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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
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 BMO Nesbitt Burns

Ooops, my bad!

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



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