

# SUBMISSION OF CONCERNED INVESTORS

July 5, 2022

## CSA NOTICE AND REQUEST FOR COMMENT PROPOSED AMENDMENTS AND PROPOSED CHANGES TO IMPLEMENT AN ACCESS EQUALS DELIVERY (AED) MODEL FOR NON-INVESTMENT FUND REPORTING ISSUER

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Nova Scotia Securities Commission  
Superintendent of Securities, Newfoundland and Labrador  
Superintendent of Securities, Yukon Territory  
Superintendent of Securities, Northwest Territories  
Superintendent of Securities, Nunavut

We are a group of concerned individuals focused on investor protection who share an interest in the CSA's proposal to implement an Access Equals Delivery (AED) model for non-investment funds.

We have engaged in dialogue since the proposal was announced in April 2022 but have individually followed the CSA's important work in this area for several years. The perspectives of this group are not monolithic, but several important themes have emerged from our dialogue that we all agree on. In our capacity as investor advocates focused on investor protection, we are conveying the perspectives of the individual participants listed below, who generally agree with the following broad observations, which may be of interest to the ongoing important work of the Staff of the CSA:

### **Modernization should promote engagement and investor awareness (in addition to burden reduction)**

- Disclosures should not be eliminated, rather they should be made better and more accessible. For disclosures to be fit for their purpose, they must be in plain language and reflect the empirically determined financial literacy of the average Ontarian investor. Retail investors prefer to receive summary disclosures (either hard copy or digitally) with layers of details available online or upon request. An example of this is the Fund Facts and ETF Facts disclosure. Though the Fund Facts template requires basic

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improvements, they were the result of a collective effort of securities regulators focused on creating better disclosures for retail investors, while minimizing industry burden.

- Effective notice is a key investor protection for retail investors. Retail investors want to be notified in plain language and with sufficient advance notice about changes to their investments. Without a push notification, they will not be aware of disclosures and will not read them.
- Investors are seeking new relevant disclosures, such as those related to climate related risks, to keep current with what is impacting their investments. The need is to have better objective ESG disclosure in plain language. It makes no sense to require issuers to prepare and file these disclosures, but then not notify investors of their content and to offer to deliver these disclosures to their investors.

**AED should not be used for continuous disclosure and cannot be used for proxy materials, or any disclosures that require a response or immediate action.**

- Implementing AED for continuous disclosure as is will significantly impair the efficacy of the disclosure regime, at least for retail investors. If AED were to be implemented for these latter types of materials, it would significantly reduce shareholder participation and raises serious governance, as well as investor protection concerns.

**Consideration of AED is premature.**

- The proposed changes to implement AED are based, in part, on modernization efforts of SEDAR (called SEDAR+). The nature of these enhancements have not been made public. SEDAR+'s time line for rollout is unknown and must go through public comment. Aside from the need to consider alternatives, securities regulators and the investing public needs time to understand these enhancements and test them with investors BEFORE a rule can be implemented that relies on it.

We appreciate this opportunity to share our views on this important topic and would be happy to follow up, individually or as a group.

Yours truly,

“Harold Geller”

“Harvey Naglie”

Harold Geller

Harvey Naglie

Investor Advocate,

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