

December 2015 Issue of PFwise.com's Monthly Newsletter

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## PFwise.com Monthly Newsletter

### Help you make wise personal finance decisions

Hello friends, welcome to the December 2015 [PFwise.com](#) Monthly Newsletter! In this issue, we will discuss **year-end fund tax surprises and how to deal with them.**

Can you believe that you lost money in a mutual fund but still have to pay capital gain tax? Yes, it could happen, and sometimes this tax bill could be huge - as high as 30% of your investment!

#### 1. What is year-end tax surprise?

In this [blogpost](#), I discussed what is year-end fund tax surprise. Basically, it is from a fund held in your taxable investment account, you could lose money on paper, never sold a share, but still have to pay for "capital gain" tax to Uncle Sam in the following year. I shared a website in the blogpost that tracks such fund surprises, in certain extreme cases, an investor could see 30% or even higher NAV distribution!

#### 2. Why the year-end tax surprise?

Most funds would announce their year-end tax surprises around this time of year.

While there could be many reasons cause this tax surprise, this [blogpost](#) discussed two main reasons: fund managers' selling activities and change of funds' managers and/or strategies.

#### 3. How to deal with the year-end tax hit?

As an investor, you could have four options once you see this year-end fund tax surprise coming, as described in this [blogpost](#). More importantly, I discussed two

lessons you could learn from this fund tax hit, so you could avoid or minimize its negative impact in the future!

Thank you for your readership! I hope this newsletter makes you aware of the potential year-end fund tax surprises and find effective ways to deal with them!

If you like our newsletter, please share with your friends. They can subscribe by dropping a line to [help@pwise.com](mailto:help@pwise.com) or click [here](#).

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### **The Bottom Line**

Personal Finance is a broad and complicated topic, and needs lot of knowledge and forward-looking planning. I hope I can share my knowledge and use my skills to help you make wise PF decisions.

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