



## A lifetime's work, a lifetime's wealth

Most of us work hard all our lives to accumulate wealth for our families and ourselves. Many people, perhaps with a financial planner's help, devote time and effort to managing their finances, saving money, making investments, and accumulating assets.

Yet sadly, many people neglect to make the right arrangements so that when they die or become unable to manage their own affairs their accumulated lifetime's wealth goes to the right people at the right time.

While having a valid and up-to-date will is the principal element, there is far more to estate planning than just preparing a will. The first step is to get professional help from a suitably qualified financial planner.

### What is estate planning?

Estate planning is the process of deciding and formalising, while you're still alive and healthy, how you want to be looked after if you became unable to manage your own financial affairs, and what you would like to happen to your assets when you die.

Documents such as wills, powers-of-attorney, and insurance and superannuation beneficiary nominations are components of the estate planning process – but in isolation, they don't form an effective, structured estate management plan.



### Who needs an estate management plan?

Estate management is a complex area, where the emotional turmoil of the loss of a partner or close family member might be exacerbated by financial and legal problems.

Even if your financial affairs are relatively straightforward, you still need an estate management plan. If you have significant multiple assets and a complex family structure (for example if you've been married more than once, or have step-children, or have vulnerable family members who need special care), or if you own a business, then putting a plan in place is more important.

If you die without a will or if your will is contested, then the cost of subsequent legal fees in settling disputes about the distribution of assets can erode those very assets to the point, sometimes, when there is virtually nothing left to argue about. All that remains is acrimony and divisiveness among family members.

Who wants that scenario to be their legacy?

### What are the main benefits of an estate management plan?

Above all, a professionally prepared estate plan gives you peace of mind. It lets you:

- Choose someone to act on your behalf if you become incapacitated
- Protect the interests of loved ones with special needs, young children or vulnerable family members
- Protect your assets and take advantage of tax benefits, by using trusts and other ownership structures
- Protect the inheritance you leave to your children from future claims from business creditors or in the event of future relationship breakdowns
- Stipulate how and to whom you'd like your business interests transferred

# May Federal Budget Update Seminars



Ed Rihari, from the South Perth office and Murdo McLeod from Newcastle ran Federal Budget updates for their clients in May. The host for the events was Fiducian's Senior Technical Manager, Richard Press who discussed some of the key changes from the budget and the potential impact for our clients.



# Westfield merges with Unibail-Rodamco

Stuart Cartledge, Managing Director, Phoenix Portfolios, an underlying fund manager for the Fiducian Property Securities Fund

By any measure, Westfield has been a very successful investment story. Had you been able to invest \$1,000 into Westfield back in 1960, that stake would today be worth more than \$400 million. This article focuses on the culmination of over 50 years of company building transactions with the merger of Westfield into Unibail-Rodamco – one of the largest corporate transactions in Australian history.

On 12 December 2017, a proposal was made by European listed Unibail-Rodamco to merge with Westfield Corporation to create, in their words, “the world’s premier developer and operator of flagship shopping destinations”. Given the complexity and magnitude of the transaction, with Westfield shareholders being offered a combination of cash (in US dollars) and Unibail-Rodamco stock (supported by assets valued in Euros), the process has unfolded remarkably smoothly. The deal has always had the unanimous support of the Westfield board, including non-executive chairman and Westfield co-founder, Sir Frank Lowy. Following the smart money has tended to be a wise choice for investors in the past.

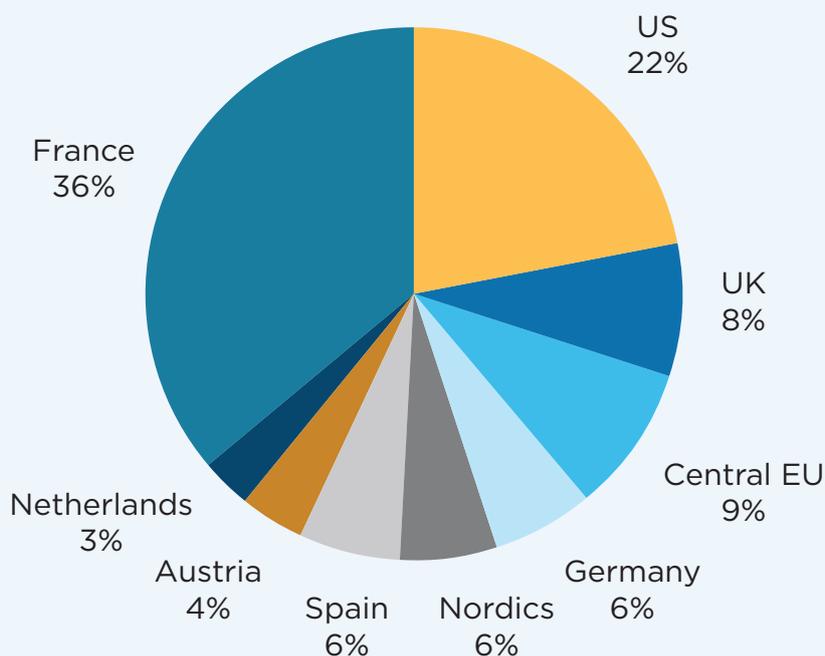
By June 2018 the transaction was completed with the support of over 97% of Westfield investors and, along with it, the landscape of global shopping centre ownership has materially changed. Westfield has developed and owned some of the largest shopping centres in the US and UK. Westfield also delivers to the merged entity a large scale,

internal property management and development team. French-based Unibail-Rodamco owns and operates real estate across continental Europe, with the vast majority of its portfolio made up of shopping centres. The new merged entity will seek to leverage the best of both companies to become the ‘premier’ operator globally. Both companies have followed a similar strategy over recent years which has seen disposals of lower quality assets with proceeds used to fund the development of flagship assets to meet the future demand of retailers and shoppers.

Westfield carries out its own design and construction for development activities and, over time, has built a strong record. Furthermore, Westfield earns fees from development management on behalf of joint venture partners. In contrast, Unibail-Rodamco outsources design and construction for its developments, using fixed price contracts to the maximum extent possible. We expect the internal development capability that Westfield brings to the merged entity to make a valuable contribution, particularly given the €13billion of potential development projects in the pipeline.

In conclusion, we believe that this merger will create a strong business and position the combined group very well for the future. Moving forward, the shopping centre industry faces multiple challenges, particularly from disruptive online activities. However, we consider a well-managed and multi-jurisdictional portfolio of flagship assets will continue to be beneficial for investors.

**The chart below shows the split of assets of the merged entity (Source: Company data, May 2018):**



# Be in it to win it!



**Happy Fiducian clients from SA who recently won a \$250 gift voucher for completing their client survey questionnaire.**



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