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BMO Global Asset Management

Tax Loss Harvesting

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BMO ETFs

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ETF MARKETINSIGHTS



TODAY'S SPEAKERS



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Market share of largest ETFs by assets



Category		Assets (US\$ Mn)	% total
Top 5	■	33,724	14.1%
Top 10	■	54,271	22.7%
Top 20	■	81,730	34.2%

Source: ETFGI. Oct 2022

- Top 20 ETFs account for 50.9% of Canadian ETF trading volumes
- Top 20 ETFs account for 34.2% of Canadian ETF assets
- 22 ETFs have greater than \$2B USD in assets

ONE MINUTE UPDATE

TAX LOSS HARVESTING

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**TAX LOSS HARVESTING
WITH ETFs**



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1

Identify security
with in a capital
loss position

2

Identify ETF that
provides a similar
market exposure

3

Sell security at a
loss and buy ETF to
maintain a similar
market exposure

4

Capital loss realized
can help offset
capital gains on
other securities



Allows you to crystalize losses to offset gains

Allows you to keep a similar exposure should you have conviction

Can help you turn a loss into a positive



ONE MINUTE UPDATE TAX LOSS HARVESTING

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1. Stock ABC is trading at a 20% discount to its purchase price
2. Stock XYZ was sold at a 20% gain to its purchase price
3. An investor can sell ABC at a 20% loss to realize the capital loss in order to offset the capital gains realized in XYZ
4. A security providing a similar exposure to ABC may then be bought in order for the investor to maintain the desired exposure



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- If capital gains are not available in the current year, the **realized losses may be carried back for three years or carried forward** to reduce capital gains in upcoming years.
- **The ability to recognize a capital loss may be restricted in certain circumstances, including where the acquired security is the same as or identical to the disposed security.** Investors should consult their own tax advisor to ensure that restrictions do not apply.
- The disposed security (or an identical security, or an option, or right to acquire such security) **cannot be purchased during the period that begins 30 days before and ends 30 days after the disposition**, otherwise the capital loss (from a tax loss harvesting perspective) is denied.

**Last Day for Canadian & US Tax
Loss Selling:**
December 28, 2022



Source: BMO ETFs, Nov 2022

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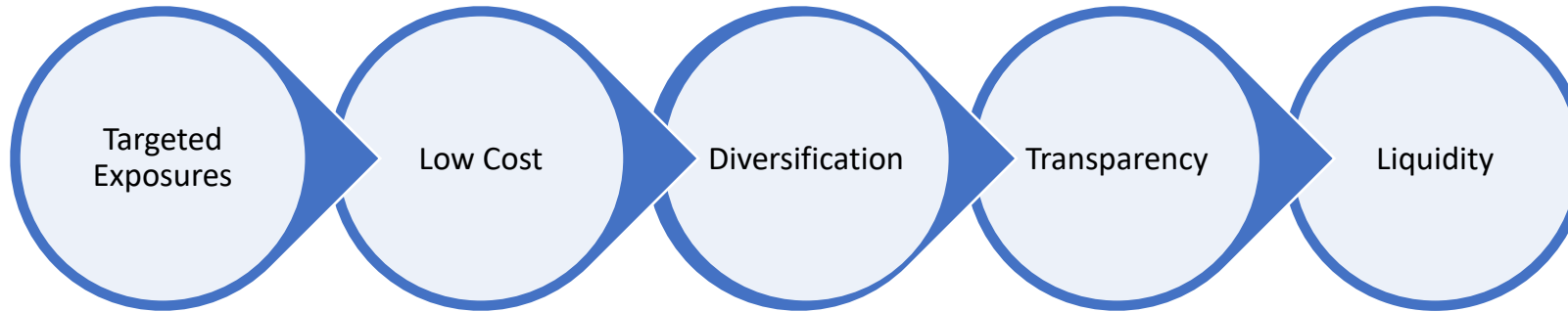
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Considerations:

- Watch for single security risk with some ETFs that are not Equal Weight
- Check for any potential capital gains distributions of ETFs and understand the implications of them with respect to the strategy
- **Always consult with your tax advisor before implementing your tax-loss harvesting strategy!**

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ETF Tools and Resources



Comparison


Select and evaluate multiple BMO ETFs and BMO mutual funds, plus other Canadian ETFs and mutual funds, based on performance, fees, risk, and more to find the right solution for your portfolio.

[COMPARE FUNDS](#)



Screener

Quickly find ETFs that meet your needs using a comprehensive search of all Canadian listed ETFs.



Proposal Generator

Create customized portfolios using BMO ETFs

Screener Criteria

[ETF Snapshot](#)
[ETF Portfolio](#)
[Performance](#)

[Reset This Screen](#)

Criteria	Delete
Stock Replacement <div> Your Selected Symbol (Remove Symbol To Find Another) <div> AC - AIR CANADA - COMMON ✕ </div> <div> <input type="text" value="-0.95"/> <input type="range" value="1.5"/> <input type="text" value="2.98"/> </div> </div>	✕

This tool uses only direct holdings to help you identify potential ETFs Total results: 35

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TIMELINE

- Generally, ETF providers release distribution estimates in mid-November via press release
- Generally, ETF providers releases final distribution amounts mid-December via press release
- The actual taxable amounts, including the tax characteristics, will be reported in 2023

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Most ETF providers disclose all year-end distributions on their websites

Distribution History

[DOWNLOAD DISTRIBUTION HISTORY](#) 

2021 

Distribution Period ¹	Ex-Dividend Date	Record Date	Pay Date	Cash Distribution Per Unit	Reinvested Distribution Per Unit ¹	Total Distribution Per Unit
March 2021	March 29, 2021	March 30, 2021	April 05, 2021	0.180000	0.000000	0.180000
June 2021	June 28, 2021	June 29, 2021	July 06, 2021	0.180000	0.000000	0.180000
September 2021	September 28, 2021	September 29, 2021	October 04, 2021	0.200000	0.000000	0.200000
December 2021	December 29, 2021	December 30, 2021	January 05, 2022	0.200000	0.000000	0.200000
Year to date	-	-	-	0.760000	0.000000	0.760000

Distribution Tax

[DOWNLOAD DISTRIBUTION TAX](#) 

2021 

Distribution Period ¹	Eligible Dividend	Non-Eligible Dividend	Other Income	Capital Gains	Return of Capital	Foreign Income	Foreign Tax Paid	Total Distribution per Unit for Tax Purpose ¹
2021	0.000000	0.000000	0.000000	0.000000	0.058562	0.821100	-0.119662	0.760000

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P R E S E N T S

ETF MARKET **INSIGHTS**



**THANK YOU FOR ATTENDING
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Friday, December 16th, 2022 • 1:00pm

**THE CENTRAL BANKS
FIGHT AGAINST INFLATION**

