



The American financial services industry has not introduced any major improvements in the management of taxable equity portfolios for over two decades. It still relies largely on the goals and metrics of success offered by the traditional tax efficiency approach of minimizing taxes in a year. Currently, after-tax performance is calculated by deducting the amount of tax liability resulting from the realization of gains and losses during the year from the before-tax rate of return achieved in a calendar year. This goal and metric of success calculation seemed reasonable on the surface. That is why tax efficiency has been embraced as the best solution to tax sensitive equity investing. The goal and metrics of success for tax efficiency are ripe for significant improvement. Now, our company, **Efficient Tax LLC** and our product **Efficient Tax Portfolio Optimizer**, represent the greatest advancements in tax sensitive equity management in over two decades.

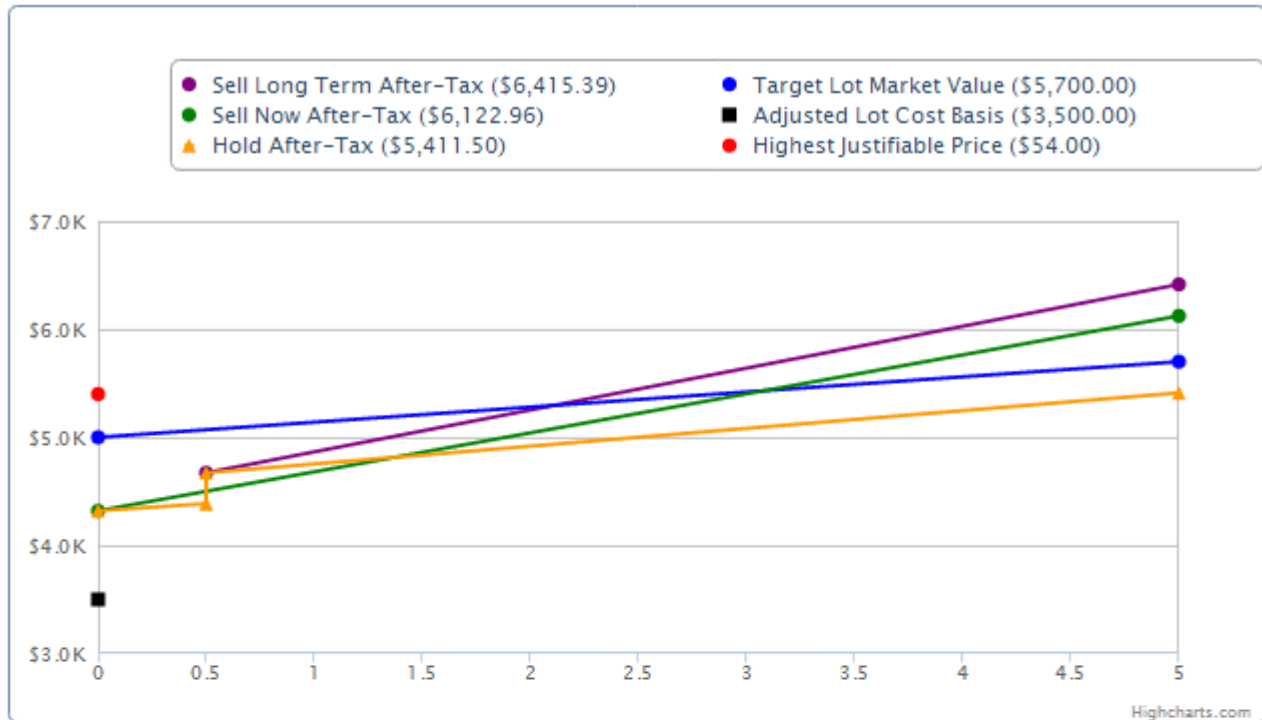
Efficient Tax LLC, has developed and patented a highly advanced taxable equity fundamental sell discipline delivered through www.efficienttax.com or via custom integration. It uses our **Efficient Tax Portfolio Optimizer(ETPO)** to guide investors when, at the tax-lot level or across entire portfolios, to realize gains and losses. Using a new and more value-added goal of maximizing after-tax wealth over time versus minimizing taxes, it calculates at each stock's current price, whether there is enough **extra** return forecasted from a substitute investment, when compared with an existing position, in order to more than recover the tax cost of selling a taxable security. Recognizing that a tax lot's cost basis, applicable tax rates, and time, make a big difference in each calculation.

One of the most valuable facets of **Efficient Tax Portfolio Optimizer** is in Tax Loss Harvesting. This is the process of determining when to realize gains and losses, and how to optimally allocate losses against taxable investment gains. **Efficient Tax Portfolio Optimizer** guides investors in how to optimally harvest losses by quantifying the hidden value in them. The after-tax value of a profitable position is the market value of the tax-lot, minus its tax liability. Conversely, the after-tax value of a losing position is the market value of a tax-lot, plus the tax savings value resulting from not having to pay taxes on an otherwise profitable position.

Efficient Tax Portfolio Optimizer applies its fundamental sell discipline at the tax-lot level, or over entire portfolios. Making it easy for the user to determine the best sequence and combination of tax-lots to sell when trying to raise cash, or for improved portfolio repositioning. **ETPO** can materially enhance after-tax performance over time. By generating a rigorous after-tax sell disciplined ranking of tax-lots to be sold in a sequence across an entire portfolio, **Efficient Tax Portfolio Optimizer** results in taxes being minimized, but not at the expense of future after-tax returns. The recommendation is to first sell whole or partial tax-lots that when sold, are forecasted to generate the greatest After-Tax Alpha. Secondly sell any remaining tax-lots in the sequence recommended by the **Efficient Tax Portfolio Optimizer** which results in keeping those tax-lots with the greatest after-tax return potential remaining.

The U.S. financial services industry, to-date, has been unable to arrive at a proper tax sensitive portfolio optimization discipline primarily because the traditional tax efficiency model does not lend itself to expansion into a proper portfolio optimization strategy. The implementation of **Efficient Tax** applied across an entire portfolio through the utilization of **Efficient Tax Portfolio Optimizer**, represents the biggest advancement in tax sensitive equity investing in over twenty years. It uniquely helps users to describe and understand what combination of economic circumstances and expectations have to be in place in order to justify maintaining risk and hold onto a taxable security, and when do those combination of circumstances evaporate, or no longer exist?

Efficient Tax LLC offers firms across the financial services landscape, including separate account and mutual fund investment managers, financial advisors, bank trust department managers, financial planners, insurance underwriting pool managers, family office managers, certain categories of hedge and private equity investment managers, and sophisticated retail investors themselves, both a modestly priced and scalable software tax selling solution available through the web, or through a custom integration option suitable for the largest of organizations.

Investment Horizon Year:


Company Name:	Coca-Cola Company	Max Strategy:	SELL WHEN LONG-TERM
Ticker:	KO	Sell Now Total Tax-Lot Tax Liability:	\$879.38
Purchase Date:	12/30/2013	After-Tax Annual Return on Taxes:	20.90%
Original or Residual Shares:	100	After-Tax Annual Avg. Rec. Advantage:	3.70%
Original or Residual Cost Basis:	\$3,500.00	Hold Unrealized Gain:	\$1,500.00
Cost/Share:	\$35.00	Realized S.T. Gains/Losses:	\$0.00
Price Assumption:	\$50.00	Realized L.T. Gains/Losses:	\$0.00
Current Lot Market Value:	\$5,000.00	Adjusted Lot Cost Basis:	\$3,500.00
Current Lot Gross After-Tax Value:	\$4,320.82	Tax Loss Harvesting Matching Shares:	0
Simple Return:	42.90%	Tax Loss Harvesting Alternate Shares:	0
New Purchase After-Tax IRR:	3.10%	Months Until Long Term:	6
Existing Tax-Lot After-Tax IRR:	4.60%		

INPUTS			
Filing State:	NY	Current Market Price Per Share:	\$50.00
Fed. Marginal Short-Term Tax Rate:	40.00%	Annual Dividend Assumption:	\$0.80
Fed. Marginal Long-Term Tax Rate:	20.00%	Dividend Growth Rate:	2.50%
Other Income Offset:	\$3,000.00	Before-tax Reinvestment Return Rate:	10.00%
Brokerage Cents per Share:	\$0.00	Highest Justifiable Price:	\$54.00
Brokerage Annual Wrap Fee:	0.00%	Stock Risk Premium Adjustment:	0.00%
Annual Advisor Fee:	0.00%	Minimum Compound Selling Advantage:	0.00%
Portfolio Turnover:	50.00%	Price Targeting Option:	Price
		Price Target:	\$57.00

www.efficienttax.com