

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Subject: Strategic Year-End Portfolio Review and Tax-Loss Harvesting

Dear [Client Name],

As we approach the end of the year, we have completed a comprehensive review of your investment portfolio. Our objective is to ensure your asset allocation remains aligned with your long-term financial goals while maximizing after-tax returns.

Based on current market conditions and your specific holdings, we recommend the following strategic actions:

1. Tax-Loss Harvesting

We have identified specific securities currently trading below their cost basis. By selling these positions, we can realize capital losses to offset capital gains earned earlier this year. This strategy is designed to reduce your overall tax liability without significantly altering your investment profile.

2. Portfolio Rebalancing

Due to market fluctuations, your portfolio's current weighting in certain asset classes has drifted from your original target allocation. We intend to sell overweight positions and reinvest the proceeds into underweight sectors to restore your desired risk-reward balance.

Proposed Actions:

- Sell identified positions in [Asset Class/Security Name] to capture losses.
- Reinvest proceeds into [Replacement Security/Asset Class] to maintain market exposure.
- Adjust [Asset Class] to return to the target allocation of [Percentage]%.

We will handle the execution of these trades automatically unless you have specific questions or changes to your financial situation that we should consider. If you would like to discuss the tax implications or the specifics of these adjustments, please contact our office by [Date].

Thank you for your continued trust in our advisory services.

Sincerely,

[Advisor Name]

[Firm Name]

[Phone Number]