

Elements Portfolios

Enclosed is the 2019 Tax Form for your account with the Elements Portfolios. This form provides information on any applicable 2019 distributions and proceeds from redemptions. In addition to the tax information provided on your 1099-DIV statement, below is supplemental information to assist you with the preparation of your 2019 income tax returns. Please consult your tax advisor for the specific application of any items below relating to the preparation of your tax returns.

Income from Foreign Sources Subject to Foreign Tax Credit:

For the year ended December 31, 2019, the following Elements Portfolios earned foreign source income and paid foreign taxes which they intend to pass through to their shareholders pursuant to Section 853 of the Internal Revenue Code of 1986, as amended.

See below to determine the foreign taxes paid and the foreign source income.

- 1) The shareholder's portion of foreign taxes paid (see Box 7 of your enclosed Tax Form for this information).
- 2) The shareholder's amount of foreign source gross income. This amount can be calculated as a percentage of your ordinary dividend shown in Box 1 of your 2019 Tax Form. Please see the information below for your foreign source gross income amount.

Fund Name	Foreign Source Gross Income (Use % listed below and apply to Ordinary Income as shown in Box 1 to compute)
Elements International Portfolio	79.15%
Elements International Small Cap Portfolio	78.42%

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Dividends Received Deduction:

For corporate shareholders, the percent of ordinary income distributions qualifying for the corporate dividends received deduction for the calendar year 2019 was as follows:

Fund Name	Dividends Received Deduction %
Elements Emerging Markets Portfolio	30.23%
Elements International Portfolio	12.75%
Elements International Small Cap Portfolio	14.48%
Elements U.S. Portfolio	99.74%
Elements U.S. Small Cap Portfolio	97.62%

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Income from U.S. Government Obligations

Some states do not tax their residents on income from a mutual fund that is earned from U.S. Government Obligations. The following table shows the percentage of total ordinary income dividends shown in Box 1 of your 2019 Tax Form that were attributable to interest earned from direct U.S. Government Obligations:

<u>Fund Name</u>	<u>% of Ordinary Income Attributable to Direct U.S. Govt. Obligation (see Box 1)</u>
Element Emerging Markets Portfolio	2.12%
Elements International Portfolio	1.47%
Elements International Small Cap Portfolio	2.74%
Elements U.S. Portfolio	2.56%
Elements U.S. Small Cap Portfolio	2.46%

Depending on your state's personal income tax laws, you may be entitled to declare the above portion of your 2019 ordinary income dividends (Box 1) as tax-exempt income on your state personal income tax return. However, some states do not allow the "pass through" of this exempt-interest income unless the percentage earned from U.S. Government Obligations exceeds certain thresholds or unless other requirements are met. Please consult your tax advisor or state authorities if you have any questions regarding the percentage of income you can exclude when calculating your state income tax.