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SECURITY GLOBAL INVESTORS℠

2011 Tax Year

Form 1042-S

Fact Sheet

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FAQ's about Form 1042-S

Q: WHY DID I RECEIVE A FORM 1042-S?

A: Form 1042-S reports ordinary dividend, long-term capital gain income, and short-term capital gain income earned in accounts by non-resident alien investors. Form 1042-S also reports any required withholding associated with any dividend.

Q: WHY ARE THE DOLLAR AMOUNTS REPORTED ON MY 1042-S DIFFERENT THAN THE AMOUNTS ON MY YEAR-END STATEMENT?

A: The amounts for "Gross Income" and "Federal Income Tax Withheld" on your Form1042-S are rounded to the nearest dollar.

Q: I HAVE SUBMITTED A FORM W-8BEN (OR W-8IMY) TO CERTIFY THAT I AM A FOREIGN SHAREHOLDER. WHY DO I HAVE WITHHOLDING ON MY DIVIDENDS?

A: The purpose of the Form W-8BEN (or W-8IMY) is to certify that you are a foreign shareholder and to allow you to claim any available tax treaty rates. It does not exempt you from all tax withholding. The IRS requires us to withhold 30% from dividends for all non-US investors. However, certain countries have entered into bilateral tax treaty agreements with the United States that allow for reduced tax rates. Short-term and long-term capital gains distributions are reported to the IRS but are not subject to withholding. For more information see IRS Publication 515 available on the IRS website (www.irs.gov).

Q: HOW DO I KNOW WHAT PERCENTAGE IS WITHHELD FROM DIVIDEND DISTRIBUTIONS?

A: The percentage withheld is reported in box 5. This percentage is based on the information you provided on Form W-8. The standard withholding rate is 30%, however, there are countries that may be taxed at a reduced rate. The Non-resident alien withholding rates are set forth by the IRS and can be found in IRS Publication 515 on the IRS website (www.irs.gov).

FORM 1042-S

U.S. Income Tax Filing Requirements

Generally, every nonresident alien individual, nonresident alien fiduciary and foreign corporation with United States income, including income that is effectively connected with the conduct of a trade or business in the United States, must file a United States income tax return. However, no return is required to be filed by a nonresident alien individual, nonresident alien fiduciary, or a foreign corporation if such person was not engaged in a trade or business in the United States at any time during the tax year and if the tax liability of such person was fully satisfied by the withholding of United States tax at the source. (Corporations file Form 1120-F; all others file Form 1040NR (or Form 1040NR-EZ if eligible).) You may get the return forms and instructions at any United States Embassy or consulate or by writing to: Internal Revenue Service, 1201 N. Mitsubishi Motorway, Bloomington, IL 61705-6613

Explanation of Codes

Box 1. Income code

Code	**Types of Income**
01	Interest paid by U.S. obligors – general
06	Dividends paid by U.S. corporations – general
09	Capital gains
36	Capital gains distributions
37	Return of capital
50	Other income

Box 6. Exemption code (applies if the tax rate entered in box 5 is 00.00).

Code	**Code Description – Authority for Exemption**
01	Income effectively connected with a U.S. trade or business
02	Exempt under an Internal Revenue Code section (income other than portfolio interest)
04	Exempt under tax treaty
06	Qualified intermediary that assumes primary withholding responsibility
07	Withholding foreign partnership or withholding foreign trust
08	U.S. branch treated as a U.S. person
09	Qualified intermediary represents income is exempt

Box 13b. Recipient Code

Code	**Type of Recipient**
01	Individual
02	Corporation
03	Partnership other than a withholding foreign partnership
04	Withholding foreign partnership or withholding foreign trust
05	Trust
06	Government or international organization
07	Tax-exempt organization (IRC section 501(a))
08	Private foundation
09	Artist or athlete
10	Estate
11	U.S. branch treated as U.S. person
12	Qualified intermediary
17	Authorized foreign agent
18	Public pension fund
20	Unknown recipient