

TAX-LOSS HARVESTING

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As always, we aim to deliver all the information you need so that we can create the right strategies for your holistic financial goals.

Please do not hesitate to reach out to discuss our tax-loss harvesting strategies, or any of our other services, in greater detail.



Beverly Hills
PRIVATE WEALTH

TAX-LOSS HARVESTING AND ADDRESSING YOUR COMPLETE FINANCIAL PICTURE

The end of the calendar year presents a critical deadline for tax-loss harvesting strategies that can represent the difference between your money going to taxes or staying invested in your portfolio and working for you.

At Beverly Hills Private Wealth, we consider and implement tax-loss harvesting strategies for your portfolio regularly throughout the year. However, if you have assets outside of BHPW – in real estate, private investments, and other vehicles – we invite you to discuss your complete financial picture with us to ensure we are maximizing the tax efficiency of your broader wealth strategy.

Below, we share answers to some common questions about tax-loss harvesting strategies.

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What is tax-loss harvesting and why does Beverly Hills Private Wealth prioritize it?

Tax-loss harvesting is a strategy to offset taxes from realized capital gains. The strategy may help investors lower their overall tax liability and improve their after-tax returns – often while maintaining status quo in their investment portfolios.

It works by realizing (selling) the loss on an existing investment and then using those proceeds to buy a similar “placeholder” for 31 days. At the end of the 31-day period, we sell the placeholder and buy back the original shares that were sold for tax-loss harvesting. This strategy helps to keep your portfolio relatively aligned while we take losses.

Do I need to specifically request for you to be tax-loss harvesting on my behalf?

No. Beverly Hills Private Wealth is doing this for your portfolio “behind the scenes” and throughout the year. However, if you have gains or losses on assets outside of your BHPW portfolio, now is the time to let us know.

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What investments can have a tax impact?

Tax-loss harvesting works for any taxable investment gains. In addition to taxable stocks and bonds, you might also have gains from selling real estate, hard assets (like collectibles and art), cryptocurrency, etc. It is not appropriate for tax-deferred assets, like those in a retirement or 529 account. That said, the more complete picture we have of your personal assets, the better advice we can provide. We welcome all information and will collaborate with you to develop a tailored strategy that meets your needs.

What are other life updates that indicate we should discuss this strategy further?

There are a range of situations that merit considering tax-loss strategies further. Some may include:

- You have converted a traditional IRA or 401(k) to Roth.
- Your income has changed, and you may be in a new tax bracket.
- You hold company stock that you want to diversify.
- You sold property or a business.

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As always, we aim to deliver all the information you need so that we can create the right strategies for your holistic financial goals. Please do not hesitate to reach out to discuss our tax-loss harvesting strategies, or any of our other services, in greater detail.

Regards,

Your Team at Beverly Hills Private Wealth

This does not constitute tax or investment advice. Speak with your tax professional and investment advisor for more information.

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