

MAXIMIZING WEALTH BY MINIMIZING TAXES

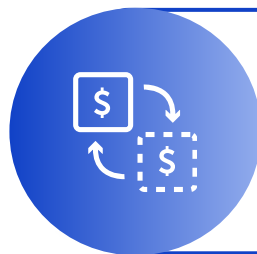
Having a positive return on investment is one thing, keeping as much of that return as possible is another. While taxes are inevitable, minimizing the taxes on your investment portfolio can help improve your overall outcome over time. One powerful tool to help with this is tax-loss harvesting (TLH).

This allows you to capture a loss that can be used to offset taxable gains elsewhere in your portfolio, thus reducing the amount of taxes you owe.



TAXES IMPACT RETURNS

When you sell investments that are down, those losses can help reduce the taxes you pay on any gains you've made. TLH takes advantage of these losses to lower your total tax bill.



DISCIPLINE CREATES OPPORTUNITY

Though some investments are sold for tax purposes, they're replaced with similar assets to keep your financial plan intact and ensure your portfolio stays balanced.



SMALL WINS PILE UP

By reducing your tax bill now, you can keep more of your money working for you, allowing it to grow and compound over time. The tax savings from TLH can add up year after year, increasing your after-tax returns.

HOW IT WORKS:

TLH works by selling investments that have decreased in value and replacing them with similar investments.



SELL

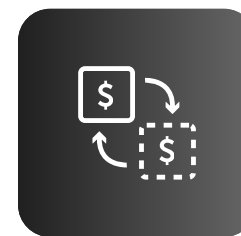
Sell investment at a loss compared to the purchase price.



HARVEST

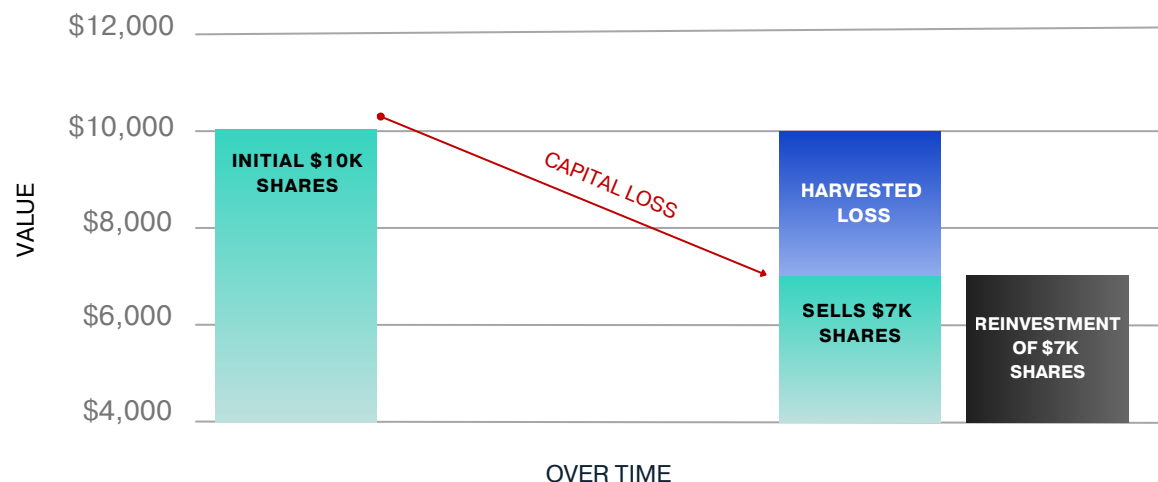
Use capital losses to reduce taxes in one or more of the following ways:

- Offset current year's realized capital gains,*
- Reduce ordinary income by up to \$3,000,
- Carry forward the capital loss into future tax years to offset other gains.



REPLACE

Replace the investment just sold with a similar asset to maintain the portfolio's asset allocation and expected risk and return levels.



**Losses can offset either short-term or long-term capital gains. Offsetting short-term gains is especially valuable since tax rates on those gains are typically higher (particularly for high earners).*

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