



WHY A TRUST? WHY THIS TRUST?

Trusts are created every day. Some trusts are merely transfers of financial assets. They lack positive emotional energy. If trusts are designed and drafted to be restrictive and controlling, they are grounded in negativity. If trusts are primarily designed to protect and manage, they will likely reflect a mixture of negative and positive emotions. To be a true gift, a trust should flow from positive emotional energy. It should reflect the love of the trust creator and his or her hope for the positive impact this gift will be in the lives of the beneficiaries.

How do we bring positive emotional energy into the design and drafting of a trust. It starts with the Whys. Why are you creating a trust? What are your heartfelt hopes and dreams for what your trust will accomplish? Most trust makers never understand what the possibilities are for creating a Gift rather than a Transfer. This exercise is intended to help you catch the vision of what is possible and to capture those Whys.

If we fail to explain the Whys behind the creation of a trust its beneficiaries may be left to wonder, "Didn't he/she trust me?" "Did they think I'd blow it?" "What's more important—the money or my well-being?" These questions haunt far too many beneficiaries who struggle to see the positive side of their trust. For a fortunate few, their trusts were drafted to enhance their lives and encourage them to reach their full human potential. These are the trusts we call Purposeful Trusts™.

"As you seek to understand the world of trusts you will come to realize that the universe of trust purposes is nearly boundless. It is up to each trust creator to decide what matters most; what it is they want to accomplish and what the impact of their trust will be. The thoughtful Trust Creator wants to understand why other people have created trusts. That perspective opens up vistas for what the possible influence and outcomes of our trust might be. However, each trust is as unique as its creator. We must make sure the illuminating light of our vision and purposes is captured in our Purposeful Trust™. Otherwise, it could be virtually anyone's trust.

There is one thing which a Trust Creator must never forget to do. The one thing which every Trust Creator must do is to reflect on two questions: (1) Why a Trust? and (2) What kind of trust would I want if someone were creating a trust for me? These are the golden rules of trust creation. If you ignore everything else, but do this, then you will know your gift will be both positive and purposeful. If you put all sorts of other bells and whistles in your trust, but neglect to reflect carefully about your hopes and dreams for what you will leave your family your trust will not be Purposeful." JOHN A. WARNICK, FOUNDER OF THE PURPOSEFUL PLANNING INSTITUTE

INSTRUCTIONS: There are three steps to this “**Why a Trust? Why This Trust? Purposeful Visioning Exercise**.” You will probably spend a total of 45 minutes to an hour in completing the exercise. Start by spending 10 to 15 minutes familiarizing yourself with the universe of possible trust purposes below. Circle each of the purposes which you feel, in small or significant part, is part of the hopes and dreams you have for what might be accomplished with your Purposeful Trust™. Next place a star next to what you feel are the five most important purposes you have circled. Now here is the third and really important part of this visioning exercise. Pretend for a moment that the Federal Government enacted a law which said your trust can only have one purpose, which one purpose would you select? Place five stars next to it and then on the following page make notes of why that purpose is so important to you. What do you hope it would mean to the beneficiaries of your trust? Is there a story in your life experience, or perhaps something you have observed or heard from others, which speaks to how important that purpose is to you? After you do this select the next most important purpose—marking it with four stars--and repeat the exercise with that purpose until you have identified the WHY behind each of the five purposes you feel really strongly about. If there are more than five, and you are inclined to do so, keep going on a separate sheet of paper.

WHY A TRUST? WHY THIS TRUST?

HERE ARE PURPOSES WHICH WE HAVE SEEN OTHERS PROVIDE FOR THEIR “WHY”

WHICH ARE YOUR WHYS?

- | | |
|---|--|
| <ul style="list-style-type: none"> Financial Security Transfer Tax Minimization or Avoidance Enhance the Health, Physical and Emotional Well-Being of the Beneficiaries Provide Educational Opportunities Gift of Guidance and Wisdom Expression of Love for My Family rather than just a mere Transfer of Money/Wealth Preservation of Wealth or Specific Assets Gift(s) of Family Heirlooms Provide a Better Life Than We Enjoyed Asset Protection -- Protection Against “Legal Predators” Promote Family Harmony and/or Togetherness Protect My Assets Against the Ramon/Ramona Factor Legacy – Honor Our Family’s Heritage & Roots Encourage Charitable Service and Philanthropy Develop a Stewardship Mindset | <ul style="list-style-type: none"> A Vehicle to Pass More Than Money to My Heirs – Gift of Values and Life Wisdom Help My Family Acquire Financial Planning and Life Management Skills Sound Investment Management Thoughtful Safeguards on How the Trust Is Used Mentoring or Coaching My Heirs for both the Wealth Reception and Success in Life Provide Opportunities for My Heirs to Become All They Are Capable of Being Encourage Initiative and Self-Reliance Create a Family Bank and/or Encourage Entrepreneurship Provide Funds for Acquiring a Home or Starting or Expanding a Business Disinherit Specific Individuals Positively Influence Career, Lifestyle or Relationship Choices Prevent or Proscribe Certain Investment Choices Protect Against Impairment or Addiction |
| <p>Are There Other Purposes You Have Thought of That Aren’t Listed Above – List Them Below:</p> | |



On this sheet, number and rank the trust purposes you circled and provide a short statement of why this is so important to you.

Purpose #1 – My Most Important Purpose:

Why is this so important to me (us)? Is there a story or experience in your life or the life of another which illustrates why this matters so much to you? _____

Purpose #2 – My Second Most Important Purpose:

Why is this so important to me (us)? Is there a story or experience in your life or the life of another which illustrates why this matters so much to you? _____

Purpose #3 – My Third Most Important Purpose:

Why is this so important to me (us)? Is there a story or experience in your life or the life of another which illustrates why this matters so much to you? _____

Purpose #4 – My Fourth Most Important Purpose:

Why is this so important to me (us)? Is there a story or experience in your life or the life of another which illustrates why this matters so much to you? _____

Purpose #5 – My Fifth Most Important Purpose:

Why is this so important to me (us)? Is there a story or experience in your life or the life of another which illustrates why this matters so much to you? _____
