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© **FUND ✓ CHECKLIST: "Better Disclosure, A Better Way!"®**

KNOW YOUR CLIENT SUITABILITY: ASSET MIX + RISKS versus REWARDS

I / We understand that _____ fund investment strategies range from conservative low to aggressive high risk. I / We have ___ personally determined and established or I / we have discussed, determined and established with ___ my / our fund salesperson, my / our overall investment, objectives, needs and _____ fund RISK/REWARD tolerances as follows:

ASSET MIX	RISKS vs. REWARDS
___ % Value	___ % Invest. Grade
___ % Growth	___ % Good Quality
___ % Income	___ % Speculative
___ % Momentum	___ % High Risk
100 % Total	100 % Total

Fund Name: _____ **Managed By:** _____ **Since:** ___ / ___ / ___

I/We acknowledge that I/we have received from my/our financial products salesperson, fee-based advisor, fund distributor, etc., the ___ page Simplified Prospectus for _____ Fund(s).

PERFORMANCE COMPARISON TO THE END OF: M M M / 2 ___

Fund being recommended / purchased: _____: ___% 1 YR, ___% 2 YR, ___% 3 YR, ___% 5 YR
 Benchmark comparable index to fund: _____: ___% 1 YR, ___% 2 YR, ___% 3 YR, ___% 5 YR

15 MOST COMMON INVESTMENT FUND RISK PERFORMANCE TERMS & RANKING CRITERIA

- | | |
|---------------------------------|-------------------------------|
| 1. Alpha: _____ | 9. Mean: _____ |
| 2. Beta: _____ | 10. R-Squared: _____ |
| 3. Correlation Benchmark: _____ | 11. Sharpe Ratio: _____ |
| 4. Downside Risk: _____ | 12. Skewness: _____ |
| 5. Downside Frequency: _____ | 13. Sortino Ratio: _____ |
| 6. Downside Magnitude: _____ | 14. Standard Deviation: _____ |
| 7. Jensen's Measure: _____ | 15. Treynor's Measure: _____ |
| 8. Mornigstar Rating: _____ | 16. Other _____: _____ |

\$ALIENT TRAN\$ATION DETAIL\$: CO\$T\$ + ADVISOR REMUNERATION

PO\$ Transaction Charges:
 ___ % F-E Service Charge \$ _____
 ___ % No-load; Low-Load \$ _____
 ___ % D\$C* rear-end load \$ _____
 ___ % Level Load 4* D\$C \$ _____
 ___ % Series "F" Units \$ _____
 a D\$C* begins @ ___% on the: ___ Book Value or ___ NAV falling to zero % after ___ Year\$.
 ① D\$C Rebate ___% \$ _____
 ② Admin. Co\$T To Buy: \$ _____
 ③ Monthly Account Fee: \$ _____
 ④ Early Withdrawal Penalty: is ___% within ___ day\$.
 ⑤ Direction\$ To Sell Must Be: received by: ___ Phone, ___ Fax ___ E-mail before ___:___ M to obtain same day closing price
 ⑥ Admin. Co\$T To Sell: \$ _____

Management Expense Ratio (MER): The fund manager deducts an annual MER of ___% on a pro-rata basis before the fund's NAV is calculated. The fund manager pay\$ a Trailer Fee Commission of ___% from the MER to your advisor.
 ① MER/Trailer Fee Rebate ___%
 ② EXTRA Advisory Fee\$: Fund of fund\$/Wrap: ___%
 ③ MER Performance Bonus: ___% above ___ benchmark.
 ④ This is an ___ Arm's Length or a ___ Proprietary Fund.

\$tmt of Investment Policy:	As At
Asset Mix Guideline Ranges	___ / ___ / ___
Cash ___ to ___ %	___ %
Fixed Income* ___ to ___ %	___ %
CDN Equities ___ to ___ %	___ %
Intern. Equities ___ to ___ %	___ %
Real Estate ___ to ___ %	___ %
Derivatives ___ to ___ %	___ %
Max. \$hort Sales to ___ %	___ %
Max. Leverage to ___ %	___ %
Portfolio Turnover: ___% / Yr.	
Unit Values *Fixed Income	
Book \$ _____	Av. Term _____
NAV \$ _____	Duration _____
% Capital Gains _____ %	Min. Cr. Rating _____

“Better disclosure induces ‘investorism’ and enhances industry integrity!”

① **Educating the differences between “Mutual” “Segregated” “Wrap” “Pooled” “Hedge” “ETF”, etc. funds:** “Caveat emptor” is not good enough when consumer / investors have never been taught their now needed “Financial Literacy Survival” skills during their core curriculum. Financial products are **not all** created equally: they do **not all** meet the same regulatory rules, regulations, terms and / or FINE PRINT EXCEPTION(S) conditions!

The antidote cure: “point-of-being-SOLD / purchase” fill-in-the-blanks educating 1-pagers !!

② **There is a “Need To Know” both the Fund’s Taxable Book + NAV Market Unit Values:**

With two-thirds of the monies invested in Canadian investment funds being taxable investments (i.e. only one-third are tax shielded RRSP, RPP, RRIF, DPSP, RESP, etc.), the treatment of capital gains by Canada Revenue Agency triggers the fiduciary need for securities distributors & financial advisors to disclose both *market* and *book* values: it’s the annual capital gains pay me in advance surprise! This CRA caveat must become a point-of-sale imperative !!

③ **There are conflicts of interests “Tied Advice” issues in the “trailer fee commission:**

IF fund companies and distributors were required to show the dollars (\$\$) and cents (¢¢) amounts of the MERs deducted + the trailer fee commission components of the MER paid to whom NAME on consumer / investors quarterly statements + a financial salesperson’s employer remuneration payout grid levels + how a particular fund’s trailer fee compares to the high, low, median, and average category ranges + any salesperson trailer fee-based retirement gratuity formula(s) + the low trailers paid on money market funds, etc., consumer / investors would clearly see “*tied advice / tied sale*” skewing issues !!

④ **Relative v. Absolute Fund Manager Performance Remuneration Bonus Formula:**

Prospectuses rarely disclose the relative formula(s) that may be / are used by a fund company to calculate a fund manager’s market performance based remuneration bonus! These formulas are usually based on a fund manager’s ability to beat a peer group and / or portfolio related market indices, i.e. if the comparable S&P TSX Small Cap Index is minus (-) 30% and the fund is only minus (-) 25% = **earns** the fund manager a 100% performance bonus !!

⑤ **The Undisclosed Cumulative Power, Politics & Governance Vote That Investment Funds Are Allowed:**

We give discretion to a fund manager to invest our sacred retirement savings — our “*financial euthanasia avoiding*” savings in order to achieve above average returns with limited risk while also providing us with a simplified prospectus, audited statements, quarterly portfolios, trading records, an Annual Information Statement, etc.

BUT: nowhere in the prospectus do our securities regulators require the fund manager to disclose when they vote the “**material fact**” common stock shares that are owned by a fund’s unitholders. Nor is there any requirement that the fund manager must disclose how many shares they vote, how and why on specially designated issues and proposals !!

A CONSERVATIVE ACTUARIAL ASSET MIX LIFECYCLE GUIDELINE

YEARS BEFORE RETIREMENT	GROWTH (EQUITY)	GROWTH & FIXED INCOME	BONDS / FIXED INCOME	SHORT-TERM ASSETS
0 - 5 YEARS	10%	20%	55%	15%
5 - 10 YEARS	20%	25%	40%	15%
10 - 15 YEARS	30%	30%	30%	10%
15 - 20 YEARS	50%	20%	20%	10%
20+ YEARS	60%	15%	15%	10%

GOC BOND DURATION VOLATILITY

10 YEAR PAR GOC BOND

INTEREST YIELD	DURATION	NAV/MKT VALUE
RISE 2% to 7.36%	7.21	86.75
COUPON 5.36%	7.48	100 PAR
FALL 2% to 3.36%	7.75	116.00

20 YEAR PAR GOC BOND

INTEREST YIELD	DURATION	NAV/MKT VALUE
RISE 2% to 7.80%	9.66	82.00
COUPON 5.80%	10.44	100 PAR
FALL 2% to 3.80%	11.22	123.75

30 YEAR PAR GOC BOND

INTEREST YIELD	DURATION	NAV/MKT VALUE
RISE 2% to 7.58%	11.44	78.00
COUPON 5.58%	13.37	100 PAR
FALL 2% to 3.58%	15.50	133.25