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## Harvesting Strategy

June Report: U.S. Stocks Gained, But Harvest Opportunities Remained

The S&P 500 was up 2.2% in June resulting in a 15.2% return for the first half of 2021. Even more impressive was the index has nearly doubled in value since the March 23, 2020 bottom. Investors who [harvested tax losses](#), and maintained market exposure throughout, were again amply rewarded. Here are highlights of Green Harvest's [Tax Benefits Capture \(TBC\)](#) activity last month along with accompanying statistics in the table on page 2:

- Despite the S&P 500's rise, many sectors still experienced meaningful declines, enabling substantial TBC in new accounts and incremental TBC in established ones.
  - In a reversal from May's performance, the InfoTech and Consumer Discretionary sectors gained meaningfully while Materials and Financials retreated. Though the former sectors were TBC hotspots in May, in June the latter sectors accounted for more than a third of TBC related trading.
  - Utilities was the only sector to decline in both May and June. Not surprisingly, it's where we found most of June's TBC opportunities.
- Foreign markets lagged their U.S. counterparts; yet another reversal from May. The United Kingdom performed worst of all regions/countries covered and was where our foreign TBC activity was most prolific.

The varying performances among sectors and regions are a reminder not only of the volatility-dampening effects of diversification, but also its value in capturing tax benefits.

Hope everyone had a safe and wonderful July 4<sup>th</sup> weekend.

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**Market Data and Green Harvest TBC Heat Map Summary for month of June 2021:**

Market Exposure	Sectors/Regions with TBC	Total Return (%)	Volatility	Max Drawdown	
				(%)	Date of Low
<b>S&amp;P 500</b>		<b>2.2%</b>	<b>8.6%</b>	<b>-2.2%</b>	<b>6/18</b>
Materials	X	-5.3%	15.3%	-8.7%	6/18
Energy	X	4.2%	30.3%	-6.8%	6/18
Financials	X	-3.0%	18.4%	-8.6%	6/18
Industrials	X	-2.3%	12.9%	-5.7%	6/18
Consumer Staples	X	-0.5%	11.3%	-3.8%	6/18
Utilities	X	-2.2%	15.4%	-4.5%	6/30
Health Care	X	2.3%	11.7%	-2.4%	6/3
Real Estate	X	3.1%	14.4%	-3.1%	6/18
Info Tech	X	6.9%	12.0%	-2.1%	6/16
Consumer Discretionary	X	3.5%	8.9%	-2.0%	6/3
Communication Services	X	3.0%	11.0%	-2.4%	6/21
<b>MSCI ACWI Ex-US</b>		<b>-0.4%</b>	<b>10.5%</b>	<b>-3.0%</b>	<b>6/18</b>
Asia Ex-Japan	X	0.4%	11.0%	-3.4%	6/22
Japan	X	-0.8%	12.4%	-3.1%	6/18
Australia	X	-1.3%	14.3%	-4.0%	6/30
Switzerland	X	-1.6%	14.3%	-4.5%	6/18
EuroZone	X	-1.8%	12.9%	-4.0%	6/18
United Kingdom	X	-2.3%	14.1%	-4.1%	6/18
Lat America	X	4.1%	18.2%	-4.2%	6/18
Canada	X	-1.0%	9.9%	-3.1%	6/18
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. Volatility calculated as annualized standard deviation over the period. Max Drawdown calculated as max decline from interim peak to Intra-Day Low. Market statistics calculated using representative ETFs. Market Data Source: Bloomberg					



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