

GUGGENHEIM

Tax Year 2016 Form 1099-DIV/B Guide

Form 1099 FAQs

Q: WHAT SHOULD I DO UPON RECEIVING MY FORM 1099?

A: Upon receiving your form please review the data carefully. Also be sure to check the tax identification number (social security number) listed for the account. Please report any errors immediately to facilitate the filing of corrections with the IRS in a timely manner.

Q: WHAT DO I DO IF I HAVE QUESTIONS ABOUT THE INFORMATION ON MY 1099?

A: Please contact Guggenheim Investments Client Services at 800.820.0888, Monday through Friday, 8:30 am - 5:30 pm, ET to speak with one of our representatives.

Form 1099-DIV FAQ's

Q: WHY DID I RECEIVE A 1099-DIV?

A: This form is a record of all taxable dividend and capital gains earned in your mutual fund account during the 2016 calendar year.

Q: WHY DIDN'T I RECEIVE A 1099-DIV?

A: Guggenheim Investments provides 1099-DIV forms to the following account types: Individual, Joint, Trust, UGMA, UTMA, Estate, Transfer on Death (TOD) and Association/Partnership. Corporations and any type of retirement account are among the account types that will not receive this form. In accordance with IRS regulations, if you received a distribution that is less than \$10.00 in a fund, this information may not be included or reported on the Form 1099-DIV.

Q: MY YEAR-END STATEMENT LISTS DIVIDENDS AND SHORT-TERM CAPITAL GAINS BUT MY 1099-DIV ONLY LISTS DIVIDENDS. IS MY 1099-DIV MISSING INFORMATION?

A: No. Box 1a, "Ordinary Dividends," includes both dividend and short-term capital gains distributions. The total of the dividends and short-term capital gains listed on your year-end statement should be the same as the amount reported in box 1a, "Ordinary Dividends."

Q: WHAT ARE QUALIFIED DIVIDENDS?

A: Qualified Dividends may be eligible for a reduced tax rate and are reported in box 1b, "Qualified Dividends." See the Form 1040/1040A instructions for how to determine this amount.

Q: WHY IS A PORTION OF MY INCOME DIVIDEND LISTED IN BOX 3 – NONTAXABLE DISTRIBUTION?

A: This amount represents the portion of the income dividend that is nontaxable due to certain actions (including going out of business) of the company that paid income to the mutual fund. This is also called "Return of Capital."

This information does not constitute tax advice. Please consult your tax advisor and/or state and local tax office for more complete information.

Q: WHAT IS THE AMOUNT IN BOX 6-FOREIGN TAX PAID?

A: You may be able to claim a deduction or a credit for the amount shown in this box. See the Form 1040 instructions. Since this amount was paid by a registered investment company (sometimes known as a mutual fund) we are not required to complete box 7 (Foreign country or U.S. possession) or provide a country by country accounting of this amount.

Q: WHY IS THE AMOUNT IN BOX 1A AND 1B GREATER THAN THE AMOUNT PAID IN MY ACCOUNT (OR SEEN ON MY YEAR END STATEMENT)?

A: The amount in 1a/1b includes the Income dividend paid plus any foreign tax paid. The foreign tax paid amount is shown in box 6.

Form 1099-B FAQ's

Q: WHY DID I RECEIVE A 1099-B?

A: This form reports redemption and exchange redemption proceeds from your non-money market, non-retirement mutual fund accounts for the calendar year.

Q: WHY DIDN'T I RECEIVE A 1099-B?

A: You will not receive a 1099-B if you did not sell or exchange shares from a **non-money market fund** in 2016. Also, Guggenheim Investments only provides 1099-B forms to the following account types: Individual, Joint, Trust, UGMA, UTMA, Estate, Transfer on Death (TOD), and Association/Partnership. S-Corporations will only receive a 1099-B if they sold shares that were acquired after January 1, 2012.

Q: I HOLD A-CLASS OR C-CLASS SHARES. ARE COMMISSIONS INCLUDED IN THE GROSS PROCEEDS?

A: No, the amount of gross proceeds is reported less any commissions.

Q: HOW DO I REPORT THIS INFORMATION ON MY TAXES?

A: Please see the Instructions included with your form or the IRS "Instructions for Schedule D (and Form 8949)." We strongly recommend that you contact a tax professional for more information.

Q: WILL GUGGENHEIM INVESTMENTS PROVIDE COST BASIS INFORMATION FOR MY TRANSACTIONS?

A: Cost basis information for mutual fund shares purchased on or after January 1, 2012, and subsequently redeemed during 2016 will be reported to you and the IRS on your Combined Form 1099-DIV/B. Cost basis information for shares purchased prior to January 1, 2012 will continue to be reported only to eligible shareholders using the Average Cost method. Cost basis information for shares purchased prior to January 1, 2012 will also appear on the Combined 1099-DIV/B, but this information will not be reported to the IRS.

|

Q. WHAT ARE WASH SALES AND HOW DO THEY GET REPORTED ON MY FORM 1099-B?

A. A wash sale occurs when shares are sold at a loss and there is a purchase of shares in the same fund and account 30 days before or 30 days after the sale. Upon the sale of a fund which triggers a wash sale, a portion of the loss, proportionate to the number of newly purchased shares, will be disallowed. This will result in some or all of a “realized” loss being disallowed for tax purposes. The amount disallowed due to the wash sale will then be added to the cost basis of the newly purchased shares. For cost basis purposes, the purchase date of the new shares will also be adjusted based on the purchase date of the original shares. Amounts appearing in Box 5 report the Wash Sale Loss Disallowed.

Q: IS GAIN/LOSS INFORMATION REPORTED TO THE IRS?

A: This box was introduced for the 2013 tax year. This gain/loss information does not get reported to the IRS, even for covered securities.

Q: IS COST BASIS INFORMATION REPORTED TO THE IRS?

A: It depends. The following sections have all information (except gain/loss) reported to the IRS:

- Short Term Transactions for Which Basis is Reported to the IRS (Covered Security)
- Long Term Transactions for Which Basis is Reported to the IRS (Covered Security) For the following sections, only amounts in boxes 1a, 1c, 1d, and 4 are reported to the IRS:
- Short Term Transactions for Which Basis Is Not Reported to the IRS (Noncovered Security)
- Long Term Transactions for Which Basis Is Not Reported to the IRS (Noncovered Security)
- Transactions for Which Basis Is Not Reported to the IRS and for Which Short-Term or Long-Term Determination is Unknown (to Broker)

This information does not constitute tax advice. Please consult your tax advisor and/or state and local tax office for more complete information.

Form 1099-DIV

Instructions for Recipient

Box 1a – Shows total ordinary dividends that are taxable. Include this amount on line 9a of Form 1040 or 1040A. Also, report it on Schedule B (Form 1040 or 1040A), if required.

Box 1b – Shows the portion of the amount in box 1a that may be eligible for reduced capital gains rates. See Form 1040/1040A instructions for how to determine this amount. Report the eligible amount on line 9b, Form 1040 or 1040A.

Box 2a – Shows total capital gain distributions from a regulated investment company or real estate investment trust. Report the amounts shown in box 2a on Schedule D (Form 1040), line 13. But, if no amount is shown in boxes 2c-2d and your only capital gains and losses are capital gain distributions, you may be able to report the amounts shown in box 2a on line 13 of Form 1040 (line 10 of Form 1040A) rather than Schedule D. See the Form 1040/1040A instructions.

Box 2b – Shows the portion of the amount in box 2a that is unrecaptured section 1250 gain from certain depreciable real property. Report this amount on the Unrecaptured Section 1250 Gain Worksheet-Line 19 in the Schedule D instructions (Form 1040).

Box 3 - Shows the part of the distribution that is nontaxable because it is a return of your cost (or other basis). You must reduce your cost (or other basis) by this amount for figuring gain or loss when you sell your stock. But if you get back all your cost (or other basis), report future distributions as capital gains. See Pub. 550. Investment Income and Expenses.

Box 4 – Shows backup withholding. A payer must backup withhold on certain payments if you did not give your taxpayer identification number to the payer. See Form W-9, Request for Taxpayer Identification Number and Certification, for information on backup withholding. Include this amount on your income tax return as tax withheld.

Box 6 – Shows the foreign tax that you may be able to claim as a deduction or a credit on Form 1040. See the Form 1040 Instructions.

Box 10- Shows exempt-interest dividends from a mutual fund or other regulated investment company paid to you during the calendar year. Include this amount on line 8b of Form 1040 or 1040A as tax-exempt interest. This amount may be subject to backup withholding. See box 4.

Future developments. For the latest information about the developments related to Form 1099-DIV and its instructions, such as legislation enacted after they were published, go to www.irs.gov/form1099div.

Form 1099-B

Instructions for Recipient

Brokers and barter exchanges must report proceeds from transactions to you and the IRS on Form 1099-B.

CUSIP Number- Shows the CUSIP (Committee on Uniform Security Identification Procedures) number of the fund

Box 1a – Shows a brief description of the item or service for which amounts are being reported.

Box 1b - Shows the trade date of the purchase or exchange. This box may be blank for non-covered securities or if the securities were acquired on a variety of dates.

Box 1c - Shows the trade date of the sale or exchange.

Box 1d - Shows the cash proceeds, reduced by any commissions or transfer taxes related to the sale

Box 1e - Shows the cost or other basis of securities sold. For noncovered shares, this box may be blank. See the Form 8949 instructions, Schedule D instructions or Pub. 550 for details about basis.

Box 1g - Shows the amount of nondeductible loss in a wash sale transaction. For details on wash sales, see Schedule D (Form 1040) instructions and Pub. 550.

Box 2 – Shows the type of gain or loss.

Box 3 - If 'Yes', the basis in box 1e has been reported to the IRS and box 2 will indicate short-term or long-term. If 'Yes' and NO adjustment is required, see instructions for your Schedule D as you may be able to report your transaction directly on Schedule D.

Box 4 – Shows backup withholding. Generally, a payer must backup withhold if you did not furnish your taxpayer identification number to the payer. See Form W-9, for information on backup withholding. Include this amount on your income tax return as tax withheld.

Box 5 - Indicates if the securities sold were noncovered securities and boxes 1b, 1e, and 2 may be blank. Generally, a non-covered security means: stock in most mutual funds purchased before 2012.

Future developments. For the latest information about any developments related to Form 1099-B and its instructions, such as legislation enacted after they were published, go to www.irs.gov/form1099b.

This information does not constitute tax advice. Please consult your tax advisor and/or state and local tax office for more complete information.