

# INSCITE TECHNOLOGY PLATFORM - AI POWERED TAX STRATEGIES

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## Harvesting Losses

Optimizing Capital Gains -  
Harvesting Losses



## Tax Optimization

Tax Optimization Using  
InSCITE Technology  
Platform



## Embedded

Tax Optimization  
Embedded in All  
AllocateRite Strategies

InSCITE offers tax solutions tailored to each investor's situation, based on the cost basis of each security in a client's portfolio, which can be automatically obtained for each client.

### Optimizing Capital Gains - Harvesting Losses

Between two strategies with identical future returns, the one that yields the least recognized capital gains or highest losses is the preferable choice.

Avoiding securities sales with embedded gains is known as tax optimization; seeking sales with losses is considered tax loss harvesting. Fundamental to both optimization and harvesting is substitution of similar securities in the strategy. This is accomplished intelligently and adaptively through the forecasting of correlations, using the same deep learning infrastructure found in the ForeSCITE core technology.

### Tax Optimization Using The InSCITE Platform

Our InSCITE tax optimization technology can provide a solution tailored to each clients' own individual portfolios, utilizing the cost basis of each security in the portfolio, which can be automatically downloaded from any portfolio management system.

Our InSCITE optimization technology tracks and records all realized capital gains and losses embedded in a client portfolio and can deliver a customized strategy that will minimize capital gains and maximize portfolio returns. Our AI-powered algorithms help identify best securities for substitution, in order to both optimize performance and minimize tax liability.

### Tax Optimization Embedded in All AllocateRite Strategies

All of our AllocateRite investment strategies are ideally suited for tax loss harvesting, because there are readily available proxies for its broad-based ETFs which represent entire industries or countries. Only tax-efficient benchmark index ETFs are employed in all AllocateRite strategies.

For example, XLU and its candidate substitute FUTY have been predicted to be over 97% correlated. Our customized strategies are thereby able to substitute ETFs without wash sales yet maintain the integrity of the strategy.