

THE CORE OF YOUR PORTFOLIO

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At Raintree, we believe the best way to invest in the 'Core' component of your portfolio is through a registered Portfolio Manager that most resonates with your investment circumstances and philosophies. Read on to discover if working with a Portfolio Manager is right for you.

What is a Portfolio Manager?

Portfolio Managers can be a firm or a person who manages investment portfolios and ultimately makes final investment decisions for pensions, endowments, foundations and private clients. One way Portfolio Managers set themselves apart from "main street" retail investment managers is by often charging lower management fees. This is possible because they typically manage larger amounts of money for a smaller client base.

How can Portfolio Managers help?

Upon beginning to work with a Portfolio Manager, a written agreement (usually known as an Investment Policy Statement or IPS) will be established that outlines your specific investment objectives and risk tolerance. The IPS is the basis on how your Portfolio Manager will determine an appropriate mix of investments and make modifications to your portfolio. With your IPS, you typically give authority to your Portfolio Manager to make investment decisions without getting prior approval from you for each transaction (called 'discretionary management'). It is therefore important to meet with your Portfolio Manager at least annually to ensure that your IPS is up-to-date and accurately reflects your needs.

What is Raintree's involvement?

Raintree has developed relationships with numerous Portfolio Managers across Canada. Not all Portfolio Managers are alike, many have unique or specific strategies. Raintree refers clients to Portfolio Managers that we think offer the best service. We earn a referral fee for this service, which is embedded in the fees described above – not an extra cost over and above the fees disclosed to each client. We think that Portfolio Managers provide the best 'Core' portfolio service to clients. Contact one of our Private Wealth Advisors to learn more.

Why should you work with a Portfolio Manager?

There are many advantages to working with a Portfolio Manager as opposed to a retail investment manager. Portfolio Managers have a fiduciary duty to act with care, honesty and good faith in the best interest of their clients. Therefore, all investment decisions must be independent, thus preventing conflicts of interest. This results in a higher level of trust between Portfolio Managers and their clients.

All Portfolio Managers, and the firms they work for, must be registered and are monitored by their jurisdiction's securities commission. In order to become registered, they must meet strict financial reporting, capital and insurance requirements and the individual Portfolio Managers are required to have the highest level of education and experience in the investment industry, further protecting your investments.

Portfolio Managers charge a fee based on a percentage of the investments they manage. This fee is transparent and typically less than retail management and distribution costs. The fee is always listed on client statements and usually goes down as a percentage of your portfolio as your assets grow. The fees are not a commission that is based on the volume of buying or selling investments and are often significantly lower than standard mutual fund fees.

Where can I find more information?

Your best resource for further information on Portfolio Management and investing with Raintree is through your Private Wealth Advisor. This individual will work directly with you to help you find what solutions are right for you.

Private Wealth Advisor

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