

# Now is the time

Demonstrating your value to clients through rebalancing and tax-loss harvesting

While recent volatility has likely put your clients on edge, it also brings opportunities.

55ip's automated tax technology can help you position your client's portfolio for the long term and take advantage of tax-loss harvesting.

**All at the touch of a button.**

## REAL EXAMPLES. REAL VALUE.

Read more about how BlackRock & 55ip have helped advisors deliver value during these turbulent times.

### Outperformance through rebalancing

BlackRock has acted with **measured conviction** to make model trades that seek to insulate portfolios and take advantage of opportunities.

Clients may benefit from active rebalancing. Rebalancing a 60/40 portfolio of indexes would have **added 1.72% of outperformance** vs. not rebalancing during the '08 Financial Crisis.<sup>3</sup>

In addition, we believe advisors were freed-up to spend **more time where it matters most**: helping their clients through one of the most volatile markets of their lifetimes.

### Tax-loss harvesting

One of the most tangible benefits an advisor can offer their clients right now is **tax-loss harvesting**. Since the COVID-19 crisis, 55ip has delivered:

2.64%

Estimated average realized losses<sup>1</sup>

1%

Estimated average tax benefit<sup>2</sup>

### Quicker transitions to target portfolios

By harvesting losses to offset gains, 55ip was able to **move more client assets into the target portfolios** during the COVID-19 induced volatility:

All of the accounts transitioning into BlackRock models using 55ip-tax technology were able to **move additional assets** into their target portfolios.

Over 2/3<sup>rd</sup> of these accounts were able to **transition completely** into following their target BlackRock model.

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# Want to know more?

1-877-ASK-1BLK or visit us at [blackrock.com/55ip](http://blackrock.com/55ip)

## IMPORTANT NOTES

*All calculations and data presented within this document deemed to be accurate, but accuracy is not guaranteed. Past performance is not an indicator or guarantee of future results.*

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1. Source: 55ip. **Estimated Average Realized Losses (% of account value)** – Average short term and long terms losses harvested as a percentage of account value as of 3/16/2020. **Average Account Value:** Average Market value of all taxable accounts on 55ip's platform following BlackRock Model Portfolios at close as of 3/16/2020.

2. Source: 55ip. **Estimated Average Tax Savings (% of account value):** Estimate of tax bill for client accounts divided by account value as of 3/16/2020. Tax rates used in calculating estimated tax savings are disclosed in the following section title 'Tax rates'. 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. **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.

3. Source: BlackRock analysis on MPI Stylus as of 3/20/20. Excess return represents the excess return relative to a 60/40 portfolio that did not rebalance at all. The 60/40 portfolio modeled here is a blend of 60% MSCI ACWI, 40% BBG Barclays US Agg Bond from 10/1/2007- 12/29/2009. The +/-5% rebalance portfolio rebalances back to target 60/40 weights the day after the portfolio moves below 55% or above 65% equity. Six rebalance dates: 1/22/08, 10/7/08, 10/28/08, 3/3/09, 4/17/09 and 9/11/09. **Index performance is for illustrative purposes only. Index performance does not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. Index performance does not represent actual Fund or model performance.**

Carefully consider the BlackRock and iShares Funds within the model portfolios' investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the Funds' prospectuses or, if available, the summary prospectuses which may be obtained by visiting [www.iShares.com](http://www.iShares.com) or [www.blackrock.com](http://www.blackrock.com). Read the prospectus carefully before investing.

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