



Mutual funds and ETFs provided by  
Queensbury Strategies Inc.

 [www.queensbury.com](http://www.queensbury.com)



## Our investment process


**Our process is aligned to client goals and expectations. Here are the top four requests we hear:**

1. **Preserve my capital** “I’ve worked hard to create this wealth, I don’t want to lose it.”
2. **Grow my capital** “I want to grow my capital at a rate of return that allows me to achieve my long term goals.”
3. **Minimize my taxes** “I don’t want to pay any more income tax on my investment earnings than necessary.”
4. **Keep my costs reasonable** “I want to see value for the fees I pay for investment management and financial planning.”

## Preserve and grow capital. Minimize taxes and costs.

How do we help you preserve and grow your capital while minimizing costs? Our five biggest levers are:

- **Choosing money managers** We select and monitor top tier money managers. We employ a multi-manager or *open architecture* approach to constructing your investment portfolio. By selecting and monitoring *truly active* investment managers with discipline and rigour. Money Managers must earn their way onto our recommendation list through performance, risk management and transparent communication.
- **Cost sensitivity** We partner with money managers that have reasonable fees for value delivered. Our wealth management fees are tiered to provide lower costs as portfolio size increases.
- **Low cost investments** – We incorporate low cost investments such as index Exchange Traded Funds, GICs and annuities when appropriate.

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- **Regular fee reviews** – Client fees are reviewed annually. If portfolio growth merits a fee reduction, it is done. If lower cost product alternatives become available, we recommend changes if there aren't unpleasant side effects that offset the fee savings.
  - **Tax efficiency** – Tax deferral and tax minimization is a focus of our recommendations. CRA is making it more difficult to create tax efficient portfolios than in the past, however, we use the few levers remaining where practical.

## Our philosophy and approach

Distilled into eight items, here is the Caring for Clients investment philosophy. Please, pick up the phone and talk to us about any one of these, at any time.

1. Active portfolio management can add value relative to market benchmark indices, both in additional returns and reduced risk. Low-cost broad market exposure through ETFs can reduce the overall cost of investing without undermining long term returns.
2. Tax-effective structures should be offered whenever practical/ possible.
3. Fee transparency and unbundling fees results in client cost savings.
4. No single investment manager, however expert, can excel in all:
  - a. Asset classes (bonds, equities, commodities, cash equivalents)
  - b. Styles (e.g. growth, value, small companies, large companies)
  - c. Market environments.
5. No manager can be or should be conclusively identified as the best, even in their own specialty. But it is possible to identify those with significantly higher (or lower) than average odds of future success.
6. Engaging more than one manager in an asset class can be a prudent move. It mitigates the risk of manager lack of success, whether due to a material organizational change or market unpredictability.

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7. Globally diversified portfolios have become a prerequisite for long-term investment success. Our product selection process includes those that specialize in markets beyond Canada.
  8. Guaranteed-return products such as annuities and GICs can complement an actively managed strategy and support a client's overall objectives.

## Choosing excellent money managers


As with all our choices on your behalf, we're disciplined. As well, we look for discipline in our managers:

1. A sound and distinctive investment philosophy is a prerequisite. In practice, this distinguishes between managers who truly have a disciplined investment philosophy and who understand their business, versus those who simply repeat what has worked before or follow the herd.
2. A disciplined investment process that includes:
  - a. Unique insights through solid research
  - b. Rigorous analysis
  - c. Disciplined execution and staying the course.
3. Lack of hubris – The best managers constantly re-examine their successes and failures and acknowledge and learn from each. They understand that successful investment processes are not static.

## Reducing costs through ETFs

We are always on the lookout for high quality investments for our clients. The proliferation of ETFs introduces a range of options.

1. As the Exchange Traded Fund (ETF) industry evolves, ETFs are not always the straightforward and economical product they once were. In some instances, owning ETFs can [increase the cost of advice](#) you are receiving.
2. However, many ETFs remain cost-effective and are an efficient way to diversity your portfolio.

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3. We are committed to recommending “best fit” investments, regardless of whether those investments be active or passive.

## How our process differs

Maybe you’re considering a few other financial planners? Ask them about our three core differentiators:

1. **Financial Planning is part of the package** - Investment recommendations are made in the context of your overall financial plan and objectives. Rather than being tactical in nature, your portfolio reflects a broader financial strategy.
2. **No conflicts of interest** - Our responsibility is to identify the most appropriate investment managers and investment product solutions to our clients. We are free to do so as Queensbury Group has no proprietary product – we have no vested interest in recommending one solution/manager over another.
3. **Tax minimization** When you have taxable accounts, you benefit from tax structures that allow you to minimize and/or defer investment income, increasing your total investment return.


## Our Core Managers (others play satellite roles)

### Edgepoint Wealth Management

Edgepoint was founded in 2008 by a group of tenured investment professionals who believed that investment products had become commoditized. They wanted to get back to doing what they loved, which is generating wealth through sound investment principles. Now, Edgepoint manages over **\$30 billion** dollars, and is considered one of Canada’s premier investment firms.

The Edgepoint approach in their words:

We're long-term investors in businesses. We view a stock as an ownership interest in a company and endeavour to acquire these ownership stakes at prices below our assessment of their true worth.



*“We believe that the best way to buy a business at an attractive price is to have an idea about the business that isn't widely shared by others – what we refer to as a proprietary insight.*

*We strive to develop proprietary insights around businesses we understand. We focus on companies with strong competitive positions, defensible barriers to entry and long-term growth prospects that are run by competent management teams. These holdings generally reflect our views looking out more than five years. We firmly believe that focusing on longer periods enables us to develop proprietary views that aren't reflected in the current stock price.*

*Our approach is deceptively simple. We buy good, undervalued businesses and hold them until the market fully recognizes their potential. Following this approach requires an ability to think independently, a natural curiosity necessary to search out new ideas and a commitment to embrace the thorough research required to uncover opportunities the market doesn't fully appreciate.”*

<http://www.edgepointwealth.com>



## Mawer Investment Management

Founded in 1974, Mawer Investment Management Ltd. is a privately owned, independent investment firm, managing over **\$89 billion** in assets for a broad range of individual and institutional investors across all major investment strategies. The firm employs over 200 people across locations in Calgary, Toronto and Singapore.

Throughout the firm's 40-year history, they have provided consistent portfolio management for our clients based on a disciplined, time-tested, "boring" investment approach. This approach has helped our clients safely and profitably navigate the investing landscape over many different economic cycles.

Through the award winning Mawer Balanced Fund, you will benefit from the wide range of asset classes that Mawer uses to generate returns for investors.

Here is a summary of their [investment approach](#).

## Fidelity Investment Management

Fidelity Investments Canada ULC is part of the Fidelity Investments organization of Boston, one of the world's largest providers of financial services. In Canada, Fidelity manages over **\$200 billion** in mutual fund and institutional assets (as at September, 2023). This includes \$41 billion in assets for institutional clients including public and corporate defined benefit pension plans, endowments, foundations, and other corporate assets on behalf of clients across Canada.

We have meaningful allocations to select balanced and equity strategies.



Caring for Clients  
FINANCIAL PLANNING WITH A DIFFERENCE



## Lysander Funds

Through Lysander, we gain access to [Canso Investment Counsel](#) and their Corporate Value Bond Strategy among others. Canso is one of Canada's premier fixed income credit research firms managing over **\$36 billion** for institutions and retail investors. Such expertise is valuable as we enter a period of rising rates and bond volatility.

## Exchange Traded Funds

We recommend various ETFs from the following providers for their low cost and effective diversification:

- Vanguard
- BMO
- iShares

We may recommend ETFs to fill or round out a client's portfolio.

## Socially Responsible Investing

We have knowledge and experience in socially responsible investing and access to investment strategies that align with our clients' personal values if desired.

## Alternative Investments

Through our partnership with Connor Clark and Lunn, our clients have access to:

- Private loans
- Private equity
- Infrastructure investments
- Real estate

## Competitive Fees

We ensure that recommended portfolio managers and exchange traded funds provide excellent value for their fees and review this on a regular basis.

Our annual advisory fees are tiered according to portfolio size under our management as follows:

- Annually:





- \$0 – \$1 million is 1%
  - Next \$1 million – \$1.5 million is 0.65%
  - Next \$1.5 million – \$2 million is 0.50%
  - Next \$2 million – \$3 million is 0.40%
  - Next \$3 million – \$4 million is 0.30%
  - Next \$4 million and up is 0.20%
  - Plus, a \$200 annual trustee fee per account
- Once the financial planning engagement is complete, no further hourly fees for ongoing comprehensive financial planning.
  - Product costs:
    - Your product fees depend on the products needed to achieve your investment objectives.
    - Actively managed portfolios (i.e. investment counsellors, F class mutual funds) have embedded fees that typically range from .4% to 1%
    - ETFs range from .05% to .85%
    - GICs and annuities do not have embedded management fees. A sales commission is factored into the yield of the product.
    - Alternative asset classes have management fees and performance fees.

Thank you for considering becoming a wealth management client!

