

Tuesday, April 24, 2007

Dear Sirs/Mesdames:

As a retiree who invests in mutual funds, among other investment vehicles, I am very disappointed to see that you are purposing to increase the costs of owning mutual funds. As mutual fund fees are already far more than what are charged in the US; adding to the cost of purchasing mutual funds is a disservice to the Canadian Investor whom I thought you were suppose to protect.

As ETF are becoming more known, more and more investors will opt to buy them rather than expensive mutual funds. The Proposed National Instrument 31-103 is a blow to mutual fund companies and investors alike.

What is to be gained by section 4.18? I thought all mutual funds were held for clients by a third party custodian who is a trust company. As long as the custodian is a independent company from the fund company, why would the OSC feel the need for another layer of insurance for these assets?

For the sake of the retirees who have already been hit by the future taxation of Income Trusts, PLEASE do NOT add more expenses that are not need to protect investors and accomplish nothing good for the beleaguered investor.

Thank you for your consideration.

Yours truly,
Barbara Cantlie