
Harvesting Strategy

It's Not What You Make But What You Keep

It's two days to Tax Day, but more importantly, 2020 is more than half over. Writing checks is a sure reminder that it's not just about how much you made last year but what you hold on to now. There's no time like now to be thinking about 2020 investment tax planning. Consider the following:

- Investors have been [paying tens of billions in capital gains taxes](#) annually of late. How much of that could have been deferred or even avoided?
- Does your investment strategy enable you to systematically capture significant tax benefits while remaining invested during the next pullback or even [up market](#)?
- Managing volatility and downside risk may require selling appreciated securities and realizing costly capital gains. An alternative approach is to add a [hedging overlay](#) which may also increase your portfolio's opportunities for Tax Benefit Capture (TBC).¹
- Green Harvest has captured nearly all of the potential tax mitigation opportunities in U.S. stocks so far this year in both up and down-markets.² See [here for illustration](#) and how certain investors may benefit.

[Do not wait until the end of the year](#). Consider taking steps now to improve after-tax returns in 2020.

Reach out to us for more information – we welcome the opportunity to help.

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¹ Tax Benefit Capture (TBC) in this context refers to the practice of purposely capturing realized losses to minimize taxes by offsetting realized gains

² The 30% TBC captured year-to-date (see [here](#)) represented 94% of the "opportunity". Opportunity defined as the maximum decline of the S&P 500 index to its March 23rd intraday low (31.8%).

Tax Benefit Capture Heat Map for week of July 6 – July 10, 2020:

Market Exposure	Sectors/Regions with GHAM Tax Benefit Capture	Total Return (%)	Weekly Max Drawdown	
			(%)	Day of Low
S&P500		0.2%	-2.0%	Thursday
Materials		-0.6%	-3.4%	Thursday
Energy	X	-5.1%	-8.6%	Friday
Financials		0.2%	-3.9%	Thursday
Industrials		-2.8%	-4.4%	Thursday
Consumer Staples		1.7%	-1.7%	Friday
Utilities		1.0%	-2.7%	Thursday
Health Care		-1.9%	-2.9%	Thursday
Real Estate		-1.9%	-3.6%	Thursday
Info Tech		0.9%	-1.4%	Thursday
Consumer Discretionary		0.6%	-2.2%	Thursday
Communication Services		2.5%	-2.3%	Friday
MSCI ACWI Ex-US		-0.5%	-1.7%	Thursday
Asia Ex-Japan		-0.2%	-1.8%	Tuesday
Japan		-0.6%	-2.4%	Thursday
Australia		0.3%	-1.2%	Thursday
Switzerland		-1.4%	-3.1%	Thursday
EuroZone		-1.1%	-3.1%	Thursday
United Kingdom		-1.2%	-2.7%	Thursday
Lat America		-0.8%	-2.6%	Friday
Canada		-0.1%	-1.1%	Thursday

Areas with Tax Benefit Captures (TBCs) indicates where individual tax-loss harvest trades were executed in each market exposure across all eligible accounts for period specified. Darker shaded areas contained more TBCs.

Max Drawdown calculated as max decline from interim peak to Intra-Day Low.

Market Data Source: Bloomberg

Market statistics calculated using representative ETFs.



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