

The Goodman News

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The year of WISDOM

Did you know that 2020 sees us celebrate our amethyst (33 year) anniversary. Amethyst is the stone of 'wisdom', but no matter how wise you are, there is always an opportunity to learn and experience new things. Enter COVID-19!

Needless to say, 2020 has been a challenging year. What started as a health crisis in March became the fastest global share market crash in history. It also led to Australia's first economic recession in 29 years and, by the numbers, our deepest since the Great Depression.



BRAD CHURCH

Chief Executive and
Senior Adviser

A strong foundation

Here at Goodman Private Wealth, we are grateful to be in a strong position. I am pleased to share that we have not received any JobSeeker support from the Federal Government, we have not deferred any financial commitments, and we have not downsized our team. In fact, quite the opposite. During 2020 we have expanded our team to support our strategic plans and the additional work this crisis has created. Hiring people during lockdown and only being able to conduct virtual interviews was one of the more unique experiences of my year! You hear from two new members of our team in this edition of *The Goodman News*.

You can still achieve your goals

We are also proud to have steered our clients through yet another turbulent financial period. This was not our first financial market crash and it will certainly not be our last. During a downturn there is a lot that happens here behind the scenes. Our team works tirelessly to ensure investment portfolios are behaving as we expect. We also revisit every client plan to make sure it remains on track to meet client goals.

When we look you in the eye and say that notwithstanding what is happening in the world right now, you can still achieve your goals, you can have confidence we really do mean it. There is a great article by James Goodman on page four that talks about your goals being the only benchmark that matters.

Our dedicated team

I would like to take a moment to thank and congratulate our dedicated team. What they have accomplished this year, despite the challenging environment, is remarkable. They adapted to the COVID-19 lockdowns and worked from home with commitment. The months of March, April, May, and June were some of the hardest working months I have seen.

This year Goodman Private Wealth was recognised in the ifa Excellence Awards - Client Servicing Company of the Year for the second year running. You can read more about this achievement on page five. I am proud of our team for their dedication and this recognition is well deserved.



Our future success

With 33 years' experience behind us and another year of learning banked, we continue to plan for the long-term. In the years ahead, our strategic plan includes growing our community of clients, deepening our subject matter expertise across all areas of personal finance, and lifting our standard of service to clients.

As a member of our community, you are integral to our future success. Please feel free to share your feedback with us. You should also feel confident introducing your friends, family, and colleagues knowing that they too will be well served.

Wishing you a happy and healthy end to 2020.

Christmas Wishes



On behalf of all the team at Goodmans, our warmest wishes to you and your family this Christmas.

We hope 2021 brings with it renewed enthusiasm to spend more time on those things in life that are important to you.

OFFICE CLOSURE

Our office will close at 12 noon on Thursday 24 December 2020 and reopen at 8:30am on Monday 4 January 2021.

DO I COMPARE FINANCIALLY?



The *Australian Financial Review* recently published its annual Rich List, detailing Australia's 200 wealthiest individuals and families. For those of you who aren't on the list, or who missed it, in 2020 you need to have amassed at least \$540 million. Excluding your yacht.

The Rich List has returned each year for decades, so there must be plenty of interest from readers. Is that consistently strong interest because readers want to see how they compare? I suspect comparison is a key reason.

How do I compare financially?

Over many years of in depth conversations with people about their finances, I've noticed questions on the comparison theme, such as:

- How much do others spend?
- Should I still have a mortgage at my age?
- How much do other people have in super?

Broadly, these questions are asking 'How do I compare financially to my peers or to the population?'

I usually know the technical answer to their question. But, that's not how I respond first up. Here's the response I usually give:

'Be careful about comparing yourself. In the end, it matters much less how you compare to others. What does matter is that you're happy with your own goals and feel like you're on track to achieve them.'

When someone asks me how they compare to others, I understand where they are coming from. It's common to think this way.

The motivation for these questions is rarely born from being competitive. It's not about people wanting to rate themselves on life's financial ladder or wanting to be ahead of their peers. These financial comparison questions reveal something else.

What do these questions really mean?

In my experience, the questions are often born from couples wanting to know more about financial security and what they can afford to do. Are we spending beyond our means? Can we afford to help out the kids? Am I going to run out of money in retirement?

'How much do others spend?' might really mean 'Are we spending more than we can afford?' or 'Can we afford to spend a little more?'

'Should we still have a mortgage?' might be connected to 'Am I on track with my finances – now and for the future?'

'How much do other people have in super?' is probably 'Can I keep living the way I'd like to in retirement?'

These 'higher order' questions can only be answered by understanding the broader financial position, goals, and a range of other factors.

What questions will get you closer to the answer?

For those of you where comparison questions are indeed about financial security, and understanding your options is the real motivation, what are some different questions to ask that might get you closer to the answer?

How much do I/we spend?

Not many people know the answer to this question, but it is vital to every financial plan. If you don't know, find out. There are ways to do so without adding up every coffee and grocery payment for 12 months.

Do I know what my goals are?

Think about everything you need or want to spend money on into the future. Discuss them with your spouse (if you have one) and write them down with dates and dollar amounts. Better still, come into our office and have someone facilitate the exercise in a meaningful way.



Be careful about comparing yourself. In the end, it matters much less how you compare to others.

Does my financial plan actually work?

Is there a set of strategies which, if implemented, mean you'll actually achieve all the goals you've set for yourself? Have we thought about the most likely risks, and ways to mitigate them?

A better focus

So, if you find yourself making a comparison to others, perhaps consider why? For some, a different focus - on your goals and what strategies - might lead to that 'itch better scratched'.

Let me know if you need help with your questions.



JAMES GOODMAN

Senior Adviser



GOODMANS RECOGNISED FOR EXCELLENCE IN CLIENT SERVICE

We are proud to be named as a finalist in the ifa Excellence Awards 2020 for Client Servicing Company of the Year for the second year running.

We have a long-held vision to be the leading private wealth advisers to successful individuals and families. This recognition is independent evidence that we are on the right track. It is also a reminder of how far we have come and how much work our team has put in.

Our purpose is 'to have a significantly positive impact on the lives of our clients, their families and the community'. We understand the important role we play, so customer service means far more than surface level initiatives like warm greetings or knowing coffee orders. While those things need to happen, for us, high level customer service is about ensuring our impact is always significantly positive. We congratulate our team for the valuable contributions they have made to our clients' lives.

The ifa Excellence Awards showcase the industry's most prestigious accolades recognising excellence across the entire independent financial services industry. The awards pinpoint professional development and innovation, showcasing both the individuals and firms which are leading the way in the industry.



NEW ARRIVAL

Jacqui Cavanough and her husband Simon welcomed the arrival of their first child, Emma on 27 August 2020 weighing 7 pounds 4 ounces. Our very best wishes go to Jacqui and Simon.

Is your estate planning *appropriate?*

I am often asked 'What is estate planning?' For me, estate planning is about passing appropriate assets to the appropriate people at the appropriate time. In many cases, that means passing assets (or knowledge or values) to the next generation during a client's lifetime. For many people, it will not be 'appropriate' to wait until their death before determining what assistance or benefit they should provide to their children and grandchildren or what charitable objectives they might wish to achieve.

Who are the appropriate people?

When we are talking about the appropriate people, we are generally talking about the desire to benefit your spouse, children, or grandchildren. It is generally not the intention to benefit creditors, the tax office, former spouses, or indeed lawyers (who tend to be the only ones to benefit when an estate plan goes awry and the inevitable disputes follow).

When is the appropriate time?

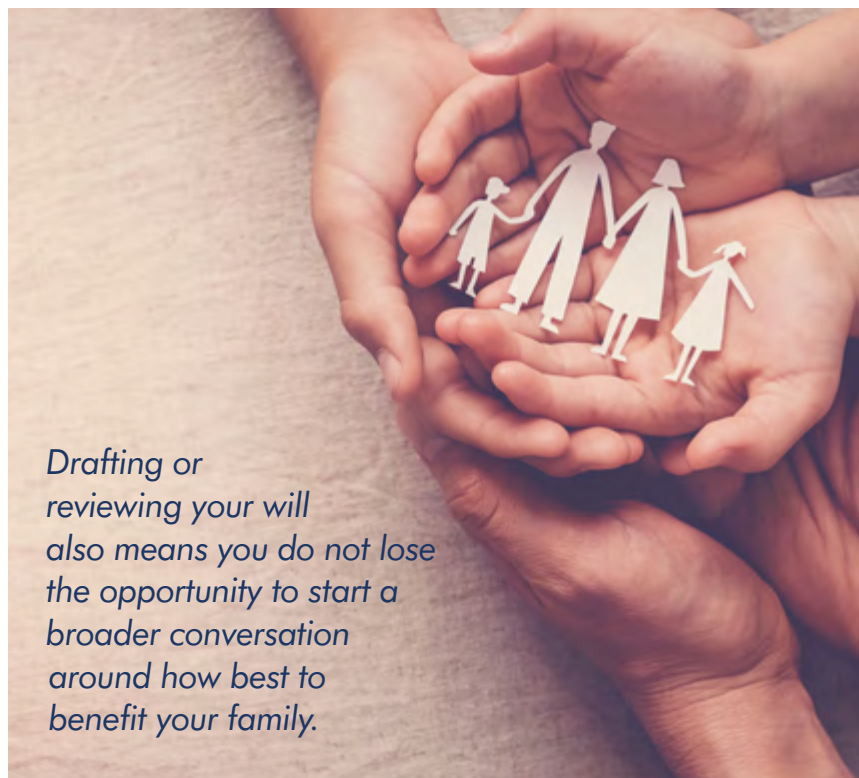
The appropriate time might depend on the immediate cash needs of beneficiaries, whether those beneficiaries are exposed to relationship or business risk, and whether those beneficiaries are spendthrifts or simply too immature to make sensible financial decisions. In many cases, it may well be that the use of testamentary trusts is appropriate to provide a level of asset protection and tax planning for the intended beneficiaries.

Your will and other documents

Of course, preparing a will and associated legal documents is an essential part of any estate plan. Having a will not only prevents you from dying intestate (and that does not mean you die in New South Wales!), it also means you will not lose the valuable opportunity to put the appropriate people in charge of administering your estate or raising your infant children or taking control of your family business.

Drafting or reviewing your will also means you do not lose the opportunity to start a broader conversation around how best to benefit your family. That conversation often leads to the realisation that your children would be much better off receiving some assistance (financial and non-financial) while they are younger and in need of assistance rather than waiting until they are in their 60s or 70s to receive an inheritance. It also means those conversations might see you realise that you would like to see some of your charitable objectives implemented during your lifetime so you can observe and enjoy the outcome of your charitable intentions (and it often provides a more tax effective result as a side benefit).

These conversations might also lead to you preparing a letter of wishes addressed to your children, grandchildren, trustees,



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and executors where you might document some of the values by which you have lived your life and by which you hope future generations will live theirs. These documents are also an opportunity for you to pass on some valuable information and knowledge to the next generation about how you recommend they manage their inherited assets or benefit from your business and to express some of the hopes and aspirations you might have for your family members.

It is also often the case that these discussions around estate planning identify the need for the proverbial 'grease and oil change' for your trust deeds, enduring powers of attorney, and other related documentation. It is also a useful exercise to identify what assets might form part of your estate. For example, estate assets might include your shareholdings in a company, your interest in a partnership, or loans or unpaid

present entitlements owing to you by your family trust. However, they will not include assets owned as a joint tenant, held in a trust, or owned by a company, or superannuation benefits and life insurance proceeds paid directly to beneficiaries. How to best deal with those non-estate assets needs to be carefully considered as part of your broader estate plan.

Life planning

As you might already have come to understand, appropriate estate planning is much more than just making a will. Appropriate estate planning is really about life planning and it is often the impetus for much broader family discussions.

Benjamin Franklin famously said, 'In this world nothing is certain but death and taxes'. However, death or tax should not be the only drivers for you in starting a conversation about how best to benefit and assist your family and those who are nearest and dearest

to you. Perhaps that assistance could or should come a little sooner than you might otherwise have thought appropriate.

SCOTT WHITLA

Partner, Equity & Private Client
McCullough Roberston

Scott Whitla is an accredited specialist in succession law, specialising in all aspects of succession planning, estate administration, and estate and trust litigation. Scott leads McCullough Roberston's Equity & Private Client team and is independently recognised as an industry leader in trusts and estates by Best Lawyers and Doyle's Guide. Scott's clients include high-net worth individuals, accountants, financial advisers, and other legal firms and their clients. Scott is also a nationally accredited mediator and has tertiary qualifications in law, economics, and commerce.

A few words from our new team members

Nicki Coffill

Joining Goodman Private Wealth six months ago at the height of the COVID-19 lockdown, I embraced the challenge of learning a new role remotely with support and guidance from the team. I am enjoying interacting with and meeting our clients as I take on the role of Administration Manager while Jacqui Cavanough is on maternity leave.

My previous roles include executive assistant to the CEO at the Chamber of Commerce and Industry Queensland and personal assistant to two partners at BDO Brisbane. These high demand roles well prepared me for my transition to Goodmans where I will continue my professional and inclusive approach to teamwork, maintaining deadlines, and meeting project deliverables.

Directly before joining Goodmans, my partner and I travelled around South America for three months, from Chile, Peru, and Ecuador, to Colombia, Brazil, Argentina, and Uruguay. The standout for me was Patagonia, particularly the Perito Moreno Glacier and the Torres del Paine National Park. Once you've heard a glacier you never forget it!

I look forward to meeting more clients face-to-face as we embrace the 'new normal'.



NICKI COFFILL

Administration Manager

Jacob Grima

In my role as Paraplanner and Portfolio Administrator, I bring my technical and professional skills and experience to ensure our clients receive comprehensive planning advice and thorough implementation.

Goodmans welcomed me with open arms when I joined the firm six months ago and I am enjoying working in the strong team environment. I have a passion for delivering exemplary client service no matter how large or small the task. I particularly appreciate the robust professional framework Goodmans provides which means I can continue to build my professional and client management capabilities to better serve our clients.

I am currently studying a Graduate Diploma of Financial Planning having completed a Bachelor of Commerce majoring in finance and data analytics at Bond university.



JACOB GRIMA

Paraplanner and
Portfolio Administrator

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