

CASE STUDY\*

# SBLOC LIQUIDITY Preserves Portfolio, Enables New Home Purchase



## ■ DETAILS

- Client is gifted several low-basis cost stocks and wants to use the proceeds for a new home purchase.
- Since liquidating the investment portfolio would incur capital gains, the financial professional recommends diversifying the concentrated positions over time and using a Securities-Backed Line of Credit (SBLOC) to fund the home purchase.
- The proposal saves the client \$130K capital gains taxes and keeps the shares intact.
- Client is delighted with the SBLOC solution and its ability to meet her liquidity needs.
- Client moves her remaining outside assets to the financial professional and deepens her relationship as a full wealth management client.

## ■ RESULTS

**Financial Professional**  
Retains \$3M and adds \$1M in new AUM.

**Client**  
Enjoys newfound liquidity while avoiding costly tax consequences.



## CONTACT US

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\* This case study of an actual client experience shows a potential use of the securities-backed line of credit (SBLOC). Individual borrower's results may differ based upon multiple variable circumstances and factors, including, but not limited to: tax and other liabilities, SBLOC borrowing rates, and portfolio drawing power. The SBLOC is a nonpurpose loan, the proceeds of which cannot be used for the purchase of securities or to refinance a loan used to purchase securities. Collateral-based borrowing may not be suitable for everyone. Financial professionals should ensure that clients understand any associated risks. Clients should consult a tax advisor for tax-related matters and an attorney for legal matters. The Bancorp does not provide investment, tax or legal advice. Rates, terms and conditions of loan products are subject to change without notice.