

Gradient Investments Tax Advantaged Series

Keep more of what you earn

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Portfolio Methodology

OBJECTIVE

Tax efficient asset
allocation models

MANDATE

Diversified portfolios
investing in equities
and fixed income

EXECUTION

ETF based models
utilizing tax efficient
practices

Keep More of Your After-Tax Return

Tax Strategies May Shift Returns From Unfavorable to Optimal

Total Return Scenario 1:

INVESTOR RETAINS 63%

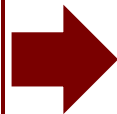
IRS OWED 37%

UNFAVORABLE

Maximum Federal Tax Rate: 37%*

How:

- Unqualified Dividends
- Short-Term Capital Gains
- Interest Income



Total Return Scenario 2:

INVESTOR RETAINS 80%

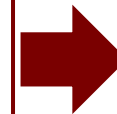
IRS OWED 20%

IMPROVED

Maximum Federal Tax Rate: 20%*

How:

- Qualified Dividends
- Long-Term Capital Gains



Total Return Scenario 3:

INVESTOR RETAINS 100%

IRS OWED 0%

OPTIMAL

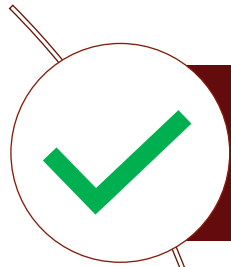
Maximum Federal Tax Rate: 0%*

How:

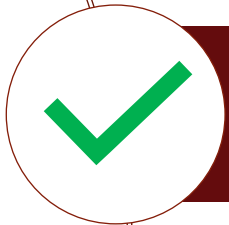
- Municipal Bond Interest
- Unrealized Capital Gains

*Source: Internal Revenue Service. Tax rates as reported by Internal Revenue Service as of 2024.

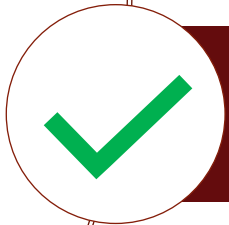
Tactics for Greater Tax Efficiency



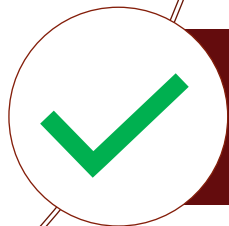
Dynamic tax loss harvesting



Lower turnover; less taxable events



Focus on long-term capital gains and qualified dividends



Utilize tax advantaged investments like Municipal Bonds

Dynamic Tax Loss Harvesting

What is tax loss harvesting?

- The practice of selling a security at a loss to offset taxes on gains and income
- The sold security is replaced by one with similar characteristics
- As a result, the client's asset allocation and risk level stays consistent.

How does technology support the process?

- Gradient Investments can quickly analyze tax loss harvesting opportunities
- The portfolio management team can enact loss harvesting and replace with substitute holdings that:
 - Maintain market exposure and consistency with the risk tolerance
 - Are similar, but not exactly, alike – allowing for tax harvesting without violating “wash sale” rules

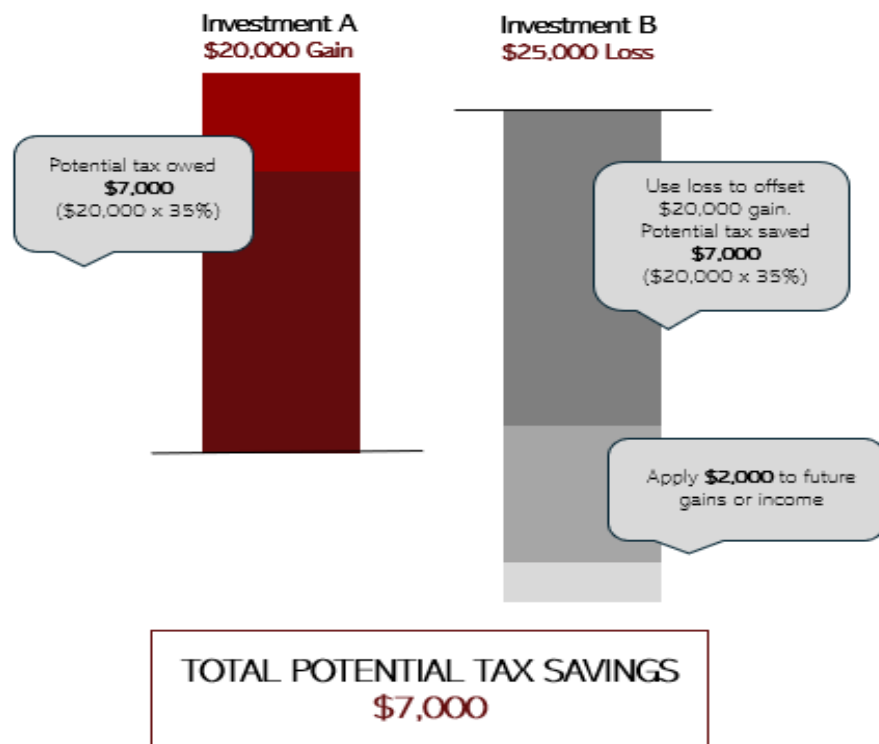
The End Goal

Strategically harvest losses periodically to enhance after-tax returns

Tax Loss Harvesting: Illustration

Two Investments:
One with gains, one with losses

Potential tax break
for ordinary income



Even if you don't have capital gains to offset, tax-loss harvesting could still help reduce income tax liability.

- Investor buys XYZ ETF for \$10,000
- Investor sells XYZ ETF for \$5,000 (loss of \$5,000)
- Investor can use up to \$3,000 of loss to reduce taxable income
- Remaining losses may be carried forward to offset future income

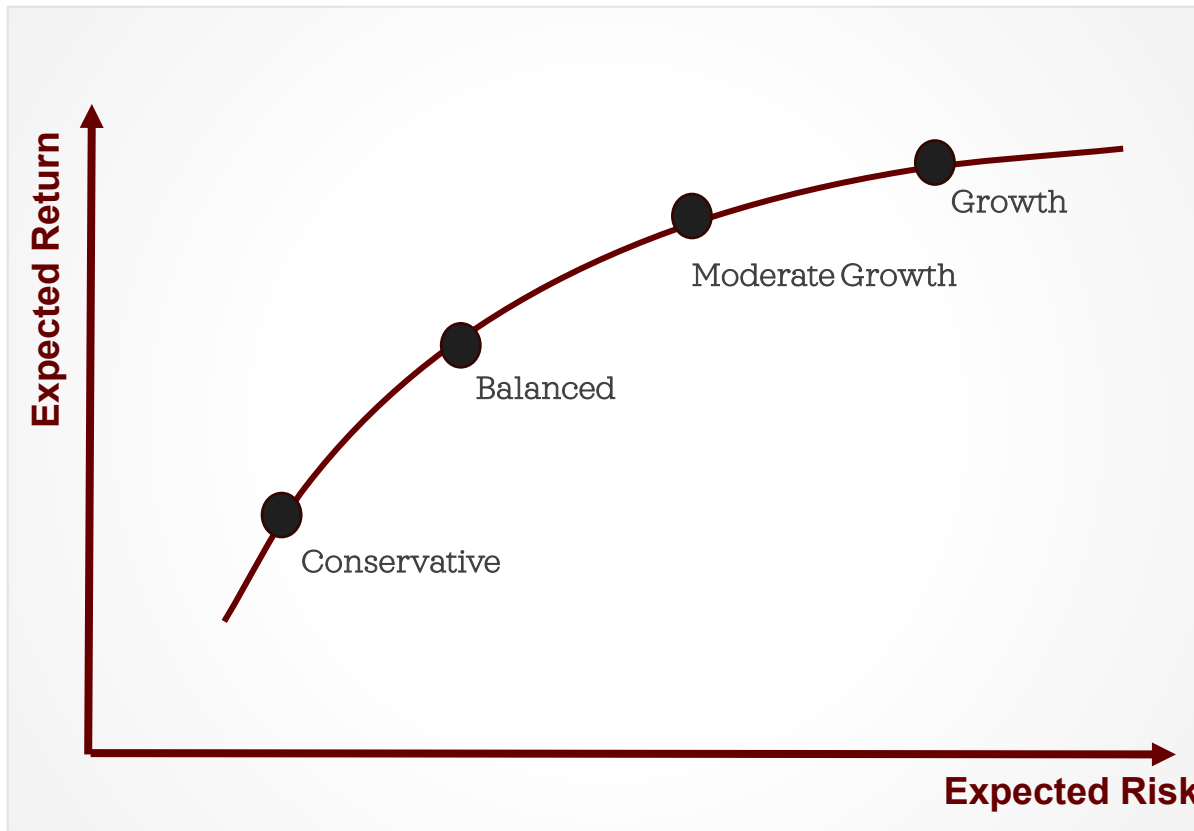
Source: <https://www.schwab.com/learn/story/how-to-cut-your-tax-bill-with-tax-loss-harvesting>

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Tax Advantaged Series Risk Spectrum

Four distinct models (Conservative, Balanced, Moderate Growth, Growth) Exchange Traded Funds (ETFs) to gain exposure to asset classes



Conservative Allocation

- Capital preservation focus
- Higher fixed income allocation
- Lower equity allocation

Growth Allocation

- Long term capital appreciation focus
- Higher equity allocation
- Zero fixed income

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Tax Advantaged Model Allocations

Description	Allocation			
	Conservative	Balanced	Moderate Growth	Growth
Fixed Income				
Cash	1%	1%	1%	1%
ST Tax Efficient Treasury ETF	12%	8%	4%	
ST Municipal ETF	17%	11%	5%	
National Municipal ETF	45%	30%	15%	
Equity				
US Large Cap Stock ETF	12%	26%	38%	50%
US Equity Enhanced Index ETF	9%	18%	27%	35%
US Mid Cap Stock ETF	2%	3%	5%	7%
US Large Cap Growth ETF	2%	3%	5%	7%

Gradient Tax Advantaged Series

COMPOSITE PERFORMANCE THROUGH AUGUST 31, 2026

	YTD 2026	1 Year	3 Year	5 Year	10 Year	Annualized Return Since Inception*	Standard Deviation Since Inception*
CONSERVATIVE	3.93%	7.58%	N/A	N/A	N/A	N/A	N/A
BALANCED	7.33%	11.90%	N/A	N/A	N/A	N/A	N/A
MODERATE GROWTH	10.66%	16.30%	N/A	N/A	N/A	N/A	N/A
GROWTH	13.66%	20.43%	N/A	N/A	N/A	N/A	N/A

Performance returns and standard deviation numbers are composite of all accounts included in the Gradient Tax Advantaged Series.

*The portfolios inception date is 1/1/2025. Returns are net of all transaction costs and net of Gradient Investment's management fee but does not include the standard 1.00% advisor fee. These numbers are not meant to predict your individual results which could be better or worse. Investor's net returns may vary based on advisory fee, account size, and householding. Investing involves risk including the possible loss of principal and past performance is no guarantee of future returns. S&P 500 Index returns include re-invested dividends.



SUMMARY

Tax Advantaged Series

- **Diversified asset allocation**
 - Exchange traded funds (ETFs) with equity and fixed income exposure
 - Actively managed with an emphasis on after-tax returns
- **Four distinct portfolios**
 - Satisfy a wide range of risk tolerances from conservative to growth
- **Suitable for non-qualified accounts by using tax efficient tactics**
 - Tax loss harvesting
 - Lower turnover for less taxable events
 - Focus on long-term capital gains and qualified dividends
 - Tax efficient investments

Account Minimum: \$500

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