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July 10, 2022

Alberta Securities Commission  
Autorité des marchés financiers  
British Columbia Securities Commission  
Financial and Consumer Services Commission (New Brunswick)  
Financial and Consumer Affairs Authority of Saskatchewan  
Manitoba Securities Commission  
Nova Scotia Securities Commission  
Nunavut Securities office  
Office of the Superintendent of Securities, Newfoundland and Labrador  
Ontario Securities Commission  
Office of the Superintendent of Securities, Northwest Territories  
Office of the Yukon Superintendent of Securities  
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward  
Island

c/o

M<sup>e</sup> Phillipe Lebel  
Corporate Secretary and Executive Director, Legal Affairs  
Autorité des marchés financiers  
Place de la Cite, tour Cominar  
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The Secretary  
Ontario Securities Commission  
20 Queen Street West  
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Mr. Tony Toy  
Canadian Council of Insurance Regulators  
National Regulatory Coordination Branch  
25 Sheppard Avenue West, Suite 100  
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Dear Friends:

**Re: Total Cost Reporting for Investment Funds and Segregated Funds**

Thank you for this opportunity to provide our input on this important matter.

We applaud the regulatory establishment for their efforts to ensure investors are provided with the information necessary to make informed choices about their investments.

**Fund Expenses Disclosure**

Fund expenses are a necessary outgrowth of managed and passive investments. There are costs associated with investment activity. The message underlying the proposed prescribed notifications is that all fund expenses reduce a fund's returns. We respectfully submit that this is not the case. Some costs may generate incremental returns that more than offset the cost incurred.

The concern with respect to fund expenses can be more correctly stated as fund costs are relevant to the extent that the costs do not generate additional return. We suggest that the Notifications be amended as follows, "They affect you because, to the extent that the increased costs do not generate additional return, they reduce the fund's returns."

**Proposed Insurance Guidance**

In addition to acting as Portfolio Managers, we provide financial planning services to our clients. We have found it challenging to make projections for some insurance products because of a lack of information in client insurance statements and a general lack of understanding by selling agents of the product. Specifically, the client statements for GMWB products often do not provide information about the Guaranteed Withdrawal Base, the original investment amount, current market value, the costs of the insurance riders – the guarantee fees, fund fees, market value step ups and how they are calculated – is it based on an annual high or a lifetime high - and the current value of those stepped-up amounts. Additional information will be very helpful to those in the planning community.

Thank you.

Sincerely,

**PACIFIC SPIRIT INVESTMENT MANAGEMENT INC.**

*John S Clark*

John S. Clark  
President