

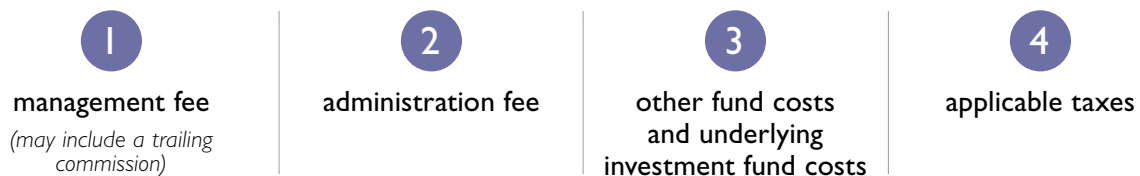
Making Sense of MERs

When you invest in a mutual fund, you pay a fee known as the management expense ratio or MER. In short, the MER represents the costs associated with managing and operating a mutual fund. MERs are reported annually as a percentage of a mutual fund's average annual assets, and they are deducted before the mutual fund's return is calculated.

The MERs of different mutual funds may vary from fund to fund for many different reasons. However, MERs are typically lower for fixed income mutual funds and higher for equity mutual funds. The higher costs associated with equity funds are generally attributed to higher research costs and greater time to select the investments.

Breaking down the MER

The MER is broken down into four segments:



The management fee is typically the largest component of the MER. It pays for a variety of different costs, including:

- The fund company's cost of hiring portfolio managers who make investment decisions (e.g. manager research, selection, monitoring, security selection)
- Market research and analysis to support the optimization of a portfolio's design
- Compensation paid to the investment dealer and Advisor (known as the trailing commission).

The administration fee covers the costs associated with:

- An independent auditor who reviews the mutual fund's financial statements
- A custodian who holds a mutual fund's investments for safekeeping
- Producing, printing and mailing account statements, prospectuses and other important reports
- Other related fund administration costs

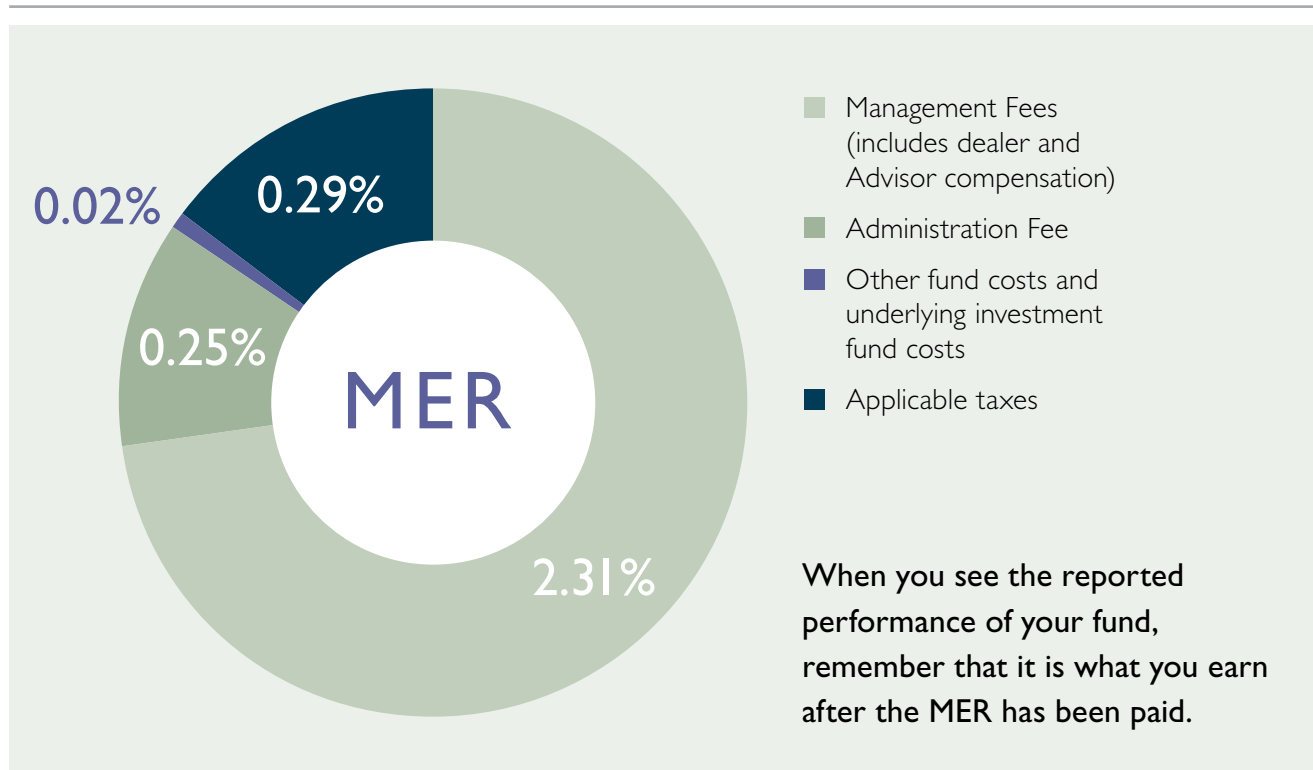
Other fund costs and underlying investment fund costs. This typically makes up a very small portion of the overall MER and includes expenses such as:

- Interest and borrowing costs
- Fees and expenses for an Independent Review Committee
- Underlying investment fund costs
- Fees to produce Fund Facts

Applicable taxes:

- Harmonized Sales Taxes (HST) and Goods and Services Taxes (GST) are paid on the management fee, administration fee and other fees associated with operating a mutual fund.

This chart illustrates how the MER of Counsel Balanced Portfolio Series A (2.87%*) breaks down. Assume you invested \$1,000 in this fund, your cost will be \$28.70 for the management, administration and taxes for the year.



Speak to us to find out more about MERs, the costs of investing or the costs of working with an Advisor.



* Series A, for the period ended March 31, 2016.

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