The Arbitrage Funds

ADVISED BY WATER ISLAND CAPITAL

CHANGE OF ACCOUNT OWNERSHIP FORM

This form may be used to change the ownership of an existing account or transfer shares from an existing non-retirement account into a new or existing non-retirement account. **All transfers to a new account will require a New Account Application.**

Please complete all sections and mail form to the address at the end of this form

SECTION 1: Current Account Information: (Please print)

____
Owner's Name

____
Joint Owner's Name *(if applicable)*

____
Residential Address

____
Daytime Phone Number

____
Fund Name(s)

____
Account Number

SECTION 2: Receiving Account Information

(Please select one of the following.)

❑ Transfer to a New Account. (A completed New Account Application is required.)

❑ Transfer to an Existing Account #___________________________

SECTION 3: Reason for Ownership Change

(Please provide the reason for the change of ownership/transfer of shares.) If a reason is not provided this transfer will be defaulted to a transfer due to gift.

Re-registration:

❑ Change of Ownership due to divorce*
❑ Change of Ownership on a Trust Account*
❑ Change from an Individual to a Joint Account*
❑ Change of Custodian/Guardian (UGMA/UTMA)
❑ Change of Ownership from an Individual or Joint Account to a Trust Account*
❑ Change of Ownership Minor has reached age of majority (UGMA/UTMA)*
❑ Change of registration to a Transfer on Death (TOD) Account*
❑ Change the Trustee on a Trust Account

Inheritance* (due to death of shareowner):

Date of Death: _____/_____/__________ (required)

Alternate Date: _____/_____/__________

or Alternate Value $___________________(optional)

There is a special rule under the estate tax that allows the executor (the person in charge of the estate) to elect a different valuation date in certain cases. Please consult your tax advisor for additional information.

SECTION 3: Reason for Ownership Change (continued)

Gift:

Date of Gift: _____/_____/__________

Fair Market Value Acceptance ____________________________________
(signature of new owner)

(If the recipients existing account or new account will use the Average Cost accounting method, they must sign above indicating acceptance of the shares valued at fair market value of the date of gift or settlement date if the shares should be transferred at a loss.)

* A completed New Account Application is required.

SECTION 4: Cost Basis Information – Transfer Override Options

The cost basis method that is currently on your account will be utilized to deplete the shares for this transaction unless you provide specific share lots or provide an alternate election method.

❑ First-In First-Out
❑ Last-In First-Out
❑ High Cost
❑ Low Cost
❑ Loss/Gain Utilization
❑ Specific Lot Depletion

(If the share amount does not cover the depletion of the transfer, yoursecondary method or elected method may be utilized to complete this transfer. This is only necessary for partial transfers.)

Date of Purchase_____/_____/________Number of Shares_____________

Date of Purchase_____/_____/________Number of Shares_____________

Date of Purchase_____/_____/________Number of Shares_____________

This information will be provided to you on your 1099-B. This information will not be provided to the IRS.

❑ Yes, please provide average cost information on my non-covered shares when available. I understand that non-covered shares will be redeemed first and that covered shares will be redeemed using the method elected above; after all non-covered shares have been depleted. I understand that if I chose Specific Lot I will not be eligible to receive average cost on my non-covered shares.

SECTION 5: Amount to Transfer

(Please choose one of the following options.)

❑ Transfer all shares of the fund/account specified in Section 1.

❑ Partial Transfer: $________________ or _____________ shares of the fund/account specified in Section 1.

❑ Transfer shares from multiple fund/accounts. (Please list the accounts and share amounts below):

____
Fund Name Account Number

____
Share Amount

____
Fund Name Account Number

____
Share Amount

SECTION 6: Signatures and Authorization

In order to complete your request, the required number of authorized signers must sign below exactly as it appears on your account (if signing on behalf of the account owner, please include your designated title), A Medallion Signature Guarantee will be required.

A Medallion Signature Guarantee assures that a signature is genuine and protects investors from unauthorized requests. A Medallion Signature Guarantee may be obtained from an officer of a commercial bank or trust company, savings and loan or savings bank, or a member firm of a domestic stock exchange. Notarization by a notary public is not acceptable.

By signing below, the owner(s) of the above referenced account(s) hereby authorizes the change of account ownership or transfer of shares specified in this form.

____
Account Owner's Signature and Date

____
Title (if acting on behalf of the Account Owner)

____
Joint Account Owner's Signature and Date

____
Title (if acting on behalf of the Account Owner)

Please mail completed form to:

Mailing Address
The Arbitrage Funds
P.O. Box 219842
Kansas City, MO 64121-9842

Overnight Address
The Arbitrage Funds
C/O DST Systems, Inc.
430 West 7th Street
Kansas City, MO 64105

If you have any questions, please contact an Investor Services Representative at 1-800-295-4485 or visit www.arbitragefunds.com.

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Affix Medallion Signature Guarantee Stamp