



BREWIN
DOLPHIN

Wealth management
services *for family
lawyers and their clients*

Advice and support for reaching a
favourable financial settlement

/ SOLICITORS IN ENGLAND & WALES

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At a time when claims management companies are pursuing divorce lawyers for thousands of potentially negligent historic financial settlements, never has there been a better reason to involve a wealth adviser to protect you and your clients against the risks associated with negotiating complex financial assets.

George Mathieson

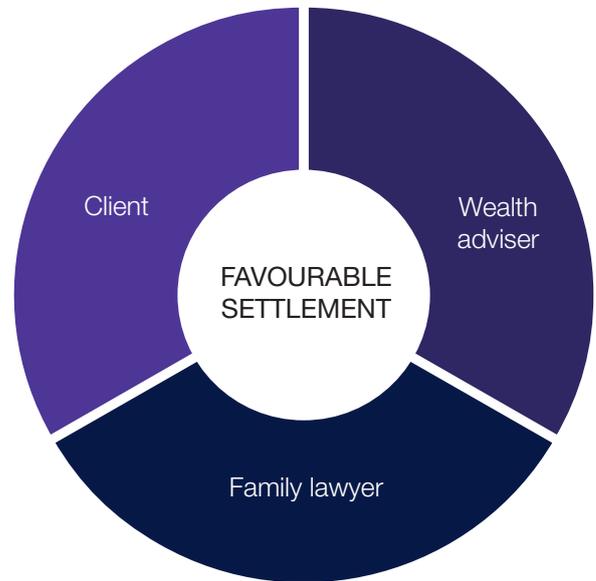
Mathieson Consulting Ltd, Actuarial and expert witness services

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Trusted by solicitors, valued by clients

We appreciate that referring your clients to us is a decision based upon trust. This is built by thoroughly understanding your needs and challenges and those of your clients – as well as being fully committed to working with you in partnership.



A growing focus on family law

Our family law team has grown steadily in recent years and over 100 of our wealth advisers have been trained in this area by leading family lawyers and actuarial consultants. We add our knowledge of family proceedings to our own wealth management expertise to create advice that is truly specialised for clients involved in relationship breakdown.

Our specialist team of wealth advisers has a reputation for developing long-term relationships and is dedicated to giving high-quality opinions and advice. Our goal is to help your clients make well-informed choices and to achieve the optimal financial settlement at what can be a very difficult time in their lives.

SRA compliant

What's more, when you refer your clients to us, you have the reassurance of knowing our services are in complete compliance with Chapter 6 of the SRA's Code of Conduct, because we are not 'tied' and we can provide whole of market advice on recommended Retail Investment Products.

A long heritage of building client wealth

Brewin Dolphin is one of the UK's leading wealth managers. For over 250 years we have been helping clients achieve their long-term financial goals and today we are entrusted with over £37 billion of their money. We employ more than 60 financial planners and over 400 investment managers, the majority of which have the highest professional qualifications in the industry.

For 30 years, we have developed specialist expertise through working closely with around 300 law firms and their solicitors. Collectively, over 2,500 private clients have been referred to our wealth managers and we continue to safeguard and grow their wealth.

A *high-quality* service for all your clients' needs

We advise family lawyers and their clients on different types of settlement, from relatively straightforward cases to complex financial arrangements of high net worth marriages and registered civil partnerships.

When advising your clients, we believe we add value by understanding their needs and objectives and simplifying their financial options. Our focus is on providing quality advice – not on selling products – and our goal is to inspire confidence so that your clients can make the right long-term choices. Importantly, our advice is delivered by professionals who care.

Our aim is to:

- Understand your clients' personal circumstances and emotional dynamics.
- Make them aware of the options open to them.
- Explain in simple terms complex areas such as pensions and other financial arrangements.
- Help clients make well-informed decisions.
- Support the most appropriate financial settlement.

Two key areas of support

Wealth management comprises two distinct roles which, when combined, can help provide the best long-term outcome for your client:

- **A financial planner** – this specialist supports the financial proceedings in areas such as disclosure, Form E questions and interpretations, cashflow forecasting, pensions, personal protection, tax, allowances, benefits, retirement and passing the client's estate on to loved ones.

- **An investment manager** – this individual typically builds a client's investment portfolio after divorce. They assist with the implementation of any pension sharing orders and help the client achieve their long-term goals through the ongoing management of their investments through targeting growth, income or both.

This combination of support offers solicitors absolute compliance with respect to Chapter 6 of the SRA's Code of Conduct and other guidance concerning the selection of wealth advisers.

Research helped us to better identify your needs

In addition to dozens of interviews conducted with family lawyers, we exclusively commissioned the Law Society of England & Wales to identify which qualities family lawyers seek from a wealth management firm. Their survey of 168 private client teams informed the design of our service and confirmed what both you and your clients value most.

The value of investments can fall and your clients may get back less than they invested.

Helping you reach the best outcome for your clients

We create most value when involved with solicitors and their clients from the earliest stages of proceedings. We assist with the often problematic stages of financial disclosure right through to negotiation and post-settlement implementation.

The process typically involves four distinct phases and our team can work with you to engineer the best possible outcome for your clients:

Wealth protection – pre-nuptial and post-nuptial agreements

Our wealth advisers can also support plans which you put in place to help protect client assets in the event of a relationship breakdown.

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Pre-instruction

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Financial disclosure

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Negotiation and financial remedy

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Post-settlement

1

Pre-instruction

When your firm's Family team meets one of our wealth advisers, their role is to learn about your firm and your preferred way of working and to find out how we can become part of a team you build around a client. They will discuss our services with you, the role of our advisers and explain how we can support you and your clients.

- **Consultations** – Our financial planners will be pleased to answer early stage enquiries which may precede a petition, but which confirm crucial financial considerations – such as: can I afford to get divorced?
- **Making the due diligence process easier** – we understand the importance of conducting full due diligence when working with a third party. Our wealth adviser will therefore discuss and provide you with full due diligence information, explain our fees and how we help you to satisfy the SRA's referral rules. Our goal is to make this process as easy as possible for you.
- **Referrals** – One of our financial planners can meet with your client separately or, if you prefer, have a joint meeting with you to establish what advice is required. The approach can be decided on a case-by-case basis.

Helping to build relationships that count

At a business-to-business level, you can choose to work with one of our relationship managers who is ideally placed to make an initial introduction. They ensure our firms have a 'meeting of minds' and that we share attributes which can lead to a long-lasting relationship. They can be a conduit into our specialists and facilitate introductions to our financial planners and investment managers. Their role also involves:

- Agreeing periodic meetings with you to discuss our performance and relationship.
- Arranging 'lunch and learn' briefings and wider learning and development initiatives.
- Exploring joint marketing activity, if appropriate.
- Facilitating cross-referrals.

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Financial disclosure

We believe it is crucial that our wealth advisers collaborate with you as early as possible during proceedings.

By introducing us early into the process we can help minimise the risk buried in certain complex financial areas.

We can help to:

- Identify hidden obligations and guaranteed benefits often buried in the complex detail of clients' pension policies and life cover.
- Draft technical questions you need to ask of the pensions SJE and how to interpret their reports.
- Inform you of the best place to declare specialist investments on Forms E and interpret or value assets when in receipt of Forms E.
- Explain which of your client's assets, or their spouse's, are: worth keeping or surrendering; which are high or low risk; which are liquid or illiquid and the likely tax consequences upon disposal or transfer.
- Provide a valuation of investments such as stocks and shares and any other financial assets.
- Establish and clarify a client's tax position and give advice on the most tax-efficient way to manage their assets.

Attaining financial security

We provide reassurance to your clients through answering questions such as:

- How long will my money last?
- Will I be financially secure?
- Do we need to sell our assets?
- What are my financial options?
- Will I be able to manage financially on my own?
- What is the most tax-efficient way to invest my assets?
- What happens if...?

The value of investments can fall and your clients may get back less than they invested.

Please note that this document was prepared as a general guide only and does not constitute tax or legal advice. While we believe it to be correct at the time of writing, Brewin Dolphin is not a tax adviser and tax law is subject to frequent change. Tax treatment depends on your clients' individual circumstances; therefore you should not rely on this information without seeking professional advice from a qualified tax adviser.

No investment is suitable in all cases and if you have any doubts as to an investment's suitability then you should contact us.

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Negotiation and financial remedy

A financial planner will work hard to understand the emotional aspects of a case. They will support your own fact-find process, as required, especially when dealing with complex financial assets.

At this stage, their main role is to support the client's understanding of their future financial security. To aid comprehension, they will use everyday language to explain any complex financial matters.

Pensions

As appropriate, we can provide opinion or tailored advice to you and your client on:

- Pension provider reports and the type of plan.
- Scheme rules, respective retirement ages and valuation methods.
- How pension schemes can be equalised in retirement and respective periodical payments.
- Market value reductions and pension commencement lump sums.
- Identifying and explaining guarantees (GAR/GMP).
- Offsetting, attachment orders and pension sharing orders (please note we do not provide written reports).
- Planning and implementing sharing orders.

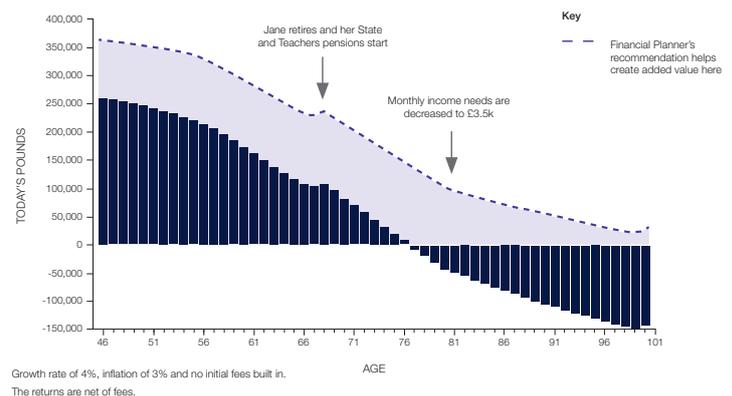
Specialist investments

- Explain which of your client's assets, or their spouse's, are worth keeping or surrendering; which are high or low risk; which are liquid or illiquid and the likely tax consequences upon disposal or transfer.

Cashflow planning/Capitalising lump sums

Conducting a cashflow planning exercise is a very effective

way of building a broad understanding of what a client's income needs and finances might look like following a financial settlement. The analysis considers income, expenditure, capital requirements and budgets relevant to the financial settlement process and then presents the client with a number of different options and informs settlement scenarios. A cashflow forecast can be provided with Duxbury tables or Bespoke Duxbury using other relevant calculations. See case study on page 13.



Protection

We can assist or advise on the following areas, as required:

- Explain and implement maintenance protection insurance.
- Family protection during and after divorce.
- Life assurance solutions which make financial provision for the separating client's dependants.
- Critical illness cover.
- Permanent health insurance.

Tax

Our wealth managers can help your clients through:

- Considering how their income, capital gains and inheritance tax position is affected by divorce or separation.
- Identifying the appropriate assignment, transfer or sale of investments and pensions and their tax consequences.
- Establishing the most suitable investment structure based upon their needs and overall tax position.

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Post-settlement

At this stage, many clients have to consider investments, pension planning and the implementation of orders, tax and other major financial issues for the first time. We recognise this can be daunting for them and so we look to make this as easy as possible.

Following a settlement, we can help to implement certain orders given by the court and activate plans for ongoing financial security. We can help in a number of ways:

- Implement a pension sharing order leading to the establishment of a new pension arrangement within prescribed time limits, recommendation of a suitable investment strategy and/or the management of the client's pension income needs.
- Cash management is often a sensible starting point following a HNW divorce. It ensures the client's capital is secured in the best place and gives them the breathing space to make any plans.
- Build a portfolio of investments based on the client's personal circumstances, objectives and attitude to risk.
- Provide ongoing advice and management of the client's current and future tax position.

Statistical trends in the Family Court

In 2016, more than **10,000** pension sharing orders were made. That marks an increase of **26%** from 2015.

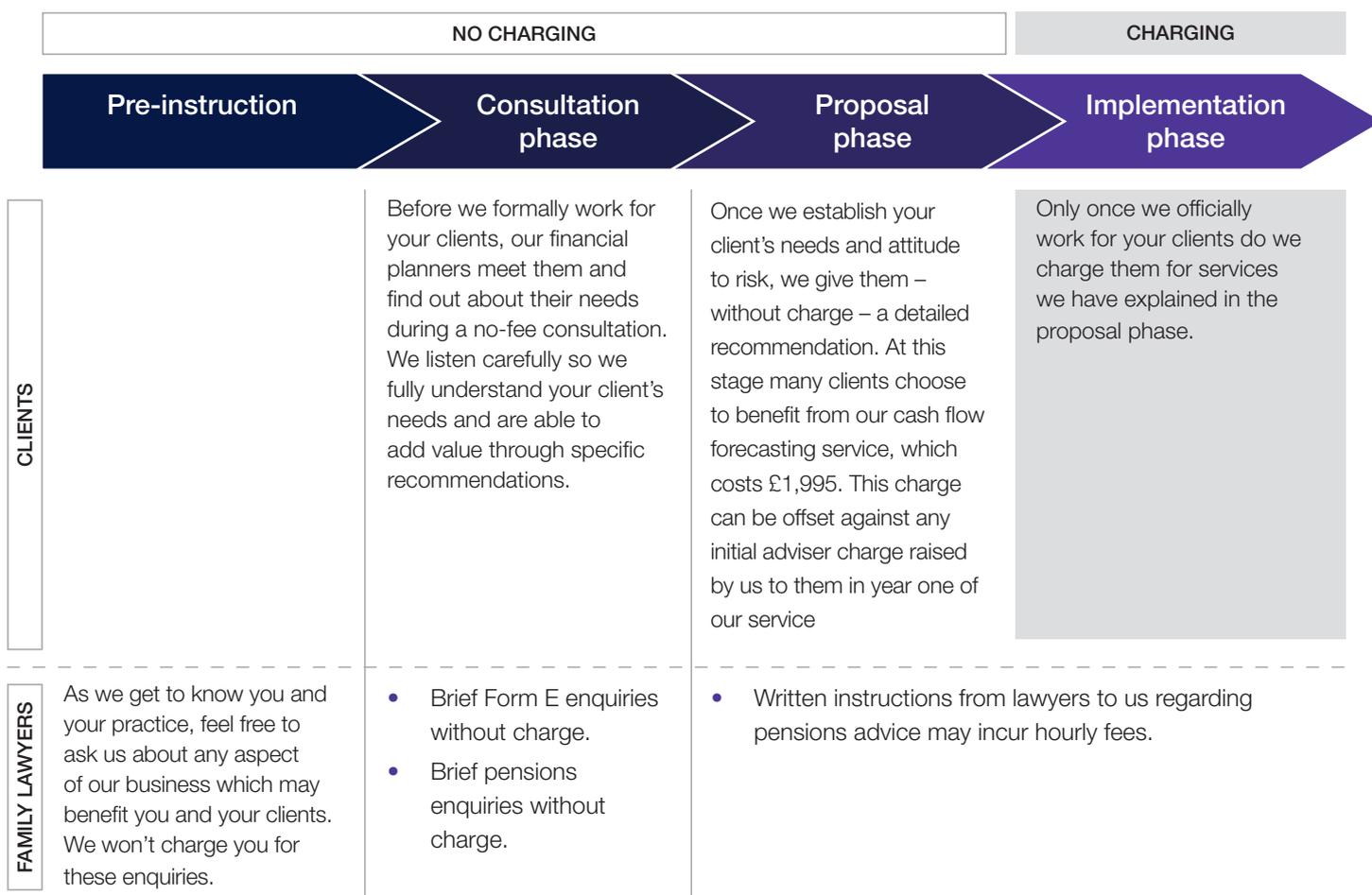
In the same period more than **4000** pension attachment orders were made, an increase of over **40%** on the previous year.

Source: FCS Quarterly 2017 Report

The value of investments can fall and your clients may get back less than they invested.
No product or service is suitable in all cases and if you have any doubts please contact us.

Our fair charging process

Your clients can take confidence from the fact that while we spend time getting to know them, we don't charge for anything until we have been engaged by them. There are no hidden penalties or commissions.



Fees are shown exclusive of VAT, which will be charged in line with applicable legislation.

For full fee information regarding Brewin Dolphin's Financial Planning, Investment Management and Wealth Management services, rate cards are available upon request.

Divorce funding

We are aware that the funding of legal fees before settlement is often a significant consideration for a client. We have experience of working with the leading providers of litigation loans and can facilitate an introduction, if required. Subject to approval, loans will fund contested financial proceedings or dispute resolution. A financial undertaking will not be required from the solicitor and all lending risk sits with the lender.

How long will my money last?

Case study

Jane and Tom

Jane is age 45 and is getting divorced from her husband Tom, who is age 53. Their family situation is currently as follows:

- They have two children, Mary who is 12 and Tim who is nine.
- Both children are privately educated.
- Jane currently lives with the children in the jointly-owned home worth £700,000.
- There is no mortgage.

Jane's situation is as follows:

- She has a part-time job as an administrator for a local business.
- She works 16 hours per week earning £7,300 per annum.
- Before Mary was born, Jane was a junior school teacher.
- Jane would like to return to teaching, a job she loved.
- She has a teacher's pension, which has been valued at £28,000.
- Jane also has a portfolio of investments worth £130,000 and £25,000 in a cash ISA.

Tom's situation is as follows:

- He is a company director and last year received a salary of £6,000, dividends of £200,000 and a bonus of £20,000.
- Tom also has a final salary pension from a job as a police officer many years ago, valued at £480,000.
- On top of his police pension, he has subsequently built up £320,000 in personal pensions.

The offer

Tom, through his legal representatives, has offered the following deal to Jane:

- The matrimonial home should be sold and the equity retained by Jane.
- Tom is also happy to support the children, including paying the school fees which are in excess of £23,000 per annum.

Tom and his lawyers propose that the couple retain their own assets, including their pensions. Tom feels this is a fair deal and has asked Jane to consider the offer.

Jane's thoughts on the offer and Tom's response

After considering the proposal, Jane has decided she needs to move to a smaller property following the divorce. She feels the current house is too big and she is concerned about the cost of upkeep. Jane believes she needs £600,000 to buy an appropriate property in a suitable location.

Jane has estimated her monthly income needs will be £4,000 per month and so she quickly needs to find a teaching job. She is actively looking for a role and believes she will earn approximately £37,500 per annum.

Tom refuses to pay Jane's monthly income needs of £4,000 per month as he thinks she should be supporting herself.

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Thank you Brewin Dolphin for helping me wade through complex financial matters during my divorce. You gave me peace of mind about my future financial security during a very stressful period.

Miss DW, Edinburgh

The value of financial advice

How cashflow forecasting can help

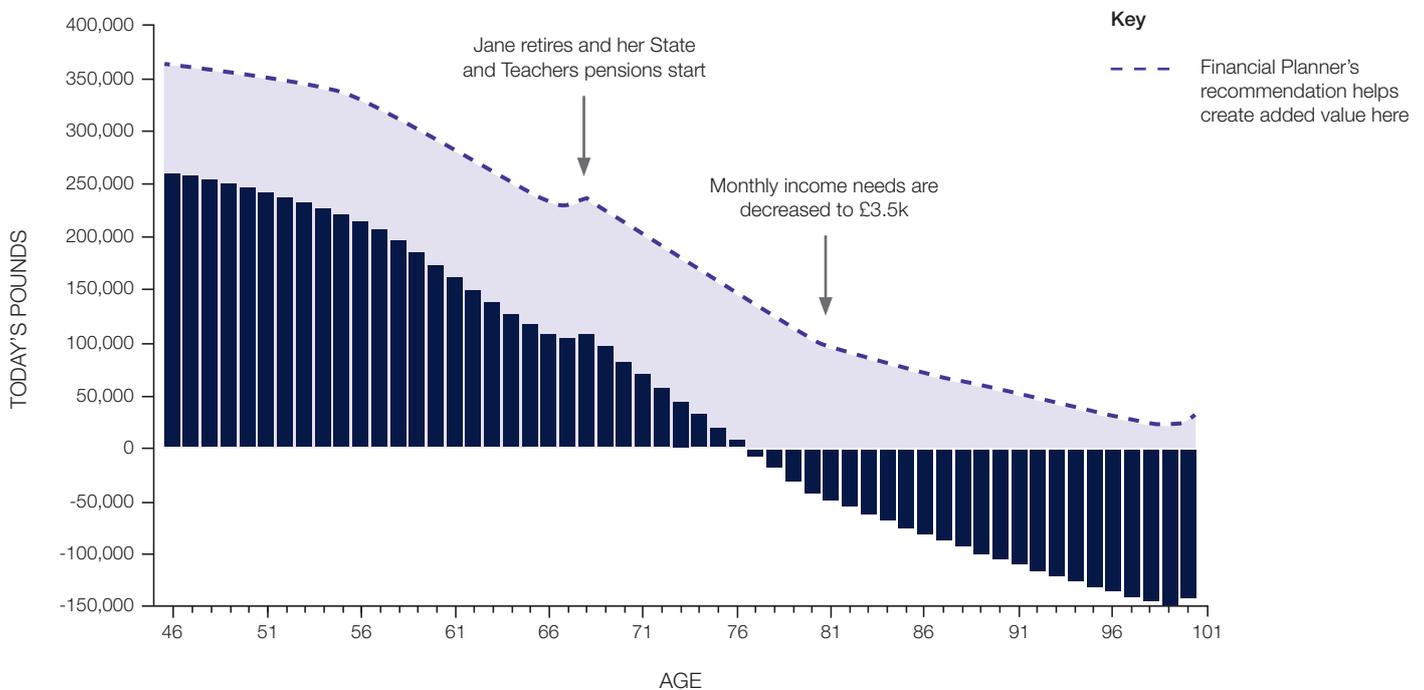
With the use of cashflow analysis, we can model Tom's offer to show Jane the potential financial impact of Tom's offer over the years. The model incorporates all of Jane's current personal assets plus Tom's offer.

Before advice

The analysis shows if Jane were to accept Tom's offer, her assets will be exhausted by age 76 (as shown by the bars in the chart below). She would also struggle to maintain her standard of living – even after finding employment as a teacher.

With advice

By modelling different financial scenarios, we are able to calculate a settlement that would meet Jane's needs. Her lawyers are now in discussion with Tom about an additional lump sum of £60,000 and a pension credit of £40,000. This scenario would provide Jane with financial security for her and the children for her lifetime (as shown by the purple dotted line in the chart below).



Growth rate of 4%, inflation of 3% and no initial fees built in. The returns are net of fees.

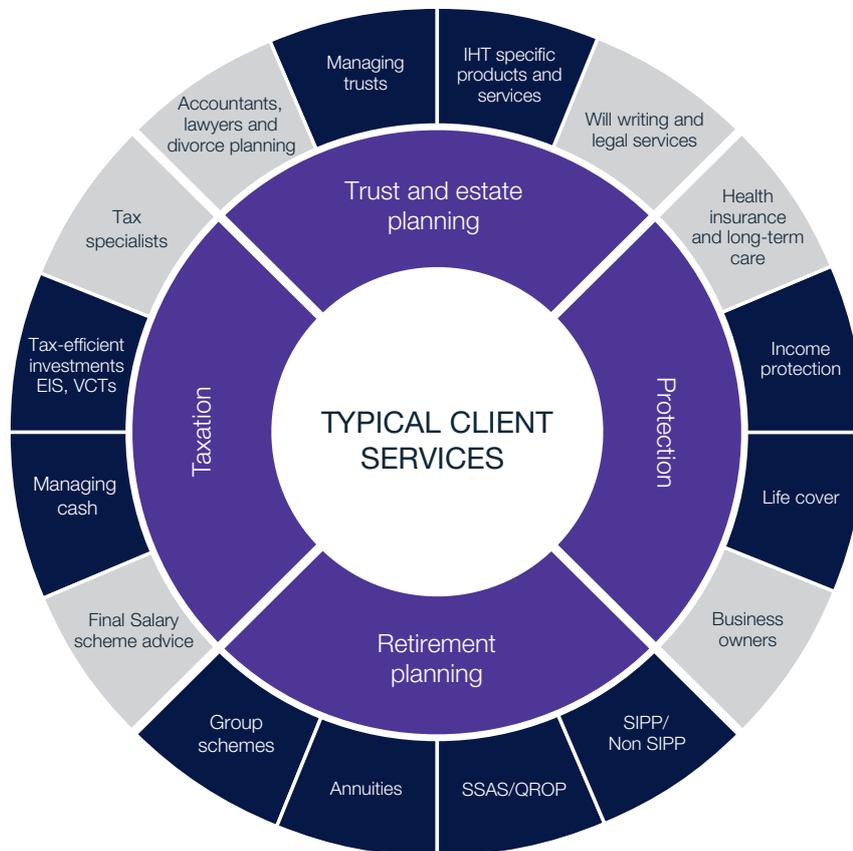
These results are based on a number of assumptions regarding the client and investment returns, and are, therefore, subject to a number of risks and uncertainties that could cause actual results to differ materially from the assumptions. This represents only one of many possible outcomes.

This information is for illustrative purposes only and is not intended as investment advice.

A full range of wealth management services

A Brewin Dolphin financial planner can help clients with a range of needs:

- We can talk about your clients' needs in these areas.
- We can make a full recommendation to your clients.
- We can identify their needs and inform them if they require external specialist support.



Contact us

To find out more about how we can help your clients attain a favourable financial settlement, simply contact us at professionaladvisers@brewin.co.uk, or call us on 020 3201 3363 and we will be delighted to help.

Offices

In total, we employ over 450 wealth managers in 28 offices throughout the UK and Channel Islands so, wherever a client may be located, our team are on hand to provide an efficient, local and specialised service.



Helping family lawyers to help private clients