



How to Turn on Tax Loss Harvesting Tool at My Robo Adviser™

Tax Loss Harvesting (TLH) can help improve the annual returns in a taxable account by automating an advanced tax-saving strategy. When investments lose value, they can be sold to help offset the taxes that come with income and capital gains. You can offset up to \$3,000 of your ordinary income each year with tax losses. Tax Loss Harvesting is designed to:

- Reduce your highly taxed ordinary income by up to \$3,000 per year
- Increase after-tax returns in a taxable account
- Coordinate harvests across your household's accounts with us, including IRAs, 401(k), joint accounts and trusts
- Make doing your taxes easier by consolidating end-of-year tax reporting



Tax Loss Harvesting is only applicable to taxable accounts and cannot be applied to IRA accounts.

How does Tax Loss Harvesting Work?

At the most basic level, tax loss harvesting is selling a security that has experienced a loss- and then buying a correlated asset (i.e. one that provides similar exposure) to replace it. The strategy has two benefits: it allows the investor to “harvest” a loss, and it helps keep the portfolio balanced at the desired allocation. Harvesting tax losses has several potential benefits, including offsetting unavoidable gains elsewhere in your portfolio, push capital gains from short to long-term which are then taxed at a lower tax rate, or to offset ordinary income up to \$3,000 from higher marginal rates.

How to Turn on Tax Loss Harvesting for Your My Robo Adviser™ Account

Log in to your MyRoboAdviser.com account. On the Summary page, scroll down to **Investment Performance** section located under the **Net Worth** section on the right side of the page. Click on “**Turn On**” to access the Tax Loss Harvesting+ page (*Note: if you see “Manage” then you have already set up TLH+, but you may continue through to be sure your tax status and income level remain current*). Click on the blue “**See if its right for you**” tab in the lower right. Confirm your financial profile including your Tax filing status and Income information. The system estimates your tax bracket, which you can change if you believe the estimate is not accurate. Then click “**Continue**”. You will then be provided with a recommendation if TLH is beneficial for you (its typically not beneficial for individuals in lower tax brackets). If you are in a lower tax bracket and do not want to turn on TLH, select Click “OK, got it”. Click “**Continue to enable TLH+**” if you want to enable TLH. Investors in a higher tax bracket will be directed to a slightly different page where you can select “**Enable TLH+**” to turn on TLH. You can always turn off TLH in the future.

Have questions?

If you have any questions about whether tax loss harvesting is right for you, you can contact us directly at **920.785.6012** or email us at support@myroboadviser.com. For more information on site navigation or turning on Tax Loss Harvesting, Betterment for Advisors maintains a support line you can call at **800.400.1571**.

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My Robo Adviser's services are specific to the investment goals that you identify. We do not provide comprehensive financial or tax planning. Our Advisory services rely upon an algorithm designed and maintained by Betterment to assist us in determining our portfolio recommendations. Unless you directly consult with My Robo Adviser™ Advisory personnel, the algorithm is the sole basis of the advice.

Clients and perspective clients should be aware that certain tools and content on the Betterment, LLC website, including projected returns, functionality, tax-coordinated portfolios and links to investment philosophy, research, educational materials and FAQs apply solely to Betterment's 2-dimensional portfolios and may not apply to MyRoboAdviser.com's 3-dimensional investment recommendations.

Existing My Robo Adviser™ clients are reminded to login and update personal information whenever their goals or personal financial circumstances change. Clients should also confirm that their current goal allocation is aligned with the recommended target allocation provided for each goal. Clients with questions regarding their account, personal financial circumstances, goals, or an investment allocation with respect to our service should contact us via email or telephone.

Prospective clients contemplating opening an account with My Robo Adviser™ are advised to read My Robo Adviser's Form ADV Brochure, Part 2A for important disclosures about our services, business practices, the costs and risks of investing, and other important considerations prior to opening their account. You can access the most recent version of our Form ADV via a [link](#) on our website.

You should carefully read this disclosure and consider your personal circumstances before deciding whether to utilize Betterment's Tax Loss Harvesting+ ("TLH+") feature.

Tax Loss harvesting is not suitable for all investors. Nothing herein should be interpreted as tax advice, and Betterment does not represent in any manner that the tax consequences described herein will be

obtained, or that any Betterment product will result in any particular tax consequences. Please consult your personal tax advisor as to whether TLH+ is a suitable strategy for you, given your particular circumstances. The tax consequences of tax loss harvesting are complex and uncertain and may be challenged by the IRS. You and your tax advisor are responsible for how transactions conducted in your account are reported to the IRS on your personal tax return. Betterment assumes no responsibility for the tax consequences to any client of any transaction.

You are solely responsible for determining whether to use TLH+ and whether you would benefit from doing so. You retain that responsibility notwithstanding any general guidance that Betterment may provide based on a hypothetical tax rate. The benefits of TLH+, if any, in reducing an investor's tax liability will depend on the investor's entire tax and investment circumstances, including but not limited to: their income, state of residence, the purchase and dispositions of assets in the investor's (and their spouse's) accounts outside of Betterment, type of investment accounts held, and applicable investment holding periods. You can opt in or out of TLH+ at any time by going to the "Settings" page and clicking on "Accounts".

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