



September 2021

Banks halt sales of third-party funds as rule changes loom

Clare O'Hara, The Globe and Mail, Report on Business, Tuesday, September 7, 2021 https://globe2go.pressreader.com/article/281861531617353

Royal, CIBC & TD Banks announce that they will no longer purchase 3rd Party Mutual Funds on their platforms.

Why? Did somebody get their 'hands slapped?' No more 3rd Party funds from these banks in this space?

No, not exactly. They will only allow purchases of funds managed by themselves, or run by their own organizations in their clients' Wealth Management portfolios. This is an interesting move in Markets when we are trying to offer *more*. No more Dynamic, Fidelity, Capital Group or Manulife on their platforms?

This limitation is driven by reasons somewhat convoluted and stemming from promises regarding product knowledge. This is their solution. They hereby draw a line in the sand as to what investments they will allow their clients to hold in the portfolios they manage.

So? What might that limitation mean to their clients?

Well, compare it to our search for the 'best of the best' when make recommendations for you:

- > Who manages that fund, and what is their record?
- How worthy are the assets in the fund?
- We want to see strong investments with a solid future
- We want to see and evaluate their capital appreciation
- ➢ Is there an expectation of EARNINGS GROWTH?
- How does this fit into the construction balance or mix of YOUR Portfolio and YOUR strategy?
- What is your Risk Tolerance?
- How will that fund generate its Cash Flow?
- Is it a sustainable commitment to the Investor?
- ➤ Are there other Tax considerations unique to you?
- > Does the fund's payment rely upon drawing from your Principal?
- Will this distribution be affected by fluctuations in the Market?

OR do you want to be limited to ONLY what the bank will provide??

Too many believe that there is little difference between a Financial Planner reporting to a bank who pays their salary and an Investment Advisor from a professional investment firm such as BMO Nesbitt Burns who is under the BMO umbrella. This interesting story in the Globe illustrates how that difference can impact an investor.

This is interesting! Let's talk about it. We are a phone call away. 905 897 5212

We are The Kingsmill Wealth Management Team. We are here to help.



The Kingsmill
Wealth Management
Team
BMO Nesbitt Burns

Ooops, my bad!
We don't know enough to
recommend you buy it, but
know enough to suggest you
keep it!

Robin Kingsmill B.Sc., CIM, FCSI Sr. VP & Investment Advisor Portfolio Manager 905 897 5212

Susan Taptelis B.A., CIM QAFP™ Investment Advisor Portfolio Manager 905 897 5227

Teresa Wilejto Investment Representative 905 897 1204

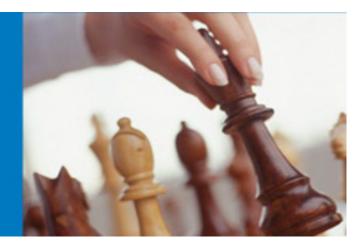












Income Advisor September 2021

Page 2 of 2

You should know:

The opinions, estimates and projections contained herein are those of the author as of the date hereof and are subject to change without notice and may not reflect those of BMO Nesbitt Burns Inc. ("BMO NBI"). Every effort has been made to ensure that the contents have been compiled or derived from sources believed to be reliable and contain information and opinions that are accurate and complete. Information may be available to BMO NBI or its affiliates that is not reflected herein. However, neither the author nor BMO NBI makes any representation or warranty, express or implied, in respect thereof, takes any responsibility for any errors or omissions which may be contained herein or accepts any liability whatsoever for any loss arising from any use of or reliance on this report or its contents. This report is not to be construed as an offer to sell or a solicitation for or an offer to buy any securities. BMO NBI, its affiliates and/or their respective officers, directors or employees may from time to time acquire, hold or sell securities mentioned herein as principal or agent. BMO NBI -will buy from or sell to customers securities of issuers mentioned herein on a principal basis. BMO NBI, its affiliates, officers, directors or employees may have a long or short position in the securities discussed herein, related securities or in options, futures or other derivative instruments based thereon. BMO NBI or its affiliates may act as financial advisor and/or underwriter for the issuers mentioned herein and may receive remuneration for same. A significant lending relationship may exist between Bank of Montreal, or its affiliates, and certain of the issuers mentioned herein. BMO NBI is a wholly owned subsidiary of Bank of Montreal. Any U.S. person wishing to effect transactions in any security discussed herein should do so through BMO Nesbitt Burns Corp. Member-Canadian Investor Protection Fund.



