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October 16, 2009

Via e-mail

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
Superintendent of Securities, Yukon Territory
Registrar of Securities, Nunavut

Attention: John Stevenson, Secretary
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Fax: 416-593-2318
E-mail: jstevenson@osc.gov.on.ca

Me Anne-Marie Beaudoin
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Re: Implementation of Point of Sale Disclosure for Mutual Funds

Thank you for inviting interested parties to submit comments to the Joint Forum of Financial Market Regulators (the "**Joint Forum**") on Proposed Framework 81-406 – Point of Sale Disclosure for Mutual Funds and Segregated Funds ("**The Proposals**").

Background to the CI Financial Group

CI Investments Inc. ("**CI**") and its affiliates (collectively, the "**CI Financial Group**") are the managers of a wide range of investment products and services, including mutual funds and segregated funds. As of October 17, 2009, CI and its affiliates had aggregate assets under management of approximately $65 billion. The CI Financial Group also includes several registered investment dealers and mutual fund dealers, including Assante Financial Management Ltd., Assante Capital Management Ltd. and Blackmont Capital Inc., which had aggregate assets under administration of approximately $28 billion as of October 17, 2009. As a result of the size and breadth of investment products and services provided by the CI Financial Group, CI has significant experience dealing with current disclosure requirements for mutual funds and segregated funds from the perspectives of both the fund managers and the fund distributors. We are pleased to draw upon such experience in order to provide you with our comments below on the Point of Sale Proposals. This comment letter is comprised of several issues grouped under three broad concerns, each with its own set of conclusions with some summary comments at the end.

Key Concerns

A. The Proposals Will Have a Substantial Negative Impact on Operational Aspects Throughout the Entire Supply Chain of the Mutual Fund and Segregated Fund Industries

1. Logistical Issues for Fund Managers Created by the Proposal

The proposals will cause increased costs and create logistical problems for the fund managers that must produce the fund facts document due to the voluminous number of documents envisioned by the proposals. It is very common for fund managers to offer multiple classes of securities. As an example, CI currently offers 152 mutual funds with a total of 516 distinct classes and 254 segregated funds with 807 distinct classes. Thus, requiring a separate fund facts document for each class of each fund in both French and English will result in the need to create 2,646 distinct fund fact documents. This creates substantial cost and logistical issues in producing these documents and in distributing them. Additionally, these costs could be further exacerbated by changes in the taxation of mutual funds which may result from the incoming HST. Because this new tax will apply to mutual funds, and the tax rates applied will differ between the provinces/territories, we may need a separate set of fund series in each province/territory. A different fund facts document would therefore need to be produced for each fund series in each province/territory, vastly increasing the number of documents that need to be prepared and managed.

While the CSA has claimed that the costs of the fund facts will be offset by not having to produce a prospectus, due to the nature of the costs involved there will be little or no savings. First, since the prospectus must still be available upon request, it still must be produced. Second, CI has estimated the cost of mailing a single fund fact document to be $0.84, if done in house and over $1 if outsourced to an on demand

print provider. While we expect replacing the simplified prospectus with a short fund fact to reduce printing costs, printing represents less then 30% of the costs of production, leaving little room for cost saving. The largest portion of cost for either a fund fact or a prospectus is postage, which will remain unchanged and represents 65% of the total production costs. Thus, the potential cost savings of the replacing the prospectus with a fund fact will only relate to printing and will be marginal.

2. Logistical Issues for Dealers and Advisers Created by the Proposal

As outlined above, the proposals will require fund managers to create hundreds of new documents, but it is the dealers and advisers who will likely bear the burden of managing these documents. This will especially impact non-central Canada advisers who are far more dispersed, are less likely to have email and do not have fax machines. Advisers typically offer a range of mutual funds from a variety of mutual fund companies. Under the new proposals each financial adviser will have the responsibility to keep a current inventory of the fund facts for every mutual fund that he or she sells, which for some funds can result in needing sufficient inventory of 5-10 separate fund facts for a single fund, one for each series it offers. While the CSA believes that the ability to deliver documents electronically mitigates delivery costs, it does not. Consider that e-mail delivery in PDF or in the form of a link is only available to parties with e-mail capability, moreover independent advisers who sell products from a variety of fund companies will still be required to compile and maintain lists of hundreds of links in order to have them readily available to send to clients. The CSA requested an example of a fund fact that applies to multiple classes of funds. Attached to this comment letter is such an example. If fund facts are required, a form similar to this would be preferable to having separate fund facts for each class. Note, however, if we create new fund series for each province/territory due to HST, we could only realistically combine the series related to one province/territory into one document.

Multiple stakeholders in the industry have made the CSA aware, via comment letters, that the numerous documents envisioned by the delivery requirements will force advisers to narrow their product shelf in order to ensure that they can effectively manage the fund facts documents. Instead of offering the funds of multiple companies, the choice would be narrowed to no more than 3 or 4 fund companies and fewer funds in order to be able to effect transactions on a timely basis for their clients. This will ultimately leave investors with fewer products from fewer companies which will severely limit their options. Additionally, this will cause dealers to favor non mutual fund products since they will not be subject to these added restrictions. Should the CSA allow for a multiple class fund facts document to be produced, some of the logistical issues for dealers may be mitigated, but even a multi-class fund fact would still create a substantial burden on the sellers of mutual funds and segregated funds.

3. Disruption in the Sales Process

Requiring delivery of the fund facts at or before the time of sale will significantly disrupt the ability of advisers to meet the needs of their clients. Many transactions are conducted over the phone where the client would not be able to access a fund fact document. Having to delay execution of a transaction due to this lack of access will provide both a disincentive for advisers to sell mutual funds, a disincentive for dealers to offer them, and a disincentive for clients to buy them because of the imposition of this inflexible sales process which will not be obligatory for other products. A far less demanding alternative would be to allow for the fund facts document to be provided at the time of trade confirmation, as will be allowed during the transition period. Allowing delivery of the fund facts post trade will further the goals set out in the CSA that key information be provided to investors in a simple, accessible and comparable format without severely limiting the manner in which mutual funds are sold or imposing arduous audit requirements which will be necessary to ensure delivery. Should the CSA insist that a fund facts document be provided at the point of sale, broad exemptions should be provided for situations where a client does not have immediate access to the fund facts document and wishes to complete a trade before receipt is practicable. Telephone sales or order instructions via electronic means are examples where there should be an exemption at the option of the client. Requiring delivery of fund facts with few exemptions will particularly disenfranchise decentralized or mobile clients who have limited access to e-mail or fax machines. Combined with the logistical challenges outlined above, this will result in both a narrowing of mutual fund product offerings by dealers and a shift towards products which do not require these added restrictions by both clients and dealers.

Conclusion: Regulatory Arbitrage and Reduced Product Choice

Outlined above are specific examples of how the proposals will adversely affect all aspects of the mutual fund supply chain from managers through to clients. CI can effectively assess the impact on these segments because it owns businesses that operate in each of the above segments of the mutual fund supply chain. CI and its affiliates all expect the end result of these proposals to be that advisors and dealers will avoid the new regulations as much as possible by offering and promoting products not covered by these proposals simply because the proposals provide an incentive to do so. These products include stocks, bonds, options and other derivatives, commercial paper including asset backed commercial paper (ABCP), index linked GIC's and ETFs including those with leverage. It is paradoxical that the CSA is seeking to make the disclosure system for mutual funds more onerous when they are professionally managed, well diversified, and already subject to the highest level of regulation of any security. Imposing additionally regulations on mutual funds while keeping the status quo for higher risk investments creates an unlevel playing field which unfairly discriminates against mutual funds.. The result of implementing the proposals will be the creation of an incentive for advisors and investors to take on a higher risk profile by investing in those securities listed above.

Despite CI, Blackmont, Assante and several other stakeholders raising all of the above these concerns in previous comment letters, the CSA has responded only by stating that point of sale disclosure for other investments are outside the scope of the project, that mutual funds are suitable investment products for many investors and that it does not expect a favoring of products not covered by these regulations nor a narrowing of product offerings. Given the number of stakeholders who have raised these concerns and provided valid reasoning as to why both regulatory arbitrage and reduced product offerings will result, combined with the fact that the CSA has not challenged these concerns with any empirical evidence, suggests that the conclusions of the CSA regarding the impact of these proposals on mutual fund operations have little merit. Presumably the CSA is seeking comments in order to assess how new regulations will impact stakeholders. It is also presumed that industry stakeholders are in a better position to assess the impact of the proposals on their internal systems. Thus, while it is expected that there will be some disagreement among regulators and the industry, flatly denying concerns raised by many stakeholders without providing any basis for doing so undermines the purpose of soliciting comments and, if continued, will ultimately lead to the enactment of poor regulations.

B. The Proposals Will Substantially Increase Compliance Costs and Risks in the Mutual Fund and Segregated Fund Industries

1. Increased Compliance Costs

The CSA believes that the provision of several options for delivery of the fund facts will provide flexibility that will reduce the costs associated with the proposals. However, what has not been given adequate consideration is the fact that the change in timing from post sale to presale fundamentally alters the manner in which mutual funds and segregated funds are sold. While we agree that disclosure in a fund fact is much more user friendly than a prospectus, mandating that the fund facts be provided before the sale requires that an entirely new delivery and audit system be created.

Currently, when a mutual fund is bought, the order is placed and the prospectus is sent out as part of a single sale process. The buyer is then given a post sale option to cancel. The key characteristic that makes this system so administratively effective is that all aspects of it emanate from the point of sale. Once a sale is made, the process of acquiring the product, transferring the funds and delivering the information to the investor is begun, and all auditing of the process is contained within this system.

The CSA has repeatedly stated that it does not intend the audit trail of the fund facts document to be more onerous then existing compliance mechanisms and is focused on the possibility of the cost savings which may be realized by allowing a smaller fund fact document to be provided rather than a prospectus. This suggests that the CSA fails to comprehend the impact the proposals will have on the sales process. The proposals will significantly increase costs because they create a two part system in

which delivery of the fund facts is required before the sale, and then, should a sale be executed, the rest of the sale process is engaged.

Thus, while electronic delivery provides more flexibility then requiring delivery of paper documents, systems must be developed to ensure e-mail addresses are valid to confirm receipt. This process must be created as a stand alone presale process, rather than as a small aspect of the existing post sale process.

The first challenge is in the management of the fund fact documents themselves. Rather than delivering one prospectus for one sale, an inventory management system must be created. Fund companies must stockpile fund fact documents and provide them down the supply chain to advisors who must maintain their own stockpile to provide to clients. Rather than producing and mailing a known number of documents to specific people based on trades, the fund manufacturers will be forced to flood the supply chain with fund facts as differing companies compete for the shrinking shelf space of advisors. Advisors, in an attempt to avoid the costs and logistical challenge of stock piling and sorting these fund fact documents (either as paper copies or as links/PDF's) will be forced to carry the products of fewer companies. Thus, the end result is an expensive system which is time consuming to manage and results in advisors offering fewer products to their client base which will limit investor choice.

The second challenge lies in the system which will have to be created to ensure delivery of the fund fact document. The creation of an audit trail is particularly challenging where a dealer relies on an adviser to prove delivery. We ask that the CSA provide in detail what it envisions the logistics of this system to be. Provided below are two possible systems which may adhere to the new proposals, both which are time consuming and extremely expensive relative to the slight benefit the provision of a fund fact pre-trade would provide to investors.

One possible system which might adhere to the new proposals would be one in which dealers require that the adviser keep some evidence of delivery (fax, e-mail) or make a notation of the delivery in their client relationship records. The dealer would then have to contact a sampling of clients to ensure receipt of the fund facts document, but sampling would not cover all clients. We would expect a system such as this to be unreliable and time consuming for advisors and it would not ensure that the fund fact is delivered before the trade is made. Additionally, if there are circumstances where delivery of the fund fact can be waived, which has been recommended above, then evidencing waiver from a dealer prospective is also very challenging, particularly where waiver is done by phone.

A more comprehensive system which ensures delivery and evidences receipt would require a central depository whereby all fund facts from all companies are readily accessible. This system would have to be linked to the placement of a trade. Once a trade is placed it would be held in suspension until the buyer logs in and signs off that they have received the fund fact. Once this is done the trade would be completed.

Clearly the infrastructure for such a system does not exist and would be extremely expensive to create. Does the CSA plan to provide the necessary infrastructure to facilitate the implementation of these proposals via SEDAR? The CSA's claim that existing audit requirements will be sufficient is wholly unrealistic and we ask that the CSA outline a detailed and practical system for delivery and audit as well as provide the necessary infrastructure to facilitate this system before any requirements are imposed.

To further complicate matters, the above systems do not contemplate possible exemptions to the fund fact delivery requirement. In order to be effective a system must record whether certain trades are 'solicited' or 'unsolicited' and 'first time' or 'subsequent' and then have fund facts delivered on the required trades. In addition to the logistical challenges this would create, dealers must bear the cost of delivery and audit themselves, or it will fall on advisers. When stakeholders attempted to explain to the CSA how logistically impractical this system is in the previous round of comments, the CSA responded by saying that nothing in the proposals prevents a dealer from choosing to deliver the fund facts in all instances in order to ensure compliance. The fact that the proposed system is so flawed as to result in the inability of sellers to take advantage of exemptions is clear evidence of how administratively impractical these proposals are.

Given the potential liability for failure to provide a fund facts document, and the administrative challenges outlined above, the creation of audit/oversight systems necessary to limit liability will be a huge undertaking and will require an extensive transition period, if they are feasible at all. Creation and maintenance of such systems will result in significant costs including: training, monitoring for compliance, record keeping and producing and updating the fund facts documents. All of these requirements will disrupt the sales process, increase compliance costs and ultimately disadvantage the mutual fund industry and increase cost to investors.

Should the proposals be adopted in spite of the concerns raised, an annual mailing requirement that can be opted out of by investors would be more reasonable, although annual mailing would also be very expensive. As of December 31, 2008 CI had 2,121,848 distinct accounts holding 5,607,264 funds. Assuming we could bundle the fund facts of each account together without increasing postage charges, we estimate it would cost $2.6 million to mail an annual fund facts sheet to all mutual fund investors. It should be noted that most stakeholders are well aware that investors do not read what is sent to them now and there is no reason to think a fund facts document will be treated any differently.

2. <u>The Proposal Creates Significant Uncertainly Regarding the Rights of Investors and the Risks Associated with Selling Mutual Funds</u>

The CSA claims that the proposals will replace the existing withdrawal and rescission rights under securities legislation with a single, harmonized two-day right of

rescission which is exercisable 48 hours after delivery of the trade confirmation. However, the liability surrounding the delivery of the fund facts document remains unclear. In response to comments to date regarding liability, the CSA refers to 'existing statutory remedies and limitation periods' but the CSA seems to believe that it has the power to amend legislation by rule and admits that altering the current liability provisions in this way will require some jurisdictions to amend their securities legislation. The current CSA proposal leaves considerable uncertainty for dealers and the fund industry as a whole regarding liability for failure to deliver. From the proposals, it seems that investors are to have a two day 'cooling off' period allowing for a right of rescission for 48 hours after receipt of trade confirmation. However, the proposals do not specifically address the liability of a seller for failure to provide a fund facts document. Currently, failure to deliver a prospectus is a breach of securities law, but also gives the investor a right of withdrawal until the prospectus is delivered. Is it the intention of the CSA to eliminate this right of withdrawal and have only a two day rescission right? While the CSA made it clear in previous responses that failure to deliver a fund fact document at the time of sale would be a breach of securities regulations, would it also create any rights for the investor? If the right of withdrawal will remain, CI seeks clarification as to whether a seller who fails to deliver the fund facts document at the point of sale can cure this error by delivering the document post sale?

CI is concerned that by not providing explicitly for an ability to cure failed delivery, the new proposals only limit the right of withdrawal to 180 days from when the transaction was completed. This would allow for damages to be claimed for 180 days after the purchaser first has knowledge of the cause of action to a limit of three years from the transaction. Thus, it seems that investors could have a 180 day window to withdraw at their original costs together with any fees they paid if the fund facts document is not delivered prior to the purchase, even if the fund facts are delivered at a later date. Such a change would substantially increase the risk that investors will exercise rescission rights due to an error by the dealer in meeting its delivery obligations, since this error can never be fixed.

Conclusion: Regulatory Arbitrage and the Creation of Conflicts of Interest

Outlined above are reasons why the proposals will materially increase the costs of compliance, require an administratively arduous audit system and may significantly increase the risks associated with dealers and advisers selling mutual funds and segregated funds. Yet from the response to comments, the CSA seems convinced that the audit trail under the new proposals will not be more onerous then a dealers existing compliance mechanisms. Further, in its responses, the CSA believes electronic delivery will provide the necessary flexibility for an effortless implementation and has expressed surprise at comments that operational and audit requirements will be costly and operationally impossible. These responses demonstrate that the CSA does not comprehend the impact of the proposals it is suggesting. Requiring an information document such as a fund fact to be delivered

contemporaneously with the sale of mutual funds and segregated funds, rather than post sale, fundamentally alters the way in which these products are sold and will require the creation of an independent system of document delivery and auditing. This will vastly increase the costs and administrative burdens associated with selling mutual funds which are already subject to the highest level of regulation among securities. In addition, the current proposal needs to be amended to specifically address liability resulting from the failure to provide the fund fact at the time of sale. Logically, the imposition of costly audit requirements will give an incentive for advisers to not carry and not recommend mutual funds. This creates a conflict of interest for advisers who should be providing unbiased advice, but due to differing regulations will have a clear incentive to avoid mutual funds and segregated funds in favor of stocks and ETFs which may carry higher risk for investors.

C. The Proposals Fail to Increase Investor Protection in a Meaningful Way

1. The Proposals Only Address Investors Who Seek Advice

The proposals suggests that investors who trade on their own, without advice, do not require the facts in advance, while those who have the guidance of expert adviser must have advanced delivery of the fund fact prior to a trade and its delivery must be evidenced by the advisor. This creates an unlevel playing field with the advantage to the non-advice distribution channels. Any client who feels the need for fund facts prior to executing a trade may make the choice to wait until the document is received and then place their order and should not be put at a disadvantage to the non-advice options where no such delay is mandated. Moreover, it is counter-intuitive to restrict the ability of investors who have the added protection of a trained adviser from completing a trade, exempting persons who act without any advice.

2. The Proposals Unfairly Impact Particular Distribution Channels

Virtually every Canadian investor requires basic banking services and as a result virtually all investors have a relationship with a Canadian bank. Given all of the challenges outlined above, it is much easier to comply with the new proposals by meeting with clients in person and personally delivering the fund fact documents. By doing so many mailing and audit costs are avoided and transactions can be completed on the spot. However, for independent fund companies who are not deposit taking institutions it is of great inconvenience for clients to make an appointment and meet personally with an advisor each time they wish to make a new investment or rebalance a portfolio. Thus, should these new proposals be adopted it can be expected that banks, because virtually all investors frequent them for non mutual fund financial services, will be able to have the benefit of meeting with clients and facilitating personal delivery much more readily and as a result independent fund companies will be put at a significant disadvantage.

3. The Costs of the Proposals Sustainably Outweigh their Benefit

The CSA has rightly identified that, while prospectus disclosure is intended to provide critical information, investors do not effectively use this information when making purchase decisions. As a result, investors rely on expert advisers who must be trained and qualified under securities regulations. Additionally, advisers are required by law to adhere to the 'know your client' requirements, and should this requirement be breached, the adviser can be held liable to the investor. Under the advice of a trained professional, current regulations allow for investors to buy mutual funds and segregated funds without an offering document at the time of sale, and, as outlined above, this provides for a streamlined sales process. Additionally, current regulations require the provision of a prospectus post sale and a rescission right extending to two days after the receipt of the prospectus. CI would not object to a fund facts document replacing the prospectus post trade, or with a fund facts which is required to be provided with the prospectus, in fact many documents similar to fund facts are already available for CI products online. However, while it may seem logical to provide an investor with a summary document of some sort before a trade is initiated, the result would be a complete overhaul of the sales process for mutual funds and segregated funds. Any minimal benefit that the provision of a fund fact document at point of sale would provide is eclipsed by the costly overhaul of the sale process which would be required. Moreover, the proposal is unnecessary, especially given the fact that advisers and rescission rights exist to protect investors from buyers regret or from lack of complete information at the time of sale.

Conclusion: Reduced Freedom and Increased Costs

Ultimately, the proposals, if implemented in their current form will dramatically reduce the freedom and choice that investors now have in purchasing securities by making mutual funds and segregated funds far more cumbersome to purchase relative to other types of securities. This will make these products a far less attractive investment option. The added presale fund fact requirements do not recognize the purpose of an effective disclosure regime in today's wired and literate society, nor does it recognize the value provided by dealers and advisers to investors who seek advice.

D. Conclusion

The proposed implementation of point of sale disclosure for mutual funds will have a substantial negative impact on operations in all parts of the mutual fund industry supply chain, will substantially increase compliance costs, and will not result in any meaningful benefit to investors.

The CSA, from Consultation Paper 81-403, believes that the current disclosure regime for mutual funds and segregated funds do not meet the objective of providing

investors with the information necessary to make informed investment decisions and is proposing to remedy this by focusing on three objectives:

1) Providing investors with key information about the fund
2) Providing the information to investors in a simple, accessible and comparable format
3) Providing the information before investors make their decision to buy.

It is unclear why the CSA has chosen these three objectives as a means of enhancing investor protection, but the ability of the objectives actually furthering investor protection through the existing proposals is very unlikely.

First, the rigorous disclosure required by securities regulation already provides investors with an abundant amount of information regarding all aspects of a fund being purchased. The prospectus is both the sales and liability document and outlines all material information regarding a fund as mandated by securities regulations, including anything that would be included in a fund fact. Moreover, many mutual fund companies and third party providers have voluntarily created fund fact like documents and they can easily be included in the prospectus as a summary without fundamentally altering the manner in which mutual funds are sold.

Second, the format of disclosure has been subject to several changes over the years. The findings of Consultation Paper 81-403 suggest that all these changes are still ineffective at achieving the goal of investor protection. Investment decisions are significant but also complex and it is unreasonable to think the process can be significantly improved by providing a one page presale document. This is why investors rely on expert advisors to explain the benefits and risks associated with investment purchases, yet the role of advisors has been completely ignored by the CSA proposals.

Finally, the concept that investors must receive delivery of fund information before the point of sale seems central to the proposals, but in light of the existing proposals it is unclear how this will be of significant benefit to investors. As outlined above, investors have access to all material information regarding a mutual fund, the ability to seek professional guidance before the purchase of a mutual fund, and the ability to rescind their purchase for 48 hours after delivery of a trade confirmation should they change their mind. The marginal benefit, if any, of an investor being able to review a one page document before purchase is greatly outweighed by the costly and disruptive changes the proposals will force upon the mutual fund industry.

CI Investments, its affiliates and the mutual fund industry as a whole has helped Canadians build their wealth and prepare for retirement by providing expertly managed funds for the average Canadian. While regulation and investor protection is essential, the costs of compliance are significant and ultimately borne by investors in the form of higher management fees. Thus, the CSA should scrutinize any additional

regulations and ensure the benefits to investors are overwhelming before imposing additional regulatory costs. In the case of the proposals it seems clear that any potential benefit is greatly outweighed by the costs and consequently should these proposals be implemented, it will be to the detriment of the Canadian mutual fund industry as well as to investors as a whole.

We trust that you will find the foregoing comments of assistance in your continuing consideration of the proposals. We would be pleased to continue to provide further comments on the proposals in an effort to engage in a discussion on these issues.

Yours truly,

CI FINANCIAL GROUP

"Derek Green"

Derek Green
President
CI Investments Inc.

"Steven Donald"

Steven Donald
President and Chief Operating Officer
Assante Financial Management Ltd.
Assante Capital Management Ltd.

"Bruce Kagan"

Bruce Kagan
Chief Executive Officer
Blackmont Capital Inc.

Att.

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FUND FACTS

December 31, 2009

Signature Select Canadian Fund

Quick facts

	Date fund created	Total value	Management expense ratio (MER)	Distributions	Portfolio Managers	Minimum Investments
Class A units:	May 13, 1998	xx	2.31	xxxxx	CI Investments Inc.	$500 initial, $50 additional
Class F units:	July 17, 2000	xx	1.26	xxxxx	CI Investments Inc.	$500 initial, $50 additional
Class I units:	July 31, 2001	xx	-	xxxxx	CI Investments Inc.	$500 initial, $50 additional
Insight units:	July 15, 2003	xx	1.21	xxxxx	CI Investments Inc.	$500 initial, $50 additional
Class Z units:	August 2, 2005	xx	2.05	xxxxx	CI Investments Inc.	$500 initial, $50 additional
TOTAL		**XX**				

What does the fund invest in?

This fund's objective is to seek capital appreciation over the long-term coupled with dividend income.

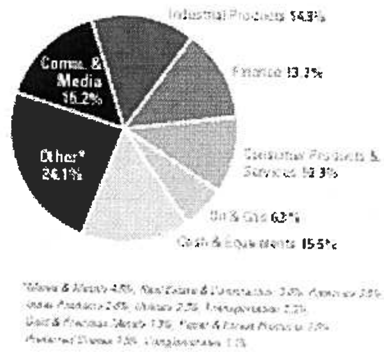
Top 10 investments (December 31, 2009)

1. Financials
2. Short Term Investments
3. Materials
4. Energy
5. Consumer Staples
6. Industrials
7. Information Technology
8. Telecommunication Services
9. Health Care
10. Consumer Discretionary

TOTAL INVESTMENTS xxx

The top 10 investments xx% of the fund.

Investment mix (December 31, 2009)



How risky is it?

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xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
xxxxxxxxxxxxxxxxxxxxxxxxx

low | low to medium | **MEDIUM** | medium to high | high

Who is this fund for?

This fund may be suitable for you if:

- you want to receive income
- you are investing for the medium and/or long term
- you can tolerate medium risk.

Are there any guarantees?

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CI Investments

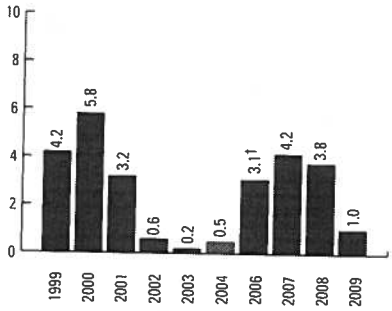
How has the fund performed?

This section describes how the Fund has performed in the past. Remember, past returns do not indicate how the Fund will perform in the future. The information shown assumes that distributions made by the Fund in the years shown were reinvested in additional units of the relevant classes of the Fund. In addition, the information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance.

Year-by-Year Returns

The following chart shows the Fund's annual performance for each of the years shown and illustrates how the performance has changed from year to year. In percentage terms, the chart shows how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year, except where noted.

Class A units

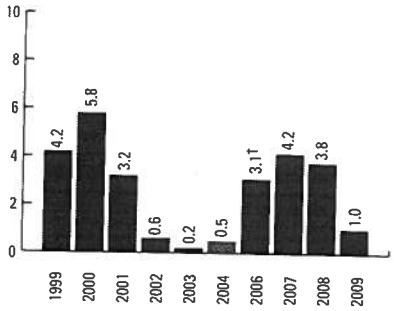


†*This figure is for the period from January 1, 2005 to March 31, 2006.*

Average returns

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
xxxxxxxxxxxxxxxxxxxx

Class F units



†*This figure is for the period from January 1, 2005 to March 31, 2006.*

Average returns

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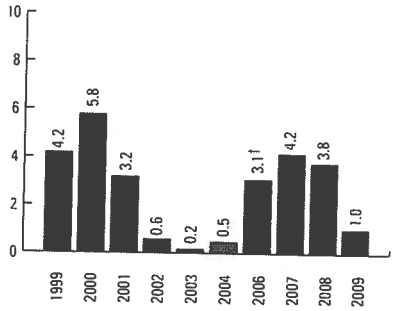
Class I units



†*This figure is for the period from January 1, 2005 to March 31, 2006.*

Average returns

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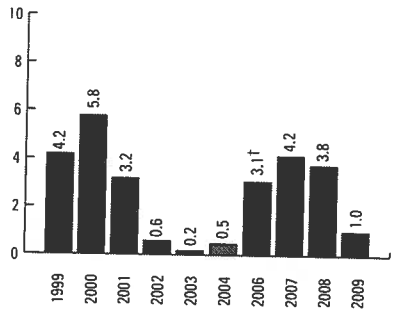
Insight units

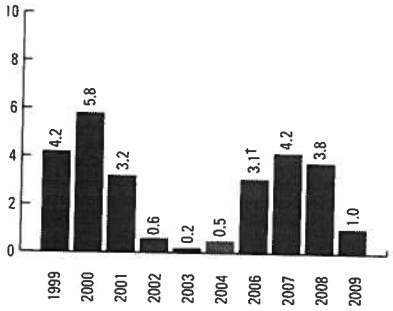


†*This figure is for the period from January 1, 2005 to March 31, 2006.*

Average returns

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
xxxxxxxxxxxxxxxxxxxx

Class Z units



†*This figure is for the period from January 1, 2005 to March 31, 2006.*

Average returns

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
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xxxxxxxxxxxxxxxxxxxx

How much does it cost?

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1. Sales Charges

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Sales charge option	What you pay	How it works
Initial sales charge	Up to 4% of the amount you buy	• You and your adviser decide on the rate • The initial sales charge is deducted from the amount you buy. It goes to your investment firm as a commission.
Deferred sales charge	**If you sell within:** 1 year of buying 6.0% 2 years of buying 5.0% 3 years of buying 4.0% 4 years of buying 3.0% 5 years of buying 2.0% 6 years of buying 1.0% After 6 years nothing	• You and your adviser decide on the rate • xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx • xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx • xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx • xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx • xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx • xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

2. Ongoing fund expenses

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Annual rate (as a % of the fund's value)

	Management fee	Operating expenses	Management expense ratio (MER)
Class A units			
Class F units			
Class I units			
Insight units			
Class Z units			

Trailing commissions

xxxxx Mutual Funds pays yours investment firm a trailing commission for as longs as you own the fund. It is for the services and advice your investment firm provides to you. Investment firms may pay part of the trailing commission to their adviser.

The trailing commisssion is paid out of the management fee. The rate depends on the sales cahrge option you choose.

- **Initial sales charge** - up to 1.0% of the value of your investment each year
- **Deferred sales charge** - up to 0.50% of the value of your investment each year

3. Other fees

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Fee:	What you pay
Short-term trading fee	1% of the value of units you sell or switch within 90 days of buying them. This fee goes to the fund.
Switch fee	1% of the value of units you sell or switch within 90 days of buying them. This fee goes to the fund.
Change fee	1% of the value of units you sell or switch within 90 days of buying them. This fee goes to the fund.

What if I change my mind?

- You can cancel most investments up to two days after you receive the trade confirmation.
- You have to tell your investment firm in writing that you want to cancel.
- You'll get back the amount you invested, or less if the value of the fund has gone down.
- You'll also get back any sales charges and fees you paid.

This Fund Facts may not have all the information you want. You can ask for the fund's simplified rospectus and other disclosure documents, which have more detailed information. These documents and the Fund Facts make up the fund's legal documents.

CI Investments

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