February 2020

Unlock your advisors' "Inner Rainmaker" in 2021 with a strong SBL Pipeline

FINANCIAL PROFESSIONALS AS "RAINMAKERS"

As a loan facilitator, advisors prove their worth in a variety of new ways: meeting business funding needs, consolidating loans, enabling a real estate purchase or other investment needing capital.

Securities-Based Lending (SBL) provides your firm with a powerful way to add enhanced liquidity into holistic client scenarios.

LIQUIDITY AS A WEALTH PRESERVATION AND CREATION TOOL FOR A POST-COVID WORLD

As we gratefully welcome the roll out of COVID vaccines, advisors are preparing for the future with tools and strategies to achieve success in a financial landscape remade by the aftershocks of 2020.

Securities-based lending (SBL) is an increasingly critical component in a wealth firm's growth strategy. According to a Broadridge Survey of the SBL Industry[1], 77 percent of private banks polled believe that SBL is a "must-have" product. "With wide-scale adoption of SBL as a standard wealth credit product, the picture of an established SBL marketplace is firming up," the Broadridge report noted.

HOLISTIC WEALTH MANAGEMENT IS A TWO-SIDED BALANCE SHEET

Managing a holistic wealth management strategy that includes optimizing credit as well as client assets not only makes good business sense, it's a demonstrable way to add value to a client's entire balance sheet.

February 2020

Five ways SBL benefits wealth managers – and their clients

Acting in the client's best interest takes an understanding of the client's full financial picture – assets as well as liabilities.

1. A HOLISTIC VALUE PROPOSITION:

Providing credit resources can differentiate advisors from competitors that are solely focused on the asset management side of the balance sheet. Additionally, centers of influence in your firm's orbit such as CPAs and estate attorneys may be more likely to share referrals if they know your firm's approach encompasses liability management and optimization. The reason: many of their clients may need ready access to liquidity for tax bills, real estate loans, investment opportunities and more.

2. GROW RELATIONSHIPS:

Securities-based lending not only improves the ability to deepen a client relationship through an attractive new opportunity for them, but it also encourages clients to consolidate their assets in order to qualify for an important, larger line of credit.

3. RETAIN INVESTMENTS AND OBJECTIVES:

Providing alternative sources of liquidity can forestall clients from selling off a part of their investment portfolio when the need for capital arises – in the process, disrupting their long-term investment objectives. SBL averts this risk to AUM and is based on credit policies with debt-to-asset ratio haircuts that offer a cushion to the client in the event of market volatility.

4. UNTAP A RESOURCE FOR BUSINESS GROWTH:

Many of the best prospects for SBL are business owners, corporate executives, or private equity investors who need your help in securing a timely source of liquidity for working capital to avail attractive investment opportunities. The low-cost of SBL offers this liquidity with limited impact on client bottom lines.

5. BUILD LONGER-TERM LOYALTY:

By offering SBL, your firm reduces the chance of clients searching out other wealth management relationships to facilitate their liquidity needs or for other reasons. Credit lines deepen the client relationship, making for stickier AUM.

Broadridge

How holistic is your current strategy?

According to a recent report from Aite, the advancement of a holistic approach to client relationship building will be one of the top 10 trends in 2021. "In 2021, financial institutions will try to get that complete picture of the client through advanced technology tools and data capture," according to the report. To receive a complete picture, both assets and liabilities must be factored into strategic client calculations in 2021

TECHNOLOGY AND SBL

Advisors and clients especially need access to accurate portfolio and loan information and a path to fast-release decisions. Increasingly, we're seeing more demand for advanced digital tools and dashboards that allow advisors to present the best options to their clients and facilitate client self-service wherever possible.

Luke Nestor, Founder of Rockall Technologies and VP of Business Development at Rockall, a Broadridge Business

CHECK THE BOXES FOR EACH TRUE STATEMENT:

- ☐ Our SBL program enhances the value we deliver to our advisors and clients. We consider it table stakes.
- ☐ Our lending strategy is a primary contributor to growth and retentions of our advisor and client base.
- ☐ Third party integrations give us access to client portfolio and loan information so that we can better manage both sides of their balance sheet.
- ☐ Our advisors are becoming "instant thought leaders" thanks to our providers' vast library of original content.
- ☐ Our SBL platform is digital and modern, allowing us to compete effectively.
- ☐ We are able to serve our clients' loan turnaround expectations.
- ☐ Our advisors are provided with "SBL ready" pre-qualified prospect lists and sales enablement messages.
- ☐ Our advisors have been building new lending business by using targeted and data-driven techniques to help engage, foster and convert new leads.

Wealth Management firms that respond appropriately will be better equipped to attract and retain top advisors.

If you checked fewer than six boxes, consider exploring the advantages of fully digitized SBL with Broadridge.

February 2020

Broadridge and SBL: the right combination

BROADRIDGE DOES THE WORK FOR YOU

Digitized for your firm's convenience, our cloud-based lending platform is coupled with one of the most intuitive, easy-to-navigate advisor work stations in the industry. We will help you benchmark, strategize and prioritize, so your actions today position you for a more efficient and profitable tomorrow.

From benchmarking and strategizing through planning and execution, Broadridge delivers a digital SBL impact that is transformational. Because the dashboard automates lending chores and serves them with actionable business intelligence, advisors can keep their focus on what they do best: personalizing the client experience and developing successful, tailored strategies.

Optimizing end-to-end SBL delivery has the net effect of attracting even more AUM into a wealth management program; assets that may also help keep the client's loans correctly collateralized. "Alongside a typical book of business, many advisors report between 10% and 15% in additional SBL-driven AUM coming into their firm," according to Katherine Lucey, Vice President, Marketing, Rockall – a Broadridge Business.

Contact jeff.leone@broadridge.com today to request a demonstration.

[1]Broadridge Market Insights for your Securities-Based Lending strategy www.broadridge.com/report/rockall-sbl-industry-survey