

Investment Service Provider Comparison

The following table is an overview of the typical differences between investment service providers and highlights why an investment counsellor/portfolio manager is usually the preferred choice for affluent private clients.

CHARACTERISTIC	TYPE OF FIRM		
	Portfolio Manager (Bluenose Investment Management Inc.)	Full Service Broker/Investment Dealer (Advisory)	Mutual Fund Salesperson
Responsibility for day-to-day investment decisions	Investment Manager Your investment manager makes day-to-day decisions based on your guidelines.	Client Broker makes recommendations. Client must approve all transactions.	Client Salesperson makes recommendations. Client must approve all transactions.
Revenue source	Our fees are based on assets under management. We provide you with unbiased decision making.	Receives commission for every trade execution plus trailer fees paid by mutual fund companies.	Receives commission for every transaction plus trailer fees paid by mutual fund companies.
Investment product selection	All investment products are available. You are not limited to any pre-defined list of products.	Broad range with some limitations. Bond selection is limited to firm's inventory. Select mutual fund groups only.	Limited to the mutual funds sold by the salesperson.
Order execution	We are able to choose the execution broker that will achieve lowest overall cost.	Firm's own trading desk.	Mutual fund company.
Annual investment management fees (% of account market value)	0.4–1.2%, depending on portfolio size. Fees are tax deductible when paid from a non-registered account.	2–4% when mutual fund fees are included. Some fees may be tax deductible.	2–4% when mutual fund fees are included. Not tax deductible.
Advantages	<ul style="list-style-type: none"> • Continuous management of investment portfolio. • Unbiased investment decisions. • No conflicts between principal trading or underwriting and portfolio management. • Highest qualification standards for our professional staff. • Lowest cost. • Fees are tax deductible when paid from a non-registered account. 	<ul style="list-style-type: none"> • Broker can provide advice and execution to clients of all sizes. • Wide selection of product available. 	<ul style="list-style-type: none"> • Salesperson can process transactions of relatively small dollar amounts and can usually offer regular installment purchase plans. • Available in communities of all sizes.
Disadvantages	<ul style="list-style-type: none"> • For us to provide a high level of personalized service at a reasonable cost we have a minimum family portfolio size requirement of \$500,000. 	<ul style="list-style-type: none"> • Financial incentive to sell high commission products and make regular transactions. • Sales commissions and built in product fees are expensive. • Typically minimal education and training required. 	<ul style="list-style-type: none"> • Financial incentive to sell high commission products and make regular transactions. • Sales commissions and built in product fees are expensive. • Typically minimal education and training required. • Fees are not tax deductible.