

**Flexibility, Convenience, Control:** A Securities Backed Line of Credit (SBLOC) is ready when your clients need it, whether they are seeking funds for a real estate purchase, tax bill, tuition payment – anything except the purchase of additional securities. An SBLOC will keep your carefully crafted investment strategy in place and leave your clients' investments untouched AND out of competitors' hands. With competitive rates and exceptional service, SEI and The Bancorp Bank's SBLOC program is the total package. See how this program can work for you and your clients:

### **Study #1:** **Winning Business with a Margin Loan Payoff**

**Background:** Clients are with a competing firm and currently have a diversified portfolio consisting mainly of employee stock ownership in a company where husband and wife both worked for many years. They have a large outstanding balance on a margin loan and have an emotional attachment to the employee stock, and do not want to liquidate.

**Challenge:** To allow these clients to move to the advisor's firm and transfer assets to SEI, paying off the margin loan without liquidation.

**Solution:** The advisor was able to win the business by using The Bancorp Bank's Securities Backed Line of Credit through SEI. Bancorp was able to pay off the existing margin loan even before the assets in the portfolio were transferred to SEI. The advisor is now in control of the portfolio, and the investors are thrilled with the SBLOC, and with the advisor, for keeping their portfolio intact through the process.



### **Study #2:** **Fast Turnaround for Unique Opportunities**

**Background:** A high-net-worth entrepreneur has \$35MM in invested assets allocated among equities, cash and mutual funds. He has the opportunity to buy a \$15MM investment opportunity, and needs access to his funds quickly to make the deal happen.

**Challenge:** Find a lending solution quickly without disrupting the client's portfolio, and without the hassle of long lending applications and red tape.

**Solution:** The advisor set his client up with a Securities Backed Line of Credit, which took 10 days to complete, without any selling of assets. And, because the SBLOC is structured with interest-only payments, the client is able to pay back the principal as the profits from the investment come to fruition.

### Study #3: Keeping Clients' Assets Under Management

**Background:** An advisor's client is rate-shopping at big-box banks, trying to find the lowest rate on a home equity loan so that he can pay his son's college tuition, using his home as collateral. They have gotten an extremely low rate quote which is only valid if the client moves all their investments to the competitor. The advisor will lose the business and the client will lose the careful attention to his portfolio's progress toward his goals, and will be paying higher fees to boot.

**Challenge:** Find a lending solution that has a reasonable rate without any "strings" attached.

**Solution:** The advisor introduced the client to the Securities Backed Line of Credit, which has attractive rates, and allows the advisor to keep the assets under his careful management with no hidden fees. The client got a great rate, was able to use his portfolio as collateral instead of his house, and the tuition bill was paid promptly.



### Study #4: Creative Cash Flow Planning

**Background:** An executive at a large firm is paid half of her annual compensation as a year-end bonus. Because she has to wait until year's end to be fully compensated, she needs a source of liquidity to cover expenses that go beyond her base salary. She has a portfolio worth nearly \$1MM.

**Challenge:** Find liquidity throughout the year with very little hassle and fees.

**Solution:** The advisor set up a Securities Backed Line of Credit, using her portfolio as collateral. She now pays only interest on her outstanding loan balance for a line that adjusts as her portfolio changes. When her year-end bonus arrives, it can be invested and the resulting increase in her portfolio will increase the amount that she can draw, or she can choose to pay down the loan. The client now has full access to her funds without deferring big expenses until the end of the year.



*The stories presented represent hypothetical situations based on SEI's experience with advisors and their clients that we have encountered and possible SBLOC solutions. This is intended to illustrate different potential challenges and is not meant to guarantee that a client's needs or objectives will be met.*

*The investment accounts are custodied at SEI Private Trust Company (SPTC), a limited purpose federal thrift and wholly owned subsidiary of SEI Investments Company. All Cash Access Account deposit and credit products are offered by, and any accounts opened in connection with such products will be held by, The Bancorp Bank, a state-chartered bank. Deposit accounts are maintained by The Bancorp Bank. They are FDIC insured up to \$250,000. Other accounts that you have at The Bancorp Bank may impact your coverage.*