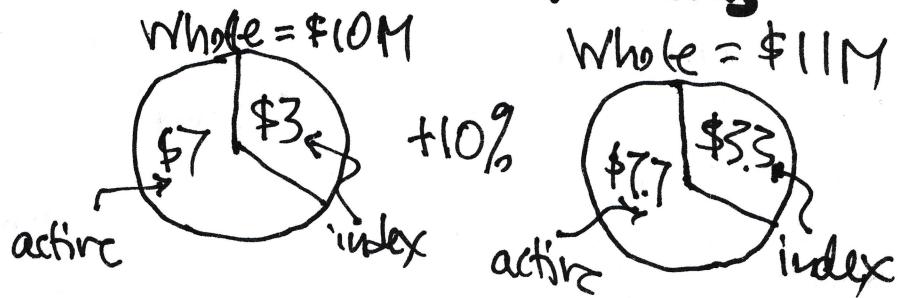


The Story in a Nutshell

Zero Sum Game for Fund Managers



➤ Whole grows. Parts grow the same. ↵

LESS than zero sum Game for Investors

Index Shareholders	Active Investors
+10%	+10%
- .04% cost	- .87% cost
<u>Net 9.96%</u>	<u>Net 9.2%</u>
99.6% of 10%	92% of 10%

[Those who pay advisor spend another .8 pct point and keep ~80%]

➤ Net to Investors is LESS for Active due to cost difference. ↵

Over 15 years, only 1 in 20 Actives Outperform Index.

Over 15 years of compounding .8 pct point less can be \$250,000* less per starting \$1M.

* stated in constant purchasing power

[over \$200,000 less for those paying an advisor]

If you go Active ...

- You only win if your pick is in the top 1 of 20. (5% chance to)
- If your pick is middlin', you'll lose .8 pct point/year (^{win} \$250,000!)
- If worse than middlin', ...