

Table 1: Annualized Gain (Loss) from Disposition of Concentrated Stock and Purchases of Broad Market Portfolio

Excess annual return of broad market portfolio over concentrated stock position	Holding period until step-up in basis (years)							
	3	6	9	12	15	18	21	24
-10%	-16.76%	-13.44%	-12.30%	-11.73%	-11.39%	-11.16%	-10.99%	-10.87%
-7.5%	-14.26%	-10.94%	-9.80%	-9.23%	-8.89%	-8.66%	-8.49%	-8.37%
-5%	-11.76%	-8.44%	-7.30%	-6.73%	-6.39%	-6.16%	-5.99%	-5.87%
-2.5%	-9.26%	-5.94%	-4.80%	-4.23%	-3.89%	-3.66%	-3.49%	-3.37%
0.00%	-6.76%	-3.44%	-2.30%	-1.73%	-1.39%	-1.16%	-0.99%	-0.87%
2.50%	-4.26%	-0.94%	0.20%	0.77%	1.11%	1.34%	1.51%	1.63%
5.00%	-1.76%	1.56%	2.70%	3.27%	3.61%	3.84%	4.01%	4.13%
7.50%	0.74%	4.06%	5.20%	5.77%	6.11%	6.34%	6.51%	6.63%
10.00%	3.24%	6.56%	7.70%	8.27%	8.61%	8.84%	9.01%	9.13%

For illustrative purposes only. Assume average annualized return for Broad Market Portfolio of 8%, cost basis of Concentrated Stock Position equal to 20% of the positions sale value, and a 23.8% capital gains tax rate.