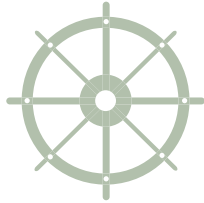


The Cost of Advice: A Breakdown of Management Expense Ratios (MER)

\$100,000 invested on Front End Load (FEL) 0%, with an assumed MER of 2.50% = \$2,500** per year**



Fund Company

Annual Trailer/Service Fee retained by Fund Company is approximately \$1,500 (1.50%)



Advisor Dealership

Annual Trailer/Service Fee paid to Advisor Dealership is approximately \$200 (0.20%)



Advisor & Team

Annual Trailer/Service Fee paid to Advisor & Team is approximately \$800 (0.80%) Gross Before Taxes

Services Provided & 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

PERSONALIZED WEALTH | MADE SIMPLE



- 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

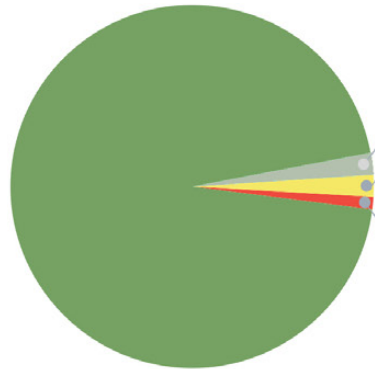
** For illustrative purposes only. Your actual holdings may not have an MER of 2.50%. Please consult your advisor or the Fund Facts disclosure document for information specific to your holdings.

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).

- Your Money – Invested to Grow
- Fund Manager Fees
- Dealer Fees
- Taxes

FUND MANAGER SERVICES



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

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



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

Provides or arranges for **legal, accounting, audit and custodial 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



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

Guides you to build and maintain your financial plan



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 and **HST** are charged on fees and services



Making Sense of MERs

When you invest in a mutual fund, you pay a fee known as the management expense ratio or MER. In short, the 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.

The MERs of different mutual funds vary according to the complexity of managing the fund. For example, the MERs of bond mutual funds, which generally have lower research and trading costs, will typically be lower than the MERs of global equity mutual funds, which typically have higher research and trading costs.

Breaking down the four segments of the MER:

1

management fee

The management fee (*includes a trailing commission earned by Advisors*) is typically the largest component of the MER. It pays for a variety of different costs, including:

- The fund company's cost of hiring portfolio managers who make investment decisions (e.g. manager research, selection, monitoring, security selection)
- Market research and analysis to support the optimization of a portfolio's design
- Compensation to the dealership that your Advisor is attached to, as well as compensation to your advisor (known as the trailing commission).

2

fixed rate administration fee

The fixed administration fee covers the costs associated with:

- An independent auditor who reviews the mutual fund's financial statements
- A custodian who holds a mutual fund's investments for safekeeping
- Producing, printing and mailing account statements, prospectuses and other important reports
- Other related fund administration costs

3

other fund costs

This typically makes up a very small portion of the overall MER and includes expenses such as:

- Interest, or borrowing costs
- Fees and expenses for an Independent Review Committee
- Other third party administrative charges

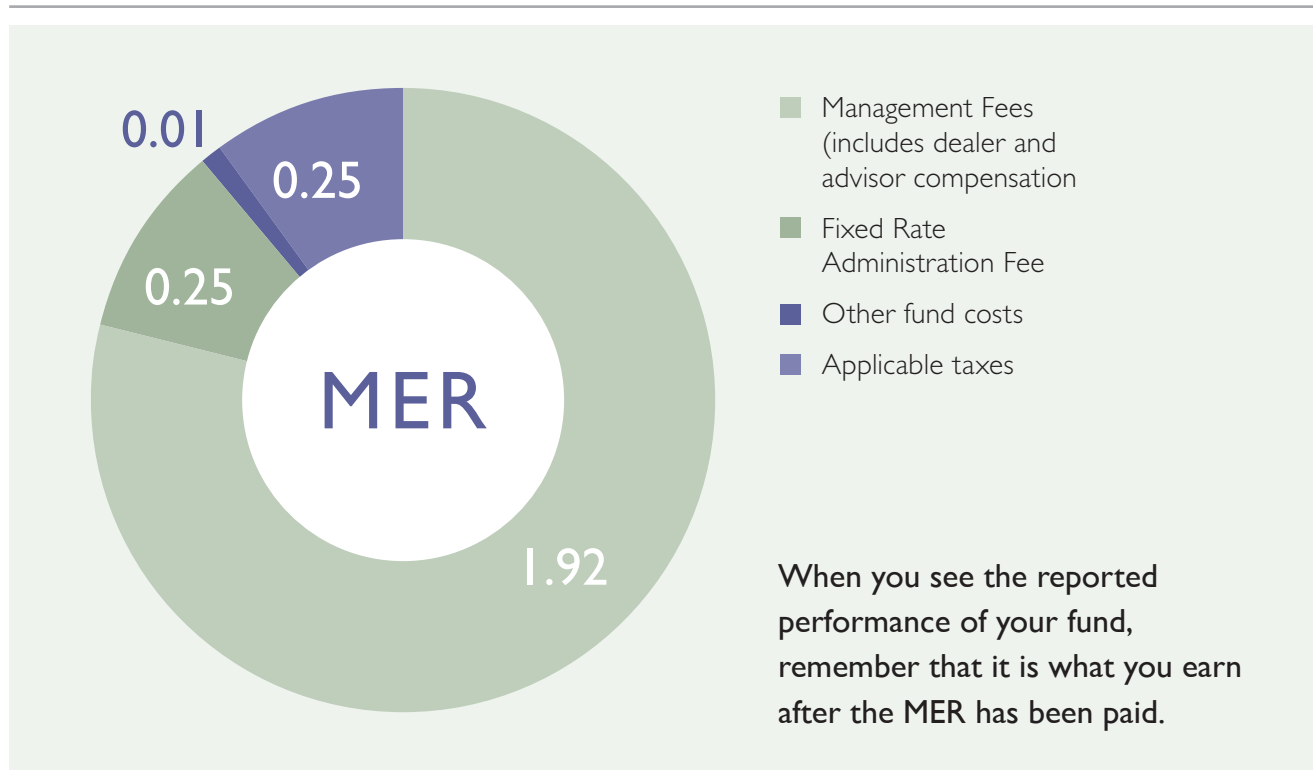
4

applicable taxes

Applicable taxes:

- Tax is paid on the management fee and other fees associated with operating a mutual fund

This chart illustrates how the MER of a Counsel Balanced Portfolio (2.43%*) breaks down. Assume you invested \$100,000 in this fund, your cost will be \$2,430 for the management, administration and taxes for the year.



Speak to us to find out more about MERs, the costs of investing or the costs of working with an Advisor.

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* Series E, for the period ended October 29, 2015.

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