



Adult Guardianship Program Fee Schedule

(Fees in effect since April 1st 2012)

Pension Management (Voluntary & Involuntary)

Opening & Program Fee

- A **\$25** opening fee to establish an account;
- A monthly program fee of **\$50** per client.

Investment Fee

- A quarterly investment fee of **0.25%** of assets managed (based on average balance over 3 months), deducted from gross interest to be distributed.

Note: In the event interest distributed is less than 0.25% in any single quarter, both the distribution and fee owed will be rolled forward to the next quarter.

Closing Fee

- A **1%** closing fee on the balance of accounts when they close.

Discretionary Trusts

1. A **2%** investment fee on assets deposited and withdrawn.
2. A **1%** annual program fee on account balances (calculated and withdrawn monthly).

Power of Attorney (No new accounts being accepted)

1. A **5%** investment fee on assets deposited and withdrawn.
2. A **0.4%** annual program fee on account balances (calculated and withdrawn monthly).

Adult Guardianship Program Fees

Frequently Asked Questions:

Q: *Why does The Bloom Group have an investment fee?*

A: The goal of the Adult Guardianship Program is to provide affordable financial management services to low income and / or vulnerable individuals. Our fees are lower than those charged by private, for-profit companies, but we want to keep charges as low as possible.

Instead of a higher monthly program fee – that would disproportionately impact our lowest income clients – an investment fee is a proportional charge. This means someone with an average balance of \$1,000 will pay the same proportion of fee as someone with an average balance of \$5,000 or greater.

An investment fee also allows us to deduct charges from gross interest earned on account balances. That way, clients don't pay additional fees from their regular monthly incomes.

Q: *How does The Bloom Group manage the investment of client funds?*

A: Funds held by The Bloom Group are invested in a pooled investment account. This means that while every client's individual balance is maintained, the entire balance of funds is invested together to help maximize returns.

Funds are managed by an external investment manager (ScotiaMcLeod), and overseen by the Finance & Risk Management Committee of the Board of The Bloom Group Community Services Society. Adult Guardianship funds are only invested in fixed income securities (bonds and GICs) in order to protect capital. We do not invest client funds in equities.

Despite this conservative investment strategy, we achieve positive returns each year. In 2011, we achieved an overall return of approximately 2.5%. For most of our clients who have smaller balances, this is greater than could be achieved in individual savings or chequing accounts.

Q: *How are the fees administered?*

A: The 0.25% investment fee is deducted from the quarterly interest payment currently deposited into client's individual accounts. In the event interest distributed is less than 0.25% in any single quarter, both the distribution and fee owed will be rolled forward to the next quarter.

This might be the case even if our annual return is greater than 1%: the various GICs we hold often pay out their interest annually at fixed times during the year.

In January or February of each year, all clients will receive an investment summary for the prior year. This will be in the form of an official tax T-slip that will detail interest earned. However, at any time, clients or their authorized representatives can request a written summary of interest earned and fees charged.

The total fees charged by The Bloom Group per annum will never exceed the costs to run the program. If there is any surplus once our year-end financial statements have been audited, the Society will credit the surplus on a proportionate basis to the accounts of clients on the date that Society audited statements are approved by the Society's Board (usually June or July of each year).

In addition, an annual financial report of the program's accounts, including investment returns, will be made public on the Society's website (with notification sent to all clients) in June or July of each year.

Q: *Will fees go up in future?*

A: We hope to keep possible future increases to a minimum. The Board of The Bloom Group reviews the schedule annually, each November. If they approve any increases at that time, we will communicate them to clients as soon as possible. In the coming years, we hope any increases can be limited to inflationary adjustments.