

# Letter of Engagement & Investment Policy Statement

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For: \_\_\_\_\_

Our clients are our partners. We share the responsibility for your success and work collaboratively to achieve it. This agreement outlines our commitment to you, as well as what we need from you to honour it. You are required to sign this document once you've read it and understood the terms fully.

## FINANCIAL PLANNING

Simply put, financial planning is the roadmap leading to your goals and dreams. Together, we'll design the roadmap; keep you on course; and help you navigate life's unexpected detours.

Following the introductory meeting, our collaboration begins with a thorough financial planning exercise. At that time, we will conduct a fact-finding interview to gather the data necessary to perform an analysis of your personal situation.

Once complete, we will present all your options, as well as the pros and cons of each one, and we will continue to do so annually throughout the course of our partnership. As a result, you'll be empowered to make informed financial decisions at every turn.

We follow the Financial Planning Standards Council code of ethics and practice the Association's six (6) step financial planning process:

- Client interview
- Gather data
- Analyze data
- Plan formulation and recommendations
- Plan implementation
- Monitor and review Plan

## PORTFOLIO REVIEWS

Clients are required to attend a financial assessment and portfolio review at least once a year. Clients with investments over \$500,000 are encouraged to see us twice a year.

Reviews keep us abreast of your evolving circumstances so that we can continually optimize your opportunities. They also ensure that you're kept fully informed on any changes that could affect your financial future.

This can be done at our offices, by phone, or over Skype.

Investment clients will receive an annual performance report along with our planning review. Clients will also be provided with a login and password to access their account online at any time. In addition, all clients are welcome to make appointments or contact us, as needed, and without charge.

## RANGE OF SERVICES

One quick search and you can find reams of information on financial planning. Google provides a wealth of data from a world of resources. But here's what it doesn't provide: the knowledge, analytical skills and vision to use that information wisely and protect your financial future.

Our advice will result in more money saved and more money earned.

In fact, even other advisors don't provide the depth we do. Though our fees are standard, our value is beyond comparison. The degree of our customized advice is highly unusual. We also stay on top of your life stages and are available whenever you need us. In addition, our range of services is remarkable. We provide or facilitate all the following:

- Financial Planning
- Investment planning including all types of investments, RRSPs, TFSA, RESP etc. within Mutual Funds, Segregated funds, GICs, Guaranteed Linked Notes, and High interests savings accounts.
- Stocks and bonds through referral arrangement between FundEX Investments Inc. and our trading partner National Bank.
- Retirement planning
- Tax planning & income tax returns preparation
- Estate planning
- Life & disability insurance, Long-Term Care Benefit
- Employee benefits, pension plans, Group RRSPs and Health & Dental plans
- Referrals to Mortgage specialists, Lawyers and Notaries.

### **FINANCIAL PLAN**

A fee for completing the initial financial plan and analysis of your situation may be charged at the rate of \$250 per hour. This fee will be waived if you become an investment client within 30 days.

### **INVESTMENT FEES**

There are no fees for short-term savings accounts: money market funds, GICs among them. For long-term investments, four options are available:

#### Option 1: No-Load (Front-End load with Zero Fee)

An annual Management Expense Ratio (MER) in the range of 1.6% to 2.5% charged on your mutual funds which compensates the advisor and investment firm. No up-front or back-end charge. Fees are tiered down if your assets exceed a certain threshold. Includes financial planning, as well as ongoing discussions and questions about your investments and finances.

#### Option 2: Fee-Based

An unbundled fee structure, with a separate fee to the advisor and the investment firm. The end result will be similar as option 1, but implemented in a more transparent manner. There may be a separate fee of \$100 per fee-based account. Fees are tiered down if your assets exceed a certain threshold. Includes financial planning, as well as ongoing discussions and questions about your investments and finances.

#### Option 3: Fee-only accounts and hourly fee

Set fee ideal for clients who do their own investing or want only occasional consultations. Minimum two hours at \$250/hr for financial planning and investment planning. Fee is tax-deductible and includes free introductory meeting.

We will help you figure out the best option for your personal situation.

### **TAX RETURN PREPARATION**

Our fee starts at \$55 for a basic personal return and \$220 for a basic small business return (sole proprietor and partnerships only, NOT incorporated businesses). Full details are outlined on our tax checklist. A firm estimate can be provided prior to commencing on your files.

**ACCESSIBILITY**

We pride ourselves on answering phone calls or returning them promptly. You can expect a reply to calls or e-mails at the start of the next business day, if not sooner.

**PHILOSOPHY**

Our strict code emulates industry gurus Benjamin Graham, Warren Buffet, Peter Lynch and Sir John Templeton. A “buy and hold” discipline has a long track record of success. It minimizes risk while yielding results superior to a market timing approach.

Of note: Your portfolio will always match your investment objectives and personal risk tolerance. We are NOT market timers. When markets drop, we recommend a hold position. We may even recommend that you buy extra shares of your investment.

We believe in world diversification, asset classes and annual review portfolio optimization.

**YOUR COMMITMENT**

We request an annual meeting where you’ll be expected to provide us with the information required to properly assess your situation. We also ask that you be involved in the financial and investment planning process. This collaboration is critical to your financial future.

From time to time we will ask for your feedback on our services. We encourage you to reply. All feedback is good feedback because it helps us serve you better.

**YOUR INVESTMENT POLICY STATEMENT (IPS)**

Based on your risk tolerance questionnaire results and our assessment of your objectives, we have agreed to the following asset mix:

- Long-term asset allocation target mix: \_\_\_% Cash & Bonds funds, \_\_\_% Equity Funds \_\_\_\_.
- Short-Term asset allocation target mix: \_\_\_% Money Market, \_\_\_% Income/Balanced Funds.

This mix has been identified to provide you with the investment growth and income you are seeking, while maintaining your peace of mind. If you find yourself wanting to revise your direction, we encourage you to contact us so that, together, we can navigate your future wisely.

We look forward to a long and prosperous relationship with you.

Kind regards,

Anthony Sabti, B. Adm  
CFP CERTIFIED FINANCIAL PLANNER

X \_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Date

X \_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Date

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