

Tax Loss Harvesting – Lattco PRO & AutoPilot

The purpose of this document is to walk you through the steps of Tax Loss Harvesting. Tax Loss Harvesting is a process that can be used in your taxable Snider Investment Method® accounts. It is used to reduce the current year's taxable income and maximize your after-tax return.

Tax Loss Harvesting should only be used after careful consideration of your entire tax situation. It is recommended that you consult a tax professional before you use the Tax Loss Harvesting process. Tax Loss Harvesting should not be used in non-taxable accounts. If you have not already done so, please read the entire document before you proceed with this process.

STEP #1 - IDENTIFY POSITIONS FOR TAX LOSS HARVESTING

For each taxable account you have, you will look for positions that meet all of the following conditions:

- Have large unrealized losses
- Hold ten times your initial Monthly Purchase Level
- Are currently in Winter (NO options can be sold)
- Not used in previous tax loss process

Special Note: You should confirm the position's cost basis for **tax** purposes. You can find this value in the tax software your brokerage provides for tax preparation. Keep in mind the cost basis on your Individual Stock Purchase Record or on your broker's holding screen may not be accurate for tax purposes.

In Ally Invest, you can find the tax cost basis of your positions in **Maxit**. You can access this information by going to My Accounts > My Account Records > **Maxit Tax Manager**. In Maxit, select Gain/Loss Reports > **Unrealized Gain Loss**. Refer to the Average Unit Cost column to find the position's cost basis for tax purposes.

STEP #2 - SELL THE IDENTIFIED POSITIONS

Once you have identified positions that meet all four conditions, you should sell all the shares you hold for each position. To do this, log into your [Lattco](#) account. Under the Help menu, select **Tax Loss Harvesting Tool** at the bottom. After selecting the appropriate account, use the orange **Tax Loss Harvest** button to create your stock order. Lattco will walk you through each step in the stock sale process.

Be sure to Update Activity so that Lattco can make the necessary adjustments to your position to accommodate for tax loss harvesting this year.

Follow this step for each position you have identified for Tax Loss Harvesting.

STEP #3 – WAIT AT LEAST 31 DAYS

The Wash Sale Rule states that a taxpayer cannot claim a loss for shares that were bought within a 61-day window surrounding the sale (30 days before or 30 days after the sale.) If you do not follow the Wash Sale Rule, you will not receive the tax benefit of selling your position.

STEP #4 - BUY BACK THE ENTIRE POSITION

After at least 31 DAYS from Step #2, buy back your entire position. To do this you will log into your Ally Invest account. (Currently, the stock repurchase is not available within your Lattco account.) You can find the quantity to repurchase in the Notes section on the Individual Stock Purchase Record of your harvested positions.

STEP #5 – NOTIFY SUPPORT TO ADJUST THE POSITION

After the shares are repurchased, go back under the Lattco Help menu, select **Tax Loss Harvesting Tool**. After selecting the appropriate account, use the **Purchase Complete** button to notify our support team to make the final adjustments within Lattco. (This button does not display on the screen until the following tax year.) You will be notified by email when the adjustments are complete, and you can attempt to sell calls.

THE FINE PRINT

The intent of this document is to help expand your financial education. Although the information included may be relevant to your particular situation, it is not meant to be personalized advice. When it comes to investing, insurance, and financial planning, it is important to speak to a professional and get advice that is tailored to your unique, individual situation. All investments involve risk including possible loss of principal. Investment objectives, risks, and other information are contained in the [Snider Investment Method Owner's Manual](#); read and consider them carefully before investing. More information can be found on our [website](#) or by calling 1-888-6SNIDER. Past performance is not indicative of future results.

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