

Private Capital Advisers

The reason why you may need to update your will

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Estate planning—the process for how you transfer your wealth to heirs and others—can be very important for anyone who wants to be certain that their loved ones are adequately provided for and taken care of. When done well, estate planning aims both to allow you to pass on your assets as you see fit, and to minimize the tax bite that often accompanies the transfer of wealth.

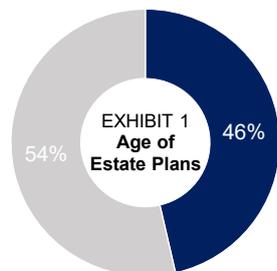
Even if you don't have family, estate planning can enable you to decide which people and charitable organizations will receive your wealth at your death. Failing to plan can mean that you will let the government make those decisions on your behalf—and we find that few people are fond of that choice!

But if you think that your current estate plan is up to those tasks, you might want to think again. Here's why your estate plan may need to be refreshed.

Most estate plans are old—and potentially outdated

First, some good news: Eight out of ten individuals in one survey by AES Nation* had some sort of estate plan in place.

Here's the less sanguine news: Even if you have an estate plan, you may not be nearly as well prepared as you think you are for transferring wealth according to your wishes. That's because more than half of the estate plans these individuals have in place are more than three years old (see Exhibit 1).



■ Less than three years old ■ Three years old or more

Source: AES Nation, LLC, 2018
n=166 individuals (\$500k + investable assets)

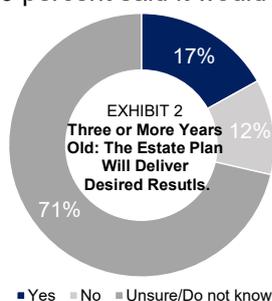
Here's why that's a big deal—one that should raise a red flag that your plan could be outdated:

- Continual changes in tax laws mean that older estate plans may not take full advantage of current opportunities to transfer assets optimally.
- Tax law changes also could mean that some aspects of an older estate plan are no longer effective.
- Changes in your wealth status mean that your estate plan may no longer accurately reflect your financial situation—and your future needs and goals.
- Changes in your personal and family situation may make your estate plan ineffective in accomplishing what you actually want it to do given those changes.

ESTATE PLANNING UNCERTAINTY ABOUNDS FOR MANY

In order to attain the greatest benefits from estate planning, it's a good idea to stay on top of your plan and revise it when appropriate—especially when new events occur that potentially affect your wealth.

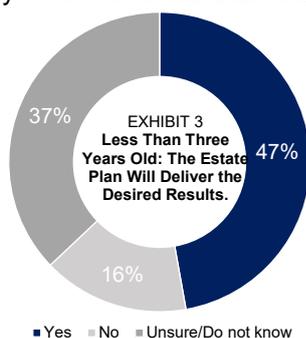
Having an old estate plan can potentially create uncertainty in a key area of managing your wealth. The vast majority of individuals surveyed —71 percent—with estate plans that were three or more years old said they did not know whether their plan would deliver the results they wanted, (see Exhibit 2). Just 17 percent of this group said they were confident their plan would deliver the results they wanted. And a little more than 10 percent said it would *not* perform as desired.



Source: AES Nation, LLC, 2018
n=77 individuals (\$500k + investable assets)

In contrast, an updated plan can potentially provide a sense of confidence. Consider the individuals with plans that were less than three years old: Nearly half said they knew their plan would deliver the results they want (see Exhibit 3). About 16 percent said that their plan needs to be revised because it would not deliver the desired results. Fewer than 40 percent did not know or were unsure about how their plan would perform.

Those results are much better than the results of the group with the older estate plans. For those with newer estate plans 47% said they were confident their plans would deliver the results they wanted compared to only 17% with those that had plans three or more years old.



Source: AES Nation, LLC, 2018
n=89 individuals (\$500k + investable assets)

**The survey is conducted by AES Nation for CEG Worldwide, a global financial research group Private Capital Advisers Pty Ltd subscribes to. This document has been prepared without taking into consideration any of your objectives, financial situation or needs. Therefore, you should carefully consider the appropriateness of the information contained in this document based on your personal circumstances, needs and objectives before acting on it. We strongly recommend you seek personal advice from Private Capital Advisers Pty Ltd and its representatives prior to acting on the information contained in this document. Personal advice is advice that is given after having considered your relevant objectives, financial situation and needs. If you choose to act on this information without first seeking personal advice, you risk making a decision that may result in a financial loss.*