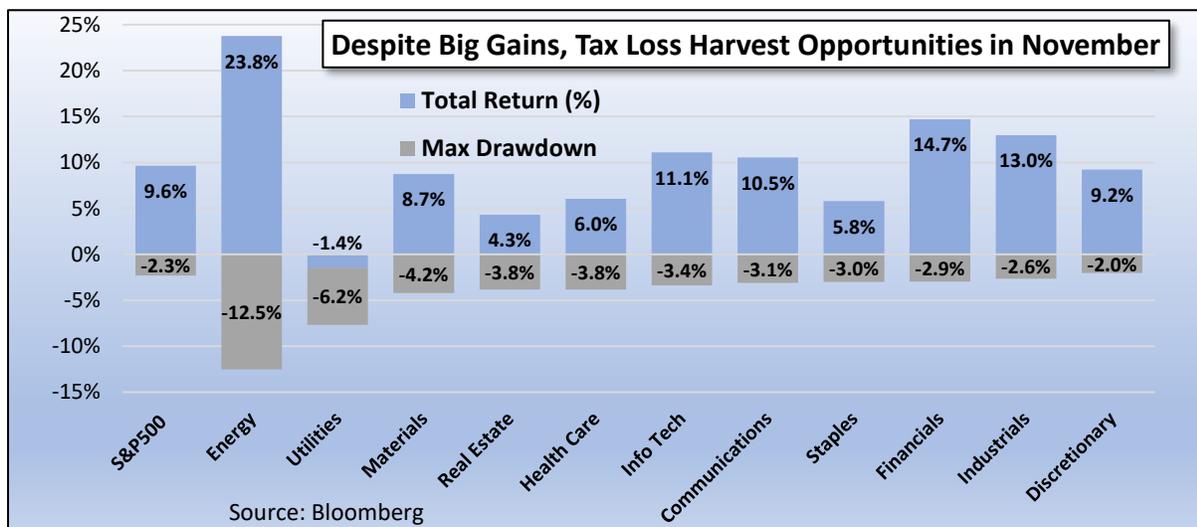


## Harvesting Strategy

Time to swap your ETFs? Finding Tax Loss Harvesting opportunities ... even in a Bull Market

Stocks had one of their best months in November.<sup>1</sup> Even still, money put to work last month had opportunities to capture tax benefits via Tax Loss Harvesting (TLH).

These opportunities can often be captured with minimal impact to investor exposure and returns, by simultaneously substituting similar ETFs during a drawdown. The S&P 500 had a maximum drawdown of 2.3% intra-month, a benchmark measure of the TLH opportunity. The underlying sectors had even greater TLH opportunities. All but one of the eleven S&P 500 GICS sectors had larger drawdowns than the S&P500 itself. A sector weighted S&P 500 exposure had a 3.4% TLH opportunity and still carried the same return as the S&P 500 itself.



Solomon G. Teller, CFA  
Chief Investment Strategist  
Green Harvest Asset Management

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<sup>1</sup> The S&P 500 gained nearly 10%, the MSCI World ex- U.S. gained 12%, the Dow 30 had its best month since 1987, and the Russell 2000 small cap index had its best month return ever.



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