

## INVESTOR INSIGHTS

# Delivering the Silver Lining from Investment Losses

**Keep more of what your portfolios earn with tax-smart investing**

Today's investors have benefited greatly from more than 20 years of generally rising stock prices—but headwinds have emerged. Expectations for future returns are muted and the impact of capital gains taxes can weigh heavily on taxable portfolios, especially when it's time to withdraw from nest eggs after decades of saving.

Holistic, tax-smart investing with 55ip can help. Our intelligent, tax-savings technology can add considerable value to investment portfolios across both market environments and life stages—often when it's needed most.



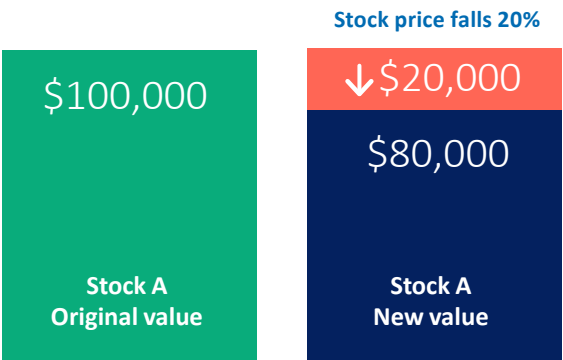
# Keeping More of What Your Portfolio Earns

## The tax-smart foundation: Tax-loss harvesting in practice

Tax-loss harvesting can turn negative returns into positive results, and continual harvesting expands this opportunity greatly. Let's start with a single example.

Say, as part of your stock portfolio, you invest \$100,000 in Stock A. At some point, the price falls by 20% and your investment is now worth \$80,000.

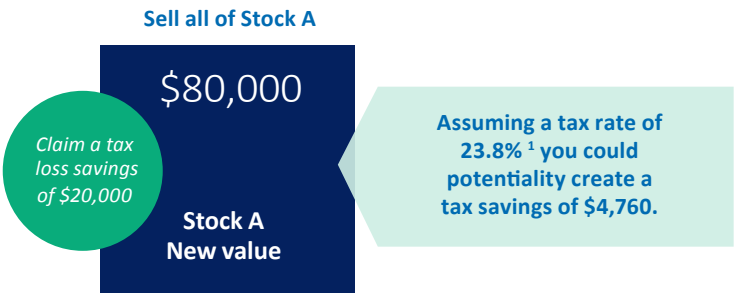
How can you turn this loss into greater value?



### STEP 1

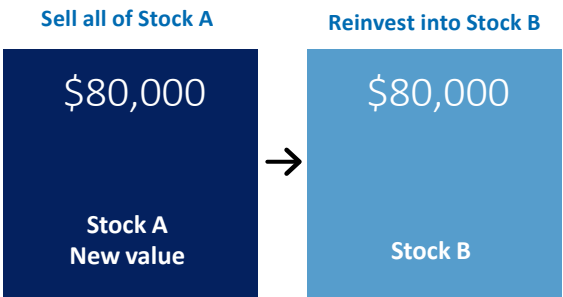
Selling all your stock in Stock A enables you to claim a tax loss of \$20,000. Instead of just experiencing a drop in the value of your account, you've realized (or harvested) that loss.

You can now use this loss to offset gains in other parts of your portfolio to potentially lower your tax liability.



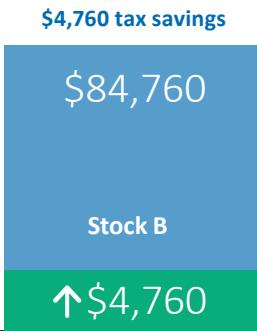
### STEP 2

If you then reinvest the proceeds in Stock B<sup>2</sup> (a security with similar characteristics to Stock A), you've harvested the loss and kept your portfolio in line with your overall investment objectives.



### STEP 3

This harvested loss saves \$4,760—money that can be put back to work in your portfolio.



# Beyond Tax-Smart Portfolio Management

## Holistic tax solutions from 55ip

WealthPlan Group has partnered with 55ip, a financial technology company that's helping innovative advisory firms across the country break down key barriers—such as taxes—to clients' financial progress.

55ip's ActiveTax Technology<sup>SM</sup> sets the industry standard for helping investors keep more of what they earn—delivering continual tax analysis and effortless, scalable tax-loss harvesting. Additionally, the same technology that can reduce the impact of taxes on portfolio management can also reduce the cost of transitioning to and withdrawing from those portfolios.

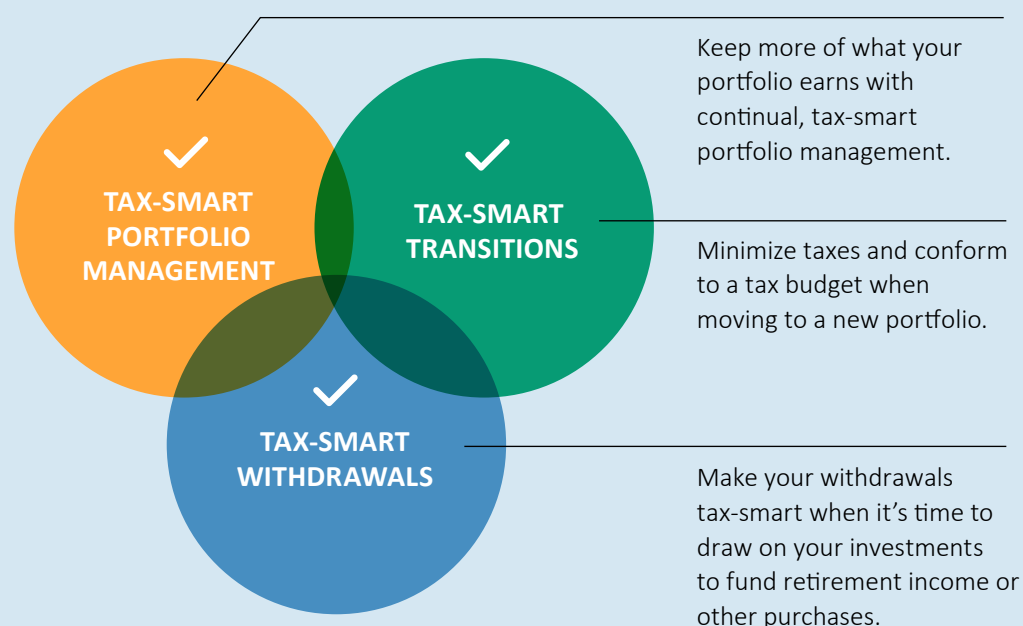
**Tax-smart transitions** – With a tax-smart transition, you can minimize taxes and conform to a tax budget when moving to a new portfolio.

**Tax-smart withdrawals** – Make your withdrawals tax-smart when it's time to draw on your investments to fund retirement income or other purchases.

Tax-smart investing is a proven way to enhance investment outcomes across all market cycles, rate environments, and investor life stages. Consider tax-smart investing if you:

- Invest in taxable accounts greater than \$50,000
- Own investments that have gone up in value
- Are in a high tax bracket or want to reduce the impact of investment taxes
- Will need to eventually make withdrawals from your portfolio

## A holistic approach to tax-smart wealth



Talk to us to see how a holistic, tax-smart strategy can help you earn more on what you invest and keep more of what you earn.

**Disclosures**

55ip is the marketing name used by 55 Institutional Partners, LLC, an investment technology developer, and for investment advisory services provided by 55I, LLC, an SEC-registered investment adviser. 55ip is part of J.P. Morgan Asset Management, the brand for the asset management business of JPMorgan Chase & Co. and its affiliates worldwide.

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Past performance does not guarantee or indicate future results and there can be no assurance that any return objectives will be met. No representation is made that any investor will, or is likely to, achieve the intended results. All investments involve risk, including loss of principal.

The impact of a tax-loss harvesting strategy depends upon a variety of conditions, including the actual gains and losses incurred on holdings and future tax rates. The results shown in these materials are for illustrative purposes only and do not represent actual investment decisions.

The tax-loss harvesting service is available for an additional advisory fee and the results shown represent the net effect of the advisory fees but may not consider the impact of fees charged by others, including transaction costs or other brokerage fees.

The information contained herein is subject to change without notice, is not complete and does not contain certain material information about the investment strategy, including additional important disclosures and risk factors associated with such investment and information about.

**Footnotes**

- 1 Short-term capital gains tax rates correspond to ordinary income tax brackets and range from 10% to 37%. Long-term capital gains tax rates range from 0% to 20%.
  - 2 Wash sale rules do not allow an investor to realize a capital loss for tax purposes and purchase a "substantially identical" security within 31 days of the realization of the capital loss. For reference see IRS Publication 550.
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