

Cost Basis Accounting Method Update Form



Mail: Thornburg, PO Box 219017, Kansas City, MO 64121

Overnight: Thornburg, 801 Pennsylvania Ave, Suite 219017, Kansas City, MO 64105

Phone 800.847.0200 | Fax 505.984.8973

In October 2010 the Internal Revenue Service issued new mandatory regulations regarding cost basis that were established pursuant to the Economic Stabilization Act of 2008. Under the regulations, mutual funds are required to report cost basis information to the IRS for all shares acquired on or after January 1, 2012.

When you sell or exchange shares of your Thornburg Fund, you may have a capital gain or loss that you may be required to report to the IRS. To calculate the capital gain or loss from sold or exchanged shares, you must know the original price paid, or cost basis, for the sold shares. Any transaction that increases or decreases the number of shares in your account can affect the cost basis.

1. Current Account Information

Account Registration		Account Number(s)	
Social Security or TIN		Email Address	
Address		Phone	
City	State	Zip	Alternate Phone

2. Cost Basis Election Method

Thornburg Investment Management uses Average Cost as the default method. If you are making this election after January 1, 2012, elect Average Cost as your cost basis accounting method only if you are currently using a different method on your account(s). The information we collect will be used to report cost basis to the IRS in the event of a transaction that will be reported on a 1099-B form.

- | | | |
|--|---|--|
| <input type="checkbox"/> ACST (Average Cost) | <input type="checkbox"/> HIFO (High Cost First Out) | <input type="checkbox"/> LGUT (Loss/Gain Utilization) |
| <input type="checkbox"/> FIFO (First In First Out) | <input type="checkbox"/> LOFO (Low Cost First Out) | <input type="checkbox"/> SLID (Specific Lot Identification)* |
| <input type="checkbox"/> LIFO (Last In First Out) | | |

SLID requires a secondary accounting method, which cannot be ACST. Please indicate your selection here:_____.

- 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.
- 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 the 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. If no secondary method is chosen we will default to FIFO.

3. Future Account Elections

- ☐ Apply the cost basis method selected in Section 2 to ALL of my existing and future accounts under my Social Security or Tax identification number.
 - ☐ Apply the cost basis method selected in Section 2 to all existing funds associated with only the accounts listed below.
-

4. Signature (all shareholders listed on account must sign)

Signature

Date

Signature

Date

Signature

Date

Please note that Thornburg offers no tax, investment, or sales advice. We recommend you discuss your specific situation with your tax advisor and financial representative. We understand that the new cost basis rules are complex. To assist our direct shareholder and financial advisor community we have setup a website page with cost basis information and a link to an online resource provided by our transfer agent. For additional information please visit http://www.thornburginvestments.com/letter_costbasis.htm.