

## Example Letter of Wishes

[Date]

Dear [Trustee Name],

To the current trustee of the [Fantasia Trust] dated [Date] between [Settlor Name] (the settlor) and [Trustee Name] (the trustee).

Please understand that the guidance and wishes stated here are merely those - my wishes. I understand I cannot restrict your discretion or determine the way in which you exercise your powers of appointment. They are expressions that I ask you only to take into due consideration in the exercise of your discretion, and are in no way intended to be legally binding on you as Trustee. Furthermore, despite the wishes I express here, since they are not intended to be binding on you, I realise that the exercise of your discretion may not always be consistent with them. In addition, please note that I consider this statement to be confidential, and I direct that it not be disclosed to any beneficiary. Where discretionary payments of income are concerned, I prefer that current beneficiaries who show financial responsibility (e.g., not excessive debt, good credit history, and gainful employment where applicable) be given preference and receive distributions of most or all of the trust income rather than have the trust accumulate such income for future beneficiaries. Of course, the special needs of all beneficiaries are to be considered at all times.

The following points are intended to give you some insight into why I put the trust in place and to outline other relevant circumstances, which I ask you to consider in the administration of the trust. In the future I may want to alter these wishes but I will notify you in writing of any changes.

Under the terms of the trust, you hold the trust fund upon trust for the discretionary beneficiaries named in the trust [Names of Beneficiaries, e.g. the children] and may appoint capital to such one or more of them as and when you see fit. I would also like you to consider altering the interests of the Named Beneficiaries by adding the Discretionary Beneficiary, [Added beneficiary]. *Note: This usually allows the suspect in your case (who may or may not also be the Settlor) to have their name included but only at the "discretion" of the Trustee.*

In exercising the power of appointment and other powers conferred upon you I would firstly like you to consider the financial circumstances of my spouse, [Spouse Name]. Taking taxation and any other relevant factors into account, I would ask that you take whatever action you consider appropriate to ensure her financial position is safeguarded. This will be particularly important after my death.

If you are satisfied that [Spouse Name]'s financial position is secure then I would like the trust fund divided equally amongst my children. If you consider that the circumstances of any child justify a delay in the distribution of the capital, then you should delay until you consider it appropriate for the capital to be released. I feel that it would be inappropriate for you to retain capital beyond a child's 30th birthday.

If you do retain any part of the trust fund on behalf of a child then I would like any income which may arise, and if necessary the capital retained, to be used for the purposes of maintenance and education for that child.

Yours sincerely

[Settlor Name]

[Date]