

[Date]

[Client Name]

[Client Address]

[City, State, Zip]

Subject: Strategic Tax-Loss Harvesting Opportunity

Dear [Client Name],

In light of recent market volatility, we are writing to inform you of a strategic opportunity to improve the tax efficiency of your investment portfolio through a process known as tax-loss harvesting.

Market fluctuations often create situations where certain securities may be trading at a value lower than their original purchase price. By selling these positions, we can "realize" a capital loss. These losses can be used to:

- Offset capital gains realized elsewhere in your portfolio this year.
- Offset up to \$3,000 of ordinary income.
- Carry forward unused losses to offset future gains in subsequent years.

Our strategy involves immediately reinvesting the proceeds into a similar security to ensure your portfolio maintains its target market exposure and long-term investment objectives. We remain mindful of the IRS "wash-sale" rules during this process.

We are currently reviewing your accounts to identify specific opportunities. You do not need to take any action at this time; however, if you have realized significant gains outside of the accounts we manage for you, please let us know so we can coordinate our efforts.

If you have any questions regarding this strategy or your portfolio's performance, please feel free to contact our office at [Phone Number].

Sincerely,

[Advisor Name]

[Firm Name]