



2013 Mutual Fund Tax Guide

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Dear Valued Shareholder:

The purpose of this tax guide is to provide basic information about the tax forms you have received or that may be mailed to you later this year. The information on pages 3-12 lists the various tax forms, who will receive them, and when the forms are required to be mailed. We have included a detailed explanation of each tax form, frequently asked questions and answers and where to go for further information.

Although this guide may assist you in preparing your tax return, it is not designed to provide specific tax advice or guidance. Given the scope and complexity of our tax laws, you should consult your tax or financial advisor who may have knowledge of your personal financial history and who can best assist you in preparing your tax return.

Tax Items of Interest

The American Taxpayer Relief Act (H.R. 8), signed in December 2012, made permanent or extended several tax provisions beneficial to mutual fund shareholders.

Tax rates on long-term capital gains and qualified dividend income have been made permanent.

Ordinary Income Tax Rate	Ordinary Dividend Tax Rate	Qualified Dividend Tax Rate (QDI)
10%	10%	0%
15%	15%	0%
25%	25%	15%
28%	28%	15%
33%	33%	15%
35%	35%	15%

Furthermore, the exemption from NRA withholding on qualified interest income and short-term capital gains paid to certified foreign shareholders has been extended through all fiscal tax years for mutual funds which begin prior to January 1, 2014.

Section 3406(b) of the Internal Revenue Code requires backup withholding to occur upon certain payments being made to a mutual fund shareholder, including dividends, short-term and long-term capital gains, and redemptions/exchanges. The backup withholding rate was scheduled to rise to 31% on January 1, 2013 but instead will permanently remain at 28%.

Charitable Contributions

The Pension Protection Act provision allowing an income exclusion of up to \$100,000 for qualified charitable distributions from IRAs which were paid directly to certain charitable organizations after the IRA owner attained the age of 70 ½ was extended through December 31, 2013. A transition provision allowed IRA owners to elect to have a qualified charitable distribution made in January 2013 only to be treated as having been made on December 31, 2012. Therefore that distribution must be recorded on their 2012 federal tax returns, even though that distribution event will be reported to the IRA owner and the IRS on the 2013 tax year Form 1099-R. As of the publication date of this guide, the provision for charitable contributions has not been extended for 2014 or future tax years.

Maximum Contribution Limits

Taxpayers can contribute up to amounts listed below for the 2013 tax year. “Catch-up” contributions, for those shareholders age 50 or over on December 31 of each year are also provided below. Please review IRS Publication 590 for eligibility requirements.

IRA Type	Contribution Limit	Contribution “Catch-Up”
Traditional IRA	\$5,500	\$1,000
Roth IRA	\$5,500	\$1,000
SEP IRA	\$51,000	\$5,500
SIMPLE IRA	\$12,000	\$2,500
Coverdell Education Savings (CESA)	\$2,000	N/A

Savers Credit

If you make eligible contributions to an employer-sponsored retirement plan or to an IRA, you may be able to take a tax credit. To be eligible for the credit you must be at least 18 years of age, not a full-time student, and cannot be claimed as a dependent on another person’s federal tax return. The tax credit may be up \$1,000 or up to \$2,000 if married filing jointly. Please review IRS Publication 590 and IRS Form 8880 for more details.

Gift Tax Exclusion

Gift tax is a tax on the transfer of property by one individual to another while receiving nothing, or less than full value, in return. The tax applies whether the donor intends the transfer to be a gift or not. The annual exclusion for gifts made to a donee during the calendar year is \$14,000, for the 2013 through 2014 tax years.

2013 Form 1099-DIV

What Does Form 1099-DIV Report?

Form 1099-DIV reports all tax reportable dividend, tax-exempt dividend and capital gain earned from distributions (cash or reinvested) on non-retirement accounts. If there was no tax reportable capital gain or dividend distribution, you will not receive a Form 1099-DIV. Dividend information is reported on either IRS Form 1040, 1040 A or 1040 Schedule B. Capital gain information may be required on IRS Form 1040 Schedule D. You will not receive a Form 1099-DIV if your total dividends for a fund are less than \$10. Even if you do not receive Form 1099-DIV, you must still report all of your taxable dividends and capitals gains on your tax return.

Who Will Receive It?

Individuals, trusts, estates, partnerships and certain other institutions. Retirement plan accounts will NOT receive this form.

Required Mail Date

February 18, 2014

Box	Description
1a	Reports total ordinary dividends, including short-term capital gains (will include amount from box 1b)
1b	Reports qualified dividend income that may be taxed at a reduced rate depending on your tax bracket
2a	Reports total long-term capital gains
3	Reports a return of your initial investment, also known as return of capital
4	Reports backup withholding to include on your tax return as taxes withheld
6	Reports foreign tax paid
10	Reports tax-exempt interest dividends which are reportable on line 8B of Form 1040 or 1040A
11	If applicable, reports tax-exempt interest AMT dividends. See the instructions for Form 6251, Alternative Minimum Tax – Individuals
12	If applicable, reflects the state of residency for state backup withholding
13	If applicable, reflects the state identification number for state backup withholding
14	If applicable, reports state backup withholding to include on your tax return as taxes withheld

2013 Form 1099-B

What Does Form 1099-B Report?

Form 1099-B reports redemptions or exchanges from a non-retirement or non-money market account. The information displayed on Form 1099-B is reported on the IRS Form 1040, Schedule D and Form 8949. Basis reporting for mutual funds is required on covered shares for the 2013 tax year on Form 1099-B.

The section titled Not Required to the IRS may provide cost basis information on non-covered shares. This section may provide the cost basis method for a transaction, please see tax form 1099-B Backer for further information. Gain/Loss data provided as a courtesy. This figure may require adjustment, please see the IRS instructions for Forms 8949, Schedule D and 1040 for reporting details.

Who Will Receive It?

All accounts which had redemptions during 2013 except for retirement plans and certain corporate and institutional accounts.

Required Mail Date

February 18, 2014

Box	Description
1a	Trade date of the fund shares that were sold or exchanged
1b	Date of acquisition of the fund shares that were sold; will be blank if shares acquired at different dates are included in the transaction or if Box 6 shows YES
1e	Reports the total number of shares sold for the holding period type
2a	Reports gross proceeds from sale
3	Reflects the cost or other basis of shares redeemed. If Box 6 shows YES, Box 3 may be blank
4	Reports backup withholding to include on your tax return as taxes withheld
5	Reports the loss amount disallowed due to wash sale rules
6	If this box displays YES, the shares sold were non-covered (not reportable to the IRS) and boxes 1b, 3 and 5 may be blank
13	If applicable, reflects the state of residency for state backup withholding
14	If applicable, reflects the state identification number for state backup withholding
15	If applicable, reports state backup withholding to include on your tax return as taxes withheld

2013 Form 1099-B

How Is Basis Reported?

The 1099-B may consist of up to five reporting holding period categories or sections based on the length of time the shares depleted were held and the cost basis reporting requirements of those shares. A single transaction may display in up to four of the five holding period categories described in the example below. To identify which sections will appear on Form 1099-B, it must be determined which holding period category the depleted shares match.

1. Short-term transactions for which basis is reported to the IRS (short-term, covered).
2. Short-term transactions for which basis is not reported to the IRS (short-term, non-covered).
3. Long-term transactions for which basis is reported to the IRS (long-term, covered).
4. Long-term transactions for which basis is not reported to the IRS (long-term, non-covered).
5. Transactions for which basis is not reported to the IRS and for which short- or long-term determination is unknown (non-covered shares for which the acquisition date and basis are unknown).

Example

On 09/04/2013, Mark redeemed the shares below.

# of shares	Acquisition Date	Short-/Long-term holding period	Reported to IRS (Covered)
1	12/5/10	Long-term	No
1	04/14/11	Long-term	No
1	08/06/13	Short-term	Yes

Since Mark's redemption depleted covered and non-covered shares that were both long- and short-term, his Form 1099-B will display two sections, 1) Long-term transactions for which basis is not reported to the IRS and 2) Short-term transactions for which basis is reported to the IRS.

2013 1099-R

What Does Form 1099-R Report?

Form 1099-R reports distributions from a Traditional IRA, Roth IRA, SEP IRA, SIMPLE IRA and certain Qualified Plans. This information must be reported on IRS Form 1040 or Form 1040A, and may be reported on Form 8606 and Form 8329.

Who Will Receive It?

Individuals who took a distribution from their Traditional IRA, Roth IRA, SEP IRA, SIMPLE IRA or certain Qualified Plan in 2013. IRA trustee to trustee transfers are not reportable.

Required Mailing Date

January 31, 2014

Box	Description
1	Gross distributions including rollovers or transfer conversions to a Roth IRA or a recharacterized IRA contribution
2a	The taxable amount for distributions from IRAs is generally not computed
4	Federal withholding
7	Codes that identify the types of distribution made. See the reverse side of 1099-R for detailed descriptions of the codes
12	State withholding

2013 Form 1099-Q

What Does Form 1099-Q Report?

Form 1099-Q reports distributions from Coverdell ESA accounts.

Who Will Receive It?

Individuals who took a distribution from their Coverdell ESA account in 2013.

Trustee to trustee transfers are considered reportable on this form.

Box	Description
1	Gross distributions including rollovers and transfers
2	Only displays earnings made on excess contributions, otherwise not applicable for 2013
3	N/A
4	Reports if the distribution in Box 1 was a trustee to trustee transfer

Required Mailing Date

January 31, 2014

2013 Form 1099-INT

What Does Form 1099-INT Report?

Form 1099-INT reports certain bank deposit-type interest dividends on non-retirement accounts. See the appropriate 1040 tax return instructions to determine the proper manner in which to report this information to the IRS.

Who Will Receive It?

Individuals, trusts, estates, partnerships and certain other institutions. Retirement plan accounts will NOT receive this form.

Required Mailing Date

February 18, 2014

Box	Description
1	Reports interest income
4	Reports backup withholding to include on your tax returns as taxes withheld

2013 Form 592-B

What Does Form 592-B Report?

Form 592-B reports State of California backup withholding on redemptions and long-term capital gains.

Who Will Receive It?

Accounts which are subject to federal backup withholding and also reflect a residence of California.

Required Mailing Date

January 31, 2014

Box	Description
Part IV Box 1	Total income subject to backup withholding. Amount matches Box 2a on IRS Form 1099-B or Box 2a on IRS Form 1099-DIV
Part IV Box 3	Reports total backup withholding for the State of California

2013 Form 1042-S

What Does Form 1042-S Report?

Form 1042-S reports dividends, including short term capital gains, subject to withholding paid to nonresident aliens.

Who Will Receive It?

Foreign investors who are not U.S. citizens.

Required Mailing Date

March 17, 2014

Box	Description
1	Income code
2	Gross income paid
5	Country withholding rate
6	Exemption code
7	Federal tax withheld
13b	Type of recipient
16	Country code
17-20	Non-Qualified Intermediary information

2013 Form 5498

What Does Form 5498 Report?

Form 5498 reports IRA contributions, rollovers, conversions and recharacterizations. These amounts are reported on one of the IRS Forms 1040, 1040A or 8606.

Who Will Receive It?

Individuals who contributed to a Traditional, Roth, SEP or SIMPLE IRA for 2013. Trustee to trustee transfers will not generate this form.

Required Mailing Date

June 2, 2013, except for fair market value information, which is supplied via an annual statement by January 31, 2014.

Box	Description
1	Traditional IRA contributions made in 2013 and through April 15, 2014 for 2013
2	Rollover contributions
3	Amount converted or reconverted to a Roth IRA from a Traditional, SEP or SIMPLE IRA
4	Amount recharacterized from one IRA type to another
5	Fair market value at 12/31/2013
7	Type of IRA
8	SEP IRA contributions made in 2013
9	SIMPLE IRA contributions made in 2013
10	Roth IRA contributions made in 2013 and through April 15, 2014 for 2013
11	Will be selected if a Required Minimum Distribution is required to be taken for tax year 2014

2013 Form 5498-ESA

What Does Form 5498-ESA Report?

Form 5498-ESA reports Coverdell ESA contributions, rollovers and transfers.

Who Will Receive It?

Individuals who contributed to a Coverdell ESA account on behalf of a beneficiary for the tax year 2013. A shareholder who transferred assets from one custodian or trustee to another will also receive this form.

Required Mailing Date

April 30, 2014

Box	Description
1	Coverdell ESA contributions made in 2013 and through April 15, 2014 for 2013
2	Rollovers and transfers made in 2013

Special Tax Considerations

Dividends from U.S. Government Obligations

Some states do not tax their residents on mutual fund income received that is earned directly from U.S. Government obligations. Short-term capital gain distributions, although treated as ordinary income, are generally not eligible for state tax-exemption. A statement may accompany your Form 1099-DIV indicating the percentage of income your fund earned that was attributable directly to U.S. Government obligations.

Alternative Minimum Tax

The Alternative Minimum Tax (AMT) was created to prevent excessive use of tax deductions and credits. Its goal is to ensure that individuals who benefit from these deductions pay a minimum amount of federal income tax. Refer to the instructions for Form 1040 or Form 6251 to determine if this tax applies to you. The AMT calculation begins with your regular taxable income and adjusts for certain “tax-preference” items. One of these “tax-preference” items that would be added back to your regular taxable income is tax-exempt interest from private activity bonds. Private activity bonds are municipal bonds issued to benefit private, for-profit operations. If you own shares of a fund that invests in private activity bonds, you must include that portion of the funds distributions that are attributable to private activity bonds as a “tax-preference” item in your AMT calculation. If a fund invests in private activity bonds, a letter will generally be sent that reports to its shareholders the amount of distributions subject to the AMT.

Capital Losses

Taxpayers who redeemed mutual fund shares at a capital loss during the year may be able to use those losses to offset other capital gains or, in some cases, ordinary income. The IRS has created several rules in order to discourage loss-oriented selling. Two of these rules, wash sales and long-term capital gain distributions, are detailed below.

Wash Sales

If you purchase shares of a mutual fund, including reinvested dividends, within 30 days before or after you redeemed shares of the same mutual fund for a loss, the redemption will be considered a “wash sale” and some or all of your capital loss will be deferred. The amount of your deferred loss increases the cost basis of the shares purchased which created the wash sale. When those shares are subsequently sold the

deferred loss is then allowed. Please consult your tax advisor for more information about wash sale rules.

Long-Term Capital Gain Distributions

Capital gain distributions from a mutual fund are generally reported as long-term capital gain regardless of how long you owned shares in a fund. However, if you owned shares for less than six months, received a capital gain on these shares, and sold them at a loss, part or all of the loss on the sale of the shares, which would normally be short-term based on the holding period, may be recharacterized as long-term instead. The amount of the loss equal to or less than the capital gain distribution is the amount which will be recharacterized as long-term. The amount of the loss greater than the capital gain distribution remains short-term.

Questions and Answers

Q: How can I request duplicate tax forms?

A: After February 18, 2014, you can contact U.S. Bancorp Fund Services, LLC to receive duplicate copies of your tax forms.

Q: What do I do with the Cost Basis information I received?

A: If you redeemed shares from a taxable account during 2013, your form 1099-B may include cost basis information. Please remember, cost information is required only for covered shares purchased on or after January 1, 2012 and only those shares are required to be reported to the IRS. It remains your responsibility to calculate and report basis information to the IRS for non-covered shares, generally acquired prior to January 1, 2012. Please see the IRS instructions for Forms 8949, Schedule D and 1040 for details on how to report basis information.

Q: At what point can I no longer recharacterize a Roth IRA for the 2013 tax year?

A: A Roth IRA can be recharacterized through October 15, 2014.

Q: What is a capital gain distribution and how is that different from a capital gain that is incurred when shares of my account are sold?

A: A **Fund** Capital Gain Distribution can occur when a fund buys and sells stocks and other securities within the fund's portfolio. This activity may create a net capital gain for the fund. This capital gain distribution is taxable for non-retirement accounts. A **Shareholder** Capital Gain Distribution occurs when the shareholder sells shares for a gain in a taxable, non-retirement, non-money market account.

Q: Do I have to report reinvested capital gains and dividends on a non-retirement account?

A: Yes, capital gains and dividend distributions are considered income in the year they are distributed regardless whether they are paid in cash or reinvested. The amount of the reinvested dividends and capital gains are then added to the cost basis when a redemption occurs. This is to avoid being taxed twice on the same dollars.

Q: Why are SEP and SIMPLE IRA contributions that were made in 2014 for the 2013 tax year not on Form 5498?

A: IRS rules state that only contributions made to a SEP and SIMPLE IRA during the calendar year are to be reported on Form 5498. Only contributions made during the 2013 calendar year will be reported on the 2013 Form 5498, regardless of which tax year those contributions were directed.

Q: What happens if I make an excess contribution?

A: You will receive Form 5498 or Form 5498-ESA that details the total amount of your contribution. If the excess contribution is removed, you will receive Form 1099-R or Form 1099-Q detailing the removal of that excess, including any earnings. Please consult IRS Publications 590 and 970 for more information regarding the IRS penalties associated with excess contributions.

Q: Why was there backup withholding on my taxable account?

A: Generally, backup withholding applies when the Fund did not receive either a properly completed application or IRS Form W-9. Another reason is that the IRS may have instructed the Fund to withhold due to a TIN/Name mismatch on your account or due to your failure to pay federal taxes.

Q: Do I have to report capital gains and dividends on an IRA account?

A: No, if they were reinvested in the same IRA. Yes, if taken as a cash distribution.

Q: What tax forms are mailed to nonresident aliens?

A: Form 1042-S is mailed to nonresident aliens who received Fund capital gain or dividend distributions on their taxable account or liquidated assets from a retirement account. A nonresident alien is not a U.S. citizen.

Q: Where can I get more information on completing my tax return?

A: Please refer to the Additional Resources section in this tax guide for more information, or consult a tax advisor.

Additional Resources

IRS General Contact

Download forms, instructions and publications at www.irs.gov. General information inquiries can be made at 800-829-1040.

IRS Tele Tax Topics

Touch tone service on topics, 24 hours/day, 7 days/week at 800-829-4477. See the IRS Form 1040 instructions or IRS Publication 910 for a complete list of Tele Tax Topics.

Topic Number	Subject
155	Forms/Publications
307	Backup withholding
309	Roth IRA Contributions
310	Coverdell ESA
404	Dividends
409	Capital Gains and Losses
410	Pensions and Annuities
412	Lump-Sum Distributions
413	Rollovers from Retirement Plans
424	401(k) Plans
451	IRAs
553	Tax on a Child's Investment Income
556	Alternative Minimum Tax
557	Tax on Early Distributions from Traditional and Roth IRA's
558	Tax on Early Distribution from Retirement Plans
610	Retirement Savings Contributions Credit
652	Notice of Underreported Income

Tax Forms

Forms, instructions and publications can be found at your local IRS office, bank, post office, library or by calling the IRS Forms Distribution Center at 800-TAX-FORM.

Key IRS Publications

Publication Number	Publication Title
3	Armed Forces' Tax Guide
17	Your Federal Income Tax (For Individuals)
54	Tax Guide for US Citizens and Resident Aliens Abroad
505	Tax Withholding & Estimated Tax
514	Foreign Tax Credit for Individuals
515	Nonresident Aliens and Foreign Entities
525	Taxable and Nontaxable Income
526	Charitable Contributions
530	Tax Information for Homeowners
550	Investment Income and Expenses
552	Recordkeeping for Individuals
554	Tax Guide for Seniors
560	SEP, SIMPLE and Qualified Plans
590	IRAs
907	Tax Highlights for Persons with Disabilities
929	Tax Rules for Children & Dependents
970	Tax Benefits for Education

