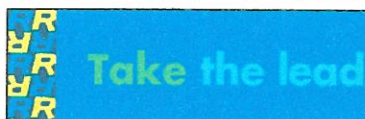


Home Breaking news

Rotman  
Executive Programs

Home

News

TV

Forum

Subscribe

Contact us



## Another threat for mutual fund 'guys'?



Tweet

Share

by WP | 04 Sep 2013



*Third in a series on what the Big-Six banks' aggressive expansion into the wealth management segment will mean for the industry.*

As the Big Six grow their wealth businesses, they are increasingly in a position to push multi-service offerings. For some advisors, that may make holistic services a key to survival.

[Get news stories like this straight to your inbox with our FREE newsletter](#)

- QUESTIONS
- POLLS
- FORUMS
- WP TV
- INDUSTRY EXPERTS

advantage, arguing that they can provide full-spectrum services under one roof.

This could mean trouble for advisors with narrow offerings, says Murray Callaghan who runs the fee-based Callaghan Wealth Management in Campbell River, BC. Callaghan already provides holistic advice – including investment, insurance, tax and estate planning – so he doesn't see the banks as a challenge for him, but he added "if you were one of those guys who were just selling mutual funds, I'd be worried."

### MOST DISCUSSED

UK advisor numbers may be an omen for industry in Canada

Canadian regulators should scrap commissions and enforce a f ... [READ MORE](#)

The point is that by ...  
Almost everything co ...

Google Glass to provide in-your-face market data

A new Google Glass app may soon allow users to have a perman ... [READ MORE](#)

I don't believe that ...

US bank exec used TARP bailout funds to buy condo

The president of a US bank has pleaded guilty to using bailo ... [READ MORE](#)

Are they required to ...

### WP TV



Entrepreneur and TV personality Kevin O'Leary is out of gove ... [PLAY ▶](#)



### MOST READ

#### Another threat for mutual fund 'guys'?

As the Big Six grow their wealth businesses, they ...

#### Big Six growth in wealth management points to more consolidation

The Big Six chartered banks all posted double-digi ...

#### Clients don't understand advisor compensation model

There is a huge gulf between how advisors are paid ...


Stuck in a bowl?  
Explore a sea of opportunity

Invico Pure Yield Fund

Annual Base Yield  
8% Redeemable  
10% with 3-year Term

Actual Return\*  
2011: 10.8%  
2012: 9.5-12.3%

\*Aucted & inclusive of special distributions



Indeed, the mutual fund segment has been one of the most clear examples of consolidation in the industry. According to data from the Investment Industry Association of Canada, the number of Mutual Fund Dealers Association Member firms has fallen from 180 in 2006 to just 113 as of end-April 2013.

John Kason, an advisor with Global Securities in Prince George, BC, says that he views holistic services as a defensive measure against bank and credit union attempts to poach clients.

"I'm a full-service advisor so I'm a broker as well as an insurance advisor, and I have mortgage brokers that I can refer to," said Kason. "So I can build a lot of fences around my clients but it's a battle to get new clients and defend against financial institutions that everybody has to use as deposit takers."

Still, for Marc Lamontagne of Ryan Lamontagne in Ottawa, the independent advisor may have some advantages over those in the bank channels. An independent can build expertise – or relationships with other experts – that advisors locked-in to a bank may not be able to compete with, even if his or her institution can provide full-spectrum services.

"The banks tend to compartmentalize their advice; when you see a bank planner you are really getting some simple financial advice because that's how they're paid – by selling investments, which the banks own too – a bank advisor wouldn't be able to sell insurance but instead would have to refer you to an in-house insurance specialist," said Lamontagne.

"Independents have an advantage in that you can be the insurance or tax specialist as well as being an advisor."

In addition to building a competitive edge in a consolidating industry, recent studies have shown that advisors who provide holistic services have a greater rate of revenue per client and a much stronger rate of client retention.

*Related:*

[Big Six growth in wealth management points to more consolidation](#)

[Banks to push advantage in advisor recruitment](#)

## LATEST NEWS

**If it's Rosh Hashanah, sell. Yom Kippur, buy. On Chinese New Year...**

New research has provided a bit of empirical basis ... [READ MORE](#)

**Facebook generation 'Like' alternative investments**

Elite Millennial investors – those with \$1m or mor ... [READ MORE](#)

**What IIROC's 'lost device' really costs...**

IIROC estimates costs of \$5.2 million from the los ... [READ MORE](#)

**Another threat for mutual fund 'guys'?**

As the Big Six grow their wealth businesses, they ... [READ MORE](#)



Tweet Share

## YOUR COMMENT