



MAKING IT RESONATE:

The Value and Fee Conversation Guide



Canada's Investment Company

Introduction

This guide has been designed to provide you with the anatomy of a successful value and fee conversation using extensive third-party research and best practices from top advisors. Inside you will find pre-meeting preparation steps, best practices and suggested wording which you can customize and adapt to best suit your communication style and client situation.

A PowerPoint presentation which includes all of the visuals contained in this guide is also available. For additional information, contact your CI Wholesaler.

Legend



Pre-meeting preparation steps



Best practices for this step



Suggested wording

Book the meeting



XYZ Wealth Management



This is a reminder of your appointment with Joe Advisor,
Wealth Manager at XYZ Wealth Management on:

DAY / MONTH / TIME

AGENDA

-
-
-

| SERVICE | TOPIC | | | | | | | |
|-----------------------------|------------------|--------------------------|-----------------------|--------------------------|---------------------|--------------------------|-----------------------|--------------------------|
| Retirement Planning | Pension | <input type="checkbox"/> | CPP/PAS | <input type="checkbox"/> | Living Expenses | <input type="checkbox"/> | Long-Term Care | <input type="checkbox"/> |
| Estate Planning | Will/POA | <input type="checkbox"/> | Beneficiaries | <input type="checkbox"/> | Business Succession | <input type="checkbox"/> | Charitable Giving | <input type="checkbox"/> |
| Tax Planning | Tax Strategies | <input type="checkbox"/> | Business Tax Planning | <input type="checkbox"/> | Foreign Assets | <input type="checkbox"/> | Personal Tax Planning | <input type="checkbox"/> |
| Risk Management | Pre-mature Death | <input type="checkbox"/> | Disability | <input type="checkbox"/> | Critical Illness | <input type="checkbox"/> | Asset Protection | <input type="checkbox"/> |
| | Life Transitions | | Divorce | <input type="checkbox"/> | Eldercare | <input type="checkbox"/> | Bereavement | <input type="checkbox"/> |
| Non-Financial Advice | | | Second Marriage | <input type="checkbox"/> | Sudden Wealth | <input type="checkbox"/> | | |
| | | | Other | | | | | |



Demonstrate your leadership by proactively scheduling meetings to ensure your clients are well prepared to receive the new CRM2 statements and reports.

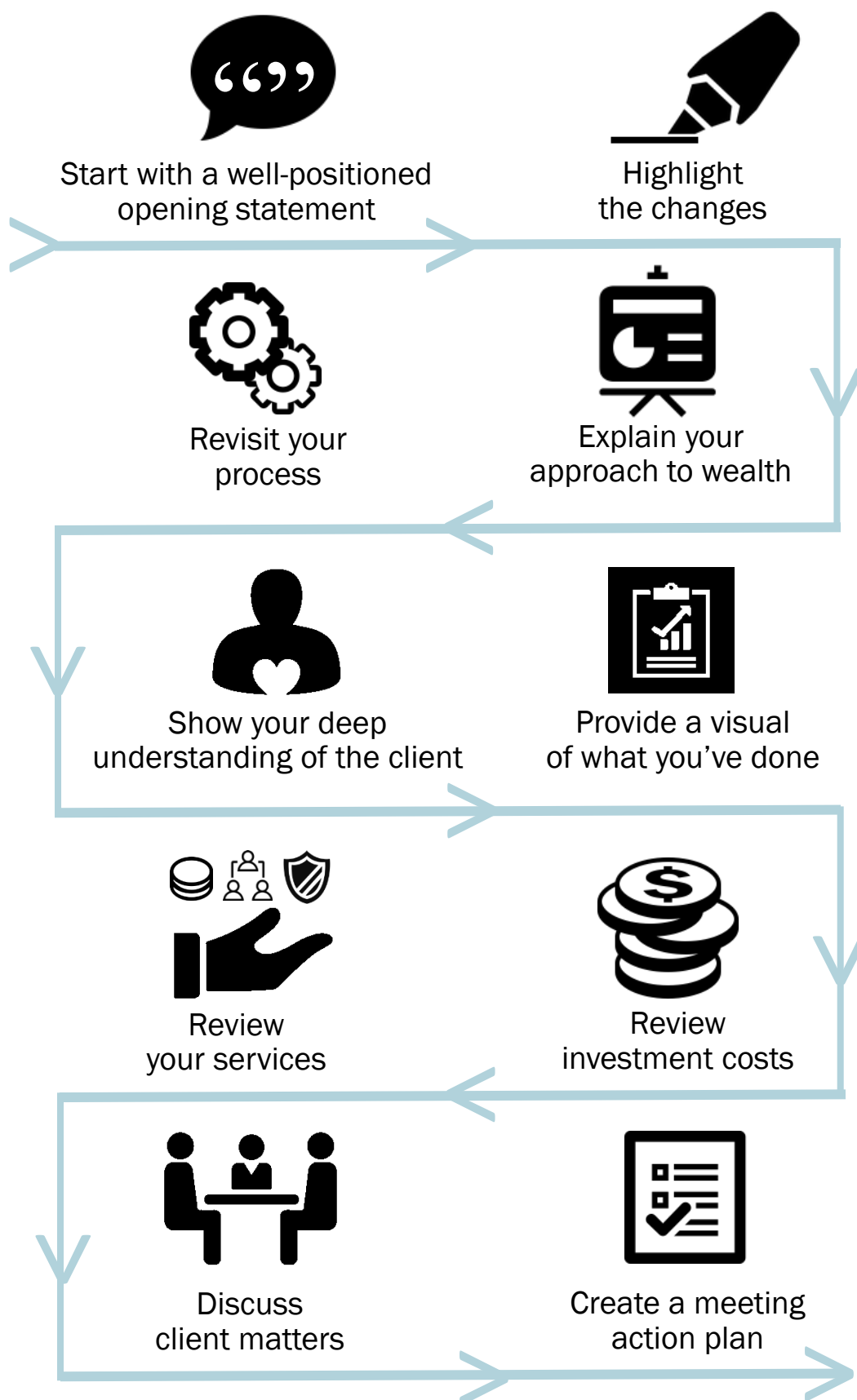
If you haven't done so already, start scheduling your progress/review meetings which include a discussion on your value and fees **now**.

Prior to your meeting you may also wish to send the appointment reminder shown on the left.

NOTES

[illegible]

The value and fee conversation process





Start with a well-positioned opening statement

 XYZ Wealth Management

Progress Review Meeting with

THE JANSSEN FAMILY

Prepared by: Joe Advisor



"As you know, I take pride in looking after my clients, making sure I am doing everything I can to educate them and help them reach their financial goals."

"Today I would like to take a slightly different direction from our usual annual progress meeting."

(Show agenda slide)

Progress review meeting agenda

- 1 Changes we're making to serve you better
- 2 Wealth management discussion
- 3 Review and discuss your investment costs
- 4 Matters you'd like to discuss



"There are a few things I'd like to cover in our meeting today:

- *Outline some of the changes we're making to serve you better*
- *Review your situation and the solutions we have in place*
- *Explain investment costs to help you understand what you're getting for the fees you're paying*
- *I also want to spend some time discussing any additional matters that are important to you."*

(Get client's agreement to proceed)



Highlight the changes

We're making changes to serve you better

| XYZ Wealth Management | |
|---|----------------|
| ANNUAL CHARGES & COMPENSATION REPORT | |
| Mr. & Mrs. Client 123 Elm Street Toronto, ON, M8K 3Z3 ACCOUNT #: 12345678 | Jan 20th, 2017 |
| This report summarizes the compensation that we received directly and indirectly in 2016. Our compensation comes from two sources: | |
| 1. What we charge you directly. Some of these charges are associated with the operation of your account. Other charges are associated with purchases, sales and other transactions you make in this account. | |
| 2. What we receive through third parties. | |
| Charges are reported because they reduce the profit or increase your loss from investing. If you need an explanation of the charges disclosed in this report, your representative can help you. | |
| Charges you paid directly to us | |
| | Amount |
| o RSP Administration Fee | \$100 |
| TOTAL CHARGES ASSOCIATED WITH THE OPERATION OF YOUR ACCOUNT | \$100 |
| o Commissions on purchases of mutual funds with a sales charge | \$3 |
| o Switch Fees | \$45 |
| TOTAL CHARGES ASSOCIATED WITH TRANSACTIONS WE EXECUTED FOR YOU | \$45 |
| TOTAL CHARGES YOU PAID DIRECTLY TO US | \$145 |
| Compensation we received through third parties | |
| | Amount |
| o Commissions from mutual fund managers on purchases of mutual funds (see note 1) | \$0 |
| o Trailing commissions from mutual fund managers (see note 2) | \$807.67 |
| TOTAL COMPENSATION WE RECEIVED THROUGH THIRD PARTIES | \$807.67 |
| TOTAL CHARGES & COMPENSATION WE RECEIVED IN 2016 | \$952.67 |
| Notes: | |
| When you purchase any of mutual funds in a defined sales charge fund, we received a commission from the investment fund manager. The amount of the trailing commission is based on the amount of the fund's assets under management. The amount of the sales charge depends on the sales charge schedule you have when you purchase the fund. You are not directly charged for trailing commission in the management fee. But, these fees affect you because they reduce the amount of the fund's assets under management. Sales and other charges to your investment funds are included in the prospectus for each fund. | |
| For further information, contact your representative. | |

Enhancing our statements and client reports

Increased information on fees and performance

Launching January 2017



"As I mentioned, we are making some exciting changes to serve you better. Working closely with our head office, we will be providing you with new statements and reports."

"These new statements and reports will be aligned with our commitment to providing full disclosure to our clients."

"You will see clearly how your investments are performing as well as a breakdown of the costs you're paying, in actual dollar amounts. Your 2016 year-end statements will include these new details."

"We'll talk about this a little later in more detail."

NOTES



Explain your approach to wealth



Using a simple marketing piece, like the example shown on the left, remind existing clients of what you do by providing your definition of wealth management.

Be sure to use specific examples of how you help clients achieve their goals.

Communicate that your success is based purely on their success and reaffirm your commitment to building and maintaining strong relationships.

NOTES



Revisit your process



Use a visual, like the example shown here, to outline your process and the steps you follow when creating a customized financial plan.

Highlight your holistic approach to planning and the value created for clients at each step.

Remind your clients that successful wealth planning requires regular monitoring and must account for changes in their situation, lifestyle and goals.

NOTES



Show your deep understanding of the client



1

Complete a customized version of the Client Storyboard (shown below). Populate key information from your client notes to capture their goals and current status for each category.

2

Include relevant client re-discovery questions in your meeting. See our Collection of Discovery Questions available at www.ci.com/pd for examples of great questions to ask clients.

(Present Client Storyboard)



"We are always looking for ways to better communicate specific wealth planning we have done for our clients in addition to what we are currently working on."

"Before we discuss how your investments have performed, I want to check in with you to see what has changed in your life since the last time we met. At our last meeting you mentioned...."

Client Storyboard for the Janssen Family

RELATIONSHIPS

Son, Karl 24
Daughter, Francesca 18
Both parents approaching 90's

ASSETS

Phil RRSP: \$334,000
Eva RRSP: \$194,875
Joint Account: \$27,450
RESP: \$19,750
House: \$420,000

GOALS

Retire debt free by 65
Spend more time with family
Travel 2x per year
Pay for Francesca's education

CONTINGENCY PLANNING

Both have whole life -\$500,000
Mortgage and disability insured
Will and POA docs up to date
No emergency fund

DEBT

Mortgage balance: \$273,000
Joint line of credit: \$25,000
Phil's car balance: \$12,000

INCOME

Phil Salary: \$85,000
Eva Salary: \$64,400
Dividends from investments



NOTES



Provide a visual of what you've done

| Your Progress Report | | | | | |
|--|--|---|---|-------------------------------|--|
| Phil Janssen Eva Janssen | | Top Priorities Retire debt free by 65 Maximize RESP contributions Set up emergency fund Next phase of financial plan | Challenges Aging parents require elder-care housing Francesca looking at colleges In US - increased costs | | |
| Financial Management Retirement Planning | | Tax Planning | | Protection Legacy Planning | |
| SERVICE | STATUS | SERVICE | STATUS | SERVICE | DETAILS & STATUS |
| Establish goals and financial plan | Initial discovery meeting completed 02.15.2000 Reviewed semi-annually | Tax mitigation | Tax mitigation through hold co since April 2006 | Life insurance | Whole life policy for both - \$500k on 03.15.2000 |
| Mortgage & debt analysis | On track to have mortgage paid off by 2020 | Tax return coordination | Joint filing through Accountant, James Jones since - April 2006 | Critical illness & disability | Mortgage protection set up 04.10.2000 |
| Retirement planning | Retirement plan and cash flow forecast completed - 07.03.2013 | Tax optimization | Non-registered account using: Corporate class | Wills and POA | Completed by Anderson Smith Law firm - 04.08.2009 |
| Cash flow projections | | Business tax planning | Tax filing through Accountant, James Jones since - April 2006 | Business succession planning | Completed - 09.15.2010 |
| Service and communication | Service agreement created 02.17.2012 | | | Risk protection | Portfolio analysis and automatic rebalancing in place to minimize risk |



1

Create a customized visual report card (example shown on left) to help illustrate the services and value you have provided to the client over the course of your relationship.

2

Review their most recent account statement and provide personalized comments on the performance of their investments.



"We've worked together for over __ years and I wanted to review with you how much we've achieved together over the course of our relationship.

(Show Progress Report)

"Here are some of the things we've put in place to help you achieve your goals.

You're on track to _____

(speak to services you have provided and the quantifiable value of your advice to help achieve their specific goals)...

(Provide notated account statements)

"I've reviewed your latest statements ahead of our meeting and have added my own personal notes...."



Review investment costs:

Option A - Fee-disclosed products

Review of your investment costs

| Management Fees | | | | | | |
|---|----------------|----------------------------------|------------------------------------|--------------------------------------|--------------------------------------|--------------------------|
| Tiered management fee (net of reductions) | | | | | | |
| Mandate Classification | Management Fee | \$250,000 to \$500,000 inclusive | \$500,000 to \$1 million inclusive | \$1 million to \$3 million inclusive | \$3 million to \$5 million inclusive | Amounts over \$5 million |
| Money Market | 0.55% | 0.500% | 0.425% | 0.350% | 0.325% | 0.300% |
| Income* | 0.55% | 0.525% | 0.450% | 0.400% | 0.350% | 0.300% |
| Diversified Income/Balanced | 0.85% | 0.750% | 0.600% | 0.550% | 0.500% | 0.400% |
| Equity | 0.95% | 0.900% | 0.750% | 0.650% | 0.600% | 0.500% |

| Fees to the Firm | | | |
|---------------------------|-------|---------------------------|-------|
| \$250,000 - \$499,999 | 1.25% | \$1,500,000 - \$2,499,999 | 0.90% |
| \$500,000 - \$999,999 | 1.15% | \$2,500,000 - \$3,499,999 | 0.80% |
| \$1,000,000 - \$1,499,999 | 1.00% | \$3,500,000 - \$4,999,999 | 0.60% |

See our full fee schedule for assets of \$5,000,000+



"As I speak with my clients, I'm finding that not everyone understands the costs associated with investing. I know we have discussed them previously, but I'd like to take some time now to review the costs to confirm your understanding and answer any questions you may have."

"We work hard to ensure we offer financial advice at a competitive cost. For your portfolio, we were able to achieve this by placing you in our Private Investment Management investment solution."

"This allows us to provide high-net-worth investors like you with preferred pricing that is similar to what larger institutional buyers receive."

(Review annual fee schedule – management fees, fees to the firm)

"Your fees are automatically reduced or rebated when account balances reach each of the thresholds shown here."

"Management fees include professional portfolio management, operating expenses and sales taxes."

"(Insert dealership name) employs a similar tiered-fee structure. The fees to the firm include the costs of our full wealth management services and solutions such as financial, estate and retirement planning we discussed earlier."

"The fees for your portfolio are (____%), or approximately (\$____) per year. We believe this disclosure provides you with full transparency on costs and the potential benefit of tax deduction on non-registered accounts."

"I hope I've explained this clearly. I'm happy to answer any questions you may have."



Review investment costs:

Option B - Products with embedded fees



Determine and input values specific to your client into the MER Value Breakdown (Figure 1) and MER Industry Range (Figure 2).



"As I speak with my clients, I'm finding that not everyone understands the costs associated with investing. I know we have discussed them previously, but I'd like to take some time now to review the costs to confirm your understanding and answer any questions you may have."

"We work hard to ensure we offer financial advice at a competitive cost. Instead of paying fees directly, your investment costs are included as part of the portfolio's/fund's management expense ratio (MER). These costs include sales taxes, operating expenses, professional portfolio management, financial planning and advice."

Optional: For more technical clients- show the MERs Explained tool (not shown) available at www.ci.com/pd

(Show Figure 1 - MER Value Breakdown slide)

"The example on the right shows an account value of \$130K with an MER of 2.2%."

Here's a breakdown of how MERs are calculated for your portfolio and the services you're receiving at each level.



Figure 1 - MER Value Breakdown

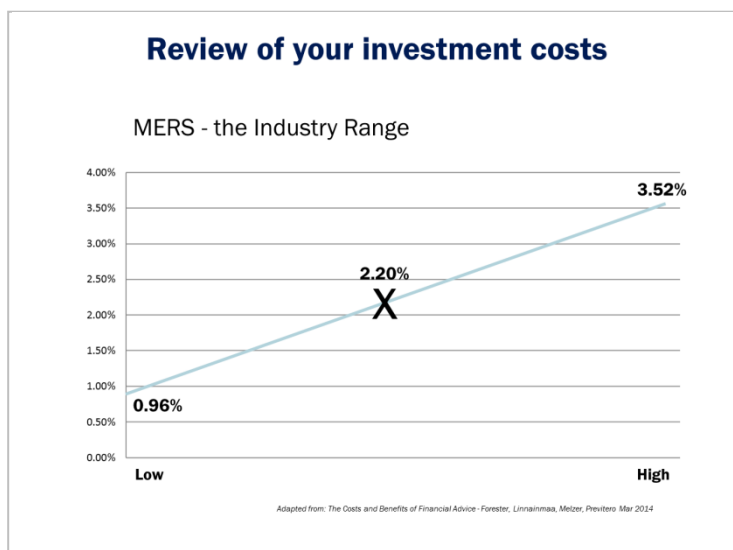


Figure 2 - MER Industry Range

(Show Figure 2 - MER Industry Range)

"To provide some context, this chart shows the range of MERs in Canada. The MER for your portfolio is (insert percentage), which is roughly in the middle of what you see here."

"My team and I are committed to offering the most cost-effective products and delivering maximum value through the advice we provide."

"Let me know if you have any questions."



Review your services

Our Wealth Management Services

At XYZ Wealth, we're committed to providing you with an unrivaled wealth management experience. Our team is dedicated to building relationships that expand beyond your investments and providing you with personalized solutions. We offer a wide range of services coupled with a first-class client experience.

As part of the fees we charge, you are entitled to the following services and value-adds:

| Financial Management | Asset Management | Tax Planning | Risk Management |
|---------------------------|----------------------------------|--------------------------------|---------------------------------|
| Mortgage & debt analysis | Portfolio/pension analysis | Tax analysis | Life Insurance |
| Cash flow analysis | Diversified product offering | Tax return coordination | Critical illness & disability |
| Cash flow projection | Retirement/education/savings | In-depth personal tax planning | Long-term care insurance |
| RRSP/leverage loans | Repositioning/rebalancing | Business tax planning | Asset allocation to reduce risk |
| Establish financial goals | Maximizing risk-adjusted returns | Tax minimization strategies | Review of money managers |

| Retirement Planning | Legacy Planning | Life Planning | Client Experience |
|---------------------------------|------------------------------|---------------------------------|------------------------------|
| Retirement income analysis | Estate planning analysis | Eldercare issues | Deep client discovery |
| Assessment of objectives | Wills and POA | Workplace transitions | Behavioural management |
| Retirement expenses analysis | Charitable giving | Healthy living | Regular status reports |
| Retirement cash flow projection | Business succession planning | Referral to other professionals | Tailored communication |
| Retirement education sessions | Access to legal network | Other non-financial advice | Proactive problem resolution |



Create a visual that outlines your wealth management services similar to the example shown on the left.



Present and review your various services and value.



"As we have just discussed, it's important that you understand the costs of our services. But it is also important you are aware of the full range of services we provide..."



Think of three services you offer that you have not yet provided to your client (see example on the right). Use real client situations as examples and highlight the solutions you have provided. This will help you to position additional services and value.



"I was recently working with a client in a similar situation... (elaborate on client story)... I thought perhaps you may also find _____ worthwhile."

How I can add more value



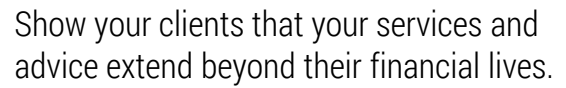
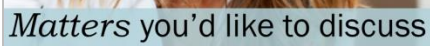
Intergenerational wealth meetings



Access to other experts




Support during life transition events



Refer back to the appointment reminder tool (shown on page 5) which provides the client space to list matters they want to discuss.



Create a meeting action plan

 XYZ Wealth Management

For: Phil and Eva Janssen

Meeting Date: February 2 2016

The following is a summary from our recent progress meeting. We have also listed the action items that were agreed upon during our discussion. Please review and let us know if you have any questions or require any additional information.

TOPICS DISCUSSED

1. Changes we're making to serve you better
2. Wealth management discussion
3. Review and discuss your investment costs
4. Matters important to you

ACTION ITEMS AND NEXT STEPS

- ✓ Update your financial plan
- ✓ Increase monthly contributions into TFSA to \$450 - starting next PAC run date
- ✓ Maximize RESP contributions for Francesca - new contributions increased to \$500 per month
- ✓ Provide a quote for travel insurance for next family trip to Europe



Summarize the important issues discussed during your review and the action items established between you and your client.

After your meeting, prepare a meeting summary and action plan, like the example shown on the left. Send this to your client within a week of your meeting.

List the key points of your progress review and action items. Store a copy of this meeting summary in the client's file for future review.

NOTES

Visit www.ci.com/pd for complete access to all of our advisor resources



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For a complete list of the CE credits available, please click on the CE Credits tab above.

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