



Securities-Backed Lending

Exploring the Possibilities

With a Securities-Backed Line of Credit (SBLOC), the Possibilities are Endless:

- Tax Payments
- Real Estate Purchases
- Private Equity Investments
- Reserve Liquidity
- Family Transitions
- Tuition Payments



When Life Presents Unlimited Possibility:

The spice of life is an array of possibilities that each day has to offer. And with the wonder of possibility come unexpected challenges and opportunities.

SECURITIES-BACKED LENDING: DEFINED

A securities-backed lending account, technically speaking, is a bank line of credit that is backed by an account at SEI Private Trust Co. It allows you to access the value of your investment portfolio while avoiding the potential taxes and other consequences of selling the assets. Once established, the line of credit may be accessed at any time via debit card, check, or wire transfer.

REALIZING YOUR DREAMS...

involves more than being prepared for the expected, it means having the flexibility to make the most of the possibilities that tomorrow has in store. A securities-backed line of credit does just that.

It allows you to tap the value of your portfolio while avoiding the potential taxes and other consequences of liquidating your investments. You are freed to enjoy a capacity for continued growth in your portfolio while making the most of opportunities that tomorrow may present. Once established, a securities-backed line of credit may be accessed at any time through a debit card, check, or wire transfer¹, so in the case you need to access funds quickly — you can! Unlike a margin loan, a securities-backed line of credit comes directly from a Bancorp, rather than from a brokerage house. Credit may be used for any purpose aside from the purchase of additional securities.

There are a variety of scenarios where a securities-backed line of credit might be the right choice for you.

In the case of Jim and Gina Smith, a large tax bill caught the family off guard. A beautiful new home in a new part of town, along with an opportunity to exercise employee stock options resulted in taxes that Jim and Gina hadn't anticipated. For them, a securities-backed line of credit was the optimal solution. After waiting only a short time, the family had a line of credit backed by SEI securities. Jim and Gina were not only able to pay their tax bill but, using their Bancorp (the lender) debit card they could also make those extra purchases for their home that hadn't seemed possible. As an added bonus, their low cost-basis portfolio maintained a the potential for growth throughout the process.

¹Please note that some fees may apply.



Your Questions Answered:

Who Is Bancorp?

The Bancorp Bank (the lender) is a publicly held, FDIC-insured financial services provider that specializes in delivering private labeled, Internet-enabled banking services.

Where Does SEI Fit?

SEI Private Trust Co. and The Bancorp Bank have partnered together to provide individuals like you securities-backed lines of credit. In this case, SEI continues to act as custodian for the securities and Bancorp oversees the lending process. However, your trusted advisor will always act as your main point of contact for your securities-backed lending account.

How Much Can I Borrow?

Generally between 50 and 80% of the value of your securities are made available.

This amount will be based upon the value of the collateral at the time the line is approved, as well as the asset allocation within the account. The credit limit is determined by the bank and may be lower than that listed above. This can take place when the collateral consists of a concentrated portfolio or when standard underwriting guidelines are not met.

How Much Does it Cost?

There are no costs associated with this solution outside of interest payments on the credit line. Interest is variable and based on the Prime Rate. The rate is typically between Prime – 0.50% and Prime + 1%, depending on the outstanding balance.

Is There Flexibility Around the Payment Schedule?

Yes! Principal payments are made at your discretion, so long as adequate collateral remains in place. Interest payments can be made monthly or quarterly, depending on what fits your lifestyle.

Will My Account Be Restricted?

The investment account will remain under the active management of your advisor. Any disbursements from the account must be approved by the lender.

Where Would You Like to Be **Tomorrow?**

The navigation of your life plan sometimes requires that you change course, especially when resources are essential to achieving newly developed objectives. A securities-backed line of credit can offer you the opportunity to be prepared for whatever possibility you may find around the bend.

To learn more about SEI's Securities-Backed Lending Program, contact your trusted advisor, or call 1-800-DIAL-SEI.

Custody services provided by SEI Private Trust Co., a federally-chartered thrift. All credit products are offered by The Bancorp Bank, a state-chartered bank.

This information is not meant to provide investment or tax advice. Please consult your financial or tax advisor for additional information.

SEI INVESTMENTS

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