

Welcome to the Legenis monthly newsletter.

Merry Christmas from all of the Legenis team. We extend our very best wishes to you and your family over the Christmas period and throughout what may be a challenging 2009. This time with your family is special, occasionally stressful but a great opportunity to reflect on your progress in this last year and what is important for you to consider for the next.

It has been our great pleasure to work with the Association of Financial Advisers and their 1,500 members to establish and administer their new AFA Foundation. What a wonderful initiative this is and how great it is to demonstrate their passion to serve and to give back to their community and to improve lives. This is evident in the work of the charities they have chosen to support, Multiple Sclerosis Research Australia and Make-a-Wish Foundation. The Association has gifted over \$200,000 to charity in the past few years, but wanted to be more strategic and inclusive of the membership going forward.

If you are involved with an Association, then perhaps Legenis can be of assistance with an Association Foundation. I hope you find this newsletter an enjoyable and informative read, and look forward to working with you.

If you find these updates useful, feel free to forward on to a work colleague or friend.

We would also like to hear from your perspective, so please contact us with your comments.

Kindest regards,
Dr Robb Musgrave
Managing Director, Legenis

Legenis: Leaving a lasting legacy for families, foundations, corporations and non-profit communities by empowering them to do the right things, by doing things right.

ARTICLE 1

ARTICLE 2

ARTICLE 3

ARTICLE 4

Article 1

How does Legacy Planning differ from Estate Planning?

Traditional estate planning relies on professional advisers working separately and ensuring that the tax, insurance, superannuation, wills, trusts and succession plans are in place. Often these advisers don't have contact with one another and rely on the client to request the appointment and ask the right questions. However, there is a groundswell of advisers who are breaking out of the restrictive product and compliance driven model to provide holistic advice to their clients. Under this new model the client is asked to identify what it is they want to achieve overall and



then a multidisciplinary plan and team is developed to ensure this outcome.

The name given to this process is Legacy Planning, which begins with determining a client's values and then their objectives, and all advice is directed to assist individuals and families achieve these identified objectives.

A balanced Legacy Plan incorporates the three legacy fields:

Personal Legacy: what you want remembered; then record it

Financial Legacy: what you want to build; then structure it

Social Legacy: how you want to give back; then plan and implement it

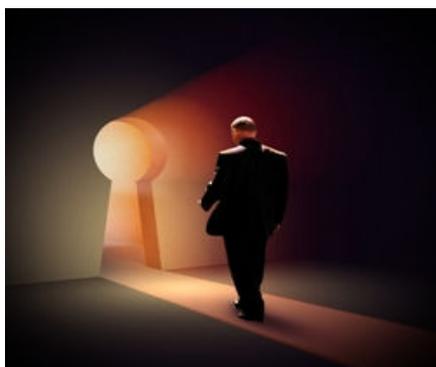
At Legenis our products and consulting service puts structure into these 3 legacies to assist high-net-worth families and their advisers. This ensures all the wealth bases are covered from wealth creation, to wealth protection, wealth management and then wealth distribution. However, we interpret wealth as more than just the money and the financial assets.

Many of us have created substantial wealth, but we continue to look for substance in our lives so that we feel we matter and what we have done in our lives has actually made a difference to our families and to society

It is my observation that as a society we are migrating towards the principles of philanthropy and personal legacies. Most of us will seek to leave our values, beliefs and philosophies behind, along with our financial wealth, but it is the important that matters most to us.

True wealth incorporates the freedom of financial security, along with personal wealth including good relationships with family and friends, and social wealth which is a sense of worth that comes from helping others, as well as using our talents and fulfilling our purpose.

Wealth isn't an end in itself; it enables us to achieve greater things.



Article 2

Talk about Values!

In discussing with clients their vision for the future and what is important to them, creativity becomes a critical part of the discussion. Many people don't know what they want because they don't know what choices are available.

In looking to assist clients it is the quality of the questions that determines their interest and respect. I have always found that rapport is best

established by asking questions that draw out responses, answering difficult questions requires thought and commands respect.

In addition to the questions, Legenis clients identify their dominant life values at the outset, using our Values (Valgenics®) identification process which is presently available in card form. It takes about 20 minutes and identifies what is most important to that individual. This is followed by a complete discovery process to determine their personal, financial and charitable position. Everyone is different, with often quite different values.

During this process we build a close relationship with our clients and come to understand what is important, who is important to them and what really drives and motivates them. This allows us to work closely with clients to inform and empower their decisions, and for them to provide direction to their legal and financial advisers for optimal outcomes and holistic solutions.



Article 3

The Psychology of Happiness

Don't equate happiness with money. People adapt to income shifts relatively quickly, the long lasting benefits are essentially zero.

o **Exercise regularly.** Taking regular exercise generates further energy, and stimulates the mind and the body.

o **Have sex with someone you love.** Sex is consistently rated as amongst the highest generators of happiness. So what are you waiting for?

o **Devote time and effort to close relationships.** Close relationships require work and effort, but pay vast rewards in terms of happiness.

o **Pause for reflection, meditate on the good things in life.** Simple reflection on the good aspects of your life helps keep things in balance.

o **Seek work that engages your skills, look to enjoy your job.** It makes sense to do something you enjoy. This in turn is likely to allow you to flourish at your job, creating a pleasant feedback loop.

o **Give your body the sleep it needs.**

o **Don't pursue happiness for its own sake, enjoy the moment.** Faulty perceptions of what makes you happy, may lead to the wrong pursuits. Additionally, activities may become a means to an end, rather than something to be enjoyed, defeating the purpose in the first place.

o **Take control of your life, set yourself achievable goals.**



Article 4

From Transactional to Transformational Planning

When conducting research for a PhD, I asked people what they felt might be included in a personal legacy (in general terms as well as for them personally), the range of responses was quite remarkable. The scores for philosophies and statements of personally held values were high – right up there with money, real estate, business assets and shares.

As one person said, 'If I can leave something behind, my philosophies are number one. Money might feel good for five, ten or fifteen minutes or even a few years later, but philosophies are the real legacy that people can leave. Attitudes, instructions in life, these are the meat.' Responses such as these revealed that people do in fact consider the so-called 'esoteric issues' to be very important.

Neither values nor legacies are included in the training and development of solicitors, accountants and financial planners. Therefore, few are aware that their clients can build a living legacy now, while they are alive.

Professional advisers are also often reluctant to ask the profound questions that lead to a comprehensive life review or to a person's values, partly because it involves an ongoing planning process ('growing your life and growing your legacy'), but also because advisers are reluctant to become emotionally involved or to engage with a client on a values level. For some, this feels like emotional quicksand. As a consequence, a great number of legacies are unplanned and completely bypass values, families, life review, or a person's other significant interests.

For example merely asking, "do you wish to leave a bequest to charity", results in a yes, only 7% of the time. However asking, "would you prefer money you may have to pay in tax to go to someone or something you care about", will give a very different response. It starts a conversation, always a good thing for a competent adviser. The planning then moves to a different level.

I strongly believe that the process of creating a legacy can lead to a more rewarding and happier

life in the here and now. A structured, personal living legacy can also forge incredibly strong bonds between the various generations in a family. The magic is that the process continues right through life and beyond – hopefully for generations after we have passed away.

Source: Dr Robb Musgrave, from his PhD thesis, "Creating Personal Legacies"

CONTACT US | UNSUBSCRIBE
www.legenis.com



Legenis Pty Ltd

PO Box 88 Coorparoo Qld 4151 Australia **ABN** 20 115 007 246

Phone 1300 302 191 / 61 7 3324 2791 Fax 61 7 3324 2833

Email info@legenis.com