

# What is CRM2?



Wealth Management  
PH&N Investment Counsel

Answering your questions about new investment industry regulations coming into effect

Providing investors with greater transparency about the cost and performance of their accounts is the driving force behind new industry-wide regulations, known as the Client Relationship Model II (CRM2). Many investors want to know how CRM2 will affect them as the regulatory changes are implemented over the coming months.

## What is CRM2?

- New industry-wide regulations that improve how the financial industry reports and discloses information to investors
- Changes are now being phased in, with full implementation across the industry by early 2017. It includes two new reports: (1) account costs and (2) account performance.
- Applies to all investment dealers and advisors in Canada, including:
  - Investment dealers regulated by the Investment Industry Regulatory Organization of Canada (IIROC)
  - Firms regulated by the Mutual Fund Dealers Association (MFDA), such as the respective mutual fund distributor of each of the major banks
  - Investment counselling firms regulated by provincial securities commissions in Canada, such as RBC PH&N Investment Counsel

## Why is CRM2 being implemented?

- CRM2 is part of a global shift towards increased disclosure and transparency in the investment industry
- To provide investors more details on the fees and performance of their investment accounts
- To improve investors' ability to assess how they are progressing towards their financial goals

## How will CRM2 affect you?

- CRM2 does not change the amount you are paying your investment counselling firm; it only provides more detail about your account fees and performance.
- All investors will receive more specific details on the cost and performance of their investments via:
  - Conversations with their investment counsellor
  - More details on existing account statements

- Two new reports included in Your Portfolio Review beginning in 2017:
  1. A summary of costs over the previous 12 months associated with the management of your portfolio
  2. An Investment Performance Report to provide details on how the account is performing using a "money-weighted" rate of return

## Positive change for our industry

- RBC PH&N Investment Counsel strongly supports the changes under CRM2.
- CRM2 builds on our commitment of continued transparency for clients.
- Helps you achieve your financial goals by keeping you informed of the details of your account(s).

**If you have any questions about how the changes will affect you or about the costs and performance of your portfolio, please contact me to discuss.**

RBC Phillips, Hager & North Investment Counsel Inc.