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December 19, 2008

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VIA EMAIL

Ontario Securities Commission
British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Nova Scotia Securities Commission
Office of the Attorney General, Prince Edward Island
Financial Services Regulation Division, Consumer and Commercial Affairs
Branch, Department of Government Services, Newfoundland and Labrador
Registrar of Securities, Government of Yukon
Registrar of Securities, Department of Justice, Government of the Northwest
Territories
Registrar of Securities, Legal Registries Division, Department of Justice,
Government of Nunavut

Attention: John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West, Suite 1903, Box 55
Toronto, ON M5H 3S8
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M^e Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800, square Victoria, 22^e étage
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Montréal (Québec) H4Z 1G3
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Dear Sirs/Mesdames:

Re: CSA Notice 81-318 Request for Comments on Framework 81-406 Point of Sale Disclosure (the “Framework”)

On behalf of Capital International Asset Management (Canada), Inc. (“CIAM”), we appreciate the opportunity to submit our comments and observations on the proposed Framework as requested in the CSA Notice 81-318.

Background

CIAM is part of The Capital Group Companies, Inc., a global investment management firm originated in 1931. The Capital Group Companies, Inc. includes two of the world’s largest providers of global/international equity investment services: Capital Research and Management Company (U.S. mutual funds) and Capital Group International, Inc. (global institutional), which also includes Capital Guardian Trust Company.

CIAM serves as the manager and trustee to the Capital International mutual funds which are subadvised by CIAM’s affiliates in the U.S., Capital Research and Management Company and Capital Guardian Trust Company. These groups manage equity assets independently from one another. The Capital International funds are distributed through third party distributors in Canada.

Introduction

We commend the CSA in their efforts to simplify and have more meaningful disclosure for investors in order for them to make sound investment decisions. We appreciate the amount of time and work that has been dedicated to this project since its inception and generally believe that the two-page, plain language Fund Facts disclosure document is in the best interests of the average investor.

While we generally support this CSA initiative, we have noted below some comments and/or observations for the CSA’s consideration. As we only offer retail open-end mutual fund trusts, our comments below relate specifically to the proposed Framework as it applies to mutual funds. Having said this, as you will note from our comments below, we do question why the Framework does not apply to other products that are similar to mutual funds currently being offered to retail investors.

Timing of Delivery Requirement

Being part of a global organization, with a significant U.S. presence and experience, we are aware of a similar initiative proposed by the U.S. Securities and Exchange

Commission. We believe that the CSA initiative would be greatly enhanced overall by reflecting certain aspects of the SEC initiative with respect to the timing of the delivery requirement.

As you are likely aware, the SEC recently announced some rules changes regarding a new summary prospectus which will accompany the statutory prospectus. The U.S. summary prospectus seems similar to the 2-page Fund Facts document proposed by the CSA in that the summary prospectus is to include key information to allow the investor a basic understanding of the fund and permit the investor to easily compare one fund to another. With respect to satisfying the prospectus delivery requirement, the U.S. summary prospectus may be delivered in place of the statutory prospectus provided that the statutory prospectus and other information is available online. While the SEC rule is not yet finalized, it is our understanding that the summary prospectus will be required to be delivered to investors along with their confirmation statement, as opposed to at or before the point of sale. In addition, the U.S. summary prospectus pushes key information to the front of the statutory prospectus (which is available online) making it easier for investors to (i) compare between other funds of competitive firms and (ii) have easier access to research specific details that may only be contained in the statutory prospectus. While the proposed Funds Facts document is also incorporated by reference into the simplified prospectus, it is proposed to be a separate stand-alone document which is not as comprehensive as the simplified prospectus, potentially leading investors to making uninformed decisions solely based on 2-page Fund Facts disclosures.

In efforts to streamline and harmonize securities regulations in North America and have meaningful disclosure for investors, we strongly urge the CSA to consider aspects of the U.S. approach to improving mutual funds disclosure as summarized above. In this manner, the CSA would be adopting a more functionally integrated approach with a practical delivery system.

Delivery of Fund Facts

We were pleased to see certain enhancements made to the methods of delivery of the Fund Facts in this recent release of the Framework and believe the various options of delivery will be beneficial for investors.

Similar to many other firms in the Canadian mutual fund industry, we believe the timing of the delivery of the Fund Facts document needs significant reconsideration by the CSA before the framework is finalized. For initial purchases or switches, the delivery requirement is generally at or before the point of sale with certain exceptions such as investor-initiated trades and order execution only accounts, where delivery can be effected with trade confirmation statements. We believe this timing requirement to deliver at or before the point of sale will be onerous for dealer-recommended trades.

In addition to delivering the Fund Facts document to investors, dealers will need to develop procedures to document the delivery obligation to demonstrate compliance with the delivery requirements. As stated in the Framework, simply referring an investor to the relevant Fund Facts document does not satisfy the delivery requirement which imposes a physical delivery burden on dealers as verbal reference to the document is insufficient.

Dealers are also required to give investors an option to receive the Fund Facts document (by series or share class) on an annual basis for each of the funds held by them. It is unclear in the Framework whether the practical execution of this annual opt-in process will be the fund manager's or the dealer's responsibility. We believe that, since the dealer has the direct relationship with the investor and may advise the investor on various funds from several different fund groups, it may be appropriate for the dealer to comply with the annual delivery requirement set out in the Framework. We suggest that the Framework clarifies the method by which this requirement would be satisfied. As an example, dealers could include a link to the relevant fund's website on clients' annual statements referring the client to the Fund Facts document.

The operational elements of implementing systems and procedures to monitor and track delivery will raise compliance challenges for both dealers and fund managers. Both parties will need to ensure that the Fund Facts document per each class or series are kept up-to-date and that delivery is effected in accordance with the proposed requirements. We believe the compliance costs of implementing systems to monitor the delivery and ensure that the most current documents are in circulation will be significant, particularly for those firms that offer numerous funds with multiple series or share classes.

In addition, the Framework requires clarification on circumstances where investors exercise their statutory right to cancel a mutual fund purchase if delivery of the Fund Facts document cannot be proven by the dealer. Since there is no time limitation prescribed, the fund manager has no way to protect the fund and other investors in the fund from losses incurred due to declines in the markets.

As a result of the cumbersome delivery obligations and associated compliance issues, we believe that retail mutual fund investors may be disadvantaged as distributors narrow their choices of products to promote. This may result in dealers choosing a select number of funds or fund families and/or recommending other securities that are not subject to such onerous requirements. For this reason, we have serious concerns that average retail investors may either be (i) steered towards product offerings that may not necessarily be in their best interests or (ii) provided with a limited selection of mutual funds which could potentially put many fund firms at a competitive disadvantage creating an un-level playing field.

For the benefit and protection of retail investors, we request that the CSA consider extending the application of the Framework to other products which are similar to mutual funds such as pooled funds, exchange-traded funds, hedge funds and principal-

protected notes. We believe that retail investors would benefit from having concise summaries of all such related product offerings which would assist them in making informed decisions.

Once again, we appreciate the opportunity for providing the above comments and strongly urge the CSA to consider the issues discussed. If you have any questions regarding the above, please do not hesitate to contact the undersigned.

Yours truly,

**CAPITAL INTERNATIONAL ASSET MANAGEMENT
(CANADA), INC.**

A handwritten signature in black ink, appearing to read 'Mark Tiffin', is written over the company name.

Mark Tiffin
President