How Foundation Private Wealth Management Invests Money

The Advisor

At Foundation Private Wealth Management, our role is to work directly with our clients to build investment portfolios, which meet their goals and objectives. Within this mandate, we complete an **Investor Profile Questionnaire** and a **Know Your Client Form** to ensure our portfolio recommendations reflect our clients' risk tolerance. We manage the client relationship and, ultimately, make the investment recommendations, however we never accept client cheques payable to Foundation Financial Group. All client cheques, with the exception of pension contributions, are written to our dealer, FundEX Investments Inc, in trust. When investment trades are made, the dealer will use the funds in the trust account to execute client instructions. Foundation has no authorization to make trades on behalf of our clients without written consent, unless a Limited Authorization agreement is in place between Foundation, FundEX and our client in advance of the trade. Even with this agreement in place, we still require a verbal or email confirmation of the trade prior to executing it.

The Dealer

As all registered advisors must be affiliated with a dealership, Foundation has selected FundEX Investments Inc. as their independent dealer. FundEX was founded in 1995 and is currently Canada's largest flat fee dealer with $11 billion in assets under administration. FundEX is a subsidiary of Industrial Alliance Insurance and Financial Services Inc. Industrial Alliance was founded in 1892 and is Canada's fourth largest insurance company with over $46 billion in assets. Industrial Alliance is a publicly traded company on the TSX and is listed under the ticker symbol IAG.

Within the role of dealer, FundEX provides licensing and registration with provincial regulators, back-office support systems to transact accounts and the overall compliance structure to **protect** our clients. As part of the compliance process, FundEX monitors all investment transactions at Foundation through the Regional Branch Manager and keeps a duplicate record of all documentation. Additionally, FundEX completes a regular audit of Foundation to ensure the highest standards are met. In return for these services, Foundation pays an annual fee directly to FundEX.

The Custodian

With respect to the custodial services required to hold self-directed accounts, Foundation will use one of two independent companies to provide these services to our clients. The custodian allows us to hold assets from any fund company under the same account and as such, provides the most efficient way to make changes to client portfolios. As the assets are consolidated, this makes tracking of performance much easier for all parties. The annual trustee fees for these custodial services range from $35 to $135 depending on the account type and custodian.

M.R.S. Trust Company (MRS Trust) was established in 1979 and has been focused on supporting the work of independent advisors. It is a federally regulated trust company and is a wholly owned subsidiary of Power Corp. which trades on the TSX under the ticker symbol PWF. MRS Trust acts as trustee for more than 1 million registered accounts totaling over $20 billion in assets under administration.	CWT has been providing Trustee and Custodial and Administrative Services since 1987 and currently acts as custodian for billions of dollars in assets under administration. Canadian Western Trust offers retirement, trustee and custodial solutions to advisors. CWT is a wholly owned subsidiary of Canadian Western Bank which trades on the TSX under the ticker symbol CWB.