



Tax Overlay Services Form

Account Number: _____

Client Name: _____

Financial Advisor Name: _____

Branch Code: _____

Financial Advisor Firm Name: _____

Prior to completing this form, please refer to the section completion notes on page 3 of this Tax Overlay Services Form which contains additional information. If you have questions regarding this form, please contact an Envestnet Overlay Services Specialist by telephone at 972-996-5404 or email PMCOverlayServices@investnet.com

Information you supply on this form may impact how Envestnet Asset Management, Inc. ("Envestnet") manages your account. Please review this information with your investment advisor and tax advisor on an annual basis and notify Envestnet in writing of any changes by submitting an updated tax form. Failure to update this information annually as necessary may impair the ability of Envestnet to effectively tax manage your account(s). Client and Advisor acknowledge and agree the services set forth in this Tax Overlay Services Form are subject to the Statement of Investment Selection and applicable program terms and conditions pursuant to which Client has agreed to participate in the program.

NOTE ABOUT COST BASIS: In order to begin management of the tax overlay account, it is important that cost basis be present on all positions in the account at the custodian. Management of the account will not begin until cost basis is updated on all positions in the account.

NOTE ABOUT YEAR END TAX LOSS HARVESTING: Envestnet performs an automated year-end tax loss harvest review. For Tax Overlay accounts that have net realized gains for the year, securities in Equity SMA product sleeves are reviewed for harvesting. Starting with the largest percentage loss taxlots that are available to sell (there is no Wash Sale or other sale restriction on the taxlot or security), Envestnet will harvest losses until the account's Net Realized Gains are eliminated, or all available taxlots with losses greater than 10% are harvested. The sales proceeds are invested into other model holdings and/or cash. This review process typically occurs in early December. It is intended to harvest losses while minimizing the impact to the integrity of the portfolio. ***It is not possible to submit Tax Loss Harvest Service Requests for Tax Overlay accounts.***

SECTION A – REQUIRED

Do you want to limit Long Term (LT) gains realization?

No. Please see additional question in Section B.

Note: All non-model positions with an imbedded Long Term Capital Gain will be sold upon account opening.

Yes.

**** IMPORTANT! Have you completed Proposed Asset Transition Summary (PATS) analysis? If no, please reach out to the Overlay Services team to complete a PATS analysis at PMCOverlayServices@investnet.com or 972-996-5404.**

Current tax year LT gains limit: \$ _____

Future Tax years LT gains limit: \$ _____

SECTION B - OPTIONAL**Does your client have external capital gains that Envestnet should seek to offset?**

This option is offered for clients who have gains from another source outside of Envestnet that need to be offset with this account's tax management. By entering an amount in this section, you are requesting the Overlay Services team to be more aggressive harvesting losses when managing the account.

NOTE: Envestnet will only seek to harvest losses from Equity SMA sleeves. Envestnet will not seek to harvest losses from Mutual Fund, ETF, FSP, or Bond Sleeves.

The amount of losses I want Envestnet to seek to realize is: \$ _____

NOTE: Envestnet's ability to harvest losses is dependent on portfolio circumstances and market environment.

SECTION C – Portfolio Diversification Solution Acknowledgement (TO BE COMPLETED ONLY IF INSTRUCTED)

This section should be completed ONLY if you discussed the Portfolio Diversification Solution with the Overlay Specialist Team, and upon your consultation the client has decided to use this service for the account, please complete this section by reading and checking the checkbox below.

Please review the Portfolio Diversification factsheet for detailed information on this service.

The client's account, and/or individual sleeves within the client's account, may experience significant performance differences due to the use of the Portfolio Diversification Solution and the imposition of a limit on the amount of capital gains that may be realized. The advisor and client should carefully consider their objectives, risk tolerance, and return requirements when deciding to use the Portfolio Diversification Solution and impose a desired limit on the realization of long term gains.

By checking this box and signing the Tax Overlay Services Form (under ACKNOWLEDGEMENT), I confirm the account will be using the Portfolio Diversification Solution and I confirm my understanding of the benefits and risks.



ACKNOWLEDGEMENT

I, the undersigned client ("Client") hereby elect to have Investnet Asset Management, Inc. ("Investnet") implement tax overlay services in the Account indicated at the top of this form. In providing tax overlay services, Investnet will consider the tax consequences to Client of transactions in the Account(s) and will evaluate recommendations received from Model Providers or generated by Investnet in the context of such consequences. Client understands that Investnet may, in light of other considerations in an Account(s), effect transactions in the Account even though such transactions may generate tax liabilities, including short-term taxable income, or exceed or violate any of the limits or mandates identified on this form. Investnet makes no guaranty that tax liability in the Account will be reduced or that any indicated limits or mandates will be met. If you subsequently disable tax overlay services after enrolling in the tax overlay services, Investnet will begin managing the account as if it is not tax managed which may result in the recognition of significant gains. By signing below, Client hereby acknowledges and understands (i) the benefits and limitations of tax overlay services, (ii) that Client may pay an additional fee as set forth in the applicable client agreement, (iii) that tax overlay services are provided solely in connection with the Account and that Investnet does not provide general tax planning services, and (iv) Investnet will rely solely on the tax information provided by Client and that to the extent such information is inaccurate or incomplete, the tax strategy developed by Investnet for the Client may be adversely affected. The provision of complete and accurate tax information for those Clients who elect tax overlay services is the sole responsibility of the Client. Client represents that Client has determined that tax overlay services are appropriate for Client's circumstances.

Client Name (please print)	Client Signature	Date
_____	_____	_____

Client Name (please print)	Client Signature	Date
_____	_____	_____

By signing below, the undersigned Advisor hereby represents that Advisor has advised the Client on the tax overlay services requested on this form and has determined, with the Client, that the tax overlay services requested on this form are suitable for the Client. **If this form is submitted without the Client's signature**, the undersigned hereby also (1) elects tax overlay services on behalf of the Client (2) represents and agrees that (i) the information on this form is current, accurate and complete and (ii) the undersigned has sufficient authority from the Client to elect tax overlay services and to make the above acknowledgements on behalf of the Client.

Financial Consultant/Advisor Name (please print)	Financial Consultant/Advisor Signature	Date
_____	_____	_____



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ADDITIONAL INSTRUCTIONS

TAX MANAGEMENT

In providing tax management services, Investnet seeks to estimate the tax exposure attributable to capital gains and losses from this account and all other accounts receiving the tax overlay services as well as all external capital gains that are provided via this form. Investnet applies the general netting rules applicable to investable assets to calculate overall tax exposure and utilizes this information to attempt to avoid short-term gain exposure and/or to adhere to Limits on Gains provided via this form while also seeking to minimize the risk of deviation from the investment strategies chosen for an account.

SECTION A

NOTE ABOUT PATS ANALYSIS: As part of the proposal process, Investnet sometimes prepares a PATS (Proposed Asset Transition Summary) Analysis. These are prepared in order to provide an estimate of how Investnet will initially trade the account and what the tax effects would be. Actual initial investment and tax consequences may differ from those shown on the PATS analysis. **Further, no information from the PATS analysis is transferred to the data used to provide tax management on an actual account.** The advisor and client must have indicated any tax management instructions in the tax form and should assume that only the instructions they incorporate into the tax form will be used in managing the account. Additionally, you must select the Tax Overlay service as part of the proposal generation process in order for tax overlay services to be applied to the client's account. If the Tax Overlay service is not selected, then the service will not be applied, even if this Tax Form is submitted.

In this section, you have the option to provide instructions for the current tax year as well as all future tax years. The current tax year instructions will apply for the year in which the form is signed and dated. The future tax year instructions will apply for all subsequent tax years until the form is changed and/or tax management is terminated on the account. To provide the same instructions for current and future tax years, provide the same information for both inputs. **Leaving an instruction blank will be interpreted as no limit provided, providing zero will result in an instruction to avoid all gains for that category.**

SECTION B

External Capital Gains that Investnet should seek to offset: if your client has realized gains from assets managed outside of this account, you should list them on this form if: (1) the client wants Investnet to seek to realize losses to offset those gains, and (2) and the client is not imposing a Long Term Gains tax budget on the management of their account. .NOTE: This option is only available to clients who are not imposing a Long Term Gains tax budget on the management of their account.

On an ongoing basis, any losses taken in the account will be used in managing the account. If you recognize gains outside the account that result in the use of some or all of your tax loss carryover or other current year losses, you must inform Advisor and Investnet so that Investnet may better assess the impact of those gains on your tax exposure for the year in the account.

SECTIONS A & B

In providing Tax Overlay services, Investnet will generally seek to minimize the realization of Net Short-Term Capital Gains. Investnet will generally not seek to limit long term gains. If you want to further limit the amount of gains realized, you may set limits on the amount of net short-term gains or net long-term gains to be realized in your account. If you indicate that you want Investnet to seek to limit long term gains, Investnet will allow greater deviation in the potential performance difference of your account versus the model portfolios selected for the account. **The client's account, and/or individual sleeves within the client's account, may experience significant performance differences due to the imposition of a limit on the amount of long term gains that may be realized. The advisor and client should carefully consider their objectives, their risk tolerance, and their return requirements when deciding to impose a desired limit on the realization of long term gains.** Investnet makes no guaranty that long term gains will be limited to the amount you enter, and makes no guaranty that the account's performance or sleeves' performance will be within any tolerance or range of the benchmarks or the selected manager model portfolios.

If you wish to impose a limit on the amount of long term gains that may be realized, you must request and receive a PATS Analysis prior to submitting the new account. The PATS Analysis will help determine the tradeoff between long term gains realization and adherence to the selected manager model portfolios.

Tax Loss Harvesting: By Investnet harvest additional losses at year end, Investnet will seek to sell losses and to avoid realizing additional gains after doing so. When losses are sold, Investnet, at its discretion, will purchase other securities associated with each strategy or hold additional cash. While Investnet will seek to reduce tax exposure, Investnet will utilize its discretion to determine what extent loss harvesting may introduce excessive risk to the portfolio's risk and return objectives (one such instances is in a down year for the market where there are losses in excess of any realized gains) and thus may not sell all securities at a loss.

SECTION C

Review the **Portfolio Diversification factsheet** for detailed information on the Solution.