**Private and Confidential**

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03 February 2021

Brian and Kerrie Edwards

Address

**TERMS OF ENGAGEMENT**

Dear Brian and Kerrie,

Following our recent discussions, we provide this terms and scope of advice setting out the advice and services for the next twelve months which we believe will maximise the probability of you achieving the financial objectives we discussed.

In forming this proposed Terms of Engagement, we have placed a major emphasis on the specific outcomes identified in our meeting of 23rd January as being of value and significant to you – these include:

1. **Have a family –** Brian and Kerrie, your highest priority at the moment is to start your family as it will make you feel complete and start the next phase of your life. You have decided to go for IVF; however, Kerrie needs to have surgery before you can start the process. You hope to have the surgery by mid this year and start the IVF process by end of this year. You estimate that the surgery and few rounds of IVF will cost about $30K-$35K.
2. **A home close to the beach –** you are both eager to acquire a property, a little townhouse close to the beach, ideally in Apollo Bay. You intend to use this property during retirement and in the meantime, have the option to rent out or use yourselves. Kerrie, it would make you very happy to create a special space for yourself.

Brian, you believe 2020 has demonstrated that you are able to work from anywhere so you might be able to live in this new property a few months every year, at least till you have kids. You love being near the water and being able to do this would be a dream come true.

1. **Travel –** Brian and Kerrie, you like to travel and would love to take longer (3-4 month) trips once a year to Europe, when you retire. In the meantime, you want to enjoy month-long family holidays. You would love to visit America as soon as travel restrictions ease all over the world. You plan to do Grand Canyon hike in the US, and visit New York, San Francisco and Las Vegas.

You’d also like to visit some Asian countries (Cambodia, Vietnam and Indonesia), Scotland and Ireland, and go skiing and hike the Milford Track in New Zealand.

Brian, you love to spend quality time traveling with Kerrie, exploring and embracing new cultures. Kerrie, you love to get away from your busy life and forget about the day to day when you travel.

1. **Career –** Brian, ideally you would like to start your transition to part-time work once you have kids. You would like to be involved and be there for all school drop offs, pick-ups. You want to retire at 57-60 years old, and once you are closer to retirement, it would be great to take on more consulting work, where you can work from home and then surf. To achieve this, you believe you need to do some further education and training, particularly in change management and sustainable business practices. You feel that this should be your life path and being able to do this will make you feel content.

**Approach**

With an understanding of the above desired outcomes as the focus of our engagement, the following represents our approach to maximise the probability of these being achieved:

**Priority #1 – Start a family and have a cottage by the beach**

Brian and Kerrie, you are extremely busy both at a personal and professional level at the moment and over the coming years, you have a number of financial goals you wish to achieve. With that in mind, we plan to take over the heavy lifting to reduce your stress levels and take the burden of financial management away from you. We aim to build an accurate picture of your current financial position and its likely progress over time, to identify any threats, shortfalls or financial complexities that may exist in achieving your goals such as:

* Start a family and ensure that funds are available for your surgery and IVF procedures;
* Have a little townhouse close to the beach in Apollo Bay.

We will work with you to ensure we establish, monitor and support your cash flows using our approach to money management. We propose to review your current living expenses, assist you to assess your cash flow priorities and implement an accurate and workable budget that takes into account your lifestyle as well as your larger goals.

We will provide guidance in relation to the timing of your property purchase, taking into consideration current market conditions, interest rates, your financial position and the economy. We will ensure the aforementioned money management review also meets the required debt repayment objectives and we can utilise our preferred lenders to ensure that you have pre approval prior to making an offer.

**Priority #2 – Travel, comfortable retirement and life path**

Brian and Kerrie, you are interested in being financially set up for retiring by 57-60 and having a nest egg set aside to help your future kid(s). Considering you are not very confident in managing your financial life and would like to have more clarity and control over your finances, we plan to take a lead role in developing a strategic plan for your financial independence whilst keeping you informed and in control.

You would like to understand how your super works better and get set up on the right path to provide for your future and that of your family. We will advise you on appropriate super funds and investment strategies and help you decide on the trade-offs between saving via super, repaying your loans, and building an asset base outside super. Understanding that you are looking for peace of mind around your finances, we will actively manage every aspect of your investments, providing ongoing advice and guidance and most appropriate strategies and structures for you.

The aim of this advice would be to maximise the priority of achieving your goals such as:

* Go on month-long holidays- visit America, ideally by end 2021- go on Grand Canyon hike in the US, and visit New York, San Francisco and Las Vegas.
* Visit some Asian countries (Cambodia, Vietnam and Indonesia), visit Scotland and Ireland, and go skiing and hike the Milford Track in New Zealand;
* Go on longer (3-4 month) trips once a year to Europe, when you retire.
* Brian to work part-time work once you have kids and to take on more consulting work closer to retirement
* Brian to do some further education and training, particularly in change management and sustainable business practices.

**Fees**

The initial 12-month fee for provision of advice and complete implementation of recommendations under this engagement will be $ 13,860 to $ 16,940 (inc GST). This fee covers all ongoing advice and service in relation to your financial affairs delivered through our 12 monthly service package.

This initial fee is collected via a monthly direct debit where $7,700 plus GST of the fee is collected in month one, reverting to $700plus GST per month from month two onwards.

The total fee to complete this assignment may increase if there are significant changes in your circumstances or if significant rework or amendments to the original information provided is required. If significant additional work is required we shall provide an estimate and agree on the scope of the additional work prior to proceeding.

Where third party specialists are required to provide input the professional fees of these specialists will be in addition to those of <YOUR FIRM NAME>. We will notify you in writing in advance before the third party is engaged.

We receive no commissions or fees from any third party. Subsequently we negotiate on your behalf to deliver reduced costs from an investment, superannuation and lending perspective where appropriate.

Please note our quoted fees are applicable for a period of four weeks from the date of this Terms of Engagement. Note this document may not incorporate all of the services we can provide, only those we believe will be of use in your circumstances. All our available services are explained in our Financial Services Guide.

**Engagement**

Please do not hesitate to contact me on 0x xxxx xxxx if you have any questions about the contents of this letter. Otherwise, please acknowledge your understanding and acceptance of the above arrangements by signing and returning the enclosed copy of this document to us via email, fax or standard mail.

Please note that our engagement can be terminated by either party to this agreement where [set out reasonable circumstances for termination by either party].

Finally please note that this Terms of Engagement should be read alongside our Financial Services Guide, which explains more generally the types of services we offer and other matters relevant to the delivery of services to our clients.

Yours sincerely

**ABC Adviser XYZ Adviser**

ABC Advisers ABC Advisers

Email: Email:

**Acceptance**

Brian and Kerrie, we believe that ABC Advisers can generate significant financial certainty for you throughout our relationship and importantly, add substantial value to ensuring you achieve all that is important and valuable to you as you have articulated to us.

If you are happy to proceed on the basis of the information in this Terms of Engagement, please sign in the space provided below and return to us in the envelope provided.

**Acknowledgement**

Please sign below to indicate that you accept the scope, costs and terms set out above.

Signature:

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**Mr Brian Edwards Mrs Kerrie Edwards**

Date: \_\_\_\_/\_\_\_/2020 Date: \_\_\_\_/\_\_\_/2020