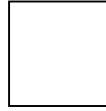


COST BASIS ELECTION FORM

PO BOX 1234
BOSTON MA 02266-1234



YOUR COST BASIS ELECTION IS IMPORTANT!

IMPORTANT Tax Related Information

XXXXX XXXXXXXX &
XXXXXXXX XXXXXXXX JT WROS
123 XXXXX BLVD
CITY ST 00000-0000



INTERNET – Go to: www.1costbasissolution.com for additional information.



PHONE – To speak with a representative or choose your election over the phone, please call 1-888-XXX-XXXX Monday through Friday 8:00 AM and 6:00 PM E.T.



MAIL - Sign, fold and return your completed form in the enclosed envelope within 45 days or mail to the address noted below.

Remember to complete, sign, and date this form and return within 45 days of receipt.

Please ensure the address to the right shows through the window on the return envelope.



MUTUAL FUND COMPANY
PO BOX 1234
BOSTON MA 02266-1234

Account Number

123456789

MUTUAL FUND NAME
MUTUAL FUND COMPANY
PO BOX 1234
BOSTON MA 02266-1234

Mandatory Cost Basis Reporting Requirement

On October 12, 2010, the Internal Revenue Service (IRS) released the final mandatory cost basis regulations. These regulations were enacted as a result of the Economic Stabilization Act of 2008. As part of the new regulations, brokers and mutual fund companies are now required to provide cost basis reporting to the IRS.

Please refer to the enclosed letter of explanation or go to: www.1costbasissolution.com for more information regarding this regulation.

On the reverse side of this form is a list of the cost basis reporting methods available to you. Please review the list of available options, select your preferred reporting method, sign and return in the enclosed envelope. Please select only **ONE** option and return your completed form within 45 days of receipt. **If you choose not to return the Election Form the Fund Default Method, as indicated on the top of the Cost Basis Election Form, will be selected as your cost basis method.**

Options for Cost Basis Election listed on reverse

Account Number

123456789

Account Owner

XXXXX XXXXXXXX &
XXXXXXXX XXXXXXXX JT WROS

Fund Number:

Fund Name:

NOTE: If you do not specify a cost basis reporting method, the **Fund Default Method** will be assigned to the above noted account.

The Fund Default Method is:

Please choose **ONE** cost basis reporting method from the list of reporting methods listed below by marking an in the box of your chosen method. **If option 6 (SLID) is chosen, a secondary reporting method must be selected in the event the lots you have chosen are not available.** Please be sure to use black or blue ink or a No. 2 pencil. **PLEASE DO NOT USE FINE POINT PEN.**

- 1. FIFO First In First Out
- 2. LIFO Last In First Out
- 3. HIFO High Cost First Out
- 4. LOFO Low Cost First Out
- 5. LGUT Loss/Gain Utilization
- 6. SLID Specific Lot Identification
- *Secondary Accounting Method Selection
(Average Cost is NOT a valid secondary method) Write selection here
- 7. ACST Average Cost

I elect to use **Average cost** as my election.
This option only reports on covered shares.



SIGN AND DATE HERE



NOTE: Please sign exactly as your name appears on this election form. Please include a telephone number where you can be reached. All joint owners must sign and when signing as executor, administrator, attorney, trustee, guardian, or as custodian for a minor, please give full title as such. If a corporation, partnership, or LLC, this form must be signed by an authorized party.

Signature: _____

Signature: _____

Date: _____

Phone Number: _____

IMPORTANT NOTICE
NEW COST BASIS REPORTING REQUIREMENT
(Please read carefully)

YOUR RESPONSE IS REQUESTED WITHIN 45 DAYS OF RECEIPT

In October 2010 the Internal Revenue Service (IRS) issued new mandatory regulations regarding cost basis. Under the new regulations, mutual funds are now required to report cost basis information to the IRS. When you sell or exchange shares of a mutual fund or other securities, you may have a capital gain or loss that must be reported to the IRS. To calculate the gains or losses from shares sold, you must know the cost of the different shares you own. Cost basis is the original price paid for those shares. Any transaction that increases or decreases the number of shares in an account can affect cost basis.

The effective date for shareholders of mutual funds is January 1, 2012. The new cost basis regulations treat mutual fund shares acquired before the effective date as non-covered shares. Mutual funds are not required to report cost basis to the IRS for shares purchased prior to the effective date. **Note:** All non-covered shares, as defined above, will be depleted before the covered shares. The non-covered shares will be depleted using the Average Cost Method starting with the oldest shares first (first in, first out). For shareholders who elect a method other than Average Cost or SLID, you have the option to use the same cost basis accounting method that you have chosen for your covered shares to deplete non-covered shares. If you wish to use the same cost basis accounting method that you have elected for your covered shares, please contact us at the number noted on your election form or on the reverse side of this notice.

Shares acquired after the effective date are considered covered shares. Mutual funds will now report the cost basis for all covered shares to both you and the IRS. When filing your tax return, you will be required to use the cost basis reported on your 1099-B for your covered shares.

The mutual fund must select a default method for cost basis reporting and notify you of its selection. Please refer to the attached election form for your fund's default method. An explanation of the different cost basis methods is provided on the next page. You have the option to choose the same method as the fund's default or you may choose any of the other cost basis reporting methods. This election is good for all future transactions unless you either revoke or change the election.

If you elect Average Cost as your cost basis method, the regulations require that you make the election in writing. This can be accomplished by selecting the average cost election and signing the enclosed election form. The form should be returned regardless of the method you choose. If you do not return the election form, the fund's default method will apply. Please mark the box with an for the cost basis method you have chosen.

Effective January 1, 2012, if you have not proactively elected a basis method and the fund's default is average cost you may retroactively change the fund's default to another method before the date of the first redemption or transfer. Whether you are changing from average cost to another basis method or changing to average cost from another basis method, that request must always be in writing. You may always change your cost basis method on future purchases, no matter what cost basis method you choose.

For corporate accounts. The new regulation removes the 1099-B reporting exemption for sales of "covered shares" by S-Corporations. **The effective date for covered shares is January 1, 2012** and applies only to shares acquired on or after that date. C-Corporations retain their exempt status. Please complete the W-9 to identify the type of entity. For those entities that are S-Corporations, the mutual fund's default election is noted on the election form, but you may select a different cost basis method if you choose. Be advised, all corporations should complete the Form W-9 and return it in the enclosed envelope. **ANY CORPORATION FAILING TO RETURN THE W-9 WILL BE DEFAULTED TO AN S-CORPORATION AND SUBJECT TO 1099-B REPORTING.**

If you have any questions regarding the enclosures, please contact us at the toll free number previously noted on the front of your election form or at the end of this letter. Also, please refer to www.1costbasissolution.com for online information.

COST BASIS METHODS

First In First Out (FIFO) – A standing order to sell the oldest shares in the account first.

Last In First Out (LIFO) – A standing order to sell the newest shares in an account first.

High Cost First Out (HIFO) – A standing order to sell shares purchased at the highest cost first.


Low Cost First Out (LOFO) – A standing order to sell shares purchased at the lowest cost first.

Loss/Gain Utilization (LGUT) – A method that evaluates losses and gains and then strategically selects lots based on that gain/loss in conjunction with a holding period.

Specific Lot Identification (SLID) – The shareholder needs to designate which specific shares to redeem when placing their redemption request. Please note that Average Cost cannot be used as a secondary accounting method. The secondary accounting method will only be activated if the lots chosen are no longer available.


Average Cost (ACST) – A method for valuing the cost of covered shares in an account by averaging the effect of all covered transactions in the account. The gain/loss is calculated by taking the cumulative dollar cost of the covered shares owned and dividing it by the number of covered shares in the account. Non-covered securities are calculated separately from covered securities and are not reported to the Internal Revenue Service.

Sample - Do Not Submit

 INTERNET – Go to: www.1costbasissolution.com to view up to date information.



MAIL – Please send correspondence relating only to Cost Basis Election to the address noted below.

 PHONE – To speak with a representative or choose your election over the phone, please call 1-888-XXX-XXXX Monday through Friday between 8:00 AM and 6:00 PM E.T.

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