



Bank of Mum and Dad
Borrowing against our portfolio, without unwinding our long-term plan

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We weren't comfortable with the children building up debt early in life while they are educated at university. We needed advice on the best way to access funding to buy a flat in London. Thanks to Petrus everything is taken care of.

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DAVID AND JULIE
PRIVATE CLIENTS

My wife and I have two children. Charlotte is aged 19 and still at university. Alison just turned 23, has graduated, and recently moved to London with her first job. We were concerned about how we could help Alison to get her foot on the property ladder.

Having paid for Alison's living expenses throughout her studies, we had a Financial Plan in place to fund Charlotte while she is away at university too. We hated the idea of our children building up debt so early in life and wanted to explore the best way to help them onto the property ladder.

We found the price of accommodation in London to be exorbitant. Rather than waste money on rent, we wanted to see if we could help her to buy instead.

Unfortunately we did not have sufficient savings to cover the required deposit and our existing investment portfolio was structured with a longer term horizon in preparation for our planned retirement in 10 years' time.

We met with the team at Petrus and they prepared a plan to secure borrowing against our investment portfolio. This would release funds to allow Alison to purchase a flat in central London, close to her place of work.

By securing borrowing against our investments, we avoided having to sell any of our assets. Doing so meant we would have to unwind our 10 year plan, possibly selling at a depressed price or triggering a capital gain on investments that had performed well.

The strategy Petrus recommended has allowed us to keep our long-term Financial Plan in place. We've now purchased a property and Alison is on a sensible repayment schedule - without having to rely on a bank loan.

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