

Issue #44 – “Transition to Full-Service Brokerage”

“Without change something sleeps inside us, and seldom awakens. The sleeper must awaken.”

—Duke Leto Atreides, Frank Herbert’s Dune

Over the past few years, we at Innova Wealth Builders (Advisor) have experienced considerable growth, thanks in large part to client referrals and our continued efforts to grow our clients’ savings and reinvesting tax returns. In line with this growth, we have now reached a stage of maturity in our practice wherein we wish to expand our products and services beyond the capable scope of our existing dealership (Equity Associates).

Our desire to continuously improve your access to more products while reducing management fees is at odds with the structure in which we currently operate. As a licensed mutual fund advisor, we are unable to offer you products such as individual stocks and bonds, and in particular, exchange-traded funds. Furthermore, our current dealer Equity Associates does not offer a ‘Fee-Transparent’ platform, which would result in reduced and more transparent management fees on your accounts.

For these reasons, we are moving to a securities licensed dealership that is a member of the Investment Industry Regulatory Organization of Canada (IIROC). Due to regulatory requirements, we cannot disclose the new investment dealership until our transition is complete, though rest assured that we have fully considered all available options and have selected an organization that we feel best reflects our customer-centric focus.

How this will affect you:

- You will receive enhanced statements from the new provider instead of those you currently receive from Equity Associates.
- All accounts will be administered as *Intermediary Accounts* by B2B Bank or National Bank, rather than as **Client Name** accounts through a variety of institutions, such as TD, Dynamic, Mackenzie, etc. A *Client Name* account is held directly with the institution investing the funds, while an *Intermediary Account* allows access to all institutions and eliminates account transfers. Note that there are NO changes to the actual investments at this time; this is an administrative change only.
- Prior to the transition, *Client Name* accounts were free of annual charges while *Intermediary* accounts were charged an annual fee. The new dealership offers a considerably improved fee structure for the use of *Intermediary* accounts:

Current Dealership: \$135+HST per account
Future Dealership: \$150+HST for unlimited accounts per person.

Here are some examples of how this change may affect clients:

	Previous Cost	New Cost
Single client with two accounts: 1. TFSA at TD Mutual Funds (Client Name) 2. RRSP at B2B Bank (Intermediary Account)	\$135 for 1x intermediary account	\$150 for 2x intermediary accounts
Couple with five accounts: 1. TFSA each at CI Investments (Client Name)x2 2. RRSP each at B2B Bank (Intermediary Account)x2 3. Spousal RSP at B2B Bank (Intermediary Account)	\$405 for 3x intermediary accounts	\$300 for 5x intermediary accounts

Issue #44 – “Transition to Full-Service Brokerage”

We understand that in some limited cases this will result in an increase to your annual account fees. However, overall intermediary accounts will grant us access to a wider range of products and companies, which should result in better performance and lower management expense ratios (MERs) or embedded fees.

This change in fee structure is in line with our goal to better serve our clients' expanding needs and complexities. Furthermore, our new model's economies of scale and transparent pricing reinforces our commitment to helping you find the lowest overall cost solutions for your investment management needs.

What will NOT change:

- Your current investment allocations (i.e. no changes to actual investment holdings).
- Innova Wealth Builders (us), staff, office locations, phone numbers, website, business name, etc.
- The quality of service you expect from us.

In large part, this transition is an administrative change that will have limited direct impacts on you or our dealings together. The impacts will predominantly be felt over time as the lower fees and increased investment options begin to improve your portfolio returns.

It is important to note that during the transition, we will no longer be registered as your financial advisor until we can successfully transfer your accounts to our new investment dealer. In an effort to ensure continuity of service in your account, we have arranged for special letters of direction to be sent to fund custodians (such as TD, CI, B2B, etc.) for all of your accounts so that we may continue to service your needs until we have successfully transferred your accounts to our new and improved trading platform.

What is needed from you, if you haven't done so already (In person or by mail):

- **Please sign the attached documents and return them by mail to our attention as soon as possible.**

Innova Wealth Builders. 1639 Lasalle Blvd, Suite 301. Sudbury, ON P3A 1Z8

These letters will effectively allow us to continue servicing your account until we can successfully transition you to our new platform. It is our intention to make this transition around June 16th, 2016. We have done our best to contact you or to book a meeting to discuss this transition in person, so many of you are already aware of this transition and have signed and returned the paperwork in question. That said, we must receive these signed documents well in advance of this date or we will be unable to adequately service your accounts beyond that date. If you would prefer we mail you copies of the required documents including a return envelope, please do not hesitate to email us at Kelly@inwb.ca and we can organize this for you.

As soon as we are operational (around June 22th), we will begin scheduling meetings and sending out paperwork to begin the transition in earnest. Your assistance in making yourself available for a meeting would be greatly appreciated. Should you have any questions, please do not hesitate to contact us. We would be happy to discuss this transition with you either by telephone or in person.