

# You First Financial - Letter of Engagement

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Thank you for choosing me as your Certified Financial Planner and for placing your trust in me. This letter documents our mutual understanding of our engagement to provide comprehensive financial planning services to you.

## 1. SCOPE OF SERVICES

- a) Initial Interview/Data Collection:** I will meet with you to collect pertinent information and to discuss your financial goals. This will be done through a combination of face-to-face interview(s) and data collection questionnaires.
- b) Review and Analysis:** I will review and analyze all the information that you provide to me relating to your financial circumstances, including your current employment and fringe benefits, living expenses, personal and investment assets, insurance coverage, retirement plans, income tax situation and estate plans.
- c) Draft Plan:** Based on this review, I will prepare a written analysis of your current financial situation. I will also prepare specific preliminary recommendations designed to help you reach your goals. Where appropriate, I will include financial projections or other illustrations to better demonstrate the potential outcomes of any alternatives that I present to you.
- d) Review Meeting and Final Plan:** I will then meet with you to provide a draft copy of my findings and discuss them with you to make sure that you understand the recommendations and their implications. You may choose to accept my preliminary recommendations, or you may request modifications. Based on your input, I will revise the plan if needed and provide you with a final copy.
- e) Implementation:** I will assist you in implementing the strategies that we have agreed upon. I will be available on an ongoing basis, by telephone, email or in person, to answer your questions or to assist you or your other advisors to take actions necessary to implement your plan. At your request, I will review your potential investments, insurance policies, etc., to determine if they appear to be suitable for achieving your goals.
- f) Monitoring:** I will maintain records of your investment assets to monitor your progress towards your financial goals. As economic and market conditions change, I may suggest changes to your financial plan.

## 2. SCHEDULING

- a) Initial Meeting:** Will occur on or before \_\_\_\_\_
- b) Presentation and Review of Draft Plan:** Will occur on or before \_\_\_\_\_
- c) Delivery of Final Plan:** Will occur on or before \_\_\_\_\_
- d) Monitoring:** I will meet with you to discuss your progress every \_\_\_\_\_

Initial \_\_\_\_\_

### 3. ASSUMPTIONS

Any financial projections or illustrations that form part of your completed financial plan will be based on assumptions that are reasonable and supportable. These assumptions may include, but are not limited to, investment rates of return, inflation, income tax rates, your life expectancy, anticipated government benefits, and your retirement age. Any assumptions that I make will be fully documented in your written plan.

Nonetheless, in the event that reality deviates from these assumptions, the outcomes of your plan may not occur as illustrated. A regular review and update of your plan will allow me to adjust any assumptions and the resulting projections to reflect changes that are bound to happen over time.

### 4. COMPENSATION

In addition to an hourly fee of \$250 that I will charge you for preparation of this plan, I will also receive a commission on the various products that you may choose to place through me and within my registration category when implementing your plan. Rest assured, however, that any products that I recommend will be based on your needs, and I will research them thoroughly to ensure that they are appropriate to your situation. You have sole discretion to accept or reject any products that I recommend, and you may request additional or alternate products, or choose to place products through another advisor. (see appendix A for fee schedule).

You First Financial reserves the right to waive the financial planning fee if the client decides to implement the plan through You First Financial.

### 5. AGENCY RELATIONSHIPS

Because I am licensed to sell both mutual funds and life insurance, I work in an agent-principal relationship with different companies. My mutual fund dealer is FundEX Investments Inc. and my MGA broker is Hub Financial. If these relationships change during this engagement and this change could affect our relationship, I will inform you promptly.

### 6. YOUR RESPONSIBILITIES

I cannot provide these financial planning services unless you provide all necessary information in a timely manner. By accepting the terms of this engagement, you agree to provide me with all the information I may request, which may include past tax returns, investment account statements, wills, powers of attorney, trust documents, bank and credit card statements, employment records, pension statements, booklets on your pension or other employment benefits, and insurance policies. I will provide you with a receipt for all original documents and ensure that they are returned to you.

If you fail to provide this information, you should understand that it could prevent me from giving you appropriate advice and may require me to modify or even terminate this engagement.

In addition, it is your responsibility to review the draft plan when it is provided to you and ensure that you understand and accept its recommendations. While I will assist and advise you during implementation, ultimately you are the one who must make the final decisions and follow through with my recommendations. If you fail to implement one or more of the recommendations in a time-sensitive manner, you should understand that the projections and illustrations included in your financial plan may not occur, and you may fail to achieve your financial goals.

Finally, you agree that you will promptly advise me of any major changes in your financial or personal situation that could have an impact on your financial plan (e.g., marriage, divorce, birth of a child, change of jobs).

Initial\_\_\_\_\_



**7. CONFLICTS OF INTEREST**

I am required to declare any interest that may prevent me from offering objective and impartial advice.

Currently, I am not aware of any actual or potential conflicts of interest. However, if any arise in the future, I will fulfill my obligation to bring them to your attention in writing immediately.

**8. CONFIDENTIALITY**

All your information will be kept in strictest confidence. I will not disclose any of your confidential information without your written consent, except if required to do so by law. Also, I will not use any of your confidential information for my own personal gain.

In accordance with the Personal Information Protection and Electronic Documents Act (PIPEDA), by signing this letter of engagement you authorize me to keep a record of all personal information that is needed for the provision of sound financial advice, until such time as you ask me, in writing, to dispose of that information.

**9. OTHER PROFESSIONALS**

From time to time, I may require the input of certain specialists (e.g., accountants, lawyers) during the preparation of your plan. If such a need arises, I will first consult with you to obtain consent for any additional fees that you may incur, and before sharing any of your confidential information.

In addition, during the implementation phase of this engagement, I may refer you to other specialists or agents with whom I have developed a working relationship. I will only recommend individuals whom I know respect for their expertise, competence and professionalism.

**10. TERMINATION OF THIS AGREEMENT**

You may terminate this agreement at any time upon written notice, at which time I will provide you with an invoice for the work completed to date.

If I need to terminate this agreement, I will give you at least 2 week’s written notice, and if requested, I will make arrangements to transfer your files to another advisor of your choosing.

**11. AVENUES FOR REDRESS**

If, at any time during this engagement, you have any complaints or disputes, I encourage you to discuss them with me directly. If I cannot resolve the issue to your satisfaction, you do have other options for redress. At that time, I will inform you of who to contact to follow up with your complaint.

**12. PARTIES TO THIS AGREEMENT**

Client Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone number: \_\_\_\_\_

Email: \_\_\_\_\_

Signature: \_\_\_\_\_



## **APPENDIX A – FEE SCHEDULE**

### **Initial Financial Plan**

A fee for completing the initial financial plan and analysis of your situation will 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**

For long-term investments, two options are available:

#### **Option 1: No-Load (front-end load with zero Fee)**

An annual Management Expense Ratio (MER) in the range of 1.8% 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 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.

Our base advisor compensation is 1% of assets under management/administration per annum.

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 \$225 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.