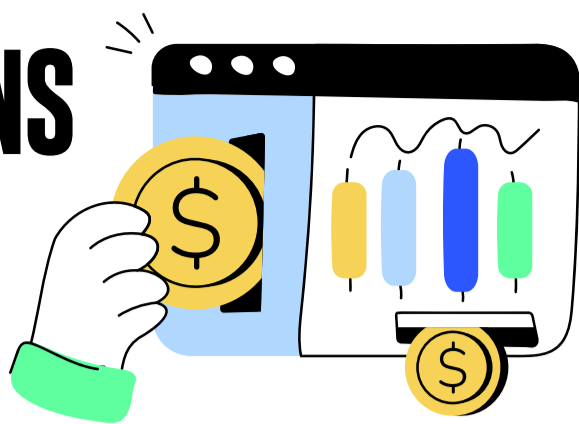


SECURITIES-BASED LOANS

A LIQUIDITY TOOL FOR HIGH NET WORTH FAMILIES

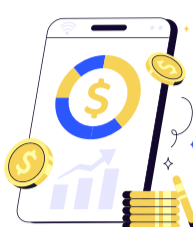


THE COMMON SITUATION

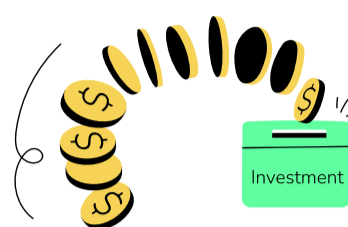
MANY HIGH NET WORTH FAMILIES HAVE:



Strong net worth



Large investment portfolios

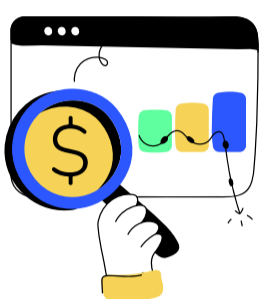


Long-term investment strategies

BUT STILL EXPERIENCE LIQUIDITY GAPS.



Selling investments triggers capital gains taxes



Selling may disrupt a long-term allocation strategy



Large expenses or opportunities appear unexpectedly

THIS IS WHERE A SECURITIES-BASED LOAN (SBL) CAN HELP.

A Securities-Based Loan allows you to borrow against your investment portfolio without selling assets. Eligible collateral often includes:

PUBLIC STOCKS

INVESTMENT-GRADE BONDS

MUTUAL FUNDS

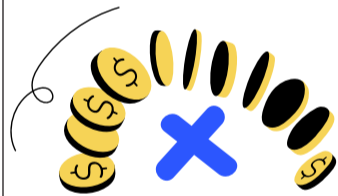
ETFs

TYPICAL BORROWING LIMITS: **50% - 70% of portfolio value** You keep your investments while accessing liquidity.

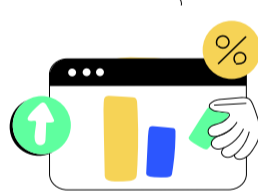
Why Some Families Open the Line — EVEN IF THEY NEVER USE IT

Many families establish the credit line as a backup tool.

Benefits:



No asset liquidation



Interest only if funds are used



Flexible access to liquidity



Prepared for unexpected opportunities

THINK OF IT LIKE A FINANCIAL SAFETY NET.

WHEN THIS STRATEGY MAY BE APPROPRIATE

INVESTMENT OPPORTUNITY

Instead of selling appreciated stock, borrow temporarily to fund a new investment opportunity.

TEMPORARY CASH FLOW NEEDS

Periods of high expenses such as:

- College tuition
- Family support
- Medical costs

RETIREMENT TRANSITION

Provides short-term liquidity while planning withdrawals, Social Security, and income timing.

KEY RISKS TO UNDERSTAND



- MARKET DECLINES CAN INCREASE LOAN-TO-VALUE RATIOS
- ADDITIONAL COLLATERAL MAY BE REQUIRED
- INTEREST RATES ARE TYPICALLY VARIABLE
- FORCED ASSET LIQUIDATION IS POSSIBLE

WHEN THIS STRATEGY WORKS BEST

A securities-based loan may make sense when:

- Borrowing is conservative relative to portfolio value
- There is a clear repayment plan
- The portfolio is diversified
- The borrower understands the collateral risk



THE BIG IDEA

At higher levels of wealth, financial planning focuses on:

- LIQUIDITY FLEXIBILITY
- TAX EFFICIENCY
- RISK MANAGEMENT

A securities-based loan can be one tool in that broader strategy.