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December 23, 2022

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

Delivered to:

The Secretary
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M^e Philippe Lebel
Corporate Secretary and Executive Director,
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Dear Sirs/Mesdames:

RE: CSA Notice and Request for Comment - Proposed Amendments and Proposed Changes to Implement an Access-Based Model for Investment Fund Reporting Issuers

C.S.T. Spark Inc. and C.S.T. Savings Inc. (collectively, CST) are writing to provide our comments on the CSA Notice and Request for Comment – Proposed Amendments to National Instrument 81-106 *Investment Fund Continuous Disclosure* (NI 81-106) and Proposed Consequential Amendments to National Instrument 41-101 *General Prospectus Requirements* (NI 41-101) and National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (NI 81-101).

C.S.T. Spark Inc. is registered as a mutual fund dealer, scholarship plan dealer, and investment fund manager and both distributes and manages the CST Spark Education Portfolios. As a scholarship plan dealer and investment fund manager, C.S.T. Savings Inc. distributes and manages the Canadian Scholarship Trust Plans, education savings plans, which are registerable with the Canada Revenue Agency as Registered Education Savings Plans (RESP).

General Comments

CST recognizes and appreciates the CSA's efforts in seeking opportunities to both reduce the regulatory burden for investment fund issuers and modernize the delivery of continuous disclosure documents to investors. We are generally supportive of the CSA's proposal to introduce an access-based delivery model for the delivery of designated continuous disclosure documents (the Designated Documents).

While the proposed alternate delivery model would reduce the regulatory burden for investment fund issuers, we respectfully submit that the requirement to issue a news release announcing the availability of the Designated Documents for each fund, file it on SEDAR and post the news release on the fund's designated website will not be effective in informing investors that the Designated Documents are available. Given the number of investment funds and the corresponding volume of news releases, it is unlikely that all notices would be picked up by the news services and as a result, investors are not likely to be made aware when the Designated Documents are available. We respectfully request that alternative methods of notice be considered.

We note that the proposed amendments to NI 81-106 and NI 41-101 speak to all investment fund issuers such as mutual fund and exchange traded fund issuers as well as scholarship plan issuers. We thank the CSA for considering a broader range of investment funds to benefit from this burden reduction proposal.

Responses to the questions posed

1. Standing instructions to receive paper copies

Our customer base spans the breadth of this country. Some of our clients live in areas without high-speed internet or where internet service levels are intermittent and others do not have access to internet services, which makes it difficult for them to access such documents electronically. We support the requirement to provide paper copies on request or via standing instructions, at no charge, to ensure that all investors have access to timely and relevant fund information.

2. Standing instructions to receive electronic copies.

We support the principle that investors should have choice in how they receive the funds' continuous disclosure information and currently collect standing instructions to receive documents electronically. The proposed amendment requires the investment fund manager "send" an electronic copy of the document to the investor. The delivery of multiple and/or large document files by email may result in delivery failure. As such, CST believes the language should be clarified to confirm that delivery of an electronic document may be fulfilled by sending an email with a link to either the webpage on the fund's designated website where the document may be accessed or directly to the document.

It is our belief that the cost of this delivery method will be offset in part by the requirement to issue a news release for each fund as required by this proposed amendment.

3. Notification methods

- a. We respectfully submit that the requirement for *each* fund to issue a news release, file it on SEDAR and post the news release on the fund's designated website indicating that the Designated Document is available and that a paper copy can be obtained on request is *not an effective* means of communicating with our clients. Given the anticipated volume of news releases regarding the availability of Designated Documents, it is not reasonable to assume that an investor will be informed on a timely basis of the availability of continuous disclosure documents. It is also unlikely that investors will monitor for news releases on the funds in which they are invested and combined with the difficulty of locating documents on SEDAR, this requirement may have the effect that investors will ignore such information.

News releases are required to be issued in situations where the fund experiences a material change. Although these types of changes are infrequent, they are considered to be important to an investor. By increasing the volume of news releases, these important notices may not be noticed. We note that few investors request financial statements and management reports of fund performance and as such, utilizing news releases to announce the availability of Designated Documents will not provide much benefit to investors and will detract from the visibility of material change news releases.

As a result, CST believes that if a news release is required, the proposal should be amended to allow affiliated funds to issue one news release announcing the availability of Designated Documents filed at the same time.

- b. The information requirements of the news release contain the appropriate information with the exception of a link (where the notice is being viewed electronically) to the Designated Documents on the fund's designated website.
- c. We submit that in conjunction with the news release, there should be additional client notification that the Designated Document is available on the fund's designated website. To supplement the disclosure in the news release, CST believes that the Fund Facts document and Plan Summary (scholarship plans) should be amended to make investors aware Designated Documents can be found on the fund's designated website or obtained by contacting the investment fund manager. A generic disclosure statement could also be included on client account statements advising that the financial statements and management reports of fund performance are available on SEDAR and the fund's designated website.
- d. CST Spark and CST Savings currently deliver Designated Documents to our clients' online accounts with an email notification to the clients when the documents are available. All emails are monitored for delivery failures and customers contacted to update their information if an email is not successfully delivered. We propose to continue this process of notifying our clients via email regarding where and when they can access the Designated Documents.

4. Designated websites

- a. We believe that the guidance provided is sufficient and that Designated Documents



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should be easy to access on the fund's designated website. We suggest that banners could be used on the website to advise investors when new Designated Documents are available.

b. No additional guidance is required.

5. Broadening of the Access-based model

Offering documents such as the prospectus and Fund Facts contain important information for investors and we agree with the delivery requirements for these types of documents. CST Spark and CST Savings provide the prospectus at point of sale either in paper format or, with the consent of the client, via email. Copies of the relevant offering documents are also posted to clients' accounts.

CST appreciates the opportunity to provide comments on this initiative. I would be pleased to discuss our responses further or answer any questions that you may have at your convenience.

Yours truly,

A handwritten signature in black ink that reads 'C. Matear'.

Carole Matear CPA, CA
Chief Compliance Officer

cc. Sherry MacDonald, President and CEO, C.S.T. Spark Inc. and C.S.T. Savings Inc.