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VIA ELECTRONIC MAIL

December 22, 2008

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

Dear CSA Members,

I am writing to provide the CSA with Tradex Management Inc.'s final comments on proposed Framework 81-406: Point of sale disclosure for mutual funds and segregated funds. Tradex is one of the oldest mutual fund companies in Canada and is also a Member of the MFDA. Therefore, we have a very strong interest in governance and communications issues related to the mutual fund industry.

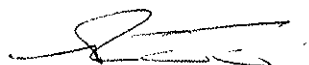
With respect to the draft "Fund Facts" document we reiterate our view the document does not provide the average investor with sufficient information to make an informed decision with respect to investing in a particular mutual fund. Therefore we believe that the information should be modified or expanded as follows:

1. We continue to believe that there should be a separate heading that states "Investment Objectives and Key Investment Strategies". These are key sections in the Simplified Prospectus and we believe that they should be repeated in the Fund Facts document.
2. We also believe that the top 10 investments table would be much more meaningful if percentages accompanied the top 10 holdings. Therefore, we urge the CSA to make this information a mandatory requirement for the document.
3. We note that the term "MER" is not defined until the second page of the document. We believe that it should be defined on the first page.

4. With respect to the "Average Return" portion of the "How has the fund performed" section, we note that this information used to be contained in the simplified prospectus for mutual funds. However, with the introduction of the Management Report of Fund Performance (MRFP) this information was dropped. We support the re-introduction of this information but recommend that it should be in the form of a graph that shows not only the "end amount after 10 years" but also the path followed to arrive at the end result (as presented in the "old" prospectus format). We also believe that this information should be re-introduced in the MRFP since it would seem inconsistent to have information in a "summary document" that is not contained in the more detailed legal document. Furthermore, we believe that a table showing compounded annual returns for the previous 1,3,5 and 10 year periods versus the fund's benchmark is much more meaningful information to the investor. Therefore, we suggest that this information be added to the Fund Facts document.
5. Also with respect to the example used in the "Average Return" section we note that it states "A person who invested \$1,000 in the fund 10 years ago now has \$2,705. This works out to an average of 10.5% a year." We believe that this statement would confuse the average investor since \$1,705 divided by 10 equals 17.05%. Thus, to avoid confusion, we believe that the wording should state, "This works out to an average annual compound return of 10.5% per year".
6. With respect to "Who is this fund for" section, we have significant concerns that this section is too simplistic. Indeed, as proposed we believe that it may either confuse or mislead the investor. For example, in 2008 we have witnessed the TSX Composite Index decline by approximately 40%, yet in most cases a Canadian equity fund would be placed in the "moderate" risk category. In addition to a sentence or two on the risks associated with different asset types, our recommendation would be to include a table with the "risk spectrum" that categorizes mutual funds from the safest (money market funds) to those with the highest risk (sector or foreign funds) and shows where this particular mutual fund fits on this risk spectrum.
7. With respect to page 2, our main comment is that in our own case there will be very few words on the page. For example, with respect to sales charges we will state "nil". With respect to "ongoing fund expenses" we will provide information on the MER and trailing commission while with respect to other charges we will simply state "nil". We therefore ask the CSA for guidance as to whether it would be permissible to provide investors with other information on this page, such as the history of our company, the fact only public sector employees and their families may purchase our funds, the fact that we operate on an "at cost" basis, etc.

We wish to thank you for the opportunity to comment on the proposed Instrument and trust that our comments will be of use to you.

Yours truly,



Robert C. White  
President, Tradex Management Inc.