the SIMPLE IRA may be distributed over the life expectancy of the beneficiary. An “eligible designated beneficiary” is generally your surviving spouse, a disabled or chronically ill individual, an individual who is not more than 10 years younger than you, or your child who has not reached the age of majority.

Generally, a life expectancy distribution must commence by December 31 of the year following the year of your death. However, if your surviving spouse is your eligible designated beneficiary, he or she may defer commencement of the life expectancy distributions until December 31 of the year in which you would have attained age 73, if later. If the eligible designated beneficiary is your surviving spouse, single life expectancy is based on his or her attained age in the year for which the distribution is being paid. If the eligible designated beneficiary is an individual who is not your surviving spouse, the eligible designated beneficiary’s single life expectancy is based on his or her attained age in the year following the year of your death and then reduced by one for each subsequent year thereafter. Generally, the beneficiaries of a “special needs trust” established at least in part for the benefit of a disabled or chronically ill individual can be treated as eligible designated beneficiaries if all beneficiaries are other designated beneficiaries. Effective January 1, 2023, if a remainder beneficiary of such a trust is a charitable organization, the trust will qualify for this treatment even through a charitable organization would not otherwise be treated as a designated beneficiary.

Your surviving spouse designated beneficiary may roll over the IRA benefits to his or her own IRA. In this case, the surviving spouse may defer the commencement of minimum required distributions until April 1 of the year following the year in which your surviving spouse attains age 73.

No Designated Beneficiary. You will be treated as having no designated beneficiary for purposes of the post-death IRA distribution rules if your beneficiary is not a person (i.e., your estate, a charity or certain types of trusts). If you die before your required beginning date, and there is no designated beneficiary, the entire amount in your SIMPLE IRA must be distributed by December 31 of the fifth calendar year following the year of your death. If

you die on or after your required beginning date, and there is no designated beneficiary, distributions will be made using your single life expectancy in the year of your death, reduced by one in each subsequent year.

Please consult with a tax advisor or see IRS Publication 590-B for more information

6.5 Failure to take RMD. If you (or your beneficiaries) fail to withdraw required distributions as required by the Code, a 25% excess accumulation penalty tax may be assessed. The excess accumulation tax may be reduced to 10% if you correct the failure by the end of the second tax year that begins after the end of the tax year in which the distribution was required. Please consult a tax advisor and/or IRS Publication 590-B for more information.

6.6 Federal Gift Tax/Estate Tax. Your designation of a beneficiary for your SIMPLE IRA does not constitute a gift for Federal gift tax purposes. The balance in your SIMPLE IRA at the time of your death is includible in your gross estate for Federal estate tax purposes.

SECTION 7 – EXCESS CONTRIBUTIONS

A contribution to your SIMPLE IRA that exceeds the maximum amount you are eligible to contribute for a taxable year is considered an excess contribution and may be subject to a non-deductible penalty tax of 6% for each year the excess contribution remains in your account. The Custodian will distribute an excess contribution upon your request.

However, if the excess contribution and all its income are distributed from your IRA before the due date, including extensions, for filing your Federal Income Tax return for the year in which the excess contribution was made, the 6% excise tax will not be assessed. The excess contribution returned will not be subject to income tax or the 10% penalty tax for early distributions. The income earned on the excess contribution is taxable as income and will be treated as earned and taxable in the tax year for which the excess contribution was made, and may be subject to the 10% penalty tax for early distributions. If you do not withdraw the excess contribution by this deadline, you may still avoid or reduce the 6% excess contribution penalty tax for future years by withdrawing the excess contribution from the IRS before the end of the future tax year, or, alternatively, treating the excess as an IRA contribution for that future year, if eligible to make an IRA contribution for that year. You will be required to file IRS Form 5329 for any year in which a tax is due because of an excess contribution. Such net income (earnings) may be subject to the 10% penalty tax for early withdrawals.

SECTION 8 – PROHIBITED TRANSACTIONS

Certain transactions between you (or your beneficiary) and the assets held in your IRA are not allowed. The Code specifically prohibits selling, exchanging, or leasing of any property between an IRA and the IRA owner. If you engage in a prohibited transaction with your IRA, your IRA will lose its tax-deferred status and will be treated as having been distributed to you.

The IRA can lose its exemption from Federal Income Tax if you (or your beneficiary) engage in a “prohibited transaction.” Prohibited transactions generally include any direct or indirect sale, exchange, lease or property between you and your IRA or lending of money or furnishing goods or services between you and your IRA.

If your IRA loses its tax exemption because you (or your beneficiary) engaged in a prohibited transaction, the fair market value of the IRA assets as of the first day of the year of the transaction must be included in your gross income for the taxable year in which the loss of exemption occurs. If you have not yet attained age 59½, you may also be subject to the 10% premature distribution penalty tax, discussed above, on the amount so included in gross income unless an applicable exception is available.

SECTION 9 – TAX STATUS OF ACCOUNT/REPORTING

- 9.1 Approved Form.** This Model SIMPLE IRA has been pre-approved as to form by the Internal Revenue Service (IRS). You should not consider the IRS approval as to form as a determination by the IRS of the merits of the Sponsor's SIMPLE IRA Plan.
- 9.2 Account tax Exempt/Required Report.** Under a SIMPLE IRA Plan approved as to form, your SIMPLE IRA is tax-exempt. Accordingly, unless your SIMPLE IRA loses its tax-exempt status, the earnings within the SIMPLE IRA accumulate without reduction for Federal income tax. Other parts of this Disclosure Statement explain the income tax consequences of distributions from the SIMPLE IRA to you or to your beneficiary. You will report distributions from (and contributions to) the SIMPLE IRA on your Federal tax Form 1040. You must report any special SIMPLE IRA penalty tax on Form 5329 as an attachment to Form 1040 for the taxable year of the penalty. Special SIMPLE IRA penalty taxes, which require the filing of Form 5329, are the excise tax on excess contributions, the penalty tax for making certain distributions prior to attaining age 59½ and the tax on the failure to take distribution of the minimum amount if you have attained age 72.
- 9.3 State Income Tax.** Though your SIMPLE IRA is exempt from Federal income tax, you should consult with your tax advisor regarding proper reporting of SIMPLE IRA earnings and contributions for state income tax purposes.

SECTION 10 – TAX ON UNRELATED BUSINESS INCOME

Unrelated Business Income Tax. Your IRA is subject to tax on unrelated business income if it carries on an unrelated trade or business. An unrelated trade or business means any trade or business regularly carried on by the IRA or by a partnership of which it is a member. If your IRA has \$1,000 or more of unrelated trade or business gross income, the IRA trustee/custodian is required to file a Form 990-T, Exempt Organization Business Income Tax Return. The Form 990-T must be filed by the 15th day of the 4th month after the end of the IRA's tax year. Consult your tax advisor and IRS Publication 598, Tax on Unrelated Business Income of Exempt Organizations, for more information.

SECTION 11 – INVESTMENT OF THE SIMPLE IRA & FINANCIAL DISCLOSURE

The assets of the SIMPLE IRA will be invested only in accordance with directions from you (or your beneficiary after your death) or your duly authorized agent. The Custodian of the SIMPLE IRA does not offer investment advice to you or the beneficiary. The investments available include a wide range of assets. The assets of the SIMPLE IRA at any given time may contain one or more of the permitted assets depending on which investments you or beneficiary has selected.

It is therefore impossible to estimate the value of your SIMPLE IRA assets at any given future point in time. Identification of an investment category as administratively feasible, or not administratively feasible, does not constitute a determination by the Custodian of the prudence or advisability of the investment nor does the Custodian provide investment advice or recommend or evaluate the merits or suitability of any investment.

SECTION 12 – ADMINISTRATIVE EXPENSE

The SIMPLE IRA Custodial Account Agreement provides that the Custodian will receive reasonable annual compensation for the administration of this IRA. The Custodian may change its Fee Schedule upon 30 days' written notice to you. A Custodian's Fee Schedule is printed with the IRA Application and is available upon request.

Pacific Premier Trust performs the duties of an independent custodian of assets for self-directed individual and business retirement accounts and does not provide investment advice, sell investments or offer any tax or legal advice. Clients or potential clients are advised to perform their own due diligence in choosing any investment opportunity as well as selecting any professional to assist them with an investment opportunity.

NON-DEPOSIT INVESTMENT PRODUCTS ARE NOT INSURED BY THE FDIC; ARE NOT DEPOSITS OR OTHER OBLIGATIONS OF, OR GUARANTEED BY, THE BANK OR ANY OF ITS DIVISIONS; AND ARE SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED.