

### IMPACT OF DIVIDEND REINVESTMENT ON COST BASIS



The cost basis has risen with no additional capital from the investor. Fidelity will report the new cost basis as if the investor provided the additional capital to buy more of the fund.

### IMPACT ON GAINS/LOSSES RELATIVE TO CURRENT VALUE



Since Fidelity is now showing the increased cost basis, any time the current value is lower than the cost basis, it will be shown as an unrealized loss.

### CURRENT VALUE – INITIAL INVESTMENT = ACTUAL RETURN



When determining returns, the actual amount the investor has invested should be used in the calculation. Due to the impact on cost basis from reinvested dividends, we see that total return is positive despite an unrealized loss reported.