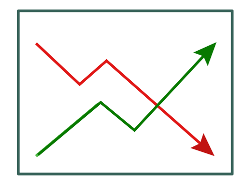
Benefits of Tax-Loss Harvesting

You invest $100,000 in
ETF A and **ETF B**.

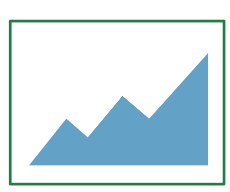
ETF A: $60,000
ETF B: $40,000



ETF B has realized gains
of $10,000. **ETF A** has
unrealized losses of $7,000.

ETF A: $53,000
ETF B: $50,000

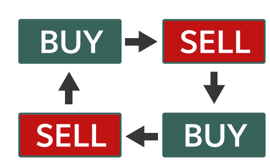
Without tax-loss harvesting



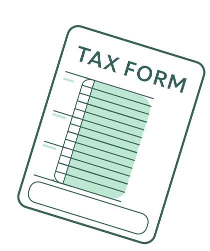
At the end of the year
you have a realized gain of
$10,000 from **ETF B**.

Potential tax bill of $1,500.
(15% x $10,000 = $1,500)

With tax-loss harvesting



You can offset part of the
$10,000 gain from **ETF B** with
the loss from **ETF A**, resulting
in a taxable gain of $3,000.



Potential tax bill of $450.
(15% x $3,000 = $450)

In this example, tax-loss harvesting reduced the tax liability by $1,050 –
a substantial saving you can invest back into you portfolio, use to maximize
IRA contributions, pay off debt, or spend as you please.