



CLIENT NAME  
ADDRESS  
ACCOUNT(S)

DATE

RE: Tax Loss Harvesting Overlay

We hope this letter finds you well. Our firm, Vicus Capital, Inc., is responsible for the management of your assets and works closely with your financial advisor to help achieve your investment goals. We have been notified by your advisor, INSERT NAME, that for the above referenced account(s) you would like to utilize our Tax Loss Harvesting overlay.

We would like to take this opportunity to inform you about some characteristics related to our tax loss harvesting overlay.

Vicus Capital's Tax Loss Harvesting overlay (TLH) seeks to replace current investments that have unrealized losses by purchasing securities with similar performance and risk exposure. However, we cannot guarantee that the replacement securities will not meet the Internal Revenue Service (IRS) definition of "substantially identical." While we will attempt to replace the current investments with a security that experiences similar performance and risk exposures, the performance of the replacement security is not guaranteed, and could differ from the current investment substantially, leading to a different performance outcome. Additionally, you can incur higher fees at the fund-level in the TLH replacement investments.

The enablement of TLH typically results in a higher number of trades than otherwise would occur. This likely results in additional transaction costs. In some situations, the replacement securities may also be less liquid due to lower trading volume and higher spreads, which could result in increased transaction costs.

Using TLH will result in wash sales due to dividend reinvestments in invested securities. A wash sale occurs when an investor sells a security at a loss and, within thirty (30) days before or after the sale, buys the same or a "substantially identical" security. The wash sale rule applies not just to situations when a "substantially identical" purchase is made in the same account, but also when the purchase is made in a different account including the account of a spouse. We attempt to avoid potential wash sales that could arise from transactions in different securities that track the same index. Transactions such as dividend reinvestments and some corporate actions may also generate a wash sale. *NOTE: Vicus Capital cannot avoid wash sales arising from transactions in other accounts managed by Vicus Capital or transactions in accounts not managed by Vicus Capital. Vicus Capital does not guarantee that wash sales will be avoided in any tax loss harvesting transaction.*

Utilizing TLH does not guarantee a particular tax consequence or that specific tax benefits will be achieved. The tax consequences of tax loss harvesting are complex and uncertain and may be challenged by the IRS or any other tax authority. The internal revenue code, as well as judicial and administrative interpretations of it, are subject to change and any such change could have a material

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impact on the consequences of utilizing TLH. State income tax laws are also subject to change and may differ from federal law in material ways. There is limited authority governing whether one security is “substantially identical” to another security for the purposes of the wash sale rule. Accordingly, there is no assurance regarding how the IRS would resolve this question in specific contexts. *A tax professional should be consulted as to whether TLH is an appropriate strategy for you. Vicus Capital assumes no responsibility for the tax consequences of any transaction associated with TLH.*

TLH is not suitable for all investors. Some factors that are not favorable for using TLH are: (1) Lower income tax brackets, particularly when a higher tax bracket is expected in the future, (2) Withdrawal of a significant portion of taxable assets within 12 months of using the TLH strategy, (3) Trades, including trades in spouse’s and joint accounts, of any securities held in other accounts including Vicus Capital portfolios as well as accounts held outside of Vicus Capital, and (4) Accounts that are not taxable.

**The Tax Loss Harvesting overlay will go into effect within 30 days of the date of this notice for the above referenced account(s). If you have any questions regarding the Tax Loss Harvesting overlay or if you do not wish to have the feature added to your account(s), please feel free to contact us at 855-558-4287 or via email at [info@vicuscapital.com](mailto:info@vicuscapital.com).**

As always, we would like to take this opportunity to thank you for your continued business. We look forward to a long, prosperous relationship.

Kind Regards,

Jacqueline Trezza

Chief Operating Officer

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