

[VeriPlan can even estimate the lost lifetime value of investment sales loads that you have already paid in the past \(Part 2 of 2\)](#)

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VeriPlan can even estimate the lost lifetime value of investment sales loads that you have already paid in the past (Part 2 of 2)

[Note: To understand how VeriPlan projects the lifetime value of additional investment sales loads that you intend to pay in the future, when you purchase new investments, see: [VeriPlan automatically tracks returns lost to investment sales loads](#). This article that you are reading now focuses only on how VeriPlan values past investment sales load payments.]

[To develop its cost-efficiency projections related to your past sales load payments:](#)

[1\) VeriPlan separates assets each of your cash, bond / fixed income, and stock / equity financial asset classes into two groups: 1\) assets held in taxable accounts plus in Roth 'never-taxed' accounts and 2\) assets held in traditional 'tax-deferred' accounts. This separation is necessary, because the information contained in the tax basis differs between these two groups. \(See below.\)2\) VeriPlan then calculates your total tax basis within the two groups above for each asset class.3\) Within each of these two tax groups in each financial asset class, VeriPlan then multiplies your the tax basis for that group by the weighted average sales load percentage for that group.4\) Finally, VeriPlan automatically combines these group estimates and automatically projects the annual lost returns over your lifetime that you might have earned with a lower cost investment strategy. When VeriPlan develops these projections, it also automatically compares the weighted average load charges that you have actually have paid in the past versus your entries regarding what you think are reasonable load charges to pay for investment advice. If you set reasonable sales load percentages for any asset class, which are equal to or greater than the weighted average of sales loads that you actually paid in the past, then VeriPlan will project a zero cost-inefficiency. **Repeated sales load charges due to the turnover of your financial asset portfolio** VeriPlan's method of estimating your past sales load charges, described above, assumes implicitly that you paid a sales load only one time – when you first bought an asset. Thereafter, VeriPlan assumes that you simply held that asset in your portfolio. If instead, you have bought and sold assets multiple times and you have paid repeated sales load charges, then your historical sales load cost-inefficiencies would be much higher. To estimate your multiple load related investment portfolio cost-inefficiencies, VeriPlan simply asks you to estimate the number of times that you have paid sales loads within taxable groups and asset class. Then, VeriPlan incorporates this frequency information into its automated calculations. **Differentiating between taxable accounts, Roth 'never-taxed' accounts, and traditional tax-deferred accounts** Using your reported tax basis to develop estimates of your past excessive load payments creates a mild, but manageable modeling complication. Nevertheless, VeriPlan automatically manages this complication behind the scenes, and you do not need to do anything. The following paragraphs just explain how VeriPlan manages these differences. The information contained in the tax basis for your taxable accounts and Roth 'never-taxed' accounts differs from the information contained in the tax basis for your traditional tax-deferred accounts. Therefore, VeriPlan](#)

[estimates the past sales loads you have paid on your taxable accounts and Roth 'never-taxed' accounts separately from and differently than for your traditional tax-deferred accounts. For both your taxable accounts and Roth 'never-taxed' accounts, extracting your tax basis is straightforward and follows the standard methods described above in this article. However, for assets in your traditional tax-deferred accounts, an additional automated adjustment is required. The total tax basis in your tax-deferred accounts would tend to be substantially lower due to the tax shield provided in these accounts. This means that actual sales load payments you made would have been a much larger portion of your reported tax basis in these traditional tax-deferred accounts. Therefore, for each of the financial asset classes, VeriPlan estimates an adjusted tax basis for your traditional tax-deferred accounts without the tax shield provided by 'tax-deferral'. For your tax-deferred accounts, VeriPlan assumes that the ratio of the adjusted tax basis to the total asset value would be the same as the ratio of the unadjusted tax basis to total asset value in your taxable accounts. Then, VeriPlan multiplies this adjusted tax basis by the weighted average sales load percentage that you report for your tax-deferred accounts in that asset class. Obviously, this adjustment method could increase inaccuracy. Nevertheless, it has the virtue of being fully automated, and again, its purpose is solely illustrative. These calculations affect no other part of VeriPlan. In addition, there is nothing that you can do to change the fact that your past excessive sales load payments are gone forever. All you can do is to use this information to decide whether to continue paying additional sales load charges on future investment purchases. The key question is whether you got your money's worth, when you paid sales loads for "advice" in the past. There are strong reasons to doubt whether you did get your money's worth. \(See: \[Can you really get free and objective investment advice, when you pay investment sales loads?\]\(#\) and \[Does it matter how financial planners and investment advisors are paid?\]\(#\)\)](#)

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