

Cost Basis Reporting

Frequently Asked Questions

Due to recent legislation, effective for all Fund shares purchased or acquired after January 1, 2012, when those shares are subsequently sold or exchanged, Mirae Asset Discovery Funds will be required to report to the IRS and shareholder at tax year-end (1) the adjusted cost basis of those shares, and (2) whether the related gain or loss is long-term or short-term.

What is cost basis?

Cost basis is the cost of the mutual fund shares you purchased, including shares acquired as reinvested dividends and capital gains distributions, adjusted for any actions such as splits or returns of capital. If a mutual fund share is sold and the market value exceeds the cost basis, then there is a realized capital gain. However, if the cost basis exceeds the market value, then there is a realized capital loss.

What is the default method?

The cost basis legislation requires the Fund to choose a default cost basis reporting method, to be used for accounts where the shareholder has not chose a cost basis reporting method.

As a default methodology for the calculation of cost basis, Mirae Asset Discovery Funds will utilize an “Average Cost” accounting methodology. Under the Average Cost method, we use the average basis of all shares owned at the time of redemption, regardless of how long you owned them, to arrive at the average cost.

What other cost basis options are being offered?

The other options in calculating cost basis are:

- **Specific ID** – This methodology allows shareholders to choose exactly which lots they want to sell.
- **FIFO** – (First In, First Out) Shares of your mutual fund are sold in the order they were acquired
- **LIFO** – (Last In, First Out) Shares acquired last are the ones that are sold first.
- **HIFA** – (Highest Cost In, First Out) Highest cost shares are sold first, regardless if lots are short-term or long-term
- **LOFA** – (Lowest Cost In, First Out) Lowest cost shares are sold first, regardless if lots are short-term or long-term
- **HIFL** – (Highest Cost In, First Out) Highest cost shares with a long-term holding period are sold first.
- **HIFS** – (Highest Cost In, First Out) Highest cost shares with a short-term holding period are sold first.
- **LOFL** – (Lowest Cost In, First Out) Lowest cost shares with a long-term holding period are sold first.
- **LOFS** – (Lowest Cost In, First Out) Lowest cost shares with a short-term holding period are sold first.

What happens if I do not elect a cost basis method?

If shareholders do not select a cost basis method, the default methodology, Average Cost, will be chosen.

Who should I call for more information?

Mirae Asset Discovery Funds' transfer agent, Citi Fund Services Ohio, Inc, is available to assist you further if you have additional questions about the new cost basis reporting requirements. To contact Citi, please call 888-335-3417.

None of the information above should be considered tax or legal advice. You should consult your legal or tax advisor for information concerning your individual situation.

An investor should consider the Fund's investment objectives, risks, charges and expenses carefully before investing. This and other important information about the investment company can be found in the Fund's prospectus. To obtain a prospectus, please contact your financial advisor or call (888) 335-3417. Please read the prospectus carefully before investing.

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