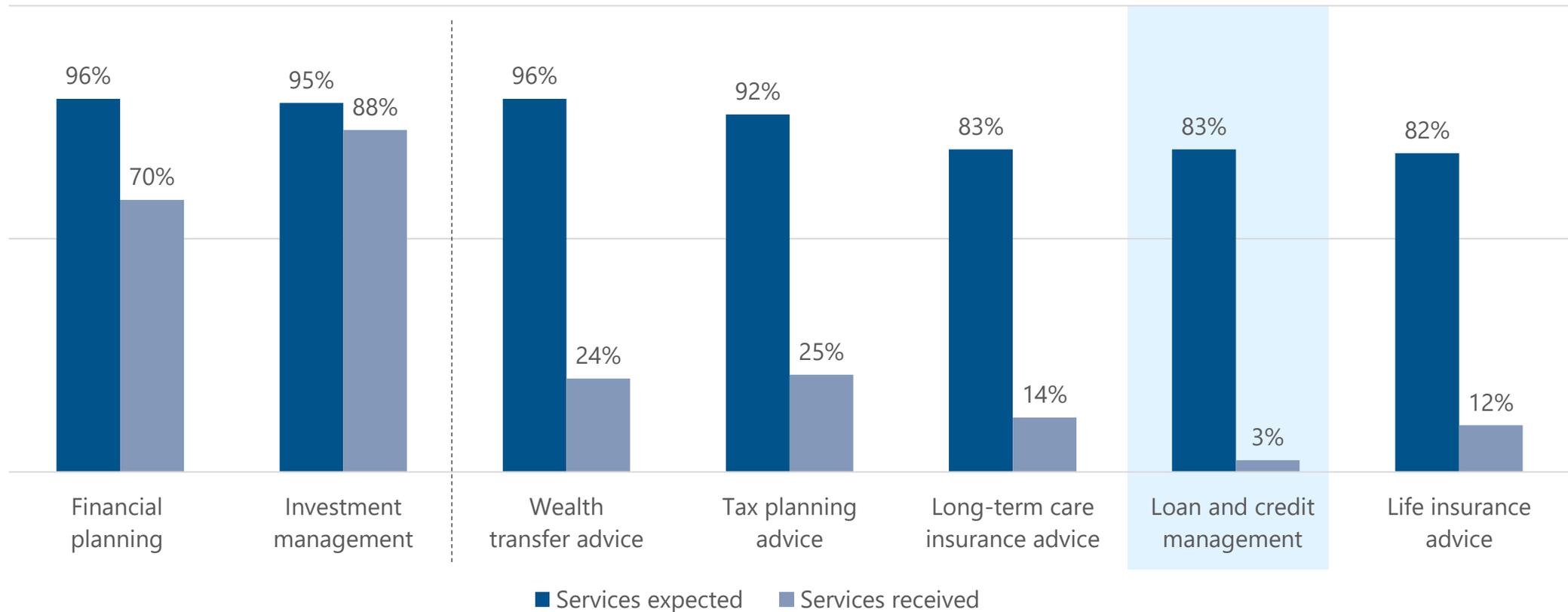


# Advisor Credit Exchange Lending *Via Envestnet's Fund Strategist Program*

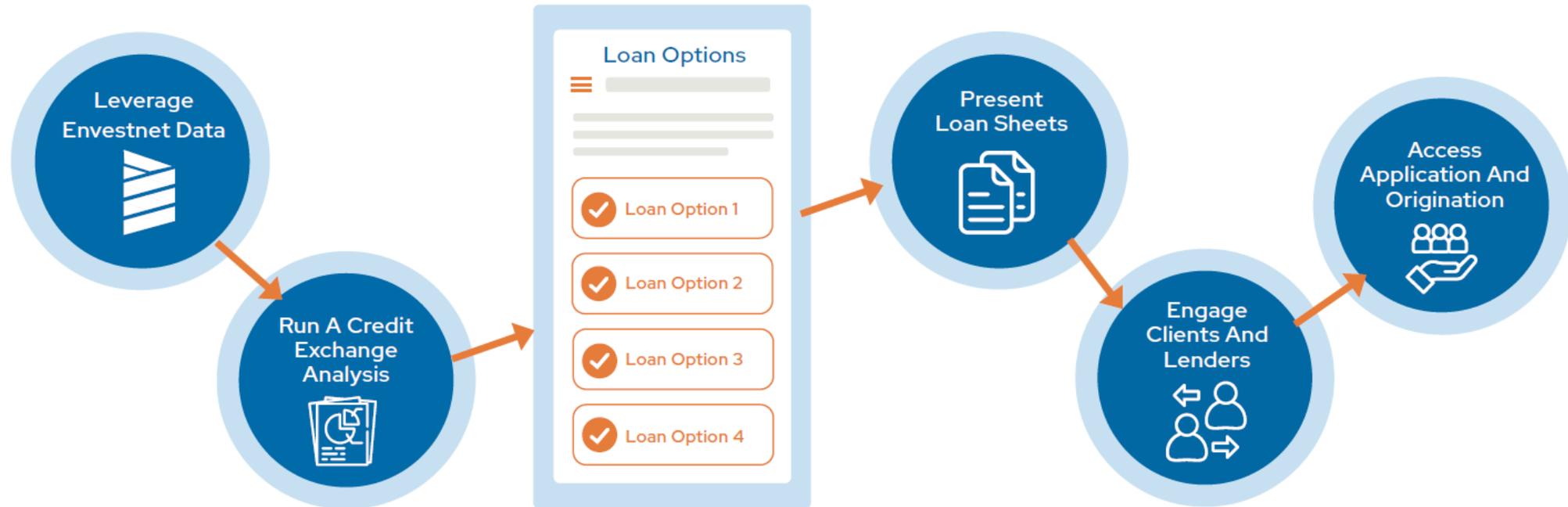
October 2022

# Clients Look to Their Advisor for Credit Advice



Source: Spectrem August 2018 Defining Wealth Management.

# The Platform: How It Works



**Loan alternatives are generated in real time, including loan opportunity sheets detailing terms and pricing with a direct connection to lenders for application and origination.**

# Diverse Lending Solutions on One Platform

## Consumer

## Commercial



### Collateralized Lending

Securities-backed Line of Credit

Insurance-backed Line of Credit



### Unsecured Loans

Debt Consolidation

Auto Financing

Home Improvement

Practically Anything



### Residential Loans

Purchase

Refinance

Refinance + Cash Out

Investment

Home Equity



### Luxury-Backed Loans

Aircraft

Fine Jewelry

Fine Art



### Business Loans

Small-Mid Business

Commercial Real Estate

Cash Flow

Specialty Finance



### Advisor Capital Strategies

New Firm Initiative

Succession Planning

Strategic Acquisition

Monetize Ownership Stake

# Program Overview

- Investnet's Fund Strategist Network offers advisors access to strategists who deliver multi-asset solutions with unique attributes and selling propositions.
- Investnet divides the strategist arena into three distinct use cases, depending on the solution the advisor is trying to find for the client's overall investment portfolio; Core, Core Complement, Satellite
- Accounts that are invested in BlackRock Strategies, who want to establish a credit line (SBL) using their assets as collateral, receive preferred advance rates from Nationwide - one of the Lenders on the Advisor Credit Exchange.
- ACE's technology platform delivers pre-qualified SBL opportunities to advisors for their FSP accounts, using the advantaged advance rates
- Advisor, with client approval, refers lending opportunity to Nationwide to initiate the underwriting process

# Prerequisites

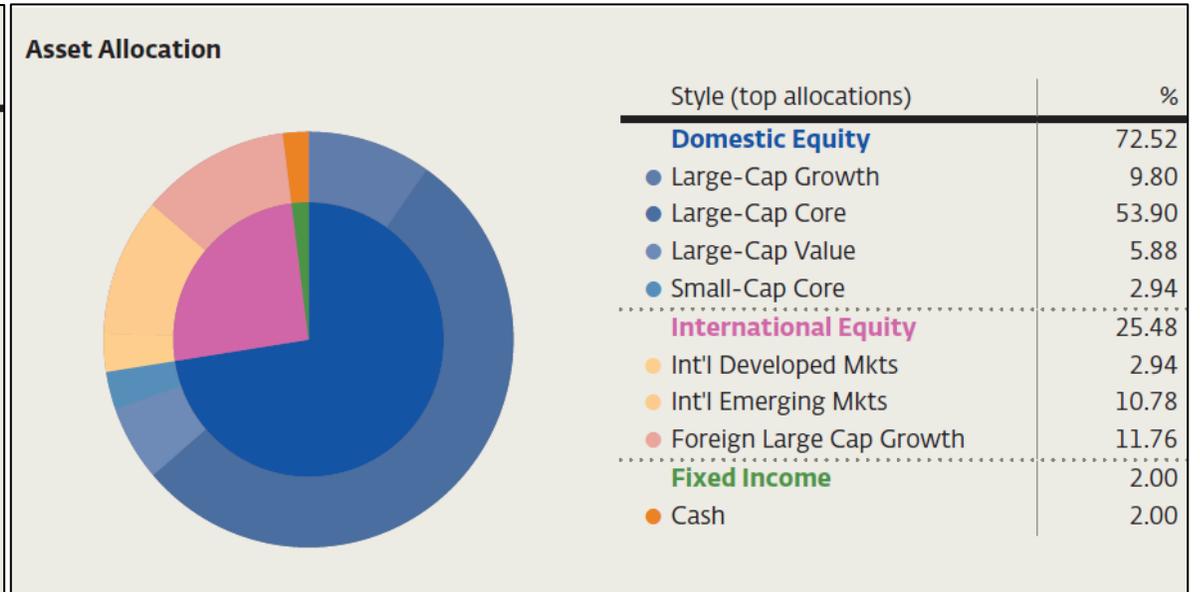
1. Enterprise/Firm needs to be contracted for Envestnet Credit Exchange, have SBL “turned on” and have Nationwide as one of their approved Lenders
2. Advisor needs to have (or get) credentials to login to the Envestnet Credit Exchange
3. Account does not have to be 100% invested in BlackRock Funds/ETFs

**So What?**

# Example: \$1,000,000 Invested

## BlackRock Equity Target Allocation ETF Portfolio.

Holdings			
Security	%	Security	%
iShares Core S&P 500	24.50	iShares MSCI USA Quality Factor	1.96
iShares ESG Aware MSCI USA ETF	24.50	ETF	
iShares MSCI EAFE Growth ETF	11.76		
iShares ESG Aware MSCI EM ETF	10.78		
iShares MSCI USA Value Factor ETF	5.88		
iShares Global Tech ETF	4.90		
iShares US Medical Devices	4.90		
iShares Core MSCI EAFE	2.94		
iShares Edge MSCI Min Vol USA	2.94		
iShares Core S&P Small-Cap	2.94		



### Line Available within this program (BlackRock as Manager)

- **84.28% Large Cap, Intl Dev., For. Large Cap** (\$843k \* 75% = \$632k)
- **2.94% Small Cap** (\$ 30k \* 70% = \$ 21k)
- **10.78 Emerging Markets** (\$108k \* 65% = \$ 70k)
- **2% Cash/Fixed Income** (\$20k \* 95% = \$19k)

**Total Line Available: \$742k**

### Typical Line Available outside this program (e.g., APM, assorted holdings)

- **98% Domestic and Int'l Equity** (\$980k \* 60% = \$588k)
- **2% Cash/Fixed Income** (\$20k \* 85% = \$17k)

**Total Line Available: \$605k**

# Advisor Credit Exchange Lender Rates At-a-Glance

## Non-Purpose Securities-Backed Line of Credit

Tier Min	Tier Max	Nationwide Smart Credit	TD Bank Collateral Lending	First Citizens Easy Access Line
		One Month Term SOFR (3.05%) <a href="#">Click for rate</a>	One Month Term SOFR (3.05%) <a href="#">Click for rate</a>	30-Day Average SOFR (2.28%) <a href="#">Click for rate</a>
\$25,000	\$74,999	3.00%	n/a	n/a
\$75,000	\$99,999	3.00%	n/a	3.35%
\$100,000	\$149,999	3.00%	4.10%	3.35%
\$150,000	\$249,999*	3.00%	4.10%	3.35%
\$250,000	\$499,999*	2.75%	3.10%	3.10%
\$500,000	\$999,999*	2.50%	2.60%	2.85%
\$1,000,000	\$2,499,999	2.25%	2.25%	2.60%
\$2,500,000	\$2,999,999	2.25%	2.25%	2.35%
\$3,000,000**	\$4,999,999**	2.25%	1.60%	2.35%
\$5,000,001	\$9,999,999	2.25%	1.60%	2.10%
\$10,000,000	\$25,000,000	2.25%	n/a	1.85%
\$25,000,001	\$60,000,000	2.25%	n/a	n/a

Rates are as of 9/19/22. All information provided on this page is subject to change at any time without notice.

SOFR stands for Secured Overnight Finance Rate. It's the rate of interest that is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities.

\*Nationwide tier min and max round up 1

\*\* Nationwide and TD tier min and max round up 1

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# Benefits

- **Account Holder:**

- More borrowing power

- Higher Line amount may mean deeper discount on loan rate (~25 to ~50 bps)

- **Asset Manager/Firm**

- Reduces Redemptions

- Keeps Clients in Strategy

- Attract New Assets | More in Managed Money Solutions

- **Financial Advisor**

- Additional Benefit to afford to BR FSP Clients

- Stickier Relationship

# Nationwide



FOR FINANCIAL PROFESSIONALS

## Rethinking securities-backed lending means making it a higher-value solution

### Nationwide Smart Credit<sup>SM</sup>

#### Welcome

As a select lender on the Envestnet Credit Exchange, we are pleased to deliver our nonpurpose securities-backed lending (SBL) solution, Smart Credit<sup>SM</sup>. Nationwide<sup>®</sup> has been an SBL lender for more than a decade. During that time, we've helped financial professionals and enterprises make SBL an important part of their value-add by:

- Providing clients access to capital
- Maintaining assets under management (AUM)
- Retaining and acquiring clients

# Advisor View – ACx Platform

ABC Wealth Management Michael Smith | [Log Off](#)  
Sep 22, 2021 10:08 PM EDT **ACX**

NP SBL Worksheet Worksheet Changes Entered ?

Jane Doe

**Find a securities backed loan for your client.**

Filer below to see what your client may qualify for. Select the product and accounts, then adjust individual positions units, and/or add other positions. The Loan Amount is preliminary and may be changed by the lender in their sole discretion upon their review of each loan application.

**Product**

First Citizens Bank & Trust Easy Line Access Line **Nationwide - Smart Credit** TD Bank N.A - TD Collateralized Lending

**Credit Rating** **Accounts at Custodians with Agreements**

Good (720 - 799)  BYA5983060 - \$2,000,000 - Fidelity NFS/IWS

★ Your client participates in the Envestnet Fund Strategist Portfolio (FSP) Program and an enhanced release rate may have been applied to one or more of the securities listed below.

Custodian	Account	Security Type	Security Name	Symbol	CUSIP	Units	Price	Market Value	Release Rate
Fidelity IWS	BYA5983060	Equity	Exxon Mobil	XOM	30231G102	5,000.000	\$76.33	\$381,605	64%
Fidelity IWS	BYA5983060	Equity	US Steel	X	912909AD0	4,201.000	\$44.65	\$187,575	★ 55%
Fidelity IWS	BYA5983060	Equity	Merck & Co.	MRK	58933Y105	4,800.000	\$54.60	\$262,080	★ 65%
Fidelity IWS	BYA5983060	Equity	Macy's Inc	M	55616P104	5,200.000	\$28.91	\$150,332	65%

## Proposals

ABC Wealth Management

## Accounts

The accounts below represent the collateral used to calculate the Maximum Loan Amount which is based on the market value of the positions as of September 21, 2022.

★ You participate in the Envestnet Fund Strategist Portfolio (FSP) Program and an enhanced release rate may have been applied to one or more of the securities in the accounts listed below.

All positions must be held at one custodian, otherwise multiple loans will be required. Not all assets in the account(s) may be eligible to provide lending value. Assets held at custodians that are not approved by Lender will not be eligible as collateral.

