



Michael D. Axel, CFA



Jacob D. Benedict, CFA



Ryan A. Kay, CFP®

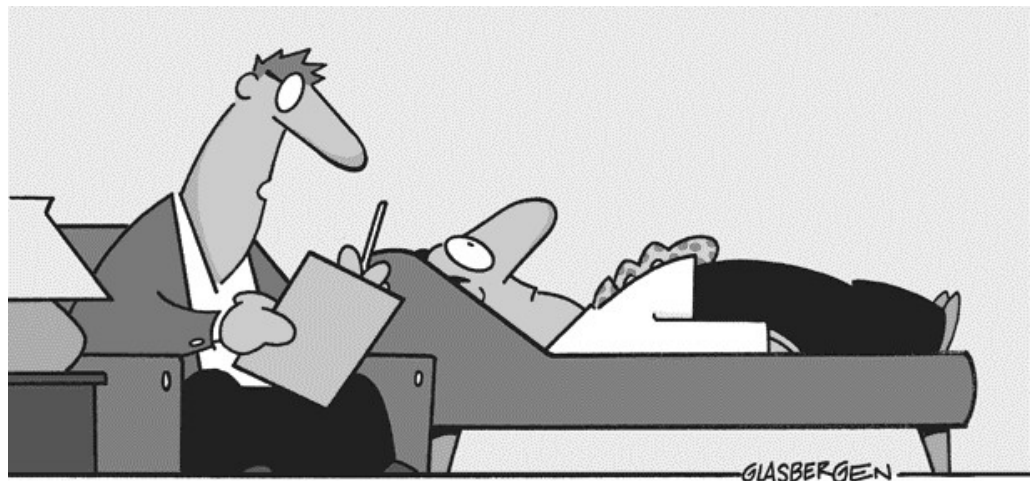
Introduction

Taxable investors should care about *after-tax* investment returns, since taxes are a real and potentially material cost. Investment gains that only look good *before* the IRS takes a bite provide little benefit to the investor. Taxes should rarely be the sole reason for any specific investment or financial strategy, but taxes should always be part of the overall analysis for taxable investors.

AMI works hard to ensure that for taxable clients, we are doing everything in our power to maximize their after-tax returns and potential tax benefits. Smart tax planning is one of the best investments an investor can make, with possibly meaningful upside and little downside.

In this white paper, we walk through the major areas of tax-intelligent investing and provide some examples to illustrate the potential strength of these strategies. We know taxes aren't everyone's favorite reading topic, but these strategies can be powerful. We understand that it may be easier to walk through these strategies in person given the inherent complexity.

The examples included in this paper are intended to highlight the discussed concepts and therefore they make use of simplified assumptions. All of our examples assume the investor is in the highest tax bracket.¹ Investors in lower tax brackets would likely still benefit from these strategies, although the benefit may be reduced. Tax simulations are inherently complex and tax rules can change.



“Of course you have a purpose in life. You pay taxes, don't you?”

¹ The highest federal tax rate is currently 37%. We assume a state and local tax rate of 4.6% (applicable for a resident of Allen County, Indiana), for an all-in rate of 41.6%. We assume a dividend and long-term capital gains tax rate of 23.8%, which includes the 3.8% Medicare surtax.

[A] Tax-Advantaged Accounts

The simplest way to minimize taxes when investing is...

To see the rest of this white paper, which includes our analysis of ten tax-intelligent investing strategies, please email Ryan Kay at ryan@AMInvestment.com.

Past performance is no guarantee of future performance. All investments contain risk and may lose value. Any views expressed within this document are the views of AMI Investment Management and/or the authors. They are subject to change at any time without notice. Any graphs, charts or formulas included within this document that depict historical relationships may not be valid during future periods and should not be relied upon to make investment decisions. This material is distributed for informational purposes only and should not be considered as investment advice or as a recommendation of any particular investment security, strategy or investment product.