

WELLS
FARGO

Wealth & Investment
Management

Custom Credit Solutions

Offered through Wells Fargo Bank, N.A.



Investment and Insurance Products: ► NOT FDIC Insured ► NO Bank Guarantee ► MAY Lose Value



Solutions for complex lending needs

To help increase liquidity, manage wealth planning goals, improve tax efficiency, enable life-enhancing purchases, and maintain portfolio diversification, our credit specialists can provide custom solutions available through Wells Fargo Bank, N.A.

As part of our services, we offer:

LIQUID SECURED
FINANCING

SEMI-LIQUID AND
CUSTOM ILLIQUID
SECURITIES
FINANCING

COMPLEX
INVESTOR REAL
ESTATE TERM
LOANS AND LINES

LIFE INSURANCE
PREMIUM
FINANCING

ALTERNATIVE
ASSETS SECURED
CREDIT

EMPLOYEE STOCK
OWNERSHIP PLAN
MONETIZATION
LOAN

FINE ART
SECURED LENDING

AIRCRAFT
FINANCING

Liquid secured financing

Leverage cash, cash alternatives, marketable securities, and fixed income holdings to create liquidity while maintaining your positions

Potential benefits include:

- **Allocation.** Help keep overall portfolio risk and diversification levels intact.
- **Cost.** Using lower-risk assets helps lower cost of capital.
- **Convenience.** Flexible and timely access to funds.

Potential considerations include:

- **Market Volatility.** Market volatility could cause a drop in the value of securities pledged as collateral.
- **Margin Call.** If the value of securities pledged as collateral fall below maintenance requirements, this could result in a margin call and the forced sale of securities at a loss or the requirement to pledge additional collateral



Semi-liquid and custom illiquid securities financing

Holding a large and concentrated position in your firm may seem restrictive. Now you have options. We can help tailor lending solutions leveraging semi-liquid and custom illiquid assets — from privately held stock to concentrated or restricted public equity positions.

Potential benefits include:

- Unlock capital to diversify your portfolio, manage liquidity, or take advantage of opportunities to help achieve your wealth management goals.
- Use private company shares to facilitate a stock loan with favorable terms.
- Retain the potential upside of concentrated stock, restricted Rule 144 securities, or real estate investment trust (REIT) operating unit holdings through a customized loan structure.
- Assist with a tax-efficient** strategy that helps meet your needs without incurring capital gains.

Potential considerations include:

- **Market Volatility.** Market volatility could cause a drop or swings in the value of securities pledged as collateral. This is enhanced given the illiquidity.
- **Illiquidity.** Given the nature of the collateral, it can be difficult to liquidate/value the securities should the collateral need to be sold

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Complex investor real estate term loans and lines

As a commercial real estate owner, you can further diversify investments or help meet cash flow needs with a term loan or line of credit. In addition to credit, you'll have access to our wealth planning, investment management, and trust services.

Potential benefits include:

- **Manage liquidity risk.** Help generate available funds for investment opportunities or for expenses.
- **Flexibility.** Choose from a range of pricing and loan structure options to fit your goals.
- **Relationship-based.** Collaborate closely with our specialists to create a customized strategy for you.
- **National presence.** Gain the advantage from our deep industry knowledge and experience, which spans a variety of markets, product types, and unique loan structures. We can help you with purchasing or refinancing investment properties, including multifamily, office, retail shopping center, industrial, credit tenant properties, and more.

Potential considerations include:

- **Real estate risks.** Investment in real estate securities include risks, such as the possible illiquidity of the underlying properties, credit risk, interest rate fluctuations, and the impact of varied economic conditions.

Life insurance premium financing

Help meet your estate planning goals while preserving liquidity by funding your long term insurance strategy with custom financing solutions.

Potential benefits include:

- **Estate tax mitigation.** Improve your financial legacy with a tax-efficient funding strategy.
- **Liquidity preservation.** Maintain your current lifestyle and cash flow, and fund premiums without increasing capital gains or incurring opportunity cost.
- **Planned transfer of wealth.** Leverage your wealth to provide future benefits to your heirs, favored causes, and institutions. When properly designed, a custom life insurance premium finance solution may help preserve your legacy by providing a tax-efficient** option not included in your estate and further facilitate the transition of your wealth.

Potential considerations include:

- **Interest rate risk.** Many Life Insurance Premium Financing loans have a variable rate. Interest rates can move and — while a rate might be low at present — it could increase.
- **Policy performance risk.** Typically, these loans are evaluated annually. If the value of the collateral has fallen below certain levels, additional collateral may need to be pledged.

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Alternative assets secured credit

If you're a private capital or hedge fund* stakeholder or a third-party investor or family office, our financing options may enable you to act on opportunities while you continue to maintain and benefit from your investments.

Potential benefits include:

- **Uninterrupted cash flow.** Maintain by financing a portion of your capital calls.
- **Increased liquidity.** Meet unexpected expenses and time-sensitive needs.
- **Accessibility.** Plan transitions with financing in place.
- **Leverage.** Using credit strategically may help you take advantage of new investment opportunities.
- **Diversified risk.** May help your longer term planning.
- **New ventures.** Pursue by borrowing against your portfolio.
- **Proactive approach.** Prepare for the future by addressing cash flow needs today.

Potential Considerations Include:

- **Illiquidity and valuation.** The illiquidity of alternative assets and the absence of a ready secondary market affect their valuation.
- **Restrictive features.** Alternative assets can involve more complicated investor covenants including lock-up periods and other redemption restrictions as well as options to make capital calls on investors.
- **Collateral.** There may be limitations on private equity and hedge fund strategies eligible as collateral.

*Hedge funds are complex, speculative investment vehicles and are not suitable for all investors.



Employee stock ownership plan (ESOP) monetization loans

If you're an owner of a privately held company and would like to sell all or part of your business, you might consider the sale of your shares to an employee stock ownership plan (ESOP). If so, we offer a monetization loan for investing your sales proceeds in qualified replacement property (QRP), an essential part of a tax deferral strategy.

Potential benefits include:

- **A range of services for specialized needs.** Transfer some or all of your business through an ESOP, including a company loan to fund the ESOP. It's more than a transaction — we consider the sale as part of your investment and estate plan.
- **Enhanced liquidity, diversified assets.** Diversify risk away from a concentration in private company stock to a self-selected and actively managed portfolio.
- **Potentially deferred capital gains taxes.** Roll the original cost basis of the stock you're selling into QRP (e.g., corporate floating rate notes, corporate bonds, common stock) and defer the gain until the QRP is sold.
- **Greater wealth for your heirs.** Permanently defer the capital gains through proper structuring. The estate receives the QRP and the heirs receive a permanent step-up in basis under current estate tax rules.

Potential Considerations Include:

- **Qualified Replacement Property (QRP).** Identification and investment in appropriate QRPs can be challenging.
- **Loan terms.** An ESOP monetization loan may have a variable rate susceptible to fluctuations and — in certain loans — subordinated debt may also be required.

Fine art secured lending

Unlock financial opportunity with your passion for collecting fine art. Our fine art secured lending allows you to leverage your art collection as part of your investment portfolio.

Potential benefits include:

- **Wealth management.** Elevate your art collection to be part of your complete wealth portfolio.
- **Flexibility.** Monetize your art collection to finance new investments or cover expenses, without liquidating assets.
- **Tax efficiency.**** Defer capital gains taxes and transaction costs associated with selling other assets.
- **Leverage.** Borrow against your collection while maintaining possession.

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Aircraft financing

Whether you are considering purchasing a new or pre-owned aircraft or refinancing an existing one, we can help you develop a well-informed funding strategy.

Potential benefits include:

- **Goal-based.** We help you identify your aircraft needs and vision; then help you find the financing option that works best within your ownership plan.
- **Experienced aircraft financing.** You will work with an experienced aircraft finance specialist from our national network to create a customized solution.
- **Flexibility.** Whatever your desired aircraft, from turboprop to jet, you'll have access to a variety of terms and competitive rates.
- **Reduced complexity.** With a simplified origination process, finance specialists help you through credit approval, documentation, and funding in a timely manner.

Potential considerations include:

- **Interest rate risks.** While there are a variety of both fixed-and variable-rate loans available, interest rates can move. While a rate might be low at present, it could increase.
- **Illiquidity.** The illiquidity of this type of assets and the negotiated aspect of the secondary market can affect the ability to sell quickly and get the valuation a client desires.
- **Collateral.** There may be restrictions on the year and type of aircraft eligible as collateral.

Let's connect

To learn more about using credit strategically to help meet your current needs and wealth plan goals, contact your advisor.

Alternative investments, such as hedge funds, funds of hedge funds, managed futures, private capital, real assets, and real estate funds, are not suitable for all investors. They are speculative, highly illiquid, and are designed for long-term investment, and not as trading vehicle. These funds carry specific investor qualifications which can include high income and net-worth requirements as well as relatively high investment minimums. The high expenses associated with alternative investments must be offset by trading profits and other income which may not be realized. Unlike mutual funds, alternative investments are not subject to some of the regulations designed to protect investors and are not required to provide the same level of disclosure as would be received from a mutual fund. They trade in diverse complex strategies that are affected in different ways and at different times by changing market conditions. Strategies may, at times, be out of market favor for considerable periods with adverse consequences for the fund and the investor. An investment in these funds involve the risks inherent in an investment in securities and can include losses associated with speculative investment practices, including hedging and leveraging through derivatives, such as futures, options, swaps, short selling, investments in non-U.S. securities, "junk" bonds and illiquid investments. The use of leverage in a portfolio varies by strategy. Leverage can significantly increase return potential but create greater risk of loss. At times, a fund may be unable to sell certain of its illiquid investments without a substantial drop in price, if at all. Other risks can include those associated with potential lack of diversification, restrictions on transferring interests, no available secondary market, complex tax structures, delays in tax reporting, valuation of securities and pricing. An investment in a fund of funds carries additional risks including asset-based fees and expenses at the fund level and indirect fees, expenses and asset-based compensation of investment funds in which these funds invest. An investor should review the private placement memorandum, subscription agreement and other related offering materials for complete information regarding terms, including all applicable fees, as well as the specific risks associated with a fund before investing.

Some fees may apply and can include but are not limited to an application, processing, or loan fees.

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