Sharegain

5 reasons why securities lending became widely adopted by private banks and wealth managers

The WOW-effect – surprise income for clients

Many private investors are still not aware of the practice of renting out their stocks, bonds and ETFs. And the value can be significant.

Effortless passive income

By providing a simple opt-in or opt-out to their securities lending program, many wealth managers have made it as straight-forward as possible for clients to start benefitting from this additional source of income.

Aligned with long-term investments

For clients holding stocks, bonds and ETFs for the long-term, securities lending offers an opportunity to make additional returns from existing investments. It's like investing in real estate. The end goal is to sell at a profit, but in the interim, renting generates extra income.

Unique investment insights

By making their securities available to rent, clients can gain new insights into their investments – discovering when certain securities are in high demand and benefitting from transparency into the other side of the market.

Serves clients' best interests

Securities lending aligns with wealth managers' fiduciary duty to act in the best interests of their clients, providing an opportunity to generate additional low-risk revenues while retaining a high level of control and transparency.

With securities lending, as with other investment activities, your capital may be at risk.

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