

Live *your* dream.

## Invest *with* Confidence



Helping you learn the language  
of investing – from the value of  
advice to the cost of investing.



# The value of advice

Take a moment to discover the value of working with our team. Gain a deeper understanding about the costs of investing and what you get in return. It's worth it.

The knowledge you gain can help you make informed decisions on how you choose to work with an Advisor.

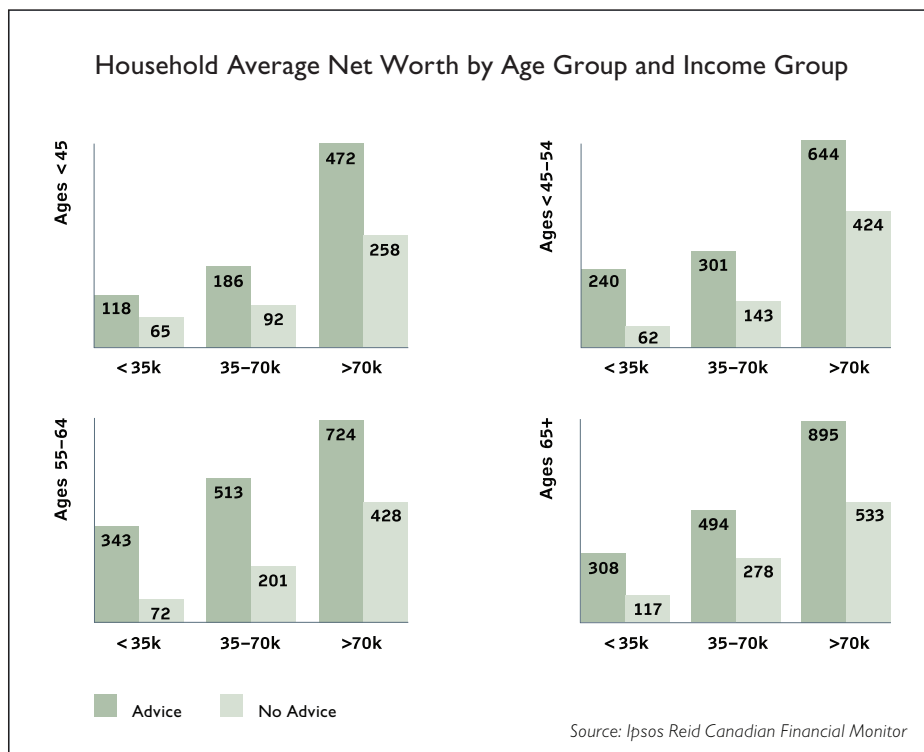
## Six reasons to work with an Advisor

As Advisors, we bring a wealth of experience, knowledge and expertise to help our clients achieve their financial goals. When you choose to work with us, we will take the time to truly get to know you. We then work with you to create a financial plan that targets your specific financial dreams and goals while ensuring it stays aligned with your personal level of tolerance for risk and changes to your personal situation.

We believe working with an Advisor is a great way to achieve long-term investing success, and the research backs up this belief. Research<sup>1</sup> shows that investors who work with an Advisor:

1. Accumulate greater wealth
2. Are more prepared for retirement
3. Select tax-efficient investments
4. Stick to their long-term plan
5. Make informed investment decisions
6. Avoid emotional decisions about investing

<sup>1</sup> Source: *The Value of Advice* report, 2012. Investment Funds Institute of Canada



IFIC's Value of Advice: Report 2011 provides confirming evidence that, when controlling for both age and income, the net worth of advised individuals is significantly greater than that of non-advised individuals (as shown in the figure to the left).

Source: *The Value of Advice* Report 2012, IFIC

### Understanding the Cost of Advice

As with many other types of professional services, there is a cost associated with financial advice. This is true regardless of the investment solution (or investment plan) you may have. The cost you incur will vary from one Advisor to the next and there are various factors that will influence the fees you pay. Among them are:

- the level and type of service you receive
- the recommended investment management solution
- the amount of your assets (or investments) managed by your Advisor

It is important that you understand the difference between each fee option, recognize how Advisors are compensated and know exactly what services you will receive for the costs you incur.

Determining a cost structure that's right for you will depend on your personal investing preference – do you prefer to 'buy and hold', do you intend to actively trade the securities you own and be involved in the day-to-day management of your portfolio, or do you prefer to have a portfolio manager manage your investments? Your personal preferences, asset size and investment objectives will help us determine which option is best suited to you.

### Mutual Funds: A Popular Investment Vehicle for Many Investors

Mutual funds are a key component of a sound financial plan for many investors. Mutual funds have become the most popular type of investment in Canada as a result of their relatively low cost and their built-in strategies for diversification, liquidity and efficiency. The biggest reason for the long-standing popularity of mutual funds, however, is that they provide the most straightforward access to professional investment management.

When you invest in a mutual fund, you pay a fee based on the “management expense ratio,” also known as an MER. In short, an MER represents the costs associated with managing and operating a mutual fund. MERs are reported annually as a percentage of a mutual fund's assets, and they are deducted before the mutual fund's return is calculated. So, the point to keep in mind is that while you don't pay the MER directly, you are affected by it as it reduces your mutual fund's returns. The Fund Facts provides clear, concise information on MERs and other fees you incur when investing in a mutual fund.

### More than Mutual Funds for Your Financial Plan

There are various other types of investment opportunities that you can include in your portfolio – separately managed accounts, individual stocks and bonds, laddered bonds, exchange traded funds and more. The make-up of your portfolio, your approach to investing and whether you choose to have discretionary control over your investments or to delegate the day-to-day management of your investments to an experienced portfolio manager, are factors that influence your overall cost of investing.

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In this brochure, we explain how we get paid for the on-going financial advice and guidance we provide our clients.


## How Advisors Get Paid

There are various compensation models operating in the investment industry, but the most common is a combination of trailing commissions and sales charges for traditional mutual fund investments. Asset-based compensation (sometimes referred to as fee-based) is another increasingly popular compensation model.

## Learning the language


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### *Asset based fees*




As Advisors, we may recommend a fee-based solution if it fits your needs and approach to investing. This cost is set depending on various factors including the size of your assets as well as the level of customized advice and financial planning services we provide you and may be deducted directly from your account.

### *Trailing commissions*



Trailing commissions (or trailer fees) are the ongoing compensation earned by your Advisor for the financial advice and other services they provide you. The trailing commission is included in the management expense ratio of the fund.

### *Sales charges or “loads”*



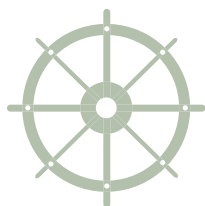
You may typically pay a one-time fee based on the amount you invest when you buy units in certain series of a mutual fund, (e.g. Series A or Series T). This is known as a sales charge option. Sales charges are often referred to as loads; e.g., “front-end load,” “back-end load” and “low load.”

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# Breaking down the costs

## The Cost of Advice:

Regardless of our compensation model, the cost of advice pays for a host of on-going services we may provide you and your family as your wealth manager. It also goes towards paying for the operating costs of running our business.



### FINANCIAL PLANNING

Prepare a personal financial plan to help you achieve your goals & dreams using the Personal Wealth Management Strategy



### OPERATIONAL EXPENSES

Cost of running our business. Includes regulatory fees, IT systems, staff wages and office rental

### IN-DEPTH ANALYSIS

Review and analyze your current investment strategy, recommend a portfolio aligned to your objectives, tolerance for risk and time horizon



### DEALER SERVICES

Back-office operational systems, compliance oversight, professional registration



### CONTINUOUS ADVICE

To guide you through the evolution of your Personal Wealth Management Strategy at various stages in your life – better manage your investments through different market cycles, manage debt and improve your cash flow



### REGULAR COMMUNICATION

To keep you informed on your investments, market trends and financial concepts that help keep you on track

### WEALTH TRANSFER

Plan, strategize and execute viable solutions for an effective transfer of your wealth



### REVIEW, REVISE, READJUST

To revise & adjust your plan as your personal or family circumstances change



## The Cost of Investment Management:

Pays for a variety of portfolio management and operational services provided by the mutual fund company or investment firm.



### INVESTMENT SPECIALIST SELECTION & MONITORING

For the research, selection and monitoring of investment specialists for your portfolio - each with expertise in a given investment style, geographic region and asset class

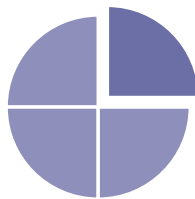


### ASSET CUSTODY & RECORD KEEPING

Online account access, safekeeping of individual accounts and records.

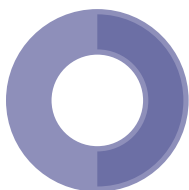
### PORTFOLIO DESIGN OPTIMIZATION

Dedicated Portfolio Management Team to review market trends and analyze asset classes to optimize the design of portfolios



### OPERATIONAL OVERSIGHT

Legal, compliance, technology and operational support



### PORTFOLIO REBALANCING

To maintain your portfolio allocation over time



### REPORTING & COMMUNICATION

Portfolio reports, manager commentaries, manager audiocasts and other regulatory reporting

## Here's a snapshot of the different load options

Sales charge option	What you pay in percent (%)	What you pay in dollars (\$)	How it works
Front-end load (also known as sales charge)	0% to 5% of the amount you buy. You can negotiate a rate with your Advisor.	\$0 to \$50 on every \$1,000 you buy.	Once you've negotiated a rate with your Advisor, the charge is deducted from your investment amount.  <b>To illustrate:</b> Let's say you invest \$1,000 in a front-end load fund. You negotiate with your Advisor and agree to pay a fee of 2.5%. Your Advisor's dealership receives \$25 (this is shared between your Advisor and their dealership) and \$975 is invested into your fund.
Back-end load (also known as a deferred sales charge)	You pay a redemption charge if you sell your investments within six years:  <div> <div>1 Yr</div> <div>6.0%</div> </div> <div> <div>2 Yrs</div> <div>5.5%</div> </div> <div> <div>3 Yrs</div> <div>5.0%</div> </div> <div> <div>4 Yrs</div> <div>4.5%</div> </div> <div> <div>5 Yrs</div> <div>4.0%</div> </div> <div> <div>6 Yrs</div> <div>3.5%</div> </div> <b>After 6 years 0.0%</b>	\$0 to \$60 on every \$1,000 you sell.	<ul style="list-style-type: none"> <li>The mutual fund company pays a commission of 5.0% on your behalf. This is shared between your Advisor and their dealership.</li> <li>If you keep your investment for a specified time period (generally, six years), you pay no fee to redeem (sell) your investment.</li> <li>If you sell the units before that specified time period has ended, however, the mutual fund company will charge you a fee (referred to as a redemption charge).</li> <li>Keep in mind the deferred sales charge will decrease the longer you hold the investment.</li> </ul> <b>To illustrate:</b> If you purchase a fund with a back-end load, or deferred sales charge (DSC), your entire \$1,000 is invested and goes to work for you immediately. The fund company pays your Advisor's dealership a fee of \$50 (or 5%) on your behalf (which is shared between your Advisor and their dealership).
Low-load purchase option	You pay a charge if you sell your investments within three years:  <div> <div>1 Yr</div> <div>3.0%</div> </div> <div> <div>2 Yrs</div> <div>2.5%</div> </div> <div> <div>3 Yrs</div> <div>2.0%</div> </div> <b>After 3 years 0.0%</b>	\$0 to \$30 on every \$1,000 you sell.	<ul style="list-style-type: none"> <li>Like the back-end load option, you do not pay a fee when you purchase your investment. The mutual fund company pays a commission 2.5% on your behalf. This is shared between your Advisor and their dealership.</li> <li>If you hold your investments for a specified period (three years), you pay no fee to redeem (sell) your investments.</li> <li>However, there will be a redemption charge if you sell your investment within the specified three year period.</li> <li>The redemption charge decreases the longer you hold your investment.</li> </ul>

For illustration only. Please refer to the Fund Facts for details on your mutual fund investment.



# Financial advice

## More than simply buying mutual funds

Yes, we can help you purchase mutual funds, but we also do much more. We take a rounded approach to managing your overall financial well being.

You can count on us for a number of financial and investment services – from creating a long-term financial plan to rebalancing your portfolio and helping you stay confident about your future. For some of these services, we can be compensated in different ways. It all depends on the services you require.

Together, we can:

- Map and execute a financial plan to help you meet your current needs and future goals.
- Evaluate, create and implement solutions for your future (e.g., paying for your children's college or university education, as well as the purchase of a home or funding your retirement)
- Review, revise and readjust your plan throughout its lifecycle
- Provide advice on the financial decisions you need to make to better manage your investment portfolio, debt and cash-flow levels
- Plan, strategize and execute a viable solution for the transfer of your wealth and assets to reduce or defer taxes

The benefits of financial advice are invaluable to your portfolio and your piece of mind.

## Costs shouldn't be your only consideration

It is very important to emphasize a point that is often overlooked by the media. The costs of investing, although highly important when choosing which mutual funds are best for you, should never be your only consideration when making such an important choice. The long-term benefits of professional investment management and the value of the on-going advice you receive should also be top of mind.



WE LOOK FORWARD TO WORKING WITH YOU

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