



**NON-INVESTMENT GRADE AND UNRATED BOND
PURCHASE LETTER OF UNDERSTANDING**

ACCOUNT NUMBER _____

By signing below, you represent that you understand and acknowledge the following:

Bond Issuer: _____

Coupon Rate: _____% Purchase Price per Bond: _____ Yield to Maturity: _____%

Commission: _____% Maturity Date: _____ Callable: YES NO Call date: _____

Death Put? YES NO If yes, how long must the bonds be owned for the death put to be active? _____

Ratings: S&P: _____ Moody's: _____ Fitch: _____ Unrated: _____

Investment Objective: _____ Income _____ Growth & Income _____ Growth

Risk Tolerance: _____ Conservative _____ Moderate _____ Moderate _____ Aggressive _____ Aggressive

Time Horizon: _____ 0 to 3 Years _____ 4 to 7 Years _____ 8 or more Years

Years Investing Experience _____ **Are the Investment Objective, Risk Tolerance or Time Horizon different than your Customer Investment Profile indicates?** _____ Yes _____ No

1. ADEQUATE INFORMATION. A Non-Investment Grade Bond is a fixed-income security that is rated below investment grade by one or more of the major bond ratings agencies. Bonds often receive a rating below investment grade or no rating at all when the corporation, municipality or other entity that issued the bond is facing financial trouble. In these cases, the credit risk on the bonds is fairly high. In other words, there is a relatively decent chance that the bond issuer will have trouble fulfilling its repayment obligations (including interest and principal). For Unrated Bonds, it is difficult to assess the overall creditworthiness of the issuer of the bond. For this reason, unrated bonds are considered to be the riskiest of all. You understand the investment objectives and risks of the investment(s) for which you are applying. **THERE CAN BE NO ASSURANCE THAT THE OBJECTIVES WILL BE ACHIEVED.**

2. TAXES. Interest and capital gains may be taxable on this investment. Please consult your tax advisor on any tax issues.

3. VALUE OF SHARES/FLUCTUATING YIELD. The value of my bonds may increase or decrease. When you redeem your bonds, you may receive more or less than you paid for them. Interest is not guaranteed.

4. LIQUIDITY. There may not be an active secondary market for the bond that you are buying. Consequently, it is possible that you will not be able to liquidate the bond prior to maturity if you need the invested monies.

5. CHARGES AND FEES/REPOSITIONING. You may have paid a ticket charge and/or commission at the time of purchase or upon redemption of your investments and subsequent reinvestment will result in another ticket charge. For this and other reasons, most investments should be held for a number of years.

6. MANAGEMENT RESPONSIBILITY. Harbour Investments, Inc. does not sponsor or manage investment products. The performance of your bonds will depend upon results achieved by the underlying debt holder. **SECURITIES ARE NOT PRODUCTS OF, OBLIGATIONS OF, OR GUARANTEED BY HARBOUR, PERSHING, THE U.S. GOVERNMENT OR ANY GOVERNMENT AGENCY. THESE PRODUCTS INVOLVE INVESTMENT RISK INCLUDING THE POSSIBLE LOSS OF PRINCIPAL**

7. INFORMED CONSENT OF REG BI. The client hereby makes the following representations about informed consent of the receipt of certain information from Harbour: You acknowledge receipt of Harbour's Form CRS and understand its contents. You agree to receive, and have received, delivery of Harbour's Best Interest Disclosure by visiting <https://harbourinv.com/clients/regulation-bi/>.

Client's Signature: _____ Date: _____

Joint Signature: _____ Date: _____

Print Client(s) Name: _____

FINANCIAL PROFESSIONAL STATEMENT. I am appropriately licensed in the client's state of residence. I have reviewed the client's Customer Investment Profile to ensure that the information is current. This purchase aligns with their overall investment objectives and risk tolerance.

Financial Professional Signature: _____ Rep No. _____