WEALTH PLANNING

Top 10 Considerations When Faced with Divorce

The dissolution of marriage is one of the most stressful and difficult experiences you may face. At Wilmington Trust, we understand the complexities of divorce as well as the emotional strain it brings. Our goal is to not only provide the financial resources you need, but to offer trusted guidance and support from a team of advisors who put your best interests first, always.

As you transition from one chapter of your life to the next, we can help you address these important considerations:

1) Have you established your own, individual banking accounts for your everyday financial needs and reviewed your new balance sheet?

Our Private Banking team will open accounts in your individual name. Your dedicated Private Banker will provide tailored advice and analysis of your revised assets and liabilities.

2) Do you need financing that is customized for your unique situation?

Custom credit can provide you with a reliable source of funding for unforeseen expenses, real estate purchases, and business investments. We'll work creatively to evaluate your options and provide lending based on your unique assets—including specialty or illiquid holdings. Solutions include:

• Bridge financing to help with a significant purchase
• Marketable securities-backed lines of credit, including restricted and concentrated stock
• Specialized asset-backed loans secured by partnership interests, fine art, yachts, and aircraft
• Residential and investment real estate financing, including lines of credit

3) Have you projected how your settlement will sustain your lifestyle?

Our financial planning team offers a comprehensive financial plan analyzing the changes in your cash flows from assets received, alimony received, changes in expenses, and other cash flows expected after the dissolution of marriage. By providing a comprehensive view of the following, we can help you balance your projected expenses while maintaining the lifestyle you seek:

• Cash flow planning for income and expenses
• Alimony/child support
• Asset sustainability study and portfolio risk analysis
• Tax situation review and appropriate planning

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4) **Have you reviewed your estate planning documents to make necessary changes?**

We will help you review all of your important estate planning documents and be certain you are providing for your chosen heirs, updating your beneficiary designations, and naming new designees for your healthcare and power of attorney documents. We also act as a central repository on behalf of our clients for all of these documents so you know that everything is organized and in one place. Documents to consider include:

- Will and trusts
- Power of attorney and healthcare directive
- Retirement accounts and plans
- Jointly named real estate and financial accounts
- Authorizations to access digital accounts, including financial accounts, email accounts, social media accounts, etc.

5) **Do you have a fiduciary you can trust to oversee your trusts and assets?**

When trusts are utilized to protect settlement payments, our experienced personal trust team provides comprehensive administration services for current and future generations. Wilmington Trust is and always has been a fiduciary when acting as trustee or as investment manager. Our first and foremost responsibility is to protect your best interests and those of your family.

6) **Is there a business valuation involved in your settlement agreement?**

The preparation of a business valuation is a lengthy and expensive process. Valuation reports can exceed one hundred pages in length and can be very difficult for even seasoned professionals to understand. For any business that has been appraised as part of the settlement process, our team can review the appraiser’s valuation report and provide insights that may answer questions such as:

- Is the appraiser a qualified professional with experience and valuation credentials?
- Is the appraiser’s financial analysis of the company thorough and explained?
- Are the methods used appropriate and the reasons for their selection discussed?
- Is the value conclusion reasonable, based on the factors presented in the report?

7) **Do you have the tools to set your short- and long-term investment strategies?**

If you’re receiving a settlement, you want to be certain that your short- and long-term needs are met through the creation of a customized investment portfolio. Our team can tailor a portfolio based on your specific parameters, including liquidity needs, time horizon, risk tolerance, and other factors. Our differentiated investment process manages risk, maximizes tax efficiency, minimizes investment costs, and diversifies among economic exposures. Other features include:

- Personal quarterly investment reviews, tailored to your needs
- Dedicated team to oversee projected growth of portfolio, given your spending needs
- Ongoing adjustments to asset allocation to manage risk and provide adequate growth to protect against inflation

8) **Do you need to update your insurance coverage?**

In divorce situations, insurance review is extremely important to be certain you have the appropriate coverage, you or your ex-spouse have named the correct beneficiaries,
We can help you take each step carefully and thoughtfully, exploring the most appropriate options for you. Together, we’ll work to create the security you need in the most sensitive and productive way.

and that the premiums are being paid. We provide a detailed analysis of your health, life, disability, property & casualty, and long-term care insurance, identifying what actions might be recommended, including reviewing policy ownership and beneficiary designations, and understanding who has responsibility for premium payments.

9) Are your children’s college expenses covered?
Our team begins with establishing projections and analytics critical to the settlement process by delineating the future costs of college based on the ages of the children and the potential colleges under consideration. This data is coupled with merit-based aid scholarship strategies and other financial aid analytics that often involve lump sum settlements and other variables that impact college funding during and after divorce.

We can also recommend trust creation and execution designed specifically (or in concert with other goals) to fund education.

10) Are you aware of the charitable techniques available to you?
We can review any existing private foundations and charitable vehicles to be certain they are still in line with your goals and wishes. We’ll also explore potential charitable techniques that could be utilized for property settlement and support payments, and as needed, charitable trusts to support philanthropy and minimize taxes.

We will work collaboratively with your attorney and other advisors to bring you complete coordination of the key solutions you need. Please contact us to discuss your personal situation and to receive a copy of our companion guide, the Divorce Planning Checklist, which provides action steps to help you get started.

This material is for informational purposes only and is not intended as an offer or solicitation for the sale of any financial product or service or as a determination that any investment strategy is suitable for a specific investor. Investors should seek financial advice regarding the suitability of any investment strategy based on their objectives, financial situations, and particular needs. This information is not designed or intended to provide financial, tax, legal, accounting, or other professional advice since such advice always requires consideration of individual circumstances. If professional advice is needed, the services of a professional advisor should be sought.

All investments involve risks, including the possible loss of principal. There is no assurance that any investment strategy will be successful.

Private Banking is the marketing name for an offering of M&T Bank deposit and loan products and services.

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