



Caring for Clients
FINANCIAL PLANNING WITH A DIFFERENCE

 www.caringforclients.com

 [caring4clients](https://twitter.com/caring4clients)

Our Investment Process

Our process is aligned to client goals and expectations. Here are the top four requests we hear:

1. **Preserve my capital** “I’ve worked hard to create this wealth; I don’t want to lose it.”
2. **Grow my capital** “I want to grow my capital at a rate of return that allows me to achieve my long-term goals.”
3. **Minimize my taxes** “I don’t want to pay any more income tax on my investment earnings than necessary.”
4. **Make it easy** “I want account administration and portfolio management to be simple to manage and understand.”
5. **Keep my costs reasonable** “I want to see value for the fees I pay for investment management and financial planning.”

Preserve and grow capital. Minimize taxes and costs.

How do we help you preserve and grow your capital while minimizing costs? Our five biggest levers are:


- **Low-cost investments** – We incorporate low-cost investments such as passive Exchange Traded Funds, GICs and annuities when appropriate.
- **Cost sensitivity** – We partner with money managers that have reasonable fees for value delivered. Our wealth management fees are tiered to provide lower costs as portfolio size increases.
- **Choosing money managers** – We select and monitor top tier money managers. We employ a multi-manager or *open architecture* approach to constructing your investment portfolio. By selecting and monitoring *truly active* investment managers with discipline and rigour. Money Managers must earn their way onto our recommendation list through performance, risk management and transparent communication.
- **Regular fee reviews** – Client fees are reviewed annually. If portfolio growth merits a fee reduction, it is done. If lower cost product alternatives become available, we recommend changes if there aren’t unpleasant side effects that offset the fee savings.



QUEENSBURY
STRATEGIES

Mutual funds/GICs/EMDs/ETFs
provided by Queensbury Strategies Inc.



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- **Tax efficiency** – Tax deferral and tax minimization is a focus of our recommendations. CRA is making it more difficult to create tax efficient portfolios than in the past, however, we use the few levers remaining where practical.


Our philosophy and approach


Distilled into eight items, here is the Caring for Clients investment philosophy. Please, pick up the phone and talk to us about any one of these, at any time.

1. Active portfolio management can add value relative to market benchmark indices, both in additional returns and reduced risk. Low-cost broad market exposure through ETFs can reduce the overall cost of investing without undermining long-term returns.
2. Tax-effective structures should be offered whenever practical/possible.
3. Fee transparency and unbundling fees result in client cost savings.
4. No single investment manager, however expert, can excel in all:
 - a. Asset classes (bonds, equities, commodities, cash equivalents)
 - b. Styles (e.g. growth, value, small companies, large companies)
 - c. Market environments
5. No manager can be or should be conclusively identified as the best, even in their own specialty. But it is possible to identify those with significantly higher (or lower) than average odds of future success.
6. Engaging more than one manager in an asset class can be a prudent move. It mitigates the risk of manager lack of success, whether due to a material organizational change or market unpredictability.
7. Globally diversified portfolios have become a prerequisite for long-term investment success. Our product selection process includes those that specialize in markets beyond Canada.
8. Guaranteed-return products such as annuities and GICs can complement an actively managed strategy and support a client's overall objectives.

Choosing excellent money managers

As with all our choices on your behalf, we're disciplined. As well, we look for discipline in our managers:

1. A sound and distinctive investment philosophy is a prerequisite. In practice, this distinguishes between managers who truly have a disciplined investment philosophy and who understand their business, versus those who simply repeat what has worked before or follow the herd.
 2. A disciplined investment process that includes:
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- a. Unique insights through solid research
 - b. Rigorous analysis
 - c. Disciplined execution and staying the course
3. Lack of hubris – The best managers constantly re-examine their successes and failures and acknowledge and learn from each. They understand that successful investment processes are not static.

Reducing costs through ETFs

We are always on the lookout for high quality investments for our clients. The proliferation of ETFs introduces a range of options.

1. As the Exchange Traded Fund (ETF) industry evolves, ETFs are not always the straightforward and economical product they once were. In some instances, owning ETFs can cost as much as an actively managed mutual fund.
2. However, many ETFs remain cost-effective and are an efficient way to diversify your portfolio.
3. We are committed to recommending “best fit” investments, regardless of whether those investments are active or passive.

How our process differs

Maybe you’re considering a few other financial planners? Ask them about our three core differentiators:

1. **Financial Planning is part of the package** - Investment recommendations are made in the context of your overall financial plan and objectives. Rather than being tactical in nature, your portfolio reflects a broader financial strategy.
2. **No conflicts of interest** - Our responsibility is to identify the most appropriate investment managers and investment product solutions for our clients. We are free to do so as Queensbury Group has no proprietary products – we have no vested interest in recommending one solution/manager over another.
3. **Tax minimization** - When you have taxable accounts, you benefit from tax structures that allow you to minimize and/or defer investment income, increasing your total investment return.

Socially Responsible Investing

We have knowledge and experience in socially responsible investing and access to investment strategies that align with our clients’ personal values if desired.



Alternative Investments

Through our partnership with Connor Clark and Lunn, our clients have access to:

- Private loans
- Private equity
- Infrastructure investments
- Real estate

Competitive Fees

We ensure that recommended portfolio managers and exchange traded funds provide excellent value for their fees and review this on a regular basis.

Our annual advisory fees are tiered according to portfolio size under our management as follows:

- Annually:
 - \$0 – \$1 million is 1% (minimum annual fee of \$10,000 plus HST)
 - Next \$1 million – \$1.5 million is 0.65%
 - Next \$1.5 million – \$2 million is 0.50%
 - Next \$2 million – \$3 million is 0.40%
 - Next \$3 million – \$4 million is 0.30%
 - Next \$4 million and up is 0.20%
 - Plus a \$200 annual trustee fee for accounts in excess of \$100,000
- Once the financial planning engagement is complete, no further hourly fees for ongoing comprehensive financial planning.
- Product costs:
 - Your product fees depend on the products needed to achieve your investment objectives.
 - Actively managed portfolios (F class mutual funds and ETFs) have embedded fees that typically range from 0.4% to 1%
 - Passively managed ETFs range from 0.05% to 0.25%
 - GICs and annuities do not have embedded management fees; a sales commission is factored into the yield of the product

Thank you for considering becoming a wealth management client!

