Securities-based lending

Flexible liquidity options at competitive rates that keep your investment portfolios and strategies intact.

- Quick access to liquidity
- Competitive interest rates
- Easy repayment terms

Planning for liquidity is an essential part of your overall financial health

Securities-based lending from Ameriprise Financial gives you access to cash without selling your investments.

It's important to keep your financial assets working, but you also want the peace of mind that comes from having quick and easy access to cash. How do you accomplish both?

Securities-based lending allows you to use your nonretirement investment portfolio as collateral to access liquidity, providing you with a cost-effective way to unlock the value of your investments without selling at an inopportune time or triggering capital gains.

Whether you're in need of bridge financing, expanding your business or covering the expenses of an unexpected emergency, securities-based lending can be a powerful tool for managing short-term liquidity needs.

Your Ameriprise financial advisor understands your financial goals and can help you understand the unique advantages, limitations and risks of securities-based lending.

Here are some ways that securities-based lending can work for you.

- Real estate
- Tax obligations
- Business opportunity
- Home renovation
- Education costs
- Refinancing high interest debt
- Family events
- Emergency funds
- Healthcare expenses
- Wealth transfer
- Luxury purchases

"My Ameriprise advisor showed me how opening a securities-based line of credit today could help me be prepared for whatever tomorrow brings, whether it's an unexpected emergency or a big opportunity."

Ameriprise® Preferred Line of Credit

Offered through Goldman Sachs Select

Provides a cash flow option with flexible repayment terms and competitive interest rates.

Broad eligibility
The *Ameriprise* Preferred Line of Credit provides a low-cost cash flow solution for clients with nonretirement assets in both discretionary and nondiscretionary accounts. In addition, an *Ameriprise* Preferred Line of Credit can be supported by multiple account registrations. An *Ameriprise* Preferred Line of Credit may not be used to purchase securities.

Low rates
By pledging securities as collateral, you have access to liquidity at competitive interest rates.

Simple repayment terms
An *Ameriprise* Preferred Line of Credit does not have a maturity date. Monthly interest payments are required, however, principal can be repaid at any time. You can also borrow, repay and reborrow as needed.

Minimal paperwork and no fees
An *Ameriprise* Preferred Line of Credit includes a digital application process that does not require personal financial statements or tax returns. There are no application, origination or annual fees.

Advance rates
- Up to 65% or higher depending on eligible collateral mix in a well-diversified portfolio

Minimums
- Minimum credit line size is $75,000
- Advances starting at $2,500

Interest rates
- Competitive rates set as spreads to 1-Month Term SOFR

Client underwriting
- Credit check required

Eligible securities
- Investment assets, including stocks, bonds, mutual funds and exchange-traded funds in eligible brokerage and advisory accounts
- Securities held in IRAs, qualified plans, UGMA/UTMAs, guardianship/conservatorships, estates, corporations and nonprofits are not eligible

Margin lending at a glance

Margin lending leverages eligible securities to provide liquidity or additional purchasing power.

Quick
Generally, cash is available within two to three days with minimal paperwork and no credit check.

Cost-effective
Because the margin-eligible securities in your account serve as collateral, margin loans offer cost-effective rates and easy terms compared with many other forms of credit. Ask your Ameriprise financial advisor for current rates.

Flexible
A margin account with Ameriprise Financial offers a flexible repayment schedule. There are no required monthly interest or principal payments. Action is only required against the margin loan when your account falls below the minimum equity required to support the loan.

Available when you need it
Many clients open a margin account before they need it so they're prepared for cash flow needs or investment opportunities. There are no fees to open a margin account, and you pay no interest until you use your available credit.

Advance rates
- 50% against most stocks and mutual funds
- Up to 75% against investment-grade corporate and municipal bonds

Minimums
- $2,000 minimum equity requirement
- No minimum initial loan amount or ongoing minimum loan balance

Interest rates
- Margin interest rates are set at the discretion of Ameriprise. Rates are variable and subject to change without prior notice. Negotiated margin rates are available on targeted loan amounts of $75,000 or greater.

Client underwriting
- No underwriting or credit check

Eligible securities
- Most stocks, mutual funds (held for 30 days or more) and bonds in a brokerage or SPS *Advantage* account are eligible for lending, with certain exceptions
- Securities held in IRAs, qualified plans like a 401(k) or SEP, estates, or conservatorships are not eligible
- Securities held in discretionary advisory accounts are not eligible for margin loans

Liquidity need examples

Bridge financing for a new home

Empty nesters, nearing retirement, are looking to downsize and have found the perfect place. They would like to make an immediate offer but had planned to use the proceeds from the sale of their current home to pay for the new one. By using securities-based lending as a bridge financing solution, they have quick and easy access to cash to make an offer while waiting for their home to sell.

Tax obligations

A couple with both capital gains and quarterly tax obligations is in a real liquidity bind. Too often the immediate response is to sell off an equity position to cover the obligation. This can lead to a cycle of new capital gains expenses and put the investment strategy at risk. A securities-based loan solution can provide liquidity quickly, with no out-of-pocket expense and with flexible repayment terms.

Is securities-based lending appropriate for you?

Six things to discuss with your financial advisor.

1. **How does securities-based lending fit into my overall financial plan?**
   Your financial advisor can work with you to understand the impact of various solutions, including securities-based lending, to meet your short-term liquidity needs.

2. **Why is my loan-to-investment-value ratio important?**
   The less of your available securities-based credit you use, the less susceptible you are to market fluctuations. Consider borrowing less than you have available. By always keeping a buffer, you are reducing your exposure to an unexpected dip in investment value, which could trigger a maintenance call.

3. **What is my payoff strategy?**
   Any time you borrow, you should have a strategy for paying off the debt or managing the interest cost. Discuss appropriate strategies with your advisor.

4. **How do interest expenses compare with my portfolio yield?**
   If you anticipate that your investment income will be greater than the interest cost, then securities-based lending may make sense to avoid liquidating assets to generate short-term cash.

   Several factors, including expected portfolio yield, interest and commission expenses, and capital gains tax implications, need to be considered to determine whether securities-based lending is appropriate for your borrowing needs.

5. **What are the tax consequences of selling assets vs. borrowing?**
   Selling securities to generate cash can trigger untimely capital gains taxes. Borrowing against the value of your securities to manage capital gains may make more sense, especially if your investments have a low cost basis. You may even be able to deduct the interest expense associated with securities-based lending. Consult your tax professional to determine the best strategy for your situation.

6. **What is the cost of borrowing?**
   Personal bank loans, credit cards, consolidation loans and other types of consumer loans have been offered by banks for years. While readily available, they may carry higher interest rates and fees to borrow. Compare the borrowing cost of securities-based lending to consumer credit options.

Next steps

Whether you have an immediate need or are preparing for the future, you may want to consider securities-based lending today. There are no fees to apply, and you pay no interest until you access your line of credit.

Securities-based lending versus selling investments

You may have a number of options available to you to meet short-term liquidity needs. Generally speaking, securities-based lending may be an appropriate cash flow solution when the cost of borrowing is less than the cost of liquidating securities.

Liquidity need

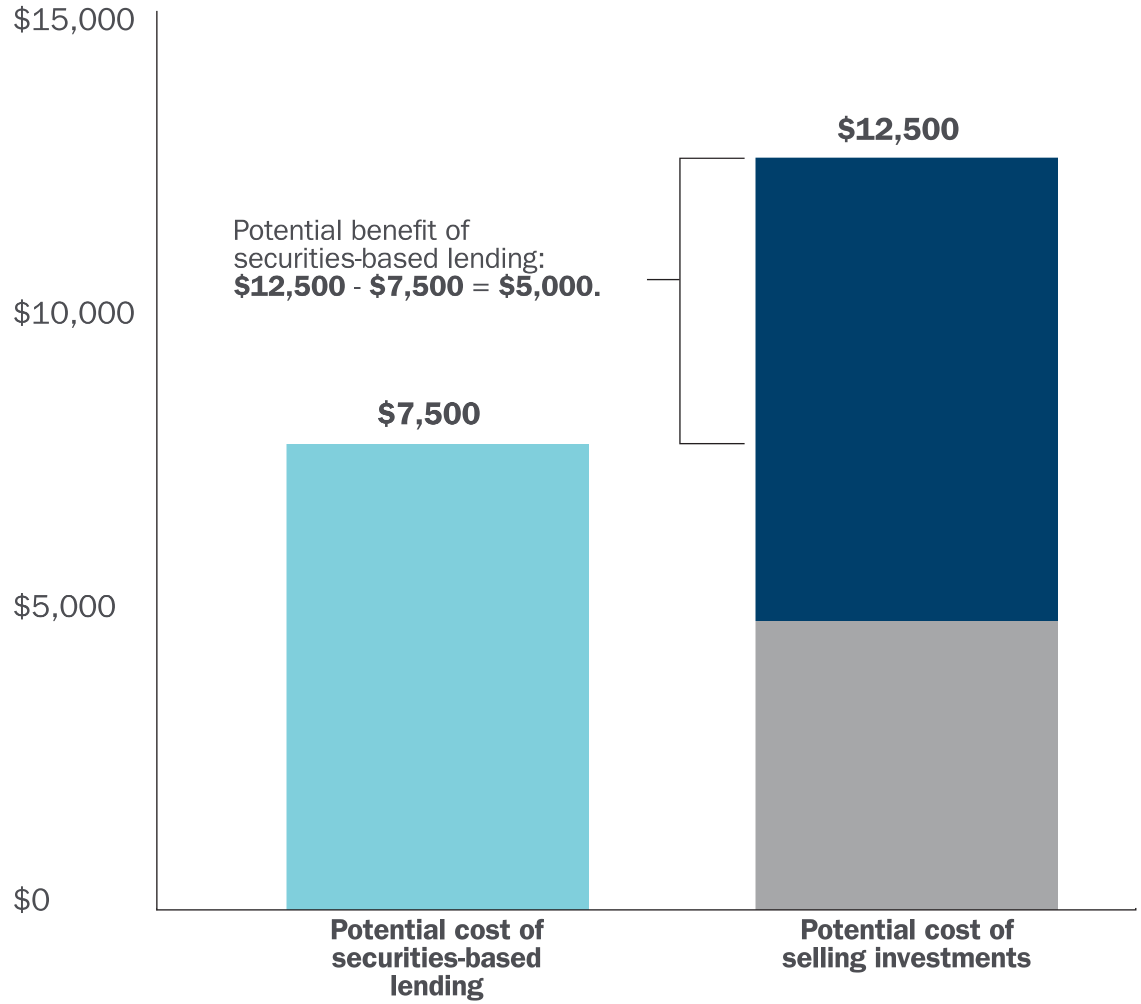
An opportunity arises that requires quick access to $100,000. You consult your advisor and discuss the benefits and risks of selling investments versus securities-based lending. You also identify the potential costs associated with each solution and discuss the impact on your short- and long-term goals to help you make your decision.

Potential cost of selling assets

Assuming a 5% market return and long-term capital gains taxes of 15%, on half of the sold investment value, you would miss out on **$5,000** of appreciation, interest and dividends as well as incurring **$7,500** of taxes if you sold investments.

Potential cost of borrowing

Alternatively, if you borrowed the $100,000 at a 7.5% effective interest rate for one year instead of selling securities, the total expense would be **$7,500**.



The contents of this page are based on the assumptions stated herein. In the event any of the assumptions used do not prove to be true, results are likely to vary substantially from the examples shown. These examples are for illustrative purposes only and no representation is being made that any client will or is likely to achieve the results shown.

Understanding the risks of securities-based lending

Your Ameriprise financial advisor will provide you with additional information detailing risks and limitations, a few of which are listed below.

Ameriprise Preferred Line of Credit

- The lender has the right to increase the collateral maintenance requirement at any time, and in its sole discretion.
- The lender has the right to demand repayment of the principal amount and interest outstanding, at any time and in its sole discretion. The lender may sell securities in your pledged account(s) to pay off the loan, which may result in tax consequences and your ability to maintain your pledged discretionary advisory account(s).
- Line of credit proceeds may not be used for the purposes of purchasing or carrying margin stock.
- Check-writing, banking and margin lending features are not permitted on any pledged account.

Margin loan

- If the value of the securities in your account drops below the minimum maintenance requirement, you may be issued a margin call. Ameriprise may, at its own discretion, liquidate securities in your account to satisfy any margin deficiency with or without providing notice. Liquidations to satisfy margin deficiencies may result in tax consequences.
- Margin accounts entail risk and could result in losses that are more than the amount you deposit into the account.
- The firm can increase its maintenance requirements or decide not to lend against certain types of securities at any time and is not required to provide you advance written notice.
- Please review Important Information About Borrowing on Margin (Form 200252) for more information about the risks associated with margin borrowing.

Lowering the risks

Your Ameriprise Financial advisor can recommend strategies to reduce the risk of securities-based borrowing. Here are some of the steps you can take:

- To reduce risk and help protect against a drop in value of a single security, which could trigger a maintenance call, borrow against a well-diversified portfolio.
- Borrow less than the maximum amount available, providing a cushion in case of a market downturn.
- Pay interest as it is charged to the account to keep your line of credit balance from increasing.
- Have a plan and time frame to pay back your line of credit, along with a plan to cover any maintenance call that may occur.

Disclosures

Margin Lending

Margin accounts offered through Ameriprise Financial Services, LLC (AFS) carry certain risks. They include, but are not limited to: potential to increase investment losses, clients can lose more money than they deposit in a margin account, risk that clients could be forced to sell investments if maintenance requirements are not met, we can sell securities (with or without advance notice to the client) to meet margin calls at our discretion, and clients are not entitled to an extension of time to meet any margin calls. AFS reserves the right to change margin maintenance requirements at any time.

Negotiated margin interest rates are subject to review and approval and are based on the Broker Call rate as published in The Wall Street Journal. Rates are set at the discretion of AFS, with reference to commercially recognized interest rates, industry conditions regarding the extension of margin credit and general credit conditions.

***Ameriprise*® Preferred Line of Credit, Offered through Goldman Sachs Select**

Securities-based loans may not be appropriate for all parties (e.g., borrowers, pledgors, and guarantors) and carry a number of risks, including but not limited to the risk of a market downturn, tax implications if pledged securities are liquidated, and the potential increase in interest rates. You should consider these risks and whether a securities-based loan is appropriate before proceeding.

Please review the Loan and Security Agreement and all *Ameriprise* Preferred Line of Credit documents for the terms and conditions governing your line of credit.

Ameriprise Preferred Line of Credit is offered by Ameriprise Bank, FSB and the Salt Lake City branch of Goldman Sachs Bank USA (GS Bank) as co-lenders or sole lender, as applicable. Ameriprise Bank, FSB and GS Bank are not affiliated.

Goldman Sachs Private Bank Select® is a business of Goldman Sachs Bank USA, a wholly-owned subsidiary of The Goldman Sachs Group, Inc. Loans and deposit products are provided by Goldman Sachs Bank USA, Salt Lake City branch. Member FDIC.

EQUAL HOUSING OPPORTUNITY

Please refer to *Ameriprise* Managed Accounts Client Disclosure Brochure and Appendix to Other Important Brokerage Disclosures for more information on pledging your *Ameriprise* managed account(s) and *Ameriprise* brokerage account(s).

Investment products are not insured by the FDIC, NCUA or any federal agency, are not deposits or obligations of, or guaranteed by any financial institution, and involve investment risks including possible loss of principal and fluctuation in value.

Ameriprise Financial. Inc. and its affiliates do not offer tax or legal advice. Consumers should consult with their tax advisor or attorney regarding their specific situation. Goldman Sachs does not provide legal, tax or accounting advice. Any statement concerning U.S. tax matters is not intended or written to be used and cannot be used for the purpose of avoiding penalties imposed on the relevant taxpayer. The taxpayer should obtain their own independent tax advice based on their particular circumstances. This is not a commitment to lend. Credit qualification and collateral are subject to approval. Additional terms and conditions would apply. Products, rates, qualifications, and terms and conditions are subject to change without notice.

The proceeds from *Ameriprise* Preferred Line of Credit may not be used to purchase, carry or trade margin stock, or to pay down any existing margin loan balance and cannot be deposited with Ameriprise Financial Inc. or any of its subsidiaries, either directly or indirectly, under any circumstances. The proceeds from *Ameriprise* Preferred Line of Credit may be deposited into bank accounts held at GS Bank or other depository institutions.

Ameriprise Bank, FSB provides deposit, lending, and personal trust products and services to its customers, including clients of Ameriprise Financial Services, LLC. (AFS). Ameriprise Bank, FSB and AFS are subsidiaries of Ameriprise Financial, Inc. AFS financial advisors may receive compensation for selling bank products.

Ameriprise Bank, FSB. Member FDIC.

Margin lending and brokerage clearing services provided by American Enterprise Investment Services, Inc. (AEIS). Member FINRA and SIPC.

Investment advisory products and services are made available through Ameriprise Financial Services, LLC, a registered investment adviser.

Ameriprise Financial Services, LLC. Member FINRA and SIPC.