



Advice upon divorce  
Long-term planning for private clients

My client, Anne, a 47 year old solicitor, had agreed a divorce settlement with Jonathan, her husband of 24 years. They have three children Jack 19, Harry 17 and Sophie 14.

Anne was granted custody of the children. In the settlement she also received the family home, which had a small residual mortgage and a share portfolio transferred to her by husband prior to the divorce being finalised. Anne works full time. Jack is in his first year at university. Harry and Sophie are both still at school but they would like to follow in Jack's footsteps and attend university.

Despite the settlement and Anne's full time employment, she required additional income to meet the expenses of raising her three children, paying for full time education, whilst maintaining her standard of living.

I introduced Anne to Petrus to see how they could help her to generate the income she required, without compromising her future lifestyle or triggering any tax liabilities.

We realised that clearing the mortgage would only serve to reduce Anne's income further, whilst the monthly repayments were already reducing her net income. Furthermore, if she encashed some of the share portfolio, it would trigger a CGT liability.

If possible, Anne wanted to keep the share portfolio intact because once the children leave home she intends this to form a substantial part of the income that will fund her retirement.

Through one of their strategic partners, Petrus was able to structure a solution to meet all of Anne's objectives.

They secured borrowing against the portfolio to pay off the mortgage and reinvested the balance in a low risk income portfolio to boost income while also providing diversification and protection from inflation.

It is intended that once her peak requirements for income have passed the borrowing will be unwound, leaving the original portfolio intact and Anne free of any CGT liability.

*For client confidentiality reasons, some of the information in this case study has been changed*

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I wanted to recommend an adviser who could provide specialist advice on how my client could structure her affairs in the most efficient way to meet her income needs today, without compromising her future lifestyle. Petrus expertly secured borrowing through their strategic partner and Anne couldn't have hoped for a better outcome.

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BERKSHIRE BASED LEGAL  
PRACTICE