

October 15, 2007

SENT VIA EMAIL

jointforum@fsco.gov.on.ca

Mr. Neil Mohindra
Activity Policy Manager
Joint Forum Project Office
5160 Yonge Street
Box 83, 17th Floor
North York, Ontario M2N 6L9

Dear Mr. Monindra,

We would like to thank the Joint Forum of Financial Market Regulators for giving us the opportunity to comment on the "Proposed Framework 81-406: Point of Sale Disclosure for Mutual Funds and Segregated Funds".

First, we would like to present our group of companies. Industrial Alliance Insurance and Financial Service Inc. (IA) is the 4th largest life insurance company in Canada with over 60 billion dollars of assets under management and administration. IA is also the sole owner of the following companies, which will be affected by the proposed framework.

- IA Clarington Investments Inc. – A mutual fund company, which has approximately 8 billion dollars of assets under management.
- IA Securities Inc. – A full service securities brokerage firm with 2.2 billion dollars of assets under administration.
- FundEX Investments Inc. – A mutual fund broker-dealer with more than 11 billion dollars of assets under administration.
- Investia Financial Services Inc. – A mutual fund broker-dealer with 3.7 billion dollars of assets under administration.

Yvon Charest, F.S.A., F.C.I.A.
President and Chief Executive Officer

1080 Grande Allée West
PO Box 1907, Station Terminus
Quebec City QC G1K 7M3
Telephone: 418 684-5100
Cellular: 418 564-5100
Fax: 418 683-5663
yvon.charest@inalco.com

www.inalco.com

As a life insurance manufacturer, we would like to mention that we support entirely the response made by the Canadian Life and Health Insurance Association (CLHIA).

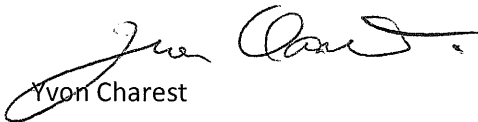
As indicated in the CLHIA response, we respectfully remind the Joint Forum that, although a segregated fund may look like a mutual fund, a consumer cannot buy units of a segregated fund. Rather, the consumer must enter into a contract called an Individual Variable Insurance Contract (IVIC) with a life insurance company. As outlined in the CLHIA response, this gives the policyholder rights and protections that are quite different to that of the mutual fund unitholder. We believe that these particularities of the IVIC have not been considered. We will not expand further on the segregated funds since we consider that the CLHIA response provides enough details on the subject. **Segregated funds and mutual funds should have a similar treatment but not an identical treatment.**

With regards to our mutual funds and securities broker-dealers, we also share the CLHIA's concerns on the requirement to provide new Fund Facts before subsequent transactions can proceed. The proposal, as it currently stands, does not meet the consumers' needs and would create an additional compliance control without providing any added value to the consumer.

We would like to remind the Joint Forum that, as a full service broker or a mutual fund broker, we must respect the "know-your-client rule". This means that all investments made by our clients must be in accordance to their risk profile and investment objectives. This also means that we monitor every transaction, whether it is a purchase or a switch against the client profile. We must also update our client file when there is a change in the client financial situation or financial objective. We believe this is where we should continue to focus our efforts.

As indicated in the CLHIA response, we believe that the consumer would not be well served should we have to give or send a Fund Fact before a subsequent trade. With the proposed changes, consumers would be more at risk in a volatile market. This would reduce the effectiveness of Limited Trading Authorization and would only create additional delays for transactions. **It would be best to remove subsequent trades from the reform.**

Thank you once again and be assured of our support should you need more information.



Yvon Charest