



BLACKMONT
CAPITAL™



ALTERNATIVE INVESTMENT

FEE-FOR-SERVICE ACCOUNTS ARE THE GROWING TREND IN THE INVESTMENT INDUSTRY.
HERE ARE SOME BASICS ON THIS DEVELOPING CONCEPT.

At one time, clients dealt with investment advisors strictly on a transactional basis. That is, each purchase or sale of a security incurred a commission charge for the service provided. This conventional investment account model still dominates the industry and is quite satisfactory for most clients.

A growing trend is the use of feebased accounts which eliminate commissions for each trade. One popular form of such accounts extends the traditional transactional model by offering a certain number of trades and other services in exchange for an all-encompassing annual fee. Generally speaking, the number of allowed trades increases with the value of assets held in the account.

In other arrangements, investors may relinquish day-to-day responsibilities for security selection to professional managers. Clients work with their Investment Advisor to establish goals and an investment strategy that will provide the basis for choosing an appropriate manager or managers for their assets. Often referred to as managed asset programs or “wrap” accounts, one annual fee is levied, usually as a percentage of assets under administration.

Client Advantages

Observers point to several advantages of these kinds of accounts for clients:

- Clients can focus more clearly on their investment objectives without worrying about any transaction costs. They may be, for example, more inclined to make portfolio changes that are in their best interests as a result.
- The possibility of conflicts of interest is reduced. Both the advisor and client focus on the primary objective of enhancing investor returns.

Services at Blackmont

We provide a wide range of different accounts at Blackmont Capital Inc. Liberty is our fee-based account platform which encompasses many of the features described above. In addition, our Integrated Managed Account (IMA) Platform is a proprietary system that allows an Investment Advisor to construct and administer investment portfolios across all product lines. Through the IMA Platform, client portfolios can integrate discretionary, third-party money management functions with more traditional, nondiscretionary investment advisory activities. The resulting open-architecture platform supports separately managed accounts, investment pools, mutual funds, exchange traded funds, as well as individual money market, fixed income, and equity securities. Please contact us for more information on any of these services that could enhance your investment experience.

P: 416.874.8937 **C:** 416.277.5583 **T:** 1 800 591.0137 **E:** ngriffin@blackmont.com

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

The views and opinions in this article are that of the author and are not necessarily representative of those of Blackmont Capital Inc. (BCI). The content of this article was prepared under contract by Hirasawa & Associates, Etobicoke, ON M9B 3J6 for Nancy Griffin. The statements and statistics contained in this publication were obtained from sources believed to be reliable, but we cannot represent that they are accurate or complete. This material is published for general information only. The publishers and BCI assume no liability for financial decisions based on this information. Readers should obtain professional advice before applying any ideas mentioned to their own personal situation to ensure their individual circumstances have been properly considered. Blackmont Capital Inc.—Member CIPF and IDA.