

CASE STUDY*

DIVERSIFIED STRATEGY, SBLOC Solution Lead to \$30M Win



DETAILS

- Client inherited a \$30M concentrated portfolio from her father.
- To reduce portfolio risk, her financial professional recommends reallocating \$20M of the portfolio using separately managed accounts and retaining \$10M in concentrated shares.
- A financial analysis revealed a \$1M nonpurpose loan (NPL) attached to the portfolio and the client's high-rate mortgage.
- Employing the Securities-Backed Line of Credit (SBLOC) solution, the team – consisting of the financial professional, money managers, and The Bancorp – worked together to pay off the NPL and reduce the mortgage interest rate.
- The client keeps her assets in strategy and continues to repay the mortgage at a substantially reduced interest rate.

RESULTS

Financial Professional

Deepens client relationship with more holistic advice.

Client

Improves debt situation; secures new liquidity option for future use.



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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.