

# LoanAdvance™

COMPREHENSIVE WEALTH MANAGEMENT  
WITH SECURITIES-BASED LENDING



# Leverage smart and accessible *borrowing options*

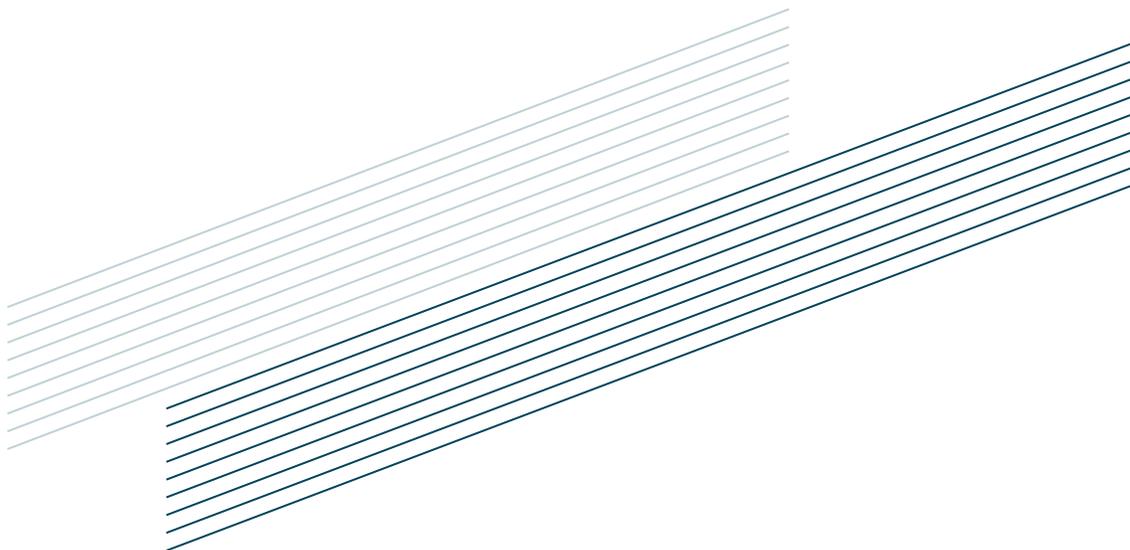
Your carefully planned portfolio represents more than your wealth, it represents opportunity. With LoanAdvance™, you can take advantage of the borrowing power provided by those investments to meet your financing needs.

LoanAdvance provides you access to a line-of-credit that can make life enhancements or a business expansion you thought were out of reach become a reality, or you can simply keep it on reserve when the need arises. The approval process is simple so you can quickly take advantage of the benefits of this flexible line-of-credit. LoanAdvance provides you with the ability to pledge assets in both retail and separately managed accounts as collateral for your loan.

## LET THE POWER OF YOUR PORTFOLIO WORK FOR YOU

- 1 | Use LoanAdvance for business or personal needs.<sup>1</sup>
- 2 | Receive quick approval with no fees, points or closing costs.
- 3 | Use for as long as you need and repay at any time.

<sup>1</sup> LoanAdvance may not be used to purchase, carry or trade securities, to meet margin calls relating to securities purchases, or for reducing or retiring indebtedness incurred to purchase, carry or trade securities.



# Enhance your current *borrowing power*

This convenient source of borrowing for your personal or business credit needs can help keep your investment strategy on track. You will continue to have the opportunity for capital appreciation and income.

## Flexibility of a Line of Credit

- With LoanAdvance, there is no need to adhere to a set payment schedule. You can customize your payment schedule as long as you maintain the required equity level in your brokerage account. You can also prepay your principal balance and close the line of credit anytime without penalty.
- LoanAdvance also gives you the flexibility to borrow up to 70% of the market value of qualified equity, mutual fund and investment-grade corporate or municipal bond securities, as well as up to 90% of the market value for U.S. Treasury securities. Because the securities you own serve as collateral for LoanAdvance, interest rates remain competitive.

### CONVENIENT ACCESS TO CASH

#### Access your LoanAdvance account via:

- 1 | Automated Clearing House (ACH) payment
- 2 | Federal funds wire transfer
- 3 | LoanAdvance checkbook

# Case *Studies*

## Situation 1

The client wanted to purchase a new property but had not sold his current property.

**Solution:** Rather than selling appreciated personal stock, the client funded purchase of the new property using LoanAdvance until the initial property sold. Once it sold, the proceeds of the sale were used to pay back the loan.

## Situation 2

A client needed to fund private college tuition for her child, who was not a candidate for financial aid.

**Solution:** The client opened a LoanAdvance account with the necessary funding required at the start of the school year. Upon receiving an annual bonus at a later date, the loan was paid off.

### BENEFITS OF LOANADVANCE

- 1 | Available for most personal or business needs
- 2 | Keep existing investment strategy on track
- 3 | Managed account assets can be leveraged
- 4 | Use for as long as you need and repay at any time.



## Situation 3

A business owner wanted to acquire a company in a complementary business, but liquidating assets to purchase it would have resulted in a large capital gains tax bill.

**Solution:** The advisor recommended LoanAdvance. By qualifying for a personal line of credit and loaning the proceeds to his company, the owner was able to successfully maintain his investments and acquire the target firm.

### Explore Multiple Opportunities

As an alternative to traditional lending programs, LoanAdvance allows you to borrow against eligible securities for a wide-range of personal and business needs.

#### **REAL ESTATE**

Make home improvements, purchase a vacation home or use the funds as a bridge loan to buy a new residence while selling your current property.

#### **GROW YOUR BUSINESS**

Take advantage of a new investment opportunity, use the line-of-credit for daily business expenses or to fund long-term business goals.

#### **LIFE STAGES**

Be prepared for life's expenses, such as a wedding, a child's education or a medical need.

#### **LEISURE**

Buy a new car, boat or plan a family vacation.

#### **DEBT CONSOLIDATION**

Pay off high interest rate loans to reduce expenses and increase cash flow.

# How it *works*

It is possible to reach your investment goals sooner with this convenient way to take advantage of the borrowing power in your accumulated assets.

## **LOAN TERM**

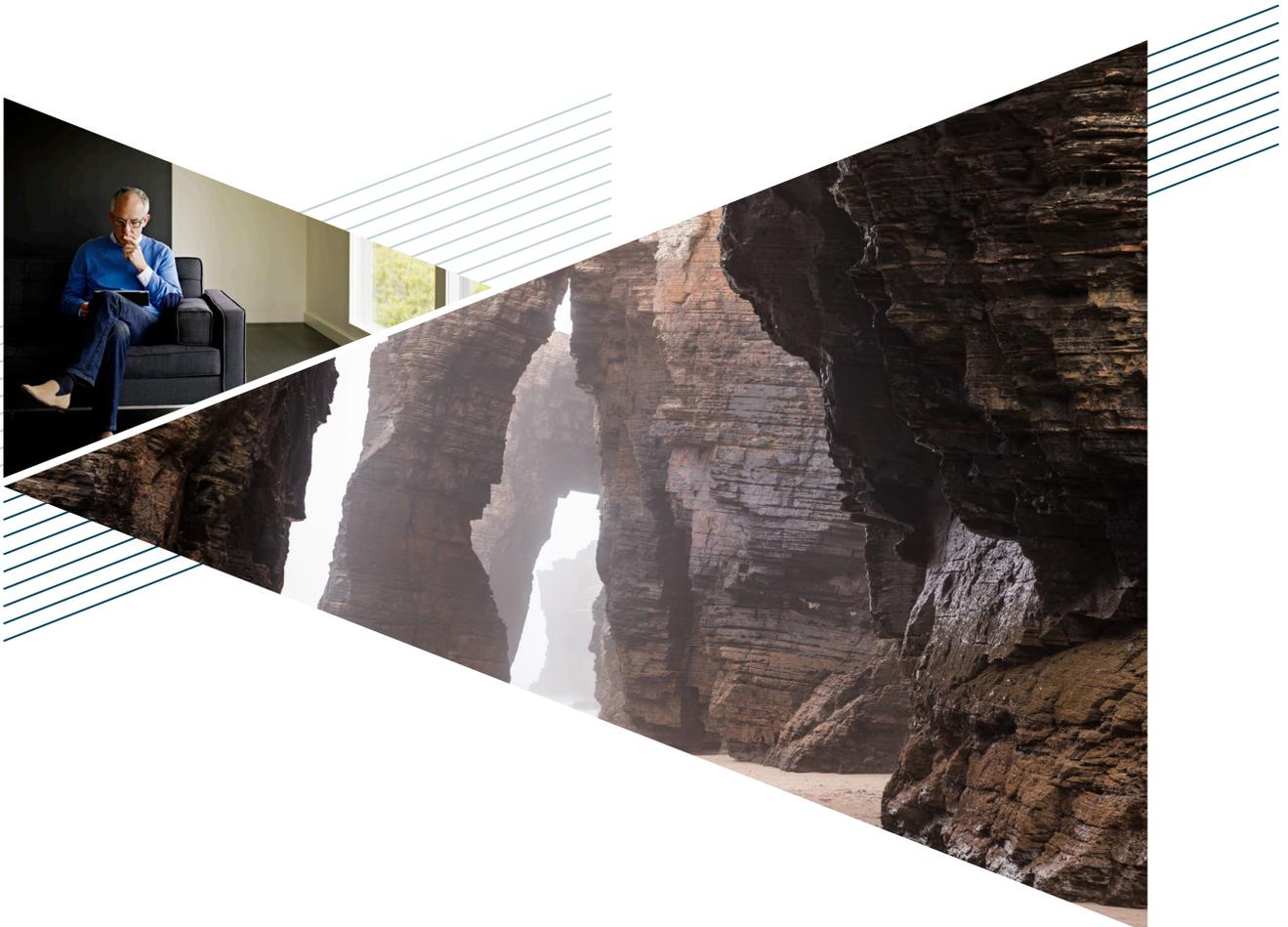
As long as there is adequate collateral to support the loan, a LoanAdvance account can be maintained indefinitely. However, unpaid interest will increase your debit balance.

## **APPROVAL PROCESS**

In most cases, approvals are granted within two to three business days.

## **ACCESS**

Funds may be accessed by requesting a Wire transfer or ACH through your financial organization. You may also write checks using the LoanAdvance checkbook.



## STRATEGIES FOR MANAGING RISK

The quality of the investments you choose should be evaluated carefully to help reduce the likelihood of a collateral call. Other risk management strategies you should consider include:

- Borrow less than the maximum allowable against your securities
- Diversify your portfolio by adding less volatile securities, such as Treasury securities, high-grade corporate bonds or blue-chip stocks, keeping in mind that asset allocation does not ensure a profit or guarantee against loss
- Monitor your portfolio carefully and regularly so that you can take appropriate steps to avoid a collateral call in the event of market volatility

## GETTING STARTED

**Take full advantage of your assets' borrowing power and apply for a LoanAdvance line-of-credit today.**

Your advisor can help you get started. You will need to verify that you have sufficient marginable securities in your account, then complete and sign the following documents:

- 1 | LoanAdvance Lending Agreement
- 2 | Form T-4
- 3 | LoanAdvance Interest Rate Form
- 4 | LoanAdvance Checkwriting Application (if applicable)

## SUITABILITY

Your advisor can help you determine if LoanAdvance is suitable for you. Discuss:

- Your short- and long-term goals
- Your risk tolerance
- Your investment preferences

# Risks and *restrictions*

LoanAdvance may not be appropriate for all investors and the risks should be carefully evaluated.

If the market value of your portfolio depreciates, you may be required to deposit additional funds or marginable securities into your account. Failure to satisfy account maintenance requirements will result in restrictions on your account and liquidation of sufficient securities to bring your account to an acceptable level. It is important that you fully understand the risks involved with opening a LoanAdvance account, including:

- Your financial organization or Pershing LLC (Pershing) can sell your securities or other assets in your account(s) without contacting you in an effort to meet maintenance requirements.
- You may be required to repay the loan in full before you can move your account to another financial organization.
- Your financial organization or Pershing can increase “house” maintenance requirements at any time and neither are required to provide you with advance written notice.



- You are not entitled to choose which securities or other assets in your brokerage account(s) will be liquidated or sold to meet a call.
- Your financial organization or Pershing may force the sale of securities or other assets in your account(s) in an effort to meet maintenance requirements.
- If securities are liquidated based on the need for additional collateral, there may be significant tax implications that impact your long-term investment goals.
- You are not entitled to an extension of time on a call.
- Your interest period begins on the 20th of each month and ends the 19th of the following month.
- Pershing may share a portion of the interest you pay on the loan with your financial organization. Your advisor may also receive a portion of the interest from your financial organization.
- Your written LoanAdvance Agreement with your financial organization or Pershing outlines certain important obligations by you. The LoanAdvance Agreement is a legally binding agreement, cannot be modified by conduct, and no failure on the part of your financial organization or Pershing at any time to enforce its rights under the LoanAdvance Agreement to the greatest extent permitted shall in any way be deemed to waive, modify or relax any of the rights granted to your financial organization or Pershing, including those rights vested in your financial organization or Pershing to deal with the collateral on all loans advanced to you.

**NOTE:** LoanAdvance credit advances may be used for any lawful purpose other than to purchase, carry or trade securities, to meet margin calls relating to securities purchases, or for reducing or retiring indebtedness incurred to purchase, carry or trade securities. Interest charges accrue on a daily basis, are billed on a monthly basis, are variable and are not tax deductible. Your participation in LoanAdvance is subject to the terms of the Lending Agreement.

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