

Portfolio Line of Credit Interest Schedule

What is my interest rate?

Your annual interest rate is a variable rate based on the Effective Federal Funds Rate (EFFR) + 1.08%. The Effective Federal Funds Rate can change over time. You can find historical Effective Federal Funds Rates (including the current rate) [here](#). Wealthfront Brokerage reserves the right to change the spread charged over the EFFR in its sole discretion

What is the minimum balance?

To access your Portfolio Line of Credit, you need at least \$25,000 invested in a Taxable Automated Index Investing Account or Automated Bond Portfolio Account, which include Joint, Trust, or Personal accounts. This balance is the greater of the net deposits and market values of your account.

How is the interest charge calculated?

Your interest rate for each billing cycle is based on the average interest rate for that period. So if the Effective Federal Funds Rate changes once during your billing cycle, your rate will be the average of each rate. The interest charge is then calculated as follows:

Interest charge =

Avg daily balance in the period x Avg annual interest rate in the period/360 x Number of days in the period

Interest Charge Example

In this example, we have a 5-day billing period where the EFFR changes on Day 4:

Day	PLOC account balance	Annual interest rate
Day 1	\$100,000	6.45%
Day 2	\$100,000	6.45%
Day 3	\$80,000	6.45%
Day 4	\$80,000	6.25%
Day 5	\$80,000	6.25%
Average balance in the period	\$88,000	
Average annual interest rate in the period		6.37%

$$\text{Interest charge} = \$88,000 \times 6.37\% / 360 \times 5 \text{ days} = \$77.86$$

Portfolio Line of Credit (PLOC) is a margin lending product offered exclusively to clients of Wealthfront Advisers by Wealthfront Brokerage LLC. You should consider the risks and benefits specific to margin when evaluating your options. Learn more about these risks in the [Margin Handbook](#). PLOC eligibility is subject to a minimum account balance which is subject to change.

All investing involves risk, including the possible loss of money you invest, and past performance does not guarantee future performance. Please see our [Full Disclosure](#) for important details.

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