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## Blog #123

### Term vs. Permanent

### Fee and Tax Drag on the Equity Account

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Fee and tax drag assumptions for the equity account in Blog #123:

- 25% short-term capital gains, 75% long-term capital gains;
- 45.00% income tax bracket;
- 30% capital gains tax;
- 30% dividend tax;
- 25% portfolio turnover;
- 1.50% management fee.

When you account for the fees and taxes associated with owning an equity account, IUL easily outperforms it even when a greater yield assumption is present for the equities as is the case in Blog #123.