LGT FINANCIAL ADVISORS LLC

TRUST. CONFIDENCE. EXPERIENCE.

A COMPREHENSIVE GUIDE

The 2026 comprehensive *legacy planning* guide

Transforming personal wealth, business success, and family values into a lasting legacy.

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FOREWORD

A blueprint for the *legacy you are building.*

For successful families and business owners, wealth often begins with achievement; a company built, a career maximized, an investment appreciated, or a family enterprise grown over time. However, a lasting legacy requires more than accumulation; it requires structure, communication, tax awareness, thoughtful leadership, and the humility to prepare before transition becomes urgent.

The most prepared families do not wait until a business sale, estate tax event, death, or family conflict to begin planning. A long-term framework is designed to protect the people they love, preserve the assets they have accumulated, and prepare future generations to inherit not only wealth, but responsibility.

Legacy is not built with one document, one transaction, or one tax strategy; it is strategically executed through a series of intentional decisions for growth, protection, governance, gifting, and preparation for future generations.

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APPENDIX

THE PREMISE

Why every successful family needs a *blueprint.*

Imagine constructing a beautiful estate without architectural plans.

The materials may be excellent, the craftsmanship may be strong, and the vision may be meaningful, but without a blueprint the building process would take exorbitantly longer, and the finished product would deteriorate much more quickly.

The same principle applies to family wealth. Legacy planning is not about control from the grave. It is about reducing confusion, protecting relationships, and giving the people you love a clear path when they may be facing one of the hardest moments of their lives.

A COMPREHENSIVE PLAN ALIGNS

- Family values
- Documented intentions
- Tax strategy
- Business succession
- Portfolio management
- Charitable intent
- Education planning
- Risk management
- Family governance
- Next-generation preparation

WITHOUT AN INTEGRATED PLAN, FAMILIES MAY HAVE

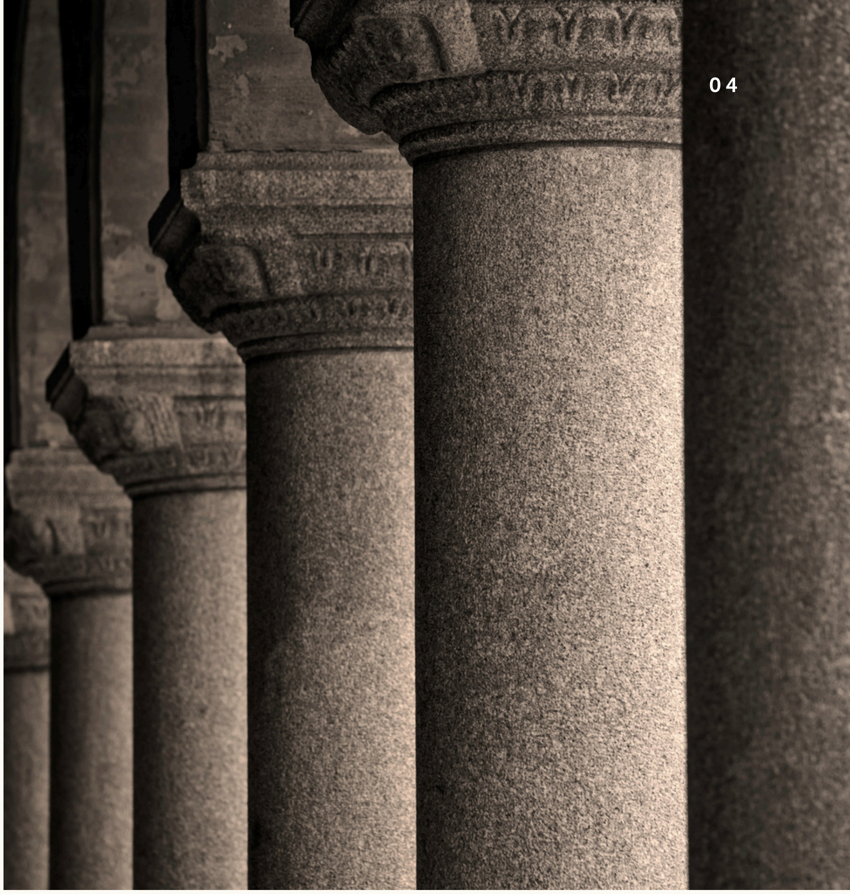
- Outdated estate directives
- Concentrated business or company stock exposure
- Charitable intent that is not structured efficiently
- Unfunded or outdated trusts
- No liquidity plan for estate taxes or family obligations
- Education goals that are funded inconsistently
- Beneficiary designations that override the intended plan
- Children who inherit assets without preparation
- Succession plans that are assumed, but not documented

The strongest legacy plans are proactive, integrated, and deeply personal.

THE FRAMEWORK

The Eight *Core* Pillars.

A strong legacy plan integrates every major part of your financial life into one coordinated strategy.



I **Defining Your Legacy**
Wealth should be connected to purpose, not simply preservation.

II **Family Governance**
The next generation should be prepared before they inherit responsibility.

III **Estate Documents & Designations**
A plan should clearly name who acts, who receives, and how decisions are made.

IV **Trust Planning**
Trusts can provide control, asset protection, privacy, and long-term flexibility.

V **Business Succession**
Ownership transitions eventually; the question is whether it transitions by design.

VI **Tax Strategy**
Estate, gift, income, and generation-skipping planning should be coordinated before transfer events.

VII **Education Provisions**
Funding education can transfer opportunity, values, and support during life.

VIII **Philanthropic Initiatives**
Charitable giving can align tax strategy with family purpose and community impact.

I

THE EIGHT PILLARS

Define Your Legacy

Purpose begins with clarity.

Passing wealth to the next generation involves many choices about what to transfer and when. The intention and purpose should drive every one of them. Using time now to clearly convey why the various strategies and outlets are utilized can have a lasting impact on your legacy. The emphasis in this process should be on transferring not only assets, but also the values that helped create the wealth.

DRIVING INFLUENCES BEHIND FAMILY DECISIONS

- Maintaining lifestyle for a surviving spouse
- Protecting children from mismanagement, divorce, creditors, or entitlement
- Funding education for children and grandchildren
- Supporting charitable causes
- Preserving a family business
- Equalizing inheritances among children
- Providing liquidity for estate taxes
- Preparing heirs to steward wealth responsibly
- Maintaining privacy
- Reducing family conflict

QUESTIONS TO ASK

1) What does financial security mean for our family?
2) What values should our wealth reinforce?
3) What behaviors do we want to encourage or discourage?
4) How much is enough for each generation?
5) What should remain private, and what should be discussed openly?
6) What would create peace of mind for the surviving spouse?
7) What would create tension among children if left unaddressed?

> Estate planning answers *who receives what, when, and how*.
>
> Legacy planning goes deeper: *why does this wealth exist, what should it support, and how should future generations be prepared to receive it?*

"Wealth should be connected to purpose, not simply preservation."

THE EIGHT PILLARS

II

Family Governance & Stewardship

The next generation should not meet the family plan for the first time during a crisis.

Family governance helps prepare the people in charge to shepherd the legacy of those before them. For most families the greatest threat to their legacy may not be market volatility or tax law — rather it can be silence, confusion, entitlement, or unprepared heirs.

AREAS OF FOCUS

Family Mission Statement

Clarifies what the family's wealth is meant to support.

Family Meetings

Create a recurring forum for communication, education, philanthropy, and shared decision-making. Include the appropriate advisors to ensure a uniform, clear voice.

Next-Generation Education

May include financial literacy, investment basics, philanthropy, taxes, estate planning, family history, and responsible ownership.

Family Employment Policy

Should be utilized when a family business exists, to ensure the next leaders are fit to serve rather than simply placed into positions.

Distribution Philosophy

Clarifies when heirs receive support, how much, and for what purposes.

Philanthropic Involvement

Allows younger generations to practice decision-making before managing personal inheritance.

Governance Documents

May include family constitutions, trust letters, investment policy statements, charitable mission statements, and succession frameworks.

The long-term goal is to inform the next generation enough, at the right times, in the right way, so they are prepared rather than surprised.

"A legacy plan is incomplete if it transfers assets but fails to prepare the people who will receive them."

III

THE EIGHT PILLARS

Estate Documents & Designations

Before advanced planning comes basic control.

A strong legacy plan should begin with the legal instruments that allow trusted people to act during incapacity and transfer assets efficiently after death. There are five foundational documents that should be implemented and regularly reviewed as the family grows and changes.

THE FIVE FOUNDATIONAL DOCUMENTS

Durable Power of Attorney

Designates a trusted person to manage financial and other affairs if the individual becomes incapacitated.

Advance Directives

May include a living will, health care proxy, and DNR instructions, depending on the family's wishes and state law.

Will

Names an executor, directs probate assets, names guardians for minor children, and coordinates with other estate planning documents.

Revocable Trust

Can help avoid probate, maintain privacy, manage assets during incapacity, and direct asset distribution after death.

Letter of Instruction

A non-legal but deeply valuable family roadmap that may include advisor contacts, asset locations, passwords, burial wishes, personal messages, and family values.

While not a binding legal document, the letter of instruction may be the document your heirs appreciate most. It does not transfer assets or reduce taxes, but it can reduce fear, confusion, and unnecessary conflict during an emotionally difficult time.

COMMON PLANNING GAPS

- Outdated executor or trustee appointments
- Insufficient marital protections
- Trust exists but is unfunded
- Assets titled inconsistently
- Beneficiary designations do not match the estate plan
- No incapacity planning
- No centralized document location
- No family communication plan

"A plan should clearly name who acts, who receives, and how decisions are made."

IV

THE EIGHT PILLARS

Trust Planning

The tools to help protect, preserve, and pass on wealth.

TRUSTS CAN HELP FAMILIES ANSWER DIFFICULT QUESTIONS

- Who should manage assets?
- What happens if a beneficiary divorces?
- Equal amounts, or customized support?
- Who has discretion when life changes?
- When should beneficiaries receive funds?
- How should assets be protected from creditors?
- How should business interests be handled?

OPTIONS AVAILABLE WHEN DESIGNING YOUR PLAN

Revocable Living Trust

Best for probate avoidance, incapacity planning, privacy, and administrative continuity.

Dynasty Trust

Designed to preserve assets for multiple generations, often using generation-skipping planning.

Education Trust

Can provide customized support for children and grandchildren beyond traditional 529 planning.

Charitable Trusts

Charitable remainder trusts (CRT) and charitable lead trusts (CLT) may integrate philanthropy with income, tax, and estate planning.

Irrevocable Trust

Best for asset protection, estate tax reduction, and long-term wealth transfer, but limits flexibility.

Spousal Lifetime Access Trust (SLAT)

Useful for married couples seeking estate tax planning with indirect access.

Special Needs Trust

Can support a beneficiary with disabilities without jeopardizing public benefits.

Irrevocable Life Insurance Trust (ILIT)

Can hold life insurance outside the taxable estate if properly structured.

> *A large decision when designing trusts is trustee selection. A team of advisors can help select the correct trustee(s), advise on the potential use of a corporate trustee, and on the use of a trust protector during implementation of your plan.*

"A trust is only as strong as its design, funding, and administration."

V

THE EIGHT PILLARS

Business Succession

The strongest transitions are planned well in advance.

Every business owner will eventually exit through retirement, sale, succession, or unforeseen circumstances, and earlier planning typically creates more options. Legacy planning and succession planning are inseparable.

TYPICAL SUCCESSION PATHS

- Third-party sale
- Family succession
- Management buyout
- Employee buyout
- ESOP
- Private equity recapitalization
- Gradual ownership transfer
- Sale to strategic acquirer
- Wind-down or liquidation

TOOLS A TRUSTED ADVISOR CAN APPLY

- Buy-sell agreements
- Business valuations
- Recapitalizations
- Family limited partnerships
- Grantor trusts & spousal trusts
- Installment sales
- Life insurance & key-person insurance
- Governance documents
- Outside board or advisory council

LEGACY QUESTIONS FOR OWNERS

1) *Is the business meant to be sold, preserved, or transitioned?*
2) *Should active and inactive children inherit equally?*
3) *Does the operating agreement match the estate plan?*
4) *How is business value determined?*
5) *Are your children capable of owning, managing, both, or neither?*
6) *How will estate taxes be paid if most wealth is tied to the business?*
7) *Is there a buy-sell agreement?*
8) *What happens if the owner dies unexpectedly?*

"Equal is not always equitable. A strong plan separates ownership, management, income, and family fairness."

VI

THE EIGHT PILLARS

Tax Strategy

Tax laws create planning windows, while families create the purpose.

2026 FEDERAL EXCLUSION

$15 million

Estate and gift tax basic exclusion amount per individual; up to $30 million combined for married couples, assuming proper planning and portability where applicable.

ANNUAL GIFT EXCLUSION

$19,000

Per recipient. Lifetime gifting decisions should be coordinated with liquidity, lifestyle, income tax basis, asset selection, and family readiness.

TRANSFER STRATEGIES TO COORDINATE

Annual Exclusion Gifting
Useful for regular, simple transfers to children, grandchildren, trusts, or 529 plans.

Lifetime Exemption Gifts
Potentially valuable for families with appreciating assets, business interests, or estate tax exposure.

Grantor Trust Planning
May allow assets to grow outside the taxable estate while the grantor pays income taxes.

Spousal Lifetime Access Trust (SLAT)
May move assets out of the estate while preserving indirect access through the beneficiary spouse.

Grantor Retained Annuity Trust (GRAT)
May transfer appreciation above the IRS hurdle rate to heirs with limited gift tax cost.

Qualified Personal Residence Trust (QPRT)
May transfer a residence at a reduced gift value while retaining use for a term of years.

WHAT SHOULD FAMILIES GIFT FIRST?

- Closely held business interests
- Discountable family entity interests
- Pre-liquidity event equity
- Concentrated stock positions
- Real estate
- Private investments

Large gifts should not be made solely to reduce estate taxes. Families must preserve enough liquidity, independence, and control to maintain financial security.

THE EIGHT PILLARS

VII

Education Provisions

Creating future opportunities now.

For many families, education planning is one of the most meaningful forms of legacy planning, because it allows parents and grandparents to help the next generation while they are alive to see the impact. In recent years the tools to save specifically for education have been refined, but there are still decisions to be made that can impact outcomes.

FUNDING VEHICLES

529 Plans

Offer tax-deferred growth and tax-free withdrawals for qualified education expenses, which can include tuition, fees, books, certain room and board, and other qualified costs.

Direct Tuition Payments

Grandparents may pay tuition directly to an institution without the payment being treated as a taxable gift, though the exclusion generally applies to tuition only.

Taxable Brokerage Accounts

More flexible, but without the education-specific tax benefits.

Education Trusts

Useful when families want broader discretion, multi-generational education funding, or control beyond traditional 529 limitations.

UTMA / UGMA Accounts

Simple custodial accounts intended for general saving, not education-specific; the child eventually receives legal control.

529-to-Roth IRA Rollovers

Under SECURE 2.0, certain unused 529 funds may be rolled to a Roth IRA for the beneficiary, subject to a $35,000 lifetime limit, annual Roth contribution limits, and a 15-year account age requirement.

AN EDUCATION TRUST MAY DEFINE EDUCATION BROADLY

- Private K–12
- College
- Graduate school
- Trade school
- Professional certifications
- Study abroad
- Tutoring
- Educational travel
- Specialized educational support

"For many families the right answer is not either/or, it is 529 plans for core costs, and other vehicles for long-term family purpose."

VIII

THE EIGHT PILLARS

Philanthropic Initiatives

Intentionally providing for causes that matter.

Philanthropy is not simply a tax strategy — it is a way to express values, involve children and grandchildren, and create a shared family mission. Intentional giving creates a healthy environment for discussing values and responsibilities, and a space for next-generation family members to begin their education about the underlying drivers of your legacy.

GIVING VEHICLES

Donor-Advised Fund (DAF)

Allows a donor to make an irrevocable charitable contribution, potentially receive a current-year deduction, invest the assets, and recommend grants over time. A DAF can be front-loaded in a high-income year and may serve as a lower-cost alternative to a private foundation.

Charitable Remainder Trust (CRT)

May provide income to the donor or family members for a term, with the remainder passing to charity.

Qualified Charitable Distributions

For older IRA owners, QCDs may support charitable giving while reducing taxable IRA distributions.

Private Foundation

May be appropriate for high-net-wealth families seeking control, family involvement, grantmaking identity, board participation, and long-term philanthropic governance. Multi-generational involvement is critical to its success.

Charitable Lead Trust (CLT)

May provide income to charity for a period, with remaining assets passing to family members.

> *Philanthropy can become the family meeting everyone wants to attend — a space for values, responsibility, gratitude, and shared decision-making before heirs inherit larger wealth.*

A DAF MAY BE BETTER WHEN

- Simplicity matters
- Lower administration is preferred
- Privacy is important
- No formal grantmaking entity is needed
- The donor wants to "bunch" deductions

A PRIVATE FOUNDATION MAY BE BETTER WHEN

- Family governance is a primary goal
- The family wants a named charitable institution
- The family wants greater control over grantmaking
- The scale of giving justifies complexity

WORKING TOGETHER

Working with *LGT Financial Advisors*

WHAT WE DO

Comprehensive services, in one place

01

Investment Management

Asset allocation, portfolio construction, and ongoing rebalancing aligned to your goals.

02

Retirement Planning

Income source review, withdrawal strategies, and Social Security analysis.

03

Legacy Planning

Wills, trusts, gifting strategies, and generational wealth transfer.

04

Protection Planning

Insurance needs analysis, risk management, and long-term care planning.

05

Cash Flow Planning

Spending goals, debt management, and large-expense preparation.

06

Tax Planning

Tax-aware investing, loss harvesting, and Roth conversion strategy.

HOW WE DO IT

A 3-step roadmap to your financial plan

1

Discover & Analyze

We discover your personal and financial needs and goals, then analyze and translate the facts into a clear picture of your potential.

2

Develop & Deliver

We develop detailed financial plans and deliver holistic, personalized recommendations under the fiduciary standard.

3

Monitor & Adjust

We implement optimal recommendations, then monitor, adjust, and further forge the relationship throughout the year.

HOW YOU CAN WORK WITH US

Fee-only fiduciaries

ONGOING

Continuously revisiting your plan throughout the year.

EXTENSIVE

Comprehensive services achieving all your goals in one place.

EXCLUSIVE

Plans tailored to fit your personal life events.

CLOSING

Transfer more than assets...transfer *the values that built them.*

The strongest legacy plans are proactive, integrated, and deeply personal. By clarifying purpose, preparing heirs, coordinating tax and trust strategy, documenting succession, and giving intentionally, you protect both the wealth you have built and the people who will inherit it.

SPEAK WITH AN ADVISOR

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