



P.O. Box 1201
Charlottetown, PE
C1A 7M8

T. 902-393-1248 (direct)
CorkumFinancial@pei.sympatico.ca
www.CorkumFinancial.ca

TYPICAL INVESTMENT OPTIONS BASED ON PRODUCT AND PORTFOLIO SIZE

These are not recommendations, only examples – speak with a professional advisor. Considerations include your investment knowledge, your income, your net worth, your understanding, willingness and ability to accept risk, among other factors

Type / Amount	Fixed Income (Safety)	Equities – Under \$300,000 (or higher)		Equities – Over \$300,000
Advisor	Most Financial Institutions	Advisors - Mutual Fund License Only Banks, Credit Unions, Insurance Cos., Investment firms)	Do-It-Yourself Using Online Discount Brokerage, Robo Advisors (Full service brokers usually have higher limits)	Do-It-Yourself or Any licensed advisors Mutual fund advisors Online Discount Brokerage Robo Advisors Full Service Brokers
Considerations	Product is low risk, little advice required, maturity dates need to be planned, laddered maturity dates reduce rate risks.	Financial advice provided, but product selection is limited to mutual funds, and sometimes limited to the advisor's own company product list	No financial advice; online provider may provide research tools for your own use	Financial advice available if full service broker is used
Choices of Products	Savings Accounts, Guaranteed Investment Certificates (GICs), Term Deposits, Bonds, and mutual funds containing the above Understand guarantee limits, if any, on each	Mutual funds	Mutual funds Exchange Traded Funds (ETFS) Individual Stocks Understand fee structure - % of assets or buy/sell commissions and/or embedded fees within the funds	See other categories Pooled/Managed funds with professional money managers

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<p>Fees – There are many types of fees – these are just examples of some and rates vary</p>	<p>Minimal, normally built into cost of security purchase (~0.25%) for direct product purchases. Fixed income mutual fund fees may average 1.46% for bond types of funds¹ in addition to possible buying or selling commission. Money market mutual funds and fixed income ETFs would have very low fees</p>	<p>Varies based on type of fund, increasing with risk levels – typically a management expense ratio (MER) based on value</p> <p>(2011 annual averages¹ - fixed income 1.46%; balanced 2.03%; equity 2.26%, including trailer fees to advisor of 0.5%, 1.0%,1.0% respectively). Amounts typically range from 0.25% to 3.0% May be buying/selling commissions also</p>	<p>Mutual funds – see to the left</p> <p>ETFs – typical ~0.25% MER plus buying commissions;</p> <p>Individual stocks – buying/selling commissions (e.g. \$10 per trx)</p> <p>Robo-Advisors – ETF MER plus annual fee (about 0.50% – 0.75%) & maybe transaction fee</p>	<p>See other categories</p> <p>Full service brokers may charge buying/selling commissions (e.g. 2.5% of price or \$75-\$100 per trx) or charge annual fees based on account size – 1% - 2.5%;</p>

¹ Mutual Fund MERs and Cost to Customer in Canada: Measurement, Trends and Changing Perspectives - A study by Investor Economics for The Investment Funds Institute of Canada September 2012

Blair Corkum, CPA, CA, R.F.P., CFP, CFDS, CDFA®, CLU, CHS holds his Chartered Professional Accountant, Chartered Accountant, Registered Financial Planner, Chartered Financial Divorce Specialist as well as several other financial planning related designations. Blair offers hourly based fee-only personal financial planning, holds no investment or insurance licenses, and receives no commissions or referral fees. This publication should not be construed as legal or investment advice. It is neither a definitive analysis of the law nor a substitute for professional advice which you should obtain before acting on information in this article. Information may change as a result of legislation or regulations issued after this article was written.

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