

# Cost Basis Election Form

**Account Assistance: 1.800.544.4653**

Please use this form only if you wish to elect a cost basis method other than average cost, or if you wish to change your current cost basis election(s). Your cost basis election only applies to shares acquired after January 1, 2012 ("covered shares"). Do not use this form for retirement accounts. For accounts held by a financial institution, please consult your financial representative. Please consult your tax advisor and/or the Internal Revenue Service (see [www.irs.gov](http://www.irs.gov)) for any questions about which cost basis method best suits your specific situation and how cost basis reporting on Form 1099-B is used for your tax reporting.

If a cost basis method has not been elected, your account will use the default method, which is average cost.

**1. ACCOUNT INFORMATION** (This section must be completed.)

Account registration

Address

City/State

ZIP Code

Social Security/Taxpayer Identification Number (SSN/TIN)

Check this box if you are supplying a new address for all accounts listed under the SSN/TIN above.

**2. COST BASIS METHOD ELECTION** (This section must be completed.)

The election choice below applies only to shares acquired after January 1, 2012, for tax reporting purposes (covered shares).

Check this box if you are changing from a previously selected method.

	Average Cost	First in, first out	High cost, first out	Last in, first out	Loss/Gain utilization	Low cost, first out	Specific lot identification <small>(must complete Section 3)</small>
A) Apply this cost basis method to all my current and future accounts registered under the SSN/TIN in Section 1.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>OR</b>							
B) Apply different cost basis methods for each of my accounts*							
Fund and account number:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fund and account number:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fund and account number:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fund and account number:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* For future accounts, a cost basis selection will have to be made at the time the new account is established. If you do not make a selection, Average Cost will be the default method applied to your account(s).

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## 3. SECONDARY METHOD (This section must be completed if Specific Lot Identification is chosen above.)

If you chose **specific lot identification** above, you need to choose a secondary method below to accommodate transactions for which you may not be able to provide a lot selection at the time of a redemption or exchange (example: if you have a systematic withdrawal or systematic exchange plan on your account).

**If you do not make a secondary election, First in, first out will be applied as your secondary method.**

	First in, first out	High cost, first out	Last in, first out	Loss/Gain utilization	Low cost, first out
A) Apply this secondary cost basis method to all my current and future accounts registered under the SSN/TIN in Section 1.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>OR</b>					
B) Apply a secondary cost basis method for each of my accounts if specific lot identification was the method requested in Section 2B:					
Fund and account number:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fund and account number:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fund and account number:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fund and account number:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 4. SIGNATURE AUTHORIZATION (This section must be completed.)

I, the shareholder(s), represent and warrant, by execution of this Cost Basis Election Form ("Form"), that (i) I have the full right, power and authority to make the cost basis election applied for and (ii) I have reviewed and fully understand the tax implications of my cost basis election as per the Internal Revenue Service ("IRS") rules (see www.irs.gov). I authorize the VanEck Funds, its affiliates, and transfer agent ("Funds") to act on any instructions believed to be genuine for any election made on this Form. I agree that the Funds will not be liable for any of my future tax liabilities, penalties, and interest assessed as a result of my election on this Form. I understand that the election made on this Form may be changed by me at any time by notification to the VanEck Funds, as required by the Mandatory Cost Basis Regulations. Any such notification shall be effective only with respect to applicable transactions made after the receipt in proper order of such notification and a reasonable amount of time to act on it. I understand that if I am changing from the average cost method and redeem shares under that method after January 1, 2012, my cost basis method change is effective on the day the selection change is received by the VanEck Funds in proper order per the instructions on this Form and is applicable only to shares acquired after that date of receipt. I understand that in the event of conflicting instructions on this Form, no change will be made to the current cost basis method on the account(s) until a corrected Form is received in proper order. All registered shareholders must sign exactly as their names appear on the account registration. If the account is held jointly, all owners must sign. In the case of estates, trusts, guardianships, custodianships, partnerships, and corporations, please indicate your title or capacity as an authorized signer after your signature.

\_\_\_\_\_  
Signature(s) of registered shareholder(s) \*Indicate title or capacity, if applicable

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature(s) of registered shareholder(s) \*Indicate title or capacity, if applicable

\_\_\_\_\_  
Date

Daytime Telephone Number \_\_\_\_\_

FAX completed Form to: 1.816.843.7289

Regular mail to: **VanEck Funds**  
P.O. Box 218407  
Kansas City, MO 64121-8407

Express mail to: **VanEck Funds**  
c/o DST Systems, Inc.  
210 W. 10<sup>th</sup> St., 8<sup>th</sup> Fl.  
Kansas City, MO 64105-1802

## Cost Basis Methods

Method	Description
Average cost	A method for calculating the cost of shares in a mutual fund account by averaging the effect of all transactions in the account. This method assumes all of the purchase costs are added together in an aggregate cost amount. The cost per share is then determined by dividing the aggregate cost amount by the total shares in the account. The basis of the shares redeemed is determined by multiplying the shares redeemed by the cost per share. Wash sales and other tax adjustments are applied.
First in, first out (FIFO)	Cost basis method in which the first shares purchased in an account are the first shares sold from that account.
High cost, first out (HIFO)	Cost basis method in which the shares with the highest price purchased in an account are the first shares sold from that account.
Last in, first out (LIFO)	Cost basis method in which the last shares purchased in an account are the first shares sold from that account.
Low cost, first out (LOFO)	Cost basis method in which the shares with the lowest price purchased in an account are the first shares sold from that account.
Loss/Gain utilization	Cost basis method in which the shares with calculated losses are sold before lots with gains. For lots that yield a loss, short-term lots will be redeemed ahead of long-term lots. For gains, long-term lots will be redeemed ahead of short-term lots.
Specific lot identification	With this method, the shareholder is required at the time of any sale (redemption) to provide the selling agent with instructions indicating the specific shares to be sold.

## Cost Basis Information

On October 3, 2008, the Emergency Economic Stabilization Act, HR 1424, was signed into law, which included provisions from the Energy Improvement and Extension Act of 2008, requiring mutual funds to provide cost basis reporting to their customers and the IRS. Generally, cost basis is the dollar amount paid to purchase shares, including purchases of shares made by reinvestment of dividends and capital gains distributions, adjusted for various items, such as sales charges and transaction fees, wash sales, and returns of capital. As required, for shares purchased on and after January 1, 2012 (“covered shares”), the VanEck Funds will provide cost basis information (if it is available) to you and the IRS for shares using the IRS Tax Form 1099-B.

**Eligible Accounts** – Only non-retirement accounts that are subject to redemption (sell) reporting on IRS Form 1099-B come under the new guidelines and are considered “eligible” for cost basis reporting. Accounts not subject to Form 1099-B reporting (generally IRAs and other retirement plan accounts, as well as money market accounts) are not affected by these guidelines and no cost basis method election is needed.

**Covered vs. Non-covered Shares** – Shares acquired and held in your eligible account(s) before January 1, 2012, or shares acquired after the effective date when the cost basis is uncertain or unknown are referred to as “non-covered shares”. Although these non-covered shares do not come under the new guidelines, you may be required to report them when you prepare your tax returns. VanEck Funds is not required to, and will not provide the cost basis of non-covered shares to the IRS.

The VanEck Funds will process any of your future redemptions by depleting your oldest shares first (FIFO). If you elect a cost basis method other than Average Cost, the method you chose will not be utilized until shares held prior to January 1, 2012 are liquidated. If you do not provide an election, the VanEck Funds’ default method of Average Cost will be applied to your account.

**Default Method** - The VanEck Funds’ default accounting method is Average Cost. This method will be applied to all account(s) subject to the cost basis reporting requirements if a shareholder does not notify VanEck Funds of a different cost basis method election. Effective January 1, 2012, any change from VanEck Funds’ default method to another method will need to be made in writing using VanEck Funds’ Cost Basis Election Form or by other written instructions in proper order.

**Current and Future Accounts** – If you have multiple accounts that are subject to the mandatory cost basis requirements, the VanEck Funds will apply your elected cost basis method, or VanEck Funds’ default method, to all accounts that are registered under your Social Security Number/Tax Identification Number unless you notify the VanEck Funds otherwise. In addition, you may request that VanEck Funds apply this same cost basis method to any future accounts that you open. However, if you are a shareholder in the VanEck Funds and your account(s) is held by a financial institution that is responsible for Form 1099-B reporting on your account, you must contact your financial representative regarding cost basis elections and reporting.

For tax advice specific to your situation, please contact your tax advisor, financial representative, and visit the IRS website at [www.irs.gov](http://www.irs.gov). IRS Publication 551, Basis of Assets, provides more detailed information about computing cost basis. To request a copy, call the IRS at 1.800.829.3676 or go to [www.irs.ustreas.gov](http://www.irs.ustreas.gov). The VanEck Funds cannot and do not provide any advice, including tax advice.

## Glossary of Terms

Term	Definition
Adjusted cost basis	The dollar cost of a share lot acquired, adjusted as necessary for fees, corporate actions, return of capital payments, reinvested dividends, wash sales, and other processing that has an impact on cost basis.
Bifurcated average cost	Method by which shares acquired prior to January 1, 2012 (pre-effective date noncovered shares) are separated out from shares acquired on or after January 1, 2012 (post-effective date covered shares) within one account for cost basis calculation purposes. Average cost basis of shares will be calculated only on the covered shares.
Blanket election	A shareholder's election to have the cost basis method selected apply to all current accounts and to future accounts if he or she chooses to do so.
Cost basis (Basis)	The cost for tax purposes of shares acquired. Used to determine capital gains/losses at the time of sale.
Covered shares	Shares acquired on or after the effective date of the legislation (January 1, 2012 for mutual funds) for which cost basis information is available.
Effective date – mutual funds	The date when the new cost basis legislation becomes effective. Mutual funds and equities that participate in a dividend reinvestment program must be in compliance with the new regulation on January 1, 2012. The cost basis and holding period must be reported on Form 1099-B for shares redeemed that were purchased after the effective date.
Fund default method	The method that will be assigned to an account by the mutual fund company if a method is not specified by the shareholder.
Future election	A shareholder's election to have the cost basis method selected apply to all future accounts.
Gifted shares	Shares given from one person or entity to another person or entity. Gifted shares do not include equities received from a spouse or received through an inheritance. For the recipient, the shares acquired as a gift generally retain the adjusted cost basis they had with the donor, but that may be adjusted because of gift tax paid or if the shares were gifted at a loss by the donor.
Holding period	The holding period for shares redeemed is the difference between the acquisition date (the trade date of the purchase) and the redemption date (the trade date of the sale). As of tax year 2010, if the difference is greater than one year, the gain or loss will be long-term. If the holding period is equal to or less than one year, the gain or loss will be short-term.
Inherited shares	Shares an individual obtains through an inheritance after the original holder has died. Shares acquired through inheritance may generally have a different basis. For example, the adjusted cost basis may be the market value of the shares on the date of death or the alternate valuation date.

## Glossary of Terms (continued)

Term	Definition
Long-term gain	Gain from sale of mutual fund shares that were held by the shareholder for more than one year.
Lot (also Purchase Lot or Tax lot)	A number of units of a similar kind that have a common set of characteristics, such as a number of shares acquired on the same day at the same price.
Lot depletion	The order in which the lots are removed from the account and reported on Form 1099-B upon redemption.
Noncovered shares (also Uncovered shares)	Shares purchased prior to the effective date of the cost basis legislation (January 1, 2012 for mutual funds) or acquired on or after the effective date where the cost basis is uncertain or unknown. Noncovered shares do not require reporting of cost basis information.
Pre-effective date shares	Shares acquired or purchased before the cost basis legislation's effective date of January 1, 2012 (for mutual funds). These will also be referred to as noncovered shares.
Post-effective date shares	Shares acquired or purchased on or after the cost basis legislation's effective date of January 1, 2012 (for mutual funds); also referred to as covered shares.
Revocation	The period in which shareholders may revoke their average cost basis method election. Shareholders may revoke their average cost election the earlier of one year after the election or the date the first redemption is made from the account. A firm has the ability to extend the revocation period past one year, but not past the date of the first redemption.
Secondary method	This option is available only when the shareholder elects specific lot identification as the cost basis method on an account. This is the default method applied to a redemption of shares in the event the shareholder does not provide the specific lots to be depleted at the time a redemption is requested.
Short-term capital gain	Gain from sale of mutual fund shares that were held by the shareholder for one year or less.
Transfer statement	A statement that provides cost basis information applicable to the transferred accounts provided to a receiving financial advisor or agent.
Wash sale	For tax purposes, any loss resulting from a sale of shares will be disallowed if there is a purchase of shares in the same account within 30 days before or 30 days after the sale. Wash sales may result in an adjustment to both the cost basis of the purchased security and to the holding period for that asset. Noncovered shares sold at a loss will not be washed against a repurchase of covered shares or vice-versa, as covered and noncovered shares will be treated as though they are in separate accounts.