

What happens when a client dies?

Your role as financial adviser, our role as professional trustee

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When a client dies, the executor of your client's Will (this may be either an individual or a professional trustee such as AET) will administer their estate. This involves identifying and collecting assets, paying any debts, making disbursements to beneficiaries and establishing any trusts.

Generally, a client would establish a trust to manage and protect assets on behalf of a beneficiary. Examples include testamentary trusts for minors, trusts for a grandchild's education, second marriage trusts, charitable trusts, life interest trusts and disability trusts.

As a professional trustee company, we may be appointed to provide trustee services to any trusts which have been established.

Our role as professional trustee

As the professional trustee, our singular obligation is to ensure that the right thing is done by the beneficiaries. We must act impartially, exercise a high standard of care, must not delegate duties and we must also have a proper understanding of the needs of the beneficiary.

As trustee we have overall responsibility for:

- protecting the trust's assets on behalf of the beneficiary
- maintaining a relationship with the beneficiary
- ensuring the trust is managed in a prudent and tax-effective way
- ensuring trust assets are managed and disbursed in line with the terms of the trust, and
- ensuring the investments of the trust are managed in line with the overall investment strategy for the trust.

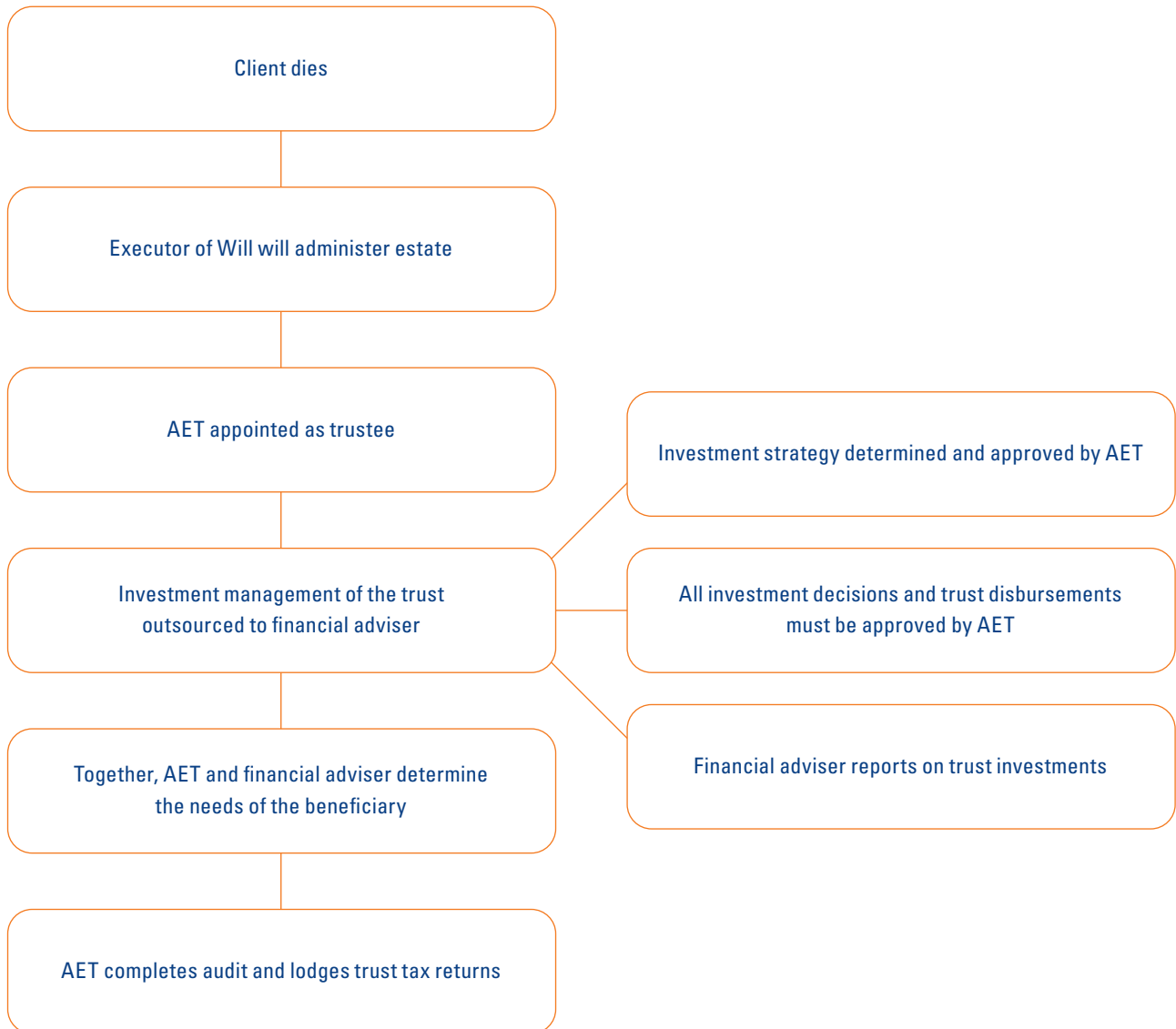
Role of the financial adviser

As the trustee, we will work with you to determine the needs of the beneficiary and develop a suitable financial strategy for the trust.

As the financial adviser, you will oversee the ongoing management of the investments of the trust. You will prepare a Statement of Advice (SoA), monitor the investments and provide feedback on the trust's investment portfolio.

All investment decisions, instructions and disbursements, however, must be approved by us as trustee, before being executed. In addition, all requests made by the beneficiary for payments of trust monies, must be directed to us for authorisation.

The process



Duties and responsibilities

Details of our individual duties and responsibilities are outlined in the table below:

	Role of the financial adviser	Our role as trustee
1. Identify the needs of the beneficiary	Attend an initial meeting with the trustee (AET) and the beneficiary to assess the specific needs and requirements of the beneficiary (eg schooling needs, medical needs)	Determine the needs of the beneficiary.
2. Agreement	Enter into a legally binding agreement to provide investment management services to the trustee (AET), on behalf of the trust.	Enter into a legally binding agreement to outsource the investment management of the trust to the financial adviser.
3. Investment strategy	Prepare a Statement of Advice (SoA). Monitor and provide feedback to AET on existing investment portfolio.	Review SoA and investment strategy by AET investment adviser. The investment strategy must: <ul style="list-style-type: none"> • meet the needs of the beneficiaries • be reviewed in terms of diversification, risks, level of income, liquidity, tax liability and fees. Our compliance committee will review and approve the SoA.
4. Investment recommendations	Ensure initial and ongoing investments are compliant with the investment strategy for the trust. Send all initial and ongoing investment recommendations to AET for approval.	Our compliance committee will review investment recommendations and approve in line with SoA. We will discuss any queries with the financial adviser.
5. Investment administration	Provide investment administration for the trust including details and costs of underlying investment platform (if applicable). Investment administration responsibilities include: <ul style="list-style-type: none"> • Submit all application and withdrawal forms for non-listed assets to trustee for execution. • Lodge application forms • Place orders for listed securities • Ensure all investment transactions are completed and recorded on the investment platform • Monitor and track the collection of income. • Keep proper records of all trust investments, including asset details and CGT details. • Maintain a ledger for transactions. Provide AET with any investment platform logins to account details, trust reports and transactions.	We will sign and return all application forms within 48 hours of receipt.
6. Applying funds to the beneficiaries	All requests for funds from the beneficiary (or guardian), eg maintenance and education, to be sent directly to AET for approval and payment. Note: The financial adviser does not have authority to make trust disbursements to the beneficiary.	We are the point of contact for the beneficiary (or guardian) of the trust and have the authority to make payments of capital or income to the beneficiary. As we are bound by the terms of the trust, as trustee, we must: <ul style="list-style-type: none"> • act impartially • exercise a high standard of care • have a proper understanding of the needs of the beneficiary, and • not delegate duties.

	Role of the financial adviser	Our role as trustee
7. Reporting	<p>Quarterly reports</p> <p>Each quarter, the following reports must be provided to the trustee:</p> <ul style="list-style-type: none"> • Portfolio valuation report • Financial transaction report • Asset transaction report <p>Annual reports</p> <p>Each financial year, the following reports must be provided to the trustee:</p> <ul style="list-style-type: none"> • Portfolio valuation report (as at the end of the financial year) • Financial transaction report (for the complete financial year) • Asset transaction report (for the complete financial year) <p>Taxation reports</p> <p>Each financial year the following reports must be provided to the trustee:</p> <ul style="list-style-type: none"> • Tax income summary report • Realised CGT report. 	<p>Taxation</p> <p>Upon receipt of the reports, we will arrange for the preparation and lodgement of any tax returns.</p>
8. Fees and charges	The adviser will be paid a fee from the trust for management of the trust's assets.	As outlined in the Will, we will charge an annual management fee payable from the trust.
9. Annual trustee compliance review	Supply a copy of the annual review completed where the portfolio and fund objectives have be reviewed.	We will undertake an annual compliance review of the investment portfolio which includes a general audit of the trust accounting as well as a review of the investment strategy and the trust's performance against set benchmarks.
10. Ongoing beneficiary contact		Whilst we will maintain regular contact with the beneficiary, any issues relating to the investment strategy of the fund will be provided to the financial adviser.

Would you like further information?

For further information on our trust and fiduciary services, please contact one of our business development managers on 1800 684 672.

Australian Executor Trustees Limited (AET) (ABN 84 007 869 794) AFSL 240023 is part of the EQT Holdings Limited (ABN 22 607 797 615) group of companies, listed on the Australian Securities Exchange (ASX:EQT).

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