



2009 Tax Year

Form 5498

Fact Sheet

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PLEASE NOTE:

This fact sheet applies only to certain funds. Please see the following page for a complete list of applicable funds.

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

Rydex|SGI funds covered by this tax form fact sheet

Alternatives	Asset Allocation	Opportunistic
Alternative Strategies Allocation	All-Asset Aggressive Strategy	All-Cap Opportunity
Global 130/30 Strategy	All-Asset Conservative Strategy	International Opportunity
Global Market Neutral	All-Asset Moderate Strategy	
Long/Short Commodities Strategy		
Managed Futures Strategy		
Multi-Hedge Strategies		
Leverage/Inverse - Domestic Equity/Broad Market		Target Beta - Specialty - Sectors
Dow 2x Strategy		Banking
Inverse Dow 2x Strategy		Basic Materials
Inverse Mid-Cap Strategy		Biotechnology
Inverse NASDAQ-100® 2x Strategy		Consumer Products
Inverse NASDAQ-100® Strategy		Electronics
Inverse Russell 2000® 2x Strategy		Energy
Inverse Russell 2000® Strategy		Energy Services
Inverse S&P 500 2x Strategy		Financial Services
Inverse S&P 500 Strategy		Health Care
Mid-Cap 1.5x Strategy		Internet
NASDAQ-100®		Leisure
NASDAQ-100® 2x Strategy		Precious Metals
Nova		Retailing
Russell 2000®		Technology
Russell 2000® 1.5x Strategy		Telecommunications
Russell 2000® 2x Strategy		Transportation
S&P 500		Utilities
S&P 500 2x Strategy		
Target Beta - Pure Styles		Target Beta - Leverage/Inverse - Fixed Income
S&P 500 Pure Growth		Government Long Bond 1.2x Strategy
S&P 500 Pure Value		High Yield Strategy
S&P MidCap 400 Pure Growth		Inverse Government Long Bond Strategy
S&P MidCap 400 Pure Value		Inverse High Yield Strategy
S&P SmallCap 600 Pure Growth		
S&P SmallCap 600 Pure Value		
Target Beta - Specialty - Commodities		Target Beta - Leverage/Inverse - International Equity
Commodities Strategy		Europe 1.25x Strategy
Strengthening Dollar 2x Strategy		Japan 2x Strategy
Weakening Dollar 2x Strategy		
Target Beta - Specialty - Real Estate		Target Beta - Money Market
Real Estate		U.S. Government Money Market

FAQ's about Form 5498

Q: WHY DID I RECEIVE A FORM 5498?

A: Form 5498 reports regular and rollover contributions during the applicable tax year made to your IRA, Roth IRA, or SEP account.

Q: WHY DID I RECEIVE MORE THAN ONE 5498?

A: Form 5498 is issued **by fund**. Therefore, if you made contributions to more than one fund, or you split your contributions between multiple funds, you will receive a Form 5498 for each fund in which a contribution was made. To determine the fund that a particular 5498 form is referencing, look in the upper left-hand corner in the box titled "Trustee or Issuer name."

Q: THE TAX FILING DATE IS JUST AROUND THE CORNER AND I HAVEN'T RECEIVED MY FORM 5498. WHEN SHOULD I EXPECT IT?

A: The IRS permits you to make contributions to IRA accounts until the date of the filing deadline for the applicable tax year. As a result Form 5498 reports all contributions made up until the tax filing date. The form will be mailed to you in late May after all contributions have been made for that year.

Q: THE FAIR MARKET VALUE LISTED ON MY 5498 IS ZERO. WHAT DOES THIS MEAN?

A: This means that the amount in the fund that the 5498 is referencing was zero as of December 31st of the applicable tax year. This situation occurs if:

- A contribution was deposited into one fund and then 100% of that fund position was exchanged to another fund
- OR**
- The contribution was made for the applicable tax year but was received after December 31st.

In both of these situations, the balance of the fund was zero on December 31st. Therefore the fair market value is listed as zero.

Q: THE FAIR MARKET VALUE LISTED ON MY 5498 IS MUCH LESS THAN MY ACCOUNT BALANCE. CAN YOU EXPLAIN WHY?

A: The 5498 is issued **by fund**. Therefore the fair market value is the value of the fund as of December 31st of the applicable tax year. To determine the fund that the 5498 is referencing, look in the upper left-hand corner in the box titled "Trustee or Issuer name."

Q: I HAVE A SEP IRA AND THE SEP CONTRIBUTIONS LISTED IN BOX 8 ARE INCONSISTENT WITH MY RECORDS. CAN YOU EXPLAIN WHY?

A: The amount in Box 8 represents any SEP contributions received during the applicable calendar year the form is reporting. The IRS requires the reporting of a contribution by the year it was received, regardless of the tax year for which it is coded. Remember that the 5498 is reported by fund so the amount listed in Box 8 is only for contributions made in the applicable tax year for the fund listed in the box titled "Trustee or Issuer name."

Q: HOW WILL CONVERSIONS AND RECONVERSIONS OR RECHARACTERIZATIONS OF TRADITIONAL IRA CONTRIBUTIONS BE REPORTED?

A: Any withdrawal from an IRA (traditional or Roth) will be reported on Form 1099-R. Any contribution to an IRA (traditional or Roth) is reported on Form 5498. Therefore, if you converted a traditional IRA to a Roth IRA during the applicable tax year, the withdrawal from your traditional IRA will be reported on Form 1099-R and the contribution to the Roth IRA will be reported on Form 5498. If you recharacterized your retirement account (moved assets from a Roth IRA back to a traditional IRA) you will receive a Form 1099-R showing the withdrawal from the Roth IRA and a 5498 reporting the recharacterization, or contribution, back into the traditional IRA.

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

HOW TO READ YOUR FORM 5498

The information on Form 5498 is submitted to the Internal Revenue Service by the trustee or issuer of your individual retirement arrangement (IRA) to report contributions, including any catch-up contributions, required minimum distributions (RMDs) and the fair market value (FMV) of the account. For information about IRAs, see Pub. 590, Individual Retirement Arrangements (IRAs), and Pub. 560, Retirement plans for Small Business (SEP, SIMPLE, and Qualified Plans).

What's new: The size of Form 5498 has been increased to allow for separate entry boxes for information that was previously reported in the blank box to the left of box 10. See the instructions for boxes 12a-15b below.

Account Number. May show an account or other unique number the payer assigned to distinguish your account.

Box 1. Shows traditional IRA contributions for 2009 you made in 2009 and through April 15, 2010. These contributions may be deductible on your Form 1040 or 1040A. However, if you or your spouse was an active participant in an employer's pension plan, these contributions may not be deductible. This box does not include amounts in boxes 2-4, 8-10, 13a, 14a and 15a.

Box 2. Shows any rollover, including a direct rollover to a traditional IRA or Roth IRA, or a qualified rollover contribution (including military death gratuity, SGLI payment, qualified settlement income or airline payments) to a Roth IRA, you made in 2009. It does not show any amounts you converted from your traditional IRA, SEP, or SIMPLE IRA to a Roth IRA. They are shown in box 3. See the Form 1040 or 1040A instructions for information on how to report rollovers. If you have ever made any nondeductible contributions to your traditional IRA or SEP IRA and you did not rollover the total distribution, use Form 8606, Nondeductible IRAs, to figure the taxable amount. If property was rolled over, see Pub. 590. For a qualified rollover to a Roth IRA, also see Pub. 590.

Box 3. Shows the amount converted from a traditional IRA, SEP IRA, or SIMPLE IRA to a Roth IRA in 2009. Use Form 8606 to figure the taxable amount.

Box 4. Shows amount recharacterized from transferring any part of the contribution (plus earnings) from one type of IRA to another. See Pub. 590.

Box 5. Shows the fair market value of your the listed fund at year end. However, if a decedent's name is shown, the amount reported may be the FMV on the date of death. If the FMV is zero for a decedent, the executor or administrator of the estate may request a date-of-death value from the financial institution.

Box 7. May show the kind of IRA reported on this Form 5498.

Box 8. Shows SEP contributions made in 2009, including contributions made in 2009 for 2008, but not including contributions made in 2010 for 2009. If made by your employer, do not deduct on your income tax return. If you made the contributions as a self-employed person (or partner), they may be deductible. See Pub 560.

Box 10. Shows Roth IRA contributions you made in 2009 and through April 15, 2010. Do not deduct on your income tax return.

Box 11. If the box is checked, you must take a required minimum distribution (RMD) for 2010. An RMD may be required even if the box is not checked. If you don't take the RMD for 2010, you are subject to a 50% excise tax on the amount not distributed. See Pub. 590 for details.

Box 12a. Shows the date by which the RMD amount in box 12b must be distributed to avoid the 50% excise tax on the undistributed amount for 2010.

Box 12b. Shows the amount of the RMD for 2010. If box 11 is checked and there is no amount in this box, the trustee or issuer must provide you the amount or offer to calculate the amount in a separate statement by February 1, 2010.

Box 13a. Shows the amount of any postponed contribution made in 2009 for a prior year.

Box 13b. Shows the year to which the postponed contribution in box 13a was credited.

Box 13c. For participants who made a postponed contribution due to an extension of the contribution due date because of a federally designated disaster, shows the code FD.

For participants who served in designated combat zones and made postponed contributions, shows the code for the combat zone or hazardous duty area in which the participant served. The codes are: AF—Allied Force; JE—Joint Endeavor; EF—Enduring Freedom; and IF—Iraqi Freedom. For additional information, including a list of locations within the designated combat zones and qualified hazardous duty areas, see Pub. 3, Armed Forces' Tax Guide.

Box 14a. Shows the amount of any repayment of a qualified reservist distribution or federally designated disaster withdrawal repayment. See Pub. 590 for reporting repayments.

Box 14b. Shows the code QR for the repayment of a qualified reservist distribution or code DD for repayment of a federally designated disaster distribution.

Box 15a. Shows the amount of any catch-up contributions you made in the case of certain employer bankruptcies in lieu of the higher contribution limit for individuals who are age 50 or older. See Pub. 590.

Box 15b. Shows the code BK for special catch-up contributions elected by the participant in certain employer bankruptcies. See Pub. 590.

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