

ESTIMATED TAX SAVINGS REPORT



Prepared For **QASIM DILLARD CUSTODIAL XXXX9342**

Period Ending: **Q3 2020** | As of 30th September 2020

Account Details

Account Value¹
\$522,082

Account Inception Date
07/31/2020

Tax Transition Budget² (YTD)
\$3,280

Strategy
Target Allocation ETF 60/40

Benchmark³
**42% MSCI ACWI/18% MSCI U.S./40% BARCLAYS U.S.
UNIVERSAL BOND**

Estimated Tax Savings⁴

Estimated Tax savings is the estimated after-tax dollar value added to your portfolio resulting from 55ip's proprietary tax loss harvesting.⁵

Year-To-Date
\$7,227

Inception-To-Date
\$15,808

Estimated Tax Bill (YTD)

Estimated tax bill for your account with active tax management⁷

\$3,033

(0.48% of Average Daily Balance⁶)

vs

\$10,260 without tax management⁸

Estimated Realized and Unrealized Gain/Loss (YTD)⁹

	Realized Capital Gain/Loss	Unrealized Capital Gain/Loss
Short-Term	\$61	-\$27,386
Long-Term	\$12,639	\$14,125

Glossary

All dollar values are rounded to the nearest dollar.

1- **Account Value:** Market value of account at close as of report date.

2- **Tax Transition Budget:** Estimated taxes as specified by the client that should be incurred when transitioning the account from its current positions to those of the target model.

3- **Benchmarks:**

MSCI ACWI Index (ACWI) - The MSCI ACWI Index, MSCI's flagship global equity index, is designed to represent performance of the full opportunity set of large and mid-cap stocks across 23 developed and 26 emerging markets. As of December 2019, it covers more than 3,000 constituents across 11 sectors and approximately 85% of the free float-adjusted market capitalization in each market.

MSCI US Index (PBUS) - The MSCI USA Index is designed to measure the performance of the large and mid-cap segments of the US market. With 636 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the US.

MSCI World Index (URTH) - The MSCI World Index captures large and mid-cap representation across 23 Developed Markets. With 1,643 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

Bloomberg Barclays US Aggregate Bond Index (AGG) - The Bloomberg Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg Barclay's US Universal Bond Index (IUSB) - The Bloomberg Barclays US Universal Bond Index, which iShares Core Total USD Bond Market ETF (IUSB) tracks, includes non-investment-grade corporate bonds and emerging-markets debt, boosting its yield while improving diversification. This index provides exposure to investment-grade or high yield US dollar-denominated bonds. The ETF maintains considerable exposure to government-backed bonds, which account for about half of the portfolio, balancing out the increased credit risk.

S&P National Municipal Bond Index (MUB) - The S&P National AMT-Free Municipal Bond Index is a broad, comprehensive, market value-weighted index designed to measure the performance of the investment-grade tax-exempt US municipal bond market. Bonds issued by US territories, including Puerto Rico, are excluded from this index.

4- **Estimated Tax Savings (\$):** Tax rates used in calculating estimated tax savings are as disclosed in bullet 10 below. A negative value, indicating tax savings, is subject to certain limitations. Capital losses may offset capital gains to reduce your net taxable gain. Investors must first offset any long-term gains with long-term losses, before offsetting any short-term gains. Net losses can offset up to \$3000 of taxable income in a year. Inception-to-date is the summation of year-to-date tax savings for all years since account inception.

5- **Estimated Tax Savings Methodology:** Estimated Tax Savings is calculated by estimating the current tax bill for your portfolio, based on year-to-date realized gains and losses, and subtracting the estimated tax bill for a similar account with the same model without active tax management. Tax savings is the estimated after-tax dollar value added to your portfolio as a result of 55ip's proprietary tax loss harvesting engine.

6- **Average Daily Balance:** \$628,659 - Average daily portfolio value of the account through the reporting period.

7- **Estimated Tax Bill:** Estimate of year-to-date tax bill for this account. Tax Rates, as disclosed in bullet 10 below, are applied to realized gain/loss present in this account as of the report date.

8- **Estimated Tax Bill without Tax Management:** Estimate of year-to-date tax bill for a hypothetical replication portfolio without active tax management. Tax rates, as disclosed in bullet 10 below, are applied to the hypothetical gains and/or losses in the hypothetical replication account. Hypothetical results have inherent limitations and are not a guarantee of past or future results. These hypothetical results do not reflect actual trading and therefore do not account for actual market risks, economic conditions, taxes or expenses.

9- **Unrealized and Realized Gain Loss:** Realized and unrealized gains and losses present in the client's account as of the report date. Realized gains and losses are year-to-date.

10- **Tax Rates:** Short term capital gains are taxed as ordinary income; data shown assumes highest federal rate of 37%. Long-term capital gains are taxed at 0%, 15% or 20% based on taxable income; data shown assumed highest federal rate of 20%. An additional 3.8% net investment tax is applied to both short-term and long-term tax rate calculations. Note that the benefit is shown by applying the highest marginal tax rate in all years, which may be higher than your actual tax rate. Tax rates are subject to change over time.

All calculations and data presented within this Estimated Tax Savings Summary are believed to be accurate, but accuracy is not guaranteed.

55ip seeks to avoid most wash sale violations but there are times when wash sale violations may occur as part of regular portfolio management. 55ip may not have visibility across multiple accounts in a household to prevent wash sale violations across the household.

Past performance is not an indicator or guarantee of future results.

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