

Quarterly Newsletter

BLANTON
WEALTH
MANAGEMENT

May 2025



Welcome!

- We have officially made it through our first tax season at Raymond James! We hope that your 2024 tax filing process was as seamless as possible. To those we heard from - thank you for the opportunity to assist you. Tax time is never fun, but we're here to help.
- **In this newsletter**, we highlight two tools that are available to you as our client: a securities-based line of credit account and an account aggregator tool on Client Access. We've found that both of these can be valuable for some clients. Check out the articles on pages 3 and 4 for more information, and please let us know if you have any questions about them or if you think they might be a good fit for you.
- Upcoming holidays: Raymond James will be closed on May 26th, June 19th, and July 4th. Our office will also close early at 1:00pm on July 3rd.
- Mark your calendars for **Saturday, August 30th** - we will be hosting our next client event at the Greenville Drive! Invitations to come in the next couple of months!

Enjoy this month's newsletter!

*Blanton Wealth
Management
- Laura &
Bethany*

In this newsletter you can expect:

Important Notes
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Team Updates
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Article about
Securities-Based
Line of Credit
(pg. 3)

Client Access
Account
Aggregator
(pg. 4)



A note from your team...

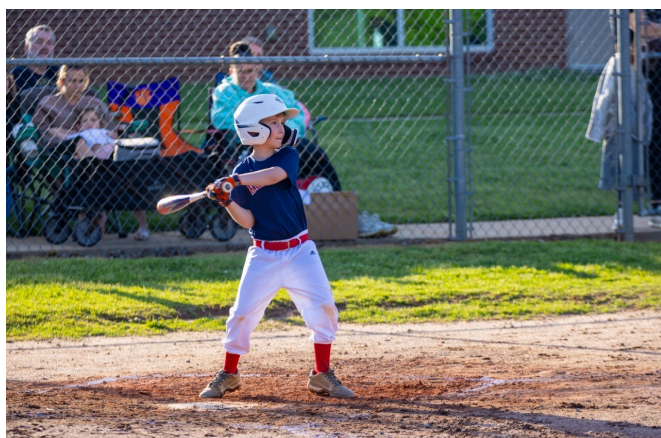
Laura

The last three months has been a fantastic whirlwind of activity. It's been a pleasure to meet with many of you and review your accounts. I've also been busy keeping up with markets and headlines, cheering on Emmitt's baseball games, gardening (hopefully I'll have some home-grown veggies to share soon!), reading, and finishing out the school year. I also spent two rather dreary days wandering around Artisphere, which is always a pleasure. We especially loved the live entertainment and the Aerial Arts show. It's been a great few months, and now we're looking ahead to the summer, which is packed full of sports, camps, and fun!

Out of office:

Aside from the dates our office will be closed for holidays (listed in our Welcome section), I will be in the office all summer long.

Wishing you a fun, joyful, and safe Summertime!



Bethany

Spring has been wonderful! I have been enjoying the Swamp Rabbit Trail, relaxing in my hammock, and perfecting my technique for cooking a flawless medium-rare filet mignon. One highlight from this past quarter was attending the Savannah Bananas game at Clemson University, which was an absolute blast.

I'm still studying for the series 66 - testing soon! - but I'm eagerly looking forward to a relaxing summer ahead.

Out of office:

I will be out of the office **May 26th through May 30th** to visit my best friend in Virginia for her engagement party. I'll also be out of town **June 17th - 20th** to explore Vale and Breckenridge, CO with my mom.

Enjoy your summer!



Securities-based lending helps ease financing luxuries

When buying luxuries, your portfolio can be powerful collateral

You've got a smart portfolio, a balanced cash management strategy and a tax plan tied with a bow, but then a bucket list opportunity appears. It could be a family vacation of a lifetime, an heirloom piece of jewelry, a club membership, a boat, a plane or even a 1930 Cord L-29 Cabriolet.

If you have the means to consider those kinds of expenditures, you probably have options, but some options may be more disruptive than others.

Selling securities can disrupt your well-structured portfolio, an opportunity cost, and may trigger capital gains taxes. You may have cash on hand, but a finely tuned cash management strategy is not typically meant to absorb these kinds of large costs. For boats, planes and classic cars, there are niche lenders, but the verification process can be lengthy and intrusive. This is particularly true if working outside a financial institution in which you already do business.

A more suitable option may be securities-based lending.

Securities-based lending – or SBL, as it is commonly marketed – uses your investment account as collateral on a line of credit, enabling you to quickly finance a large purchase. The investment account is hypothecated – pledged – much like when a home is financed by a mortgage, with the credit limit bound in part by the value of the account and the lender's policies.

A securities-based line of credit can be created ahead of time, just in case, but even if created in response to an immediate opportunity, verification may be completed within days – and often the same day if you have an existing relationship with the broker-dealer.

Once it's created, drawing from a securities-based line of credit can be completed quickly, with some lenders offering a simple e-signature process to wire the funds. No closing costs. No origination fees.

And with that, your purchase is made. Enjoy!

PAYING BACK A SECURITIES-BASED LOAN

As with other lines of credit, you will begin making payments on the balance according to the terms. This is where a relationship with a financial advisor can be beneficial, allowing you to plan a strategy to pay back the loan with minimal disruption to your financial plan. Common strategies include:

- Budgeting payments from monthly cash balances like any other debt
- Diverting dividends and other investment income from growing the portfolio to paying the balance
- Making interest-only payments until an expected windfall arrives, then paying in full

SPECIAL CONSIDERATIONS

Securities-based lending is not without its particular risks. Since interest rates are variable – based on a reference rate like the Secured Overnight Financing Rate (SOFR) – many borrowers treat them as short-term loans and plan to pay them off within 12 to 18 months.

There is also market risk to consider. Since the value of the collateral is as variable as the market, a loss in portfolio value could trigger a collateral call. If that happens, the borrower will need to assign additional collateral to the account or pay down part of the balance, or the lender can close the gap by selling securities from the account on the open market.

Lenders may try to avoid the need for any of these corrections by following conservative lending policies, as collateral calls can leave a sour taste. And if the borrower were to default, the lender can sell securities then to pay the debt.

TIME AND FLEXIBILITY

As securities-based lending is collateralized with generally liquid assets, interest rates can be very appealing, particularly at larger account sizes. This has made securities-based loans particularly popular for well-invested individuals who enjoy the occasional serendipitous, good-life purchase, as well as those looking to add a buffer to their cash strategy.

As they say, it's a tool in the toolkit, and it may have its moment the next time that original Tiffany lamp shows up on offer.

A Securities Based Line of Credit (SBL) may not be suitable for all clients. The proceeds from an SBL cannot be (a) used to purchase or carry securities; (b) deposited into a Raymond James investment or trust account; (c) used to purchase any product issued or brokered through an affiliate of Raymond James, including insurance; or (d) otherwise used for the benefit of, or transferred to, an affiliate of Raymond James. Raymond James Bank does not accept RJF stock or any securities issued by affiliates of Raymond James Financial as pledged securities towards an SBL. Borrowing on securities based lending products and using securities as collateral may involve a high degree of risk including unintended tax consequences and the possible need to sell your holdings, which may lead to a significant impact on long-term investment goals. Market conditions can magnify any potential for loss. If the market turns against the client, he or she may be required to quickly deposit additional securities and/or cash in the account(s) or pay down the loan to avoid liquidation. The securities in the Pledged Account(s) may be sold to meet the Collateral Call, and the firm can sell the client's securities without contacting them. A client is not entitled to choose which securities or other assets in his or her account are liquidated or sold to meet a Collateral Call. The firm can increase its maintenance requirements at any time and is not required to provide a client advance written notice. A client is not entitled to an extension of time on a Collateral Call. Increased interest rates could also affect SOFR rates (or any successor rate thereto) that apply to your SBL causing the cost of the credit line to increase significantly. The interest rates charged are determined by the market value of pledged assets and the net value of the client's non-pledged Capital Access account.

Securities Based Line of Credit provided by Raymond James Bank. Raymond James & Associates, Inc. and Raymond James Financial Services, Inc. are affiliated with Raymond James Bank, member FDIC.

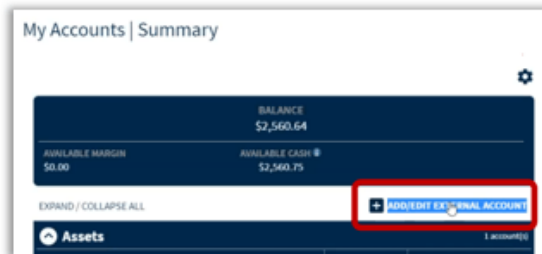


Account Aggregation

Client Access provides a suite of powerful tools designed to help you conveniently manage and review your accounts online—including the Account Aggregator.

With account aggregation, you can seamlessly integrate external financial holdings, offering a comprehensive view of your assets and liabilities. This feature enables you to link accounts from banks, credit card providers, brokerage firms, and other financial institutions. Additionally, you have the flexibility to manually input valuable assets such as jewelry, collectibles, vehicles, and real estate.

By consolidating all financial data in one place, account aggregation empowers you with a complete financial snapshot, ensuring you have a clear and organized perspective on your wealth.



To set up account aggregation on Client Access, navigate to the **My Accounts/Summary** screen and select the **[+] Add/Edit External Account** link. Follow the guided prompts to add your external holdings.

If you need assistance setting up your account aggregator, we are here to help. Give us a call, and we'll ensure a smooth setup process for you.

Thank you for reading!

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| <p>BLANTON WEALTH MANAGEMENT OF RAYMOND JAMES</p> | <p>LAURA - 864-289-2111 BETHANY - 864-289-2116</p> |
| <p>www.blantonwealthmanagement.com</p> | <p>112 Haywood Rd Greenville, SC 29607</p> |