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Total Cost Reporting playbook

For advisors and wholesalers

Version 1.0 | July 2026

Contents

Introduction

Why this playbook exists

This playbook provides a clear, practical approach to Total Cost Reporting (TCR) conversations. Its purpose is to help advisors lead thoughtful, value-based discussions, anticipate client reactions, and reinforce the role of advice in a more transparent cost environment.

TCR will change what clients see, not what they pay. While driven by industry-wide regulation, it also introduces new opportunities for meaningful conversations around how advice supports clients in achieving their goals.

Who this playbook is for

This playbook is intended for:

- Advisors – to prepare for client questions and cost-related conversations.
- Wholesalers and distribution teams – to support advisors with consistent messaging and a useful conversation framework.

How and when to use this playbook

Use this playbook as a reference guide and preparation tool to:

- Prepare for client conversations in a more cost-transparent environment.
- Guide value-based discussions that connect cost to client goals and outcomes.
- Anticipate and navigate common client questions, including cost comparisons.

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TCR basics

What is TCR?

TCR is a regulatory initiative led by the Canadian Securities Administrators (CSA) and Canadian Council of Insurance Regulators (CCIR) to enhance transparency around the total cost of investing.

TCR expands on Client Relationship Model - Phase 2 (CRM2) by expanding what is shown to clients, including:

- Investment fund expenses (e.g., MER).
- Embedded commissions.
- Trading expenses.

In simple terms: TCR provides clients with a more complete view of the total costs associated with their investments, creating an opportunity for advisors to connect those costs to the advice, service and outcomes they deliver.

What is a Fund Expense Ratio (FER)?

TCR introduces a new all-in cost measure: the FER. This combines key cost components to give a clearer view of total investment expenses.

MER

Covers the cost of managing the fund, including administrative and day-to-day operating expenses.

+

TER

Covers the cost of trading investments in the fund, such as buying and selling securities.

=

FER

Represents the full cost of investing by adding MER and TER into one single number.

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TCR basics

Why is TCR being introduced?

TCR reflects a broader shift toward greater transparency in financial services, including:

- Increased client interest in understanding the full cost of their investments.
- Regulatory efforts to provide clearer visibility into cost structures.
- A growing focus on the relationship between cost, value and outcomes.
- Alignment with global trends towards enhanced cost transparency.

The goal of TCR is to:

- Improve investor understanding of their investments.
- Support more informed, meaningful conversations between advisors and clients.
- Reinforce trust through greater clarity and transparency.

When is TCR happening?

The CSA and CCIR have implemented phased requirements, with enhanced total cost reporting appearing on client statements beginning in 2027 reporting cycles (based on 2026 data).

Advisors can get ahead of this change and begin preparing clients today. Proactive communication will be key to leading productive cost conversations. It will also help to reinforce the value of advice before clients see new cost information reflected on their year-end statement.

To support this, Cam Crosbie, Executive Vice President, Individual Wealth at Equitable®, provides a brief overview of what TCR means, why it's being introduced, and how advisors can begin approaching these conversations with confidence.

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TCR basics

Who is impacted?

This change will have implications across several groups, each impacted in different ways.

Advisors

- May experience increased client questions, particularly around lower-cost alternatives, requiring confident, value-based discussions.
- Have a new opportunity to reinforce the role of advice by connecting costs to client goals and outcomes.

Clients

- Will see a more complete view of the costs associated with their investments.
- May have initial reactions or questions when reviewing this information.
- Will rely on their advisor to provide context and connect costs to overall outcomes and long-term plans.

Carriers

- Will need to update reporting systems to support enhanced disclosures.
- Will play a key role in equipping advisors with tools, training, and resources to support effective client conversations.

TCR impacts on segregated funds

Under Financial Services Regulatory Authority of Ontario (FSRA) rules effective January 1, 2026, insurers must begin reporting this data and provide enhanced annual statements to segregated fund contract holders by December 31, 2026. These statements clearly outline total costs and investment performance.

Segregated funds are impacted differently than mutual funds under TCR, reflecting their structure as insurance products regulated by insurance authorities rather than securities regulators.

Total cost reporting will not change the structure or pricing of segregated funds, but it will change how costs are presented and perceived by clients. You should be prepared for a shift in focus and the questions that may follow.

What changes under enhanced cost transparency

Segregated funds already disclose Management Expense Ratios (MERs) through Fund Facts and insurance-based disclosure documents, though this information is often presented across multiple sources.

Why segregated fund costs may attract more attention

Since segregated funds often carry a higher total cost than investment-only solutions, enhanced transparency may lead to more questions. Without proper context, clients may initially view these costs as purely “investment-related,” rather than recognizing the insurance and structural benefits that come with the product. This makes proactive framing essential.

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TCR impacts on segregated funds

How to position cost relative to guarantees and outcomes

In a more transparent cost environment, you must ensure clients clearly understand what those costs represent.

Segregated funds may include value associated with:

- Death benefit guarantees.
- Maturity benefit guarantees.
- Resets.
- Potential creditor protection.
- Estate planning benefits (bypass probate in many provinces).

In TCR conversations, it is essential to frame segregated fund costs in relation to this additional value. This could sound like:

"With segregated funds, you're not just paying for investment management, you're paying for the certainty that your beneficiaries will get paid quickly, the option to lock in market gains and grow the death benefit over time, and to know that a part of your money is sheltered from market dips."

You should deliberately shift the discussion from cost in isolation to cost relative to guarantees, protection and intended outcomes.

Quick reference guide

30-second TCR explanation

“Beginning with your 2026 year-end statements, your investment costs will be presented more clearly in both percentage and dollar amounts. Your costs are not increasing - this is a change in how they’re being reported.

As you review your statement, I'm happy to walk through what’s included in your costs. Services like ongoing portfolio management, financial and tax considerations, performance monitoring and advice. And with segregated funds, part of that cost also reflects the insurance guarantees and protection features."

Quick reference guide

Segregated fund positioning reminder

When segregated funds are part of the discussion, reinforce that the cost reflects more than investment management alone. They also include:

- Death and maturity guarantees.
- Estate bypass potential.
- Creditor protection (where applicable).
- An insurance-backed structure that provides more downside certainty.

Core speaking points

Use the following points to confidently introduce TCR and guide the conversation toward value and outcomes.

What clients will notice

- “You’ll begin seeing enhanced cost transparency, beginning with your 2026 year-end statements.”

What is not changing

- “This does not mean costs are increasing.”
- “There is no change to the investments you hold or the advice you receive.”

What is changing

- “This change to your statement is designed to give you a clearer, more complete view of your total investment costs.”
- “This is a straightforward update to how information is presented, bringing you more clarity without changing the underlying investments.”
- “Now, all costs will be presented together in one place so you can see the full picture more clearly.”
- “This reflects a broader move toward greater transparency — something we actively support to give you clearer insight into your investments.”

Why this matters

- “Greater clarity around cost helps support better understanding, more informed decisions, and stronger conversations about value.”
- “As an advisor, I believe transparency strengthens trust. I welcome the opportunity to walk through the update to your statement with you.”

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Quick reference guide

ETF comparison response

Some clients may want to compare lower-cost investment options, like ETFs. It's important to help them make that comparison and ensure their investments remain aligned with their goals and priorities. This could sound like:

"ETFs are an effective way to access low-cost market exposure. However, alone, they do not offer insurance-based features such as beneficiary designations, efficient transfers, or guarantees that apply at death or maturity. The right investment choice depends on how much certainty, estate planning support, and oversight you need to achieve your goals. Can we take a minute to review these together?"

Why this approach works:

- Keeps the conversation balanced and does not dismiss ETFs.
- Avoids sounding defensive.
- Maintains a consultative, advisor-led approach.
- Naturally reframes the discussion around goals and suitability.

ETFs are available on the Equitable Guaranteed Investment Funds™ platform. Check them out here: https://equitablelife.fundata.com

Starting the conversation with clients

The way changes under TCR are introduced plays a critical role in setting the right tone.

Clients often look to you, as their advisor, not just to explain numbers, but to help them interpret what those numbers mean.

These discussions are not about defending cost. They are an opportunity to:

- Normalize the change and reinforce the importance of transparency.
- Reassure clients that their costs are not increasing.
- Re-anchor the conversation on value and outcomes.

When handled with confidence, TCR can become a constructive opportunity to review a client's plan, reaffirm your role as their advisor, and strengthen your relationship.

Sample client script

"You may notice more details around the costs of investing on your upcoming statement. There is no change to what you're currently paying – this reflects a change in how those costs are presented, bringing everything together in one place so you can see the full picture.

As your advisor, transparency is important to me, and I want you to have clear visibility into the cost of investing. This change also gives us an opportunity to review your current plan and the services available to you, including how your portfolio is structured, how it's being monitored, and how it continues to support your broader financial goals.

Let's walk through it together and make sure everything still aligns with what's most important to you."

Sample client outreach email

Subject line: Upcoming enhancements to your segregated funds statement

Hi [Client First Name],

You'll notice some additional cost detail on your December 2026 segregated funds statement, available in January 2027.

There is no change to what you are currently paying. Rather, your statement will now include a more complete view of your investment costs, bringing everything together in one place in both percentage and dollar terms.

As your advisor, transparency is important to me, and I want you to have a clear view of the cost of investing. This update to your statement also gives us a good opportunity to review your plan and make sure your investment selection continues to support your goals.

I'll plan to connect with you to walk through it together and answer any questions you may have.

Warm regards,

[Your name]

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Generational messaging: Dos and don'ts

Different generations think about money differently. Tailor your TCR conversations with clients accordingly.

Baby Boomers

Money mindset

- Capital preservation.
- Income stability.
- Trust and relationships matter.
- Less cost-sensitive if value is clear.

Positioning

"At this stage, what matters most is protecting income and preserving what you've built."

Do	Don't
Emphasize retirement income stability	Lead with technical cost breakdowns
Reinforce trust and long-term relationship	Overemphasize cost comparisons
Highlight estate and legacy planning	Trigger fear about "high costs"
Position costs as protection of capital	

Generational messaging: Dos and don'ts

Generation X

Money mindset

- Skeptical.
- Independent.
- Value-conscious.
- Balancing retirement, kids, debt and elder parent care.

Positioning

"Let's make sure every dollar you pay is working hard for you."

Do	Don't
Show clear value for cost	Assume loyalty without proof of value
Provide comparisons and context	Use vague language about "service"
Emphasize tax efficiency	Avoid direct cost discussions
Discuss opportunity cost of poor planning	

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Generational messaging: Dos and don'ts

Millennials

Money mindset

- Transparency-driven.
- Digital-first.
- Cost-sensitive.
- Value advice if clearly demonstrated.

Positioning

"I want you to see exactly how this advice supports your long-term freedom."

Do	Don't
Lead with transparency	Avoid the cost conversation
Show tech-enabled planning tools	Use industry jargon
Emphasize financial independence	Rely solely on relationship loyalty
Connect advice to life flexibility	

Generational reminders

Boomers: Lead with protection and income stability.

Generation X: Lead with optimization and tax efficiency.

Millennials: Lead with transparency and flexibility.

How to articulate the value of advice

TCR introduces greater transparency into the cost of investing, which may lead clients to ask a simple and important question: what am I receiving in return?

These questions are typically less about cost itself, and more about access to the advice, service and ongoing support clients need to achieve their investment goals.

This section of the playbook is designed to help you answer questions with clarity and confidence. It outlines the range of services advisors and fund managers may provide, depending on their licensing and business model, and offers language to help articulate how those services create value.

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Advisor services breakdown

Investment management services

Investment management services form the foundation of what clients pay. It reflects the ongoing work required to design, manage and adapt a portfolio over time. It's important to help clients understand that these costs often go beyond fund selection. They also support proactive decision-making and risk management.

Service	Description	How to position
Portfolio construction	Selecting asset allocation, investment strategy and diversification	"This part of the cost reflects how your portfolio is structured to balance growth and risk."
Fund selection (if appropriately licenced)	Choosing mutual funds, ETFs, segregated funds or other products	"Investment product selection is based on suitability, not just cost or performance."
Rebalancing	Maintaining target allocation over time	"This includes ongoing adjustments to help manage risk and keep your strategy on track."
Performance monitoring	Tracking performance vs. benchmarks	"This ensures your investments are reviewed and adjusted as markets change."
Risk management	Adjusting portfolios for volatility, drawdowns or market events	"This is where active professional oversight adds value."
Tax-efficient management	Harvesting losses, income splitting or managing distributions	"Managing tax drag can have a meaningful impact on long-term outcomes."

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Advisor services breakdown

Insurance features

Insurance features represent the portion of total cost that supports protection, guarantees and benefits beyond everyday investment management. Insured investments are designed to help manage downside risk, support estate planning and provide greater certainty of outcomes.

Service	Description	How to position
Death benefit guarantees	Contractual protection of capital at maturity or death	“This feature helps preserve capital for beneficiaries, regardless of market conditions.”
Maturity guarantees	Ensures minimum value at contract maturity	“This supports market downside protection and long-term certainty.”
Estate bypass/ beneficiary designation	Assets pass outside probate to beneficiaries	“This supports estate efficiency and timely transfer of assets.”
Creditor protection	Potential protection for business owners or professional	“This can provide an added layer of financial protection, subject to some conditions.”
Reset options	Adjusting guarantees to capture market gain	“This optional feature allows you to lock in gains as markets rise.”

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Advisor services breakdown

Advisory and planning services

Advisory and planning services reflect the ongoing guidance, oversight and decision-making support clients receive beyond portfolio construction and product selection.

Service	Description	How to position
Financial planning	Debt management and lifestyle expense planning	“This supports holistic financial planning and goal setting over time.”
Retirement income modelling	Simulating withdrawals and cash flow	“This allows us to test and refine how your portfolio will support sustainable income.”
Tax planning and integration	Minimizing taxes across accounts	“This can materially improve your long-term net outcome.”
Goal setting and monitoring	Ensuring investments align with evolving objectives	“This ensures your strategy evolves as life and priorities change.”
Scenario analysis	“What-if” projections (market, longevity, estate)	“This helps stress-test decisions so we can plan for uncertainty.”
Behavioural coaching	Preventing panic selling/ emotional reactions	“This supports disciplined decision-making during market volatility, when mistakes can be the most costly.”

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Advisor services breakdown

Transaction and administrative services

Transaction and administrative services support the execution, governance and ongoing operation of a client's investment strategy. Clients may see these services reflected within their total costs without recognizing their role in helping them reach their financial goals.

Service	Description	How to position
Trade execution	Buying/selling investments	"This supports the accurate and timely execution of your investment strategy."
Account reporting	Statements, confirmations, regulatory reporting	"This ensures you receive clear, consistent reporting so you can understand your financial big picture."
Regulatory compliance	Ensuring investments comply with law and suitability rules	"This supports proper oversight and ensures your investments remain suitable and compliant over time."
Client service and support	Responding to questions, meetings, adjustments	"This reflects ongoing access, service and support as your needs evolve over time."

Advisor services breakdown

Communication and education services

Communication and education services play an important role in helping clients interpret new information, stay informed and feel supported as markets, regulations and personal circumstances evolve.

Service	Description	How to position
Market updates	Regular newsletters, emails, or webinars	“This keeps you informed and helps provide context during challenging market conditions.”
Investment education	Explaining product features and strategies	“This helps you understand how investments work, the features they come with and how they fit into your overall financial plan.”
Regulatory updates	Explaining TCR changes, cost transparency and fund performance	“This ensures you’re not just seeing new information but understanding what it means and why it matters.”

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Advisor services breakdown

Optional and/or premium services

Optional and/or premium services reflect more advanced planning services that extend beyond core portfolio management and day-to-day advice.

These services are typically used when a client's situation involves greater complexity, coordination or customization. They are value-driven additions designed to support specific objectives, life events or estate considerations.

Service	Description	How to position
Estate and trust coordination	Liaising with lawyers or tax professionals	"This includes additional coordination for estate planning."
Philanthropic planning	Aligning investments with charitable goals	"This supports values-based planning and helps integrate giving goals into your overall strategy."
Personalized income solutions	Custom withdrawal or annuity strategies	"These support tailored income strategies for specific retirement or cash-flow needs."
Multi-account integration	Coordinating multiple accounts and providers	"This helps manage complexity, ensuring all moving parts work cohesively towards a shared outcome."

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Value articulation guide

This guide is designed to support you in connecting cost to value in a way that feels clear, natural and aligned to each client's goals.

It provides a simple framework and language you can use to guide conversations and reinforce the value of your advice.

Download your fillable client worksheet

Visit EquiNet® and search for:
2337 TCR Value Articulation Worksheet

Know your client's total cost picture

Before discussing value, document:

- Investment products held.
- MER, TER and FER.
- Your compensation structure.
- Insurance/segregated fund guarantees (if applicable).
- Estimated total annual cost (in dollars).
- Estimated total annual cost (as a percentage).

Define your core value pillars

Break your value into 5–7 core categories. Clients understand structured thinking better than abstract promises.

Portfolio construction

- Asset allocation strategy.
- Risk calibration.
- Rebalancing process.
- Downside mitigation approach.

Example value statement: "Your portfolio is built around your goals, with ongoing guidance and adjustments to help you stay on track even as the markets and your life change."

Behavioural coaching

- How you help during volatility.
- Historical moments you guided them through.
- Poor decision prevention examples (selling low, chasing returns).

Example value statement: "My role is to help protect you, not only from market risk, but from the risk of making emotional decisions at the wrong time."

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Value articulation guide

Define your core value pillars - continued

Tax efficiency

- Income splitting strategies.
- Asset location strategy.
- Tax-loss harvesting.
- Withdrawal sequencing.
- Estimated tax savings annually (if known).

Example value statement: “A big part of my role is helping you keep more of what you earn by managing taxes efficiently over time.”

Retirement and income planning

- Income sustainability modelling.
- CPP/OAS timing analysis.
- Drawdown strategies.
- Longevity stress testing.

Example value statement: “We're not just building assets. We are structuring them to support sustainable income over time.”

Estate and risk planning

- Beneficiary structuring.
- Segregated fund guarantees (if applicable).
- Probate planning.
- Insurance integration.

Example value statement: “This strategy is about making sure your assets are protected and transferred smoothly to your loved ones.”

Insurance and guarantees (segregated funds)

- Death benefit guarantee %.
- Maturity guarantee %.
- Potential creditor protection.
- Estate bypass benefits.

Example value statement: “Part of what you're paying for is built-in protection, not just for the investment, but for the guarantees and added security for your estate.”

Ongoing advice and coordination

- Frequency of meetings.
- Financial plan updates.
- Coordination with accountant/lawyer.
- Life transition planning.

Example value statement: “You're not just paying for transactions. Your costs are connected to ongoing advice, planning and coordination to keep your investments moving toward your goal.”

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Value articulation guide

Quantifying your value

The value of advice extends well beyond investment selection. Research consistently shows that ongoing guidance, behavioural coaching, and disciplined decision making can have a meaningful impact on long-term outcomes. The most powerful ways you add value over time include helping clients:

- stay focused during uncertainty,
- avoid emotional decisions, and
- make informed trade-offs.

Professional advice helps clients make confident decisions throughout every stage of their financial journey. Your value may include:

Helping clients build wealth over time

A major study[1] found Canadians with an advisor for 15+ years had nearly three times more assets than those without one.

Helping clients stay focused during market volatility

FP Canada's Financial Stress Index[2] shows Canadians with advisors are less likely to experience high stress during market ups and downs.

Supporting confident decision-making

Research[3] from the Financial Consumer Agency of Canada shows that professional advice is tied to better financial capability. Advised clients make better informed financial decisions and take action to improve outcomes.

Providing value beyond investment costs

A study[4] from Russell Investments Canada found advisors add 3.9% in value through planning, tax strategies, monitoring and helping avoid costly mistakes.

[1] The Gamma Factors and the Value of Financial Advice, Claude Montmarquette and Nathalie Viennot-Briot

[2] 2026 Financial Stress Index, FP Canada™

[3] 2024 Canadian Financial Capability Survey, Financial Consumer Agency of Canada

[4] Value of an Advisor, Russell Investments Canada Limited

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Value articulation guide

Quantifying your value - continued

Making your value tangible for clients

While research can help validate the impact of advice, clients understand value most clearly when it is connected to their own experience. You can quantify your value by anchoring conversations to real decisions, outcomes and moments of support, including:

Decisions avoided

Highlight instances where your guidance helped clients avoid emotional reactions during market volatility or life transitions. Preventing a poorly timed decision can be as valuable as generating returns.

Outcomes improved

Point to specific improvements over time, such as increased savings discipline, better cash flow management or more sustainable retirement income, rather than focusing solely on performance.

Tax dollars saved

Where appropriate, quantify the impact of tax efficient investment strategies by comparing outcomes before and after planning decisions or by referencing cumulative savings over time.

Risk managed, not just returns earned

Reinforce how portfolio adjustments, diversification and protection strategies were designed to reduce downside risk and support long-term goals, not chase short-term performance.

Continuity and coordination

Remind clients that value is created through ongoing involvement like regular reviews, plan updates and coordination with accountants, lawyers or other professionals - especially as life circumstances change.

Confidence and clarity

Acknowledge the less visible, but very real, value of having a trusted advisor to interpret information, provide perspective and help clients feel more confident in their decisions.

Key takeaway: the value of advice is not transactional. Value is built over time through consistent guidance, informed decision making and a long-term partnership that helps clients stay aligned with their goals, through both calm and uncertain periods.

Value articulation guide

Personal value mapping

Before what may be more difficult TCR conversations, take a moment to ground yourself in what matters to each unique client. Cost transparency is only helpful when it's discussed in the context of the client's priorities, decisions and outcomes, not in isolation.

The worksheet is designed to help you lead the conversation, stay anchored in value, and clearly articulate how your advice supports the client's goals over time.

What matters most to the client?

Clients view value differently depending on their current priorities. Identifying what's most important upfront helps ensure cost discussions are framed around outcomes.

- ☐ Income security
- ☐ Growth
- ☐ Leaving a legacy
- ☐ Minimizing tax
- ☐ Simplicity
- ☐ Avoiding mistakes
- ☐ Flexibility
- ☐ Business transition
- ☐ Other:

Top three planning priorities this year:

Use this section to identify what investment goals the client is actively working toward right now. These goals will provide a natural bridge between what they are paying and what they are receiving in terms of advice and support.

1.
2.
3.

Where I delivered tangible value in the past 12 months:

-
-
-

Upcoming planning opportunities:

-
-
-

Key takeaway: Used consistently, this approach can help position transparency as a strength, supporting confident, advisor-led conversations that reinforce trust, clarify value and keep the focus on long-term goals rather than the short-term numbers.

Value articulation guide

Helping clients process cost information

Potential scenario: The client sees a dollar amount and reacts emotionally.

Seeing costs expressed in dollar amounts may feel confronting for some clients, especially when they haven't seen costs presented this way before. Your role in this moment is to slow the conversation down, provide perspective and re-anchor the discussion in real world context and value.

Use the below approach when a client has a strong, negative reaction to dollar-based cost and needs help understanding what that figure represents in practical, everyday terms.

Suggested approach

Pause and acknowledge the reaction

Rather than validating the emotional reaction, acknowledge it and regain control of the conversation.

- "Tell me more about why you feel this way."
- "Help me understand how you're feeling."
- "Let's pause for a moment and walk through what this number actually represents."
- "Let's take a step back and put this into context."

Provide perspective

Signal that the cost represented in dollars needs interpretation, not a reaction.

- "On its own, this number doesn't tell us much."
- "Let's break this number down so it's easier to understand."

Translate the dollar amount into practical terms

Consider reframing the annual cost into smaller, more relatable timeframes.

- Annual cost.
- Monthly equivalent.
- Daily equivalent.

This can help move the conversation away from an emotional response to more practical understanding.

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Value articulation guide

Helping clients process cost information - continued

Re-anchor in value

Shift the focus from the number itself to what the cost supports over time.

Example structure:

- Total annual cost: $4,200.
- Monthly equivalent: $350.
- Daily equivalent: ~$11.

Anchor point: "You currently pay about $11 per day and have access to portfolio management, tax planning coordination, retirement planning and estate considerations.

Plus, I'm always here to help guide you through market shifts and life changes."

Invite comparison (when it makes sense)

Help the client evaluate the cost in context, rather than in isolation.

"Compared to trying to manage all of this on your own, how does this cost feel?"

Ending with a comparison can help move the conversation away from the sticker shock and toward whether the value makes sense.

Key takeaway: The goal is not to defend the cost, but to help the client understand what the number represents in real life.

By slowing the conversation down and reframing the discussion around perspective and value, you can maintain leadership and keep the focus on outcomes rather than emotion.

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Value articulation guide

Handling cost objections framework

When a client reacts to cost with a question like: “That feels high. Is that what I’m really paying?” the goal is to acknowledge the comment, add structure to the conversation and guide the client toward a more helpful way of evaluating the cost.

Respond with this structure:

1. **Acknowledge and take control:** “Ok. Tell me more. Does this cost feel unreasonable to you?”
2. **Clarify:** “Let’s look at what that cost includes. The dollar amount you are seeing covers more than the investments themselves. The cost also includes portfolio construction, tax considerations and estate planning.”
3. **Re-anchor to outcomes:** “What matters most is that your investment selection is aligned with your goals and priorities.”
4. **Invite comparison:** “Can you help me understand what you're comparing this cost to?”

Key takeaway: Structure, consistency and confidence can help reduce defensiveness during difficult conversations and can help you firmly in a leadership role.

Your 30-second value summary

“My role is to help you make the best financial decisions you can over time, especially when things change or feel uncertain. The cost you see on your statement includes that ongoing guidance and planning so you don’t have to navigate your financial plan on your own.”

Final reminder

TCR may put a new spotlight on costs. However, cost is only an issue in the absence of value.

With the right preparation, you can ensure TCR conversations also highlight:

- Planning.
- Protection.
- Behavioural discipline.
- Tax efficiency.
- Financial knowledge.

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Client objections and response framework

As TCR increases cost visibility, you can expect more direct questions and some emotionally charged reactions. This section prepares you to navigate those conversations with confidence by using a consistent, repeatable framework that keeps discussions calm and focused on outcomes.

Core response framework

Acknowledge and take control

Make sure the client feels heard while taking control of the conversation. It can help to ask clients to tell you more about how they are feeling.

Clarify

Confirm your understanding and break down costs into easy-to-manage talking points.

Re-anchor

Re-anchor the cost discussion around the client's unique goals and desired outcomes.

Invite comparison (when it makes sense)

Prompt the client to actively evaluate whether the value and support they're currently receiving compares favourably to alternatives. Remind them of the services available to them through your business.

Real conversations around cost transparency

As TCR introduces greater visibility into investment costs, many client conversations will shift. Clients may react with surprise, concern, or comparison, not because costs have changed, but because they are now being presented more clearly and consistently.

This video series is designed to support you in navigating those moments with confidence. Each scenario reflects real client questions we expect to hear and demonstrates practical, trust-building responses.

Go to the Real Conversations video playlist

Check it out at: https://vimeo.com/showcase/12353580

Client objections and response framework

Generational objection patterns

Each client processes and responds to cost information differently. Their questions, concerns and reactions are often shaped by life stage, experience and what matters most to them at that time.

This section highlights common patterns advisors may encounter across different generations. The intent is not to label clients, but to help advisors anticipate where questions are coming from, adjust their framing, and lead more effective conversations.

Generation	Common objection	Advisor emphasis
Boomers	“I don’t want to lose money at this stage.”	Income stability, estate efficiency, guarantees
Generation X	“I need to know I’m getting value.”	Tax efficiency, optimization, strategy
Millennials	“Why is this not cheaper?”	Transparency, customization, flexibility

High-value reframing

High-value reframing is about shifting the conversation from cost alone to the overall value and outcomes being delivered. It can help you to focus on net impact rather than lowest price, leading to stronger, more strategic recommendations. Here are a few key points you can keep coming back to support that mindset in your conversations.

- “Cost should always be evaluated alongside outcomes.”
- “The goal is rarely the lowest cost — it's the strongest net result.”
- “Transparency gives us a chance to ensure everything still fits.”
- “If at any point the value isn’t clear, we should revisit it.”

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Client objections and response framework

Common client objections

Client objection *"I didn't realize I was paying this much."*

What's behind it

Cost visibility shock.

Coaching note

Stay calm. Do not apologize for cost.

Acknowledge	Clarify	Re-anchor	Invite comparison
"I hear you. Let's take a moment to walk through what you're seeing on your statement."	"Your costs haven't changed, they're just being shown more clearly now so you can see the full picture."	"Before we go further, can we revisit what's most important to you and what your plan is designed to achieve?"	"Compared to navigating the markets and your financial strategy on your own, does this cost feel more reasonable?"

Client objection *"Are my costs increasing?"*

What's behind it

Fear of increase.

Coaching note

Be clear and direct.

Acknowledge	Clarify	Re-anchor	Invite comparison
"I'm glad you asked. Let's walk through this together."	"Your costs haven't changed – they are just being shown differently now so you can see everything in one place."	"Before we go further, can we revisit what this plan is designed to deliver and how it aligns with what's most important to you?"	"If at any point you don't feel you're getting value for what you're paying, we should review your plan and the alternatives."

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Client objections and response framework

Client objection *“This seems high. Is that what I'm really paying?"*

What’s behind it

Emotional comparison.

Coaching note

Avoid defending with performance.

Acknowledge	Clarify	Re-anchor	Invite comparison
“Ok. Tell me more. What feels unreasonable about these costs?”	“It’s important to know that your costs haven’t changed – they’re just being shown differently now so you can see everything in one place.”	“Before we dive in, should we revisit what this plan is designed to deliver and review what’s most important to you?”	“Help me understand what you’re comparing this to. That will help us look at it in the right context.”

Client objection *“ETFs are cheaper.”*

What’s behind it

Cost comparison.

Coaching note

Differentiate structure, not price.

Acknowledge	Clarify	Re-anchor	Invite comparison
“Sure, ETFs can be a lower-cost way to access the market.”	“What they provide is market exposure but alone they don't include things like guarantees at death or maturity or estate efficiencies."	“The investments we’ve selected provide those features and are aligned with your broader financial goals.”	"Let's compare what you have with some lower-cost options and see if they align with your priorities."

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Client objections and response framework

Client objection *“Why wouldn’t I just switch to passive?”*

What’s behind it

Simplicity bias.

Coaching note

Do not attack passive investing.

Acknowledge	Clarify	Re-anchor	Invite comparison
“That’s a fair question. Let’s step back for a moment and put that option into context.”	“The real question isn’t active vs. passive – it’s about the level of support and what features you want to come with your investments.”	“My role is to bring those pieces together to help keep your investments on track, especially through different market conditions and life changes.”	“When we compare these options, what product benefits are most important to you and what are you comfortable handling on your own?”

Client objection *“I’m paying over 2% for this segregated fund?”*

What’s behind it

High-FER scrutiny.

Coaching note

Separate insurance from investment cost.

Acknowledge	Clarify	Re-anchor	Invite comparison
“Let’s take a look. We can walk through what that percentage actually represents.”	“Some of that cost reflects the guarantees and structural features that don’t exist in other investment types.”	“We chose this particular investment because of the role it plays in your overall financial plan.”	“The real comparison is whether a lower-cost alternative, without those guarantees and protections, would provide the same value and outcomes for your personal situation.”

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Client objections and response framework

Client objection *"I don't see what I'm getting for the cost."*

What's behind it

Value articulation gap.

Coaching note

Make value concrete by connecting advice, services, and outcomes.

Acknowledge	Clarify	Re-anchor	Invite comparison
"Ok. Help me understand what feels unreasonable about the costs you're currently paying."	"There are a lot of services and benefits that come with a segregated fund. Would you like to walk through those again with me?"	"When we originally set this up, we focused on (x, y, z). Let's revisit that and make sure this is still aligned with what's most important to you."	"Compared to navigating market shifts and life changes on your own, does it feel like you have the support you need to see value in the costs you're paying?"

Client objection *"This makes me question everything I understood about the cost of investing."*

What's behind it

Trust anxiety.

Coaching note

Clarify components of cost while reinforcing that transparency is driving this change.

Acknowledge	Clarify	Re-anchor	Invite comparison
"Ok. Tell me what has you most concerned."	"The biggest change on your statement is the level of transparency around costs, not the costs themselves."	"This cost transparency actually gives us a good opportunity to review your investment strategy and ensure everything is still aligned with your goals and priorities."	"Compared to not having that level of visibility around the cost of investing, how does it feel? Would you rather not know?"

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Client objections and response framework

Segregated fund–specific objections

Client objection *“Why is this more expensive than a mutual fund?”*

What’s behind it

Cost comparison/product misunderstanding.

Coaching note

Differentiate structure and benefits, not just price.

Acknowledge	Clarify	Re-anchor	Invite comparison
"That’s a reasonable question. I’m always happy to review the differences with you.”	“Segregated funds include additional features that mutual funds don’t, like insurance guarantees and estate bypass provisions.”	“So the cost reflects not just investment management, but also built-in protections and estate planning benefits.”	“The key comparison is whether a lower-cost mutual fund - without those protections - would deliver the same overall value for your situation and priorities.”

Client objection *“Do I really need these guarantees?”*

What’s behind it

Value relevance.

Coaching note

Tie features directly to client priorities. Do not assume value.

Acknowledge	Clarify	Re-anchor	Invite comparison
“That’s a fair question that only you can really answer. It depends on what matters most to you.”	“The guarantees that come with this investment are designed to provide some capital protection and support estate efficiency in certain situations.”	“Their value comes into play when protecting against downside risk or when it comes time to transfer assets your loved ones.”	“The decision on whether a segregated fund is an important part of your overall portfolio comes down to whether having that level of protection and certainty is a priority for you and your beneficiaries.”

Compliance reminder: always distinguish guarantees of value floor from guarantees of performance.

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Glossary

Total cost reporting (TCR)	A Canadian regulatory initiative requiring investment dealers and insurers to give clients clearer, more complete annual disclosures of all ongoing embedded costs in investment funds and segregated funds. TCR aims to improve transparency and help clients better understand what they pay and why.
Embedded costs	Ongoing fees built into the price of a fund or segregated fund. Clients do not pay them directly as separate charges; instead, they are deducted within the fund itself. Examples include management fees and trading expenses.
Management Expense Ratio (MER)	A percentage that represents the annual management and operating costs charged by a fund. MER is part of the total embedded fees a client pays.
Trading Expense Ratio (TER)	The portion of embedded costs that covers trading commissions and transaction costs incurred by the fund manager. TER is added to MER to form the Fund Expense Ratio (FER).
Fund Expense Ratio (FER)	FER = MER + TER. This is the total percentage of embedded operating and trading costs within a fund. Under TCR rules, FER must be disclosed to clients in their annual cost reports.
Daily cost factor (DCF)	A calculation that converts a fund's expense ratio into a daily rate. It is used to estimate the daily cost of holding a fund and forms part of the new TCR data that firms must collect beginning January 1, 2026.
Daily cost amount	A dollar amount showing what the embedded costs translate to for a client each day, based on their personal holdings. This value rolls up into the annual total shown on TCR statements.
Annual cost report	The yearly statement that includes all TCR-required disclosures. This report shows total embedded fund costs (MER, TER, FER), costs in both dollar and percentage terms, and performance information. Enhanced reporting begins in 2027 based on 2026 data.
Segregated fund contract	An insurance product that combines investment features with insurance guarantees. Under TCR rules, segregated fund holders must receive enhanced annual statements showing total costs and performance from January 1, 2026.

Glossary

Cost transparency	A regulatory expectation that clients should clearly see the costs they pay to own their investments. TCR increases transparency by standardizing how these costs are shown and expanding what is included in annual statements.
Client Relationship Model Phase 2 (CRM2)/Client Relationship Model Phase 3 (CRM3)	CRM2: An earlier phase of Canadian reforms that improved transparency around advisor compensation and investment performance reporting. CRM3 (TCR): The next phase focused on showing embedded product costs in a clearer, more comprehensive way, starting in 2027.
Regulatory alignment	The coordinated effort between the CSA, CCIR, CIRO, and FSRA to harmonize TCR rules across the investment and insurance sectors, ensuring consistent reporting for clients across different product types.