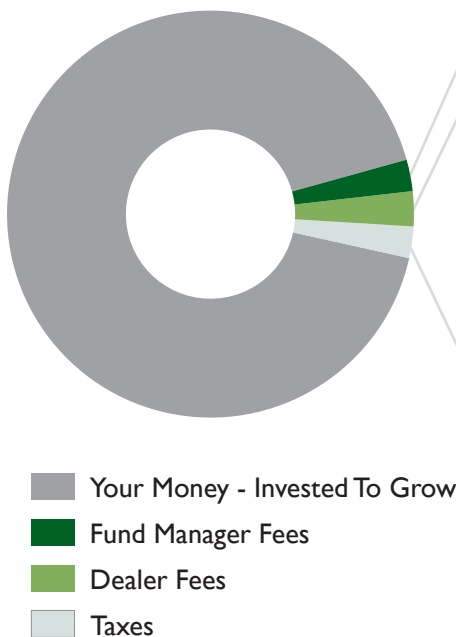


# Value for Your Mutual Fund Fees

Your fees pay for services provided by:

- **YOUR FUND MANAGER** – the company that manages the mutual funds that you buy.
- **YOUR DEALER** – the firm where your financial advisor is registered. Some dealers charge an additional fee to you directly, and for
- **TAXES** to federal and provincial governments.

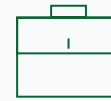
These three types of costs are reflected in the fund's Management Expense Ratio (MER).



## FUND MANAGER SERVICES



Sets the **strategy and goals** for a fund



Keeps **strategy** for the fund and for all clients, including tax reporting

Chooses and monitors **experts who buy and sell** investments to match the fund's goals



Provides or arranges for **legal, accounting, audit and custodians services**, and ensures the fund meets regulatory requirements



## DEALER SERVICES

Your dealer firm provides these services to you directly or through your advisor, and works to ensure your advisor meets government rules and regulations:



Understands and reviews **your financial needs and how much risk** you are willing and able to handle

Keeps detailed **records** about your account



**Guides you** to build and maintain your financial plan



Delivers **account statements** and other information to you

Provides you with **information and access** to your account online



**Buys/sells units** of a fund for you, based on your needs and your ability to handle risk



Is a member of **investor protection funds and regulatory organizations**

## TAXES



**GST** is charged on Dealer Services

**HST** is charged on Fund Manager Services

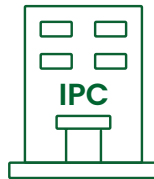
# The Cost of Advice: A Breakdown of Management Expense Ratios (MER)

As an example, \$100,000 invested into a Fee-Based mutual fund with an assumed MER of 1.26% plus IPC's Dealer Service Fee of 1.00% + GST = 2.31%\* (or approximately \$2,310\* annually)



## Fund Company

Annual Management Fee retained by Fund Company is approx. \$1,260\* (1.26%\*)



## Advisor's Dealership

Annual Dealer Fee portion paid to Advisor's Dealership is approx. \$175 (0.175%) + \$8.75 GST



## Advisor & Team

Annual Dealer Fee portion paid to Advisor & Team is approximately \$825 (0.825%) + \$41.25 GST

## SERVICES PROVIDED AND COSTS INCURRED

- Portfolio Managers, Fund Management, Research & Analysis
- Statements, Reports & Administration
- Advisor Services & Industry Education
- Custodial Services, Audit, Legal, Record Keeping & Tax Reporting
- Administration Fees & Other Fund Costs
- Sales Taxes, Regulatory & Association Fees
- Transactions & Compliance
- Back Office Technology & Information Systems Management
- Access To Wealth Management Experts
- Business Development & Advisor Support
- Regulatory & Industry Licensing, Fees & Education
- Statements & Reports
- Marketing Services & Technology Management
- Trading & Compliance Oversight
- Ongoing Meetings, Advice & Coaching
- Wealth Management & Financial Planning
- Estate, Tax & Corporate Planning
- Portfolio Analysis, Design, Recommendations, Rebalancing & Ongoing Monitoring & Tracking
- Regular Communication, Personal Financial Website, Enewsletter, Mail/ Cards, Statements & Reports
- Office Space, Staff, Wages, Supplies, Travel & Equipment
- Regulatory Compliance, Industry Licensing, Professional Association Registration & Other Fees
- Liability Insurance & Fidelity Bonding Fees
- Technology & Information System Costs

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