

January 20, 2010

Dear Selected Funds Shareholder:

The following information explains your **Form 1099-DIV (Dividends and Distributions)** for the year ended December 31, 2009. The following is a brief explanation of each item reported:

Box 1a *Ordinary Dividends*. This distribution amount may include short-term capital gains.

Box 4 *Federal Income Tax Withheld*. See Form W-9 (Request for Taxpayer Identification Number and Certification) for information on backup withholding. Selected Funds cannot refund any withheld amounts to the shareholder.

**Selected Daily Government Fund**

Mutual fund dividends derived from certain U.S. Government obligations may be exempt from state income taxes. A portion of the dividend income you received in 2009 from your Fund may qualify for this exemption. The schedule below shows the various sources of income received during 2009:

**2009 Sources of Income**

	<b><u>Selected Daily Government Fund</u></b>
Fannie Mae	15.00%
Federal Farm Credit Bank	8.48%
Federal Home Loan Bank	52.09%
Financing Corporation	0.45%
Freddie Mac	17.63%
Government Loan Trust	0.23%
Private Export Funding Corporation	0.96%
Repurchase Agreements	5.15%
Tennessee Valley Authority	0.01%

Because tax laws vary among different cities and states, please consult with your tax advisor about the specific rules in the state in which you pay taxes.

Thank you for choosing to invest with Selected Funds. If you have any questions, please contact your financial advisor, or call us at **1-800-243-1575** to speak with a customer service representative.

Sincerely,



Doug Haines  
Treasurer

This letter is intended for existing shareholder use only. A prospectus must accompany this letter if distributed to prospective shareholders. While every effort has been made to ensure the accuracy of the data in this letter it is subject to change.