

Cost Basis Election Form

Complete this form to elect (or change) a method(s) of cost basis calculation for shares of your Sit Mutual Funds Non-IRA account. Cost basis information from sales of shares purchased after December 31, 2011 will be reported to you and the Internal Revenue Service (IRS). You will still need to report capital gains/losses to the IRS when you file your taxes.

Sit Mutual Funds Investor Services Representatives are not licensed tax advisers and cannot give tax advice. Please consult your tax adviser to determine which method may be best for your situation. Call us at 800-332-5580 if you have any questions regarding completion of this form.

Authorized Individual(s)

PRINT Name of Owner/Trustee/Custodian	PRINT Name of Owner/Trustee/Custodian
PRINT Name of Owner/Trustee/Custodian	PRINT Name of Owner/Trustee/Custodian

Elect Cost Basis Method* (See descriptions on reverse side of form.)

A) I/we elect to have the same method used for ALL funds under each account number listed below.

	Average Cost	First In First Out	Specific Lot ID*	Last In First Out	Highest In First Out	Lowest In First Out	High L-T First Out	High S-T First Out	Low L-T First Out	Low S-T First Out
Account #	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Account #	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Account #	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OR

B) I/we elect to have the following method(s) used for different funds under account # _____.

	Average Cost	First In First Out	Specific Lot ID*	Last In First Out	Highest In First Out	Lowest In First Out	High L-T First Out	High S-T First Out	Low L-T First Out	Low S-T First Out
Fund Name or Fund #	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fund Name or Fund #	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fund Name or Fund #	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**If you do not choose a cost basis method, we will default to the Average Cost method. If you choose the Specific Lot ID method and do not provide specific instructions in good order at the time of each sale, we will default to the First In First Out method (systematic withdrawals from accounts with the Specific Lot ID method default to FIFO).*

Signature(s)

I/we certify that I am authorized to select the cost basis method for this account(s). I/we understand that this method(s) will be applied as of the date you receive this form in good order. I/we understand that a cost basis method cannot be changed after a trade is executed.

Authorized Signature of Owner/Trustee/Custodian	Date	Authorized Signature of Owner/Trustee/Custodian	Date
Authorized Signature of Owner/Trustee/Custodian	Date	Authorized Signature of Owner/Trustee/Custodian	Date

Descriptions of Cost Basis Methods**

Terminology

Cost: Amount paid for a purchase of shares. This amount can be adjusted (“**adjusted cost**”) up or down due to a number of factors (wash sales, return of capital, etc.).

Share Lot: Group of shares purchased at the same time

Short-Term Gain/Loss: Gain or loss on sale of shares held for less than 12 months. Taxed at ordinary income tax rates.

Long-Term Gain/Loss: Gain or loss on sale of shares held for more than 12 months. Taxed at long-term capital gains tax rate.

Example

The following example will be used to illustrate gains/losses within each of the cost basis method descriptions below.

<u>Purchases</u>	<u>Amount</u>	<u>Share Lot Information</u>
100 shares January 5, 2014 @ \$10/share =	\$1,000	share lot #1, long-term
200 shares August 20, 2014 @ \$11/share =	\$2,200	share lot #2, long-term
100 shares October 12, 2014 @ \$8/share =	\$800	share lot #3, short-term
100 shares February 10, 2015 @ \$10/share =	<u>\$1,000</u>	share lot #4, short-term
<i>500 shares purchased for a total of:</i>	<i>\$5,000</i>	

Calculation: Proceeds from sale – Adjusted Cost = Gain or Loss

Method	Example
Average Cost (AVG): The total cost of all shares acquired is divided by the total number of shares purchased to arrive at an average cost per share. The oldest shares are sold first.	Average cost is \$5,000 divided by 500 shares = \$10/share. If 100 shares are sold September 1, 2015 @ \$12/share: Proceeds of \$1,200 - \$1,000 (100 shares @ \$10/sh) = \$200 long-term gain. The oldest shares, from share lot #1, are sold first.
First In First Out (FIFO): Oldest shares are sold first.	If 100 shares are sold September 1, 2015 @ \$12/share: Proceeds of \$1,200 - \$1,000 (100 shares @ \$10/sh from lot#1) = \$200 long-term gain.
Specific Lot ID (SPEC): Shareholder must specify (in writing) each share lot to be sold at the time of each sale. Systematic withdrawals default to FIFO.	If 100 shares are sold September 1, 2015 @ \$12/share: Proceeds of \$1,200 - \$1,100 (100 shares @ \$11/sh from lot #2) = \$100 long-term gain. Assumes shareholder specified shares from lot #2.
Last In First Out (LIFO): Newest shares are sold first.	If 100 shares are sold September 1, 2015 @ \$12/share: Proceeds of \$1,200 - \$1,000 (100 shares @ \$10/sh from lot #4) = \$200 short-term gain.
Highest In First Out (HIFO): Highest cost shares are sold first, regardless of when acquired.	If 100 shares are sold September 1, 2015 @ \$12/share: Proceeds of \$1,200 - \$1,100 (100 shares @ \$11/sh from lot #2) = \$100 long-term gain.
Lowest In First Out (LOFO): Lowest cost shares are sold first, regardless of when acquired.	If 100 shares are sold September 1, 2015 @ \$12/share: Proceeds of \$1,200 - \$800 (100 shares @ \$8/sh from lot #3) = \$400 short-term gain.
Highest Long-Term First Out (HILT): Highest cost long-term shares are sold first. Short-term shares are sold only if no long-term shares exist.	If 100 shares are sold September 1, 2015 @ \$12/share: Proceeds of \$1,200 - \$1,100 (100 shares @ \$11/sh from lot #2) = \$100 long-term gain.
Highest Short-Term First Out (HIST): Highest cost short-term shares are sold first. Long-term shares are sold only if no short-term shares exist.	If 100 shares are sold September 1, 2015 @ \$12/share: Proceeds of \$1,200 - \$1,000 (100 shares @ \$10/sh from lot #4) = \$200 short-term gain.
Lowest Long-Term First Out (LILT): Lowest cost long-term shares are sold first. Short-term shares are sold only if no long-term shares exist.	If 100 shares are sold September 1, 2015 @ \$12/share: Proceeds of \$1,200 - \$1,000 (100 shares @ \$10/sh from lot #1) = \$200 long-term gain.
Lowest Short-Term First Out (LIST): Lowest short-term shares are sold first. Long-term shares are sold only if no short-term shares exist.	If 100 shares are sold September 1, 2015 @ \$12/share: Proceeds of \$1,200 - \$800 (100 shares @ \$8/sh from lot #3) = \$400 short-term gain.

**Above descriptions and examples are for informational purposes only and do not constitute tax advice. This information is not intended or written to be used in connection with the promotion, marketing or recommendation for the purpose of avoiding U.S. tax-related penalties. Please consult with your tax adviser regarding the appropriate cost basis method(s) for your tax situation.