

## What the Experts Say About Taxes & Investing:

"If index funds look great before taxes, their performance is almost unbeatable after taxes, thanks to their low turnover and thus slow realization of capital gains."

*Jonathan Clements, Columnist, Wall Street Journal*

"The power to tax involves the power to destroy."

*John Marshall*

"Investors should be wary of any scheme that promises unusually large returns based on past patterns of stock returns. Relative to a buy-and-hold strategy, the only beneficiaries are likely to be your broker and tax collector."

*Burton G. Malkiel, Finance Professor & Author of classic "A Random Walk Down Wall Street"*

"If you can eliminate the government as 39.6% partner, then you will be much better off."

*Warren E. Buffett, Chairman, Berkshire Hathaway*

"None of my clients are taxable... Once you introduce taxes, active management probably has an insurmountable hurdle. We've been asked to manage taxable money -- and declined. The costs of active strategies are high enough without paying Uncle Sam" "Capital Gains taxes, when combined with transactions cost and fees, make indexing profoundly advantaged, I am sorry to say." "My wife, three children and I have taxable money in index funds."

*Theodore Aronson, Aronson & Partners, Institutional Money Manager*

"The art of taxation consists in so plucking the goose as to get the most feathers with the least hissing."

*Jean Batiste Colbert*

"The S&P 500 is a wonderful thing to put your money in. If somebody said, "I've got a fund here with a really low cost, that's tax efficient, with a 15-to-20 year record of beating almost everybody," why wouldn't you want it?"

*William Miller, Portfolio Manager, Legg Mason, Wizards of Wall Street, Kirk Kazanjian*

"For all long-term investors, there is only one objective - maximum total real return after taxes."

*John Templeton*

"The index fund just buys and holds, while a regular fund turns over its portfolio as much as once a year. As long as there is an upward trend in the market, you'll have to pay more tax with a regular fund. And that's why I'm convinced indexing is going to continue to be a winning strategy. It's logical."

*Burton G. Malkiel, Finance Professor & Author of classic "A Random Walk Down Wall Street"*