

It's Not What You Make, but What You Keep, That Matters



tax management
technology powered by

55ip

If left unmanaged, taxes can eat into your investment returns and leave you with less for your long-term goals. And with some experts predicting US Large Cap equities to return a mere 4.1% annualized over the next 10-15 years,¹ investors seeking to pursue successful outcomes should consider alternative sources of seeking improved investment returns.

There is a lot of talk about “Alpha” when it comes to investment returns, but have you considered “Tax Alpha”? This is the outperformance that an investor can achieve by taking advantage of all available tax-saving strategies.

What is Tax Alpha?

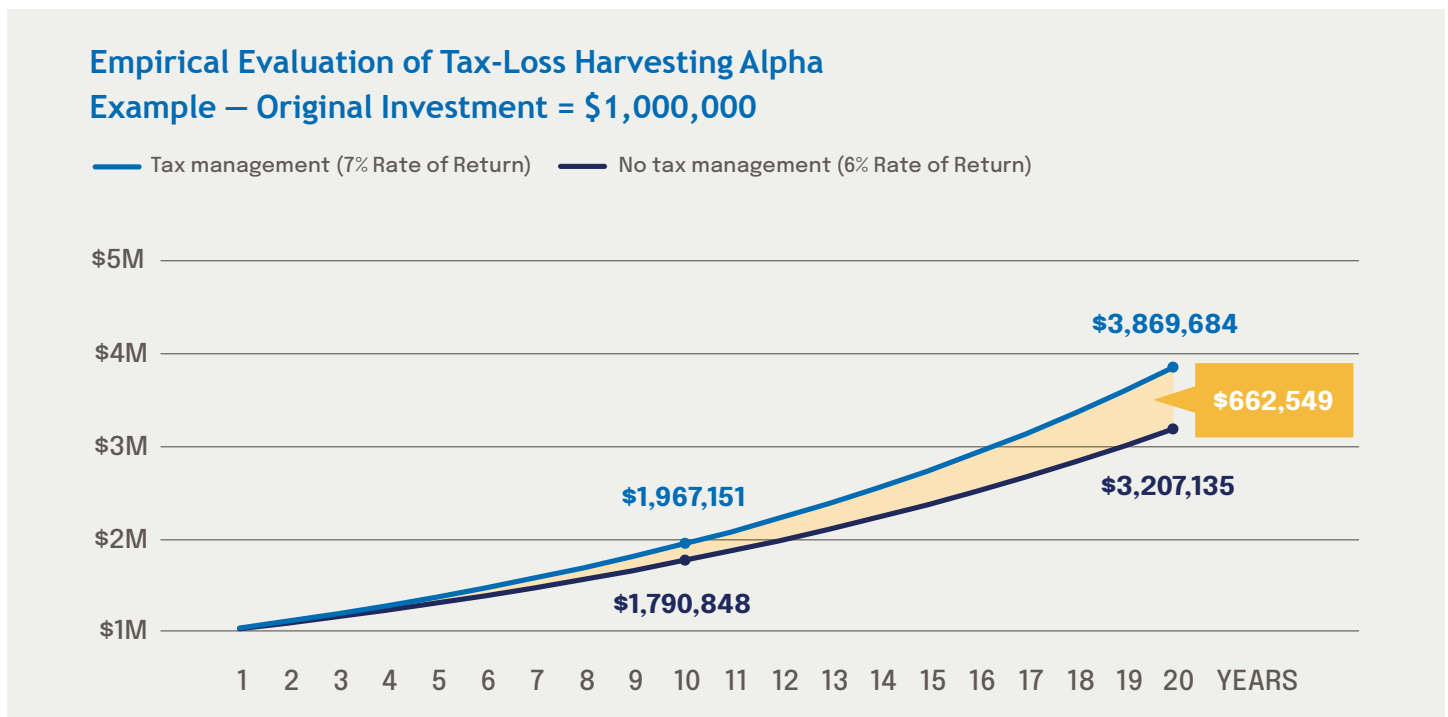
The outperformance that an investor can achieve by taking advantage of all available tax-saving strategies



Tax-Smart Investing

Tax loss harvesting is one such strategy used to minimize capital gains. This is accomplished by selling an investment position that is down to offset capital gains elsewhere in the portfolio – potentially lowering your tax obligation for that year.

Studies have shown that utilizing this technique can deliver an average of 1.08% Tax Alpha per year.²



Source: An Empirical Evaluation of Tax-Loss Harvesting Alpha - Shomesh E. Chaudhuri, Terence C. Burnham, Andrew W. Lo: January 26, 2020. Past Performance is no guarantee of future results. Returns are shown for illustrative purposes only.

Canty Financial + 55ip = Tax-Smart Investing

Once the sole domain of ultra-high net worth investors, advances in technology have made these techniques more broadly available. Canty Financial has partnered with JPMorgan Asset Management and 55ip, a fintech firm, to deliver tax smart solutions for their clients.

55ip is particularly powerful for clients with taxable accounts. During periods of volatility, tax-smart investing enables advisors to do more for their clients than simply help them “stay the course.” With 55ip’s ActiveTaxSM Technology, we’ll be able to make moving to an updated investment strategy more tax-efficient, if appropriate, as well as enhance after-tax returns through a systematic approach to tax-loss harvesting.

Canty Financial Management: Powered by 55ip

Three ways using Canty Financial's solutions powered by 55ip's tax smart technology, can ease your tax burden:

Tax-Smart Transitions	Tax-Smart Ongoing Management	Tax-Smart Withdrawals
Minimize taxes when moving existing holdings to a model portfolio through the use of Tax Loss Harvesting – Realize losses, when it makes sense, to offset some or all of the taxable gains from other parts of your portfolio.	Create tax savings to increase after-tax return potential through automated, systematic tax-loss harvesting.	When it's time to draw on your investments for income, determine how to meet your income and tax needs in a tax-efficient way.

Consider this approach if you:

- Are interested in finding alternative ways to drive better investment returns
- Fall in a high tax bracket or concerned about rising taxes
- Own assets that have gone up significantly in value and are concerned about capital gains
- Think your current portfolio is no longer a good fit
- Own taxable investment accounts
- Have cash that you want invested in a tax-efficient manner