

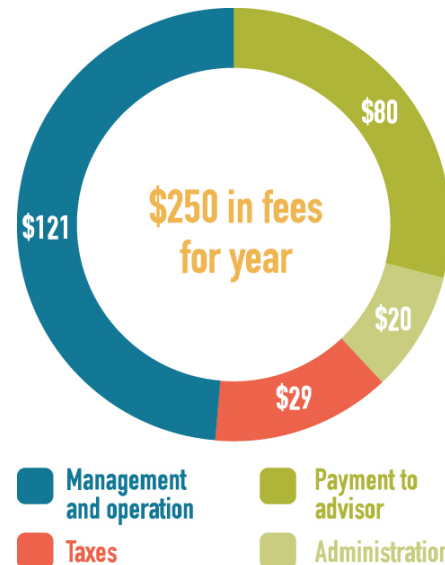
# Management expense ratios. *Where does my money go?*

A management expense ratio (MER) is the *total*\* fee you will pay to invest in a standard series mutual fund. It's important to note that you do not pay the MER directly; rather it's paid by the fund itself, which reduces the value of your investment accordingly.

## How your money gets split out in an MER

You invest \$10,000 in a standard series of a typical Canadian balanced fund with an MER of 2.5 per cent. Through the fund you pay a total of \$250 in fees for the year, which may be broken out as follows.

- \$121 for the professional management of the fund and fund operating expenses
- \$29 for taxes
- \$100 for administration, compliance and oversight provided by the fund dealer, of which, on average in the industry, \$80 goes towards investment representatives for the services provided to clients, including financial advice, and operating and overhead expenses incurred by the firms while providing those services



\*Additional sales charges may apply, as agreed upon between the client and the financial security advisor. Illustration assumes a front-end load structure, with a zero per cent sales charge and a blended tax rate of 13 per cent. A fund's tax rate may vary as it is a blended tax rate calculated based on the mix of investors invested in that particular fund across all provinces. Additional fees and charges may apply depending on the series and options chosen.

## Realizing the value of the right advice

It shouldn't be surprising that 81 per cent of fund investors have confidence in mutual funds as an investment solution.\*

I can offer you choice, flexibility and the comfort of knowing you're invested in a product that is aligned with your individual goals and aspirations.

Offering the right mix of strategically selected assets is at the centre of every strong portfolio.

Because your investment is managed by experts who follow this principle and manage costs and risks through me, you have access to strong products and solutions that you would otherwise not have access to on your own.

Contact me to review your investment needs or start your planning process.

\*IFIC/Pollara, *Canadian investors' perceptions of mutual funds and the mutual fund industry* 2013