

# MACCO FINANCIAL GROUP™

**Letter of Understanding:** This letter introduces you to the financial planning process, our services, and our commitments to you. We explain our relationship to Raymond James, clarify fees and expenses, and bring conflicts of interest to your attention. We also cover some expectations, so that together we can create a successful relationship.

**Scope:** You wish to participate in a collaborative and ongoing Financial Planning, Investment Management, and Risk Management Process. You intend to hire us to improve your financial decisions, manage your investments and insurances appropriately, monitor your projected outcomes, make recommendations intended to improve your goal achievement, and assist you through life's transitions and challenges.

## **Financial Planning Process and Services Provided:**

- Understand:**
- Discovery Meeting to understand you, your situation, and determine if there is a good fit. We listen to your story, your goals and challenges, your frustrations and dreams.
  - Request, Gather, and Organize appropriate information from you, including documents and statements, with details about your resources.
- Design:**
- Create, Analyze, and Discuss Financial Forecasts, using multiple scenarios. Discuss tradeoffs among variables such as: Contribution Rates, Spending Rates, Projected Investment Performance, Retirement Age, Career, Social Security Strategies, Other Income Sources, Debts, Potential Loss of Income, Giving, and Planning Lifespan.
  - Create, Analyze, and Discuss your overall Investment Strategy. Considerations include timeframe, taxation, asset allocation, diversification, expected volatility and returns, costs, and estate issues.
  - Review, Evaluate and Discuss major risks to your financial results. Typical risks include: loss of income through death or disability, and nursing care expenses. Personal liability risks or employment benefit plans may also be reviewed.
  - Review Tax Returns, Estate documents, beneficiary designations, and overall estate plan. While we do not provide tax or legal advice, reviewing your tax or estate situation will inform and improve our overall advice to you. We will coordinate with your CPA or attorney, if allowed. Other professionals may bill you separately.
- Implement:**
- Collaboratively Agree upon and implement some or all of the strategies that have been designed. This could include paperwork, signatures, and joint calls to other financial companies.
- Manage:**
- Systematically Monitor and Manage all items mentioned above.
  - As your life evolves, Discuss and Implement updated strategies as appropriate.
  - Analyze and Assist your journey through life transitions and special situations, such as changes in employment, divorce, death, inheritance, business sale, etc.

## **Our Commitments to You:**

To guide you on your journey toward your best life, we make these commitments to you:

1. We will request regular meetings and conversations with you to keep us all up to date with your situation.
2. We will be responsive to you and flexible regarding meeting times and methods.
3. We will keep your information safe, secure, and confidential.
4. We will consider your situation carefully, candidly, and impartially.
5. We will be transparent with you about our compensation.
6. We will minimize conflicts of interest by avoiding sales quotas, directives, bonuses, or referral fees.

1138 Main Street | Green Bay, WI 54301 | 920.617.6830 | [www.maccofinancial.com](http://www.maccofinancial.com)

Securities offered through Raymond James Financial Services, Inc. Member FINRA / SIPC.  
Investment Advisory Services offered through Raymond James Financial Services Advisors, Inc.  
Macco Financial Group, Inc. is not a registered broker/dealer and is independent of Raymond James Financial Services, Inc.

**Our Independent Advisor Relationship with Raymond James:**

1. We utilize Raymond James as our broker-dealer. This means that we contract Raymond James for various “back office” services such as reporting, custody, billing, licensing, and regulatory compliance.
2. To facilitate our prudent investment philosophy, we work with Raymond James’ robust due diligence and portfolio management team.
3. We are independent advisors, and not employees, of Raymond James Financial Services, Inc.
4. This letter is not a contract and does not affect or modify any agreements or contracts with Raymond James, such as account agreements or asset management agreements, nor does it modify any regulatory disclosures.

**Fees and Expenses:**

1. We charge an asset-based fee that varies by relationship. We will communicate fees clearly. Fees are automatically deducted quarterly from your investment accounts.
2. Investment managers have investment expenses. These expenses vary significantly by investment type, are in addition to our fee, and will be clearly communicated. These expenses are evaluated as part of our investment manager selection due diligence.

**Conflicts of Interest:**

1. Asset Location: We have an incentive to recommend that assets be managed in Raymond James accounts.
2. Asset Growth: We have an incentive to increase the value of your Raymond James accounts, since our fees are tied to their overall value. This incentive is often aligned with your interest to increase your wealth, but can also be conflicted when considering alternate money uses, such as debt reduction.
3. Insurance Commission: If an insurance product is recommended for your situation, insurance products typically include a commission, which we will openly communicate with you.
4. We will provide a copy of our regulatory disclosures upon account opening.

**What we ask or expect:**

1. You intend to respond to communications in a timely fashion, provide requested information and documents when needed, and update us with changes to your goals, career, income, and family as soon as possible. If you act without informing or consulting with us, we cannot provide appropriate advice, and your results may suffer.
2. You understand that we provide advice and service on investments, portfolios, and insurances within the scope of our expertise and control. Remote assets are inefficient to investigate, more challenging to monitor, may distort planned asset allocations, may negatively affect results, and are not subject to our due diligence process.
3. You understand that if you wish to proceed through the financial planning process, we will invest significant time and effort in the personalized analysis, creation, and collaborative discussion of your plan, as described in this document. We expect that you are willing to implement the plan, including placing your available investments under our management and care, whenever recommended.

Please sign if you are comfortable with the relationship as described.

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Client Signature and Date

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Client Signature and Date

\_\_\_\_\_  
Advisor Signature and Date

*Any opinions are those of Macco Financial Group and not necessarily those of Raymond James. You should discuss any tax or legal matters with the appropriate professional. Investing involves risk and you may incur a profit or loss regardless of strategy selected, including diversification and asset allocation. In deciding to pay a fee rather than commissions, clients should understand that the fee may be higher than a commission alternative during periods of lower trading. A list of additional considerations, as well as the fee schedule is available in the firm’s ADV (Part 2A) as well as the client agreement. Please ask your Advisor to provide.*