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October 19, 2009

SENT 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

c/o John Stevenson, Secretary
Ontario Securities Commission
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and

Me Anne-Marie Beaudoin
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Email: consultation-en-cours@lautorite.qc.ca

Dear Sirs and Mesdames:

Re: Proposed Amendments to National Instrument 81-101
***Mutual Fund Prospectus Disclosure* and Related Instruments**

The Canadian Bankers Association ("**CBA**") works on behalf of 50 domestic chartered banks, foreign bank subsidiaries and foreign bank branches operating in Canada and their 257,000

employees to advocate for efficient and effective public policies governing banks and to promote an understanding of the banking industry and its importance to Canadians and the Canadian economy.

The CBA welcomes the opportunity to provide the Canadian Securities Administrators ("**CSA**") with our comments on the CSA's proposed amendments to National Instrument 81-101 *Mutual Fund Prospectus Disclosure* and accompanying Forms and Companion Policy that were published for comment on June 19, 2009 (together, the "**Proposed Instrument**").

Our members' responses to the issues for comment outlined by the CSA in Appendix B of the Notice accompanying the Proposed Instrument are set out below, with each paragraph heading referencing the corresponding issue in Appendix B.

Issues I(1) and I(2)

The CSA has requested feedback on whether there is agreement with their perspective on the benefits of the Instrument, as well as feedback on whether there is agreement with their perspective on the cost burden of the Proposed Instrument.

Our members believe that there are benefits to investors in providing them with a concise, high-level summary in a fund facts document that describes the key elements of the mutual fund under consideration. However, our members are also keenly aware that the provision of this fund facts document, under the terms contemplated by the Proposed Instrument, entails significant costs to fund managers and dealers. These costs include those identified by the CSA in the Notice accompanying the Proposed Instrument, namely, initial and ongoing costs associated with production of the fund facts document as well as those associated with establishing oversight, compliance and tracking mechanisms. While we acknowledge that there are cost savings associated with the potential (i.e. subject to legislative amendments) elimination of the requirement to deliver the prospectus, we still have concerns regarding the costs resulting from the new requirements under the Proposed Instrument. These costs could ultimately accrue to the unitholder (i.e. by means of increased MERs) which means that the benefits of this type of disclosure to the unitholder should be weighed carefully against the increased charges that they may face when purchasing a mutual fund product.

These concerns are heightened in light of the fact that, as of yet, there has been no modifications proposed to existing mutual fund disclosure requirements to reduce unnecessary duplication. The CSA indicated in the Notice accompanying the Proposed Instrument that, as a second phase of the implementation of the point of sale disclosure regime, the CSA intends to review the overall disclosure regime for mutual funds to reduce unnecessary duplication. While our members are appreciative of this intent, we respectfully submit that this implementation process would be significantly improved if the overall disclosure regime for mutual funds was viewed holistically, rather than in a piecemeal fashion prior to adopting the Proposed Instrument. The introduction of the point of sale disclosure regime was based on a recognition by the CSA that investors are generally not reading, understanding or using the long, detailed and cumbersome disclosure documents that are currently required to be delivered to them. As such, we believe it would be appropriate to review all existing and proposed disclosure requirements prior to bringing any part of the Proposed Instrument into effect. We respectfully submit that the CSA should at this time – rather than at a later stage in the implementation process – review all the existing and proposed disclosure requirements to ensure that there is no duplication and that the simple, concise, accessible and comparable approach to disclosure supported by the CSA is reflected in the disclosure requirements for mutual funds.

A related concern involves various requirements under existing provincial and territorial securities legislation. The Proposed Instrument requires that certain amendments be made to securities legislation in order to ensure that requirements under the Proposed Instrument do not conflict with those under existing securities acts. In the absence of such amendments, fund managers and dealers would have to comply with requirements under existing securities acts (i.e. delivering a prospectus) in addition to those under the Proposed Instrument (i.e. delivering the fund facts in addition to delivering the prospectus) which would not only lead to compliance difficulties and increased costs but would also undermine the rationale for putting the Proposed Instrument in place. As such, we urge the CSA to ensure that the relevant amendments are made to provincial and territorial securities acts, where applicable, prior to the Proposed Instrument coming into effect.

Issue II(1)

The CSA has indicated that it is considering allowing fund managers greater flexibility to provide more current information to investors by not restricting how frequently a fund manager may file an updated fund facts document. Our members believe that fund managers will treat the fund facts document in the same manner they currently treat the prospectus and issue an amended fund facts document upon the occurrence of a material change. As such, investors would receive an amended and updated fund facts document that contains the information that is most pertinent to their investment choices - this renders a more frequent filing unnecessary and confusing. One of the key principles underlying the introduction of the fund facts document is to enhance comparability between products for investors. Under the Proposed Instrument, fund facts documents will already be filed at different times depending on the issuer's fiscal year-end and any material changes; providing greater flexibility regarding the frequency with which the fund facts document is permitted to be produced may further undermine comparability for investors. As the value of providing an amended fund facts document to investors in the absence of a material change is questionable, we believe that the requirement to file an updated fund facts document on an annual basis or if there is a material change should be retained, with no flexibility provided for more frequent filings.

Issue II(2)

The CSA has asked whether the guidance in subsection 7.3(3) of the Companion Policy to the Proposed Instrument regarding the requirement to bring the fund facts document to the attention of the purchaser is sufficient. Subsection 7.3(3) of the Companion Policy states that "dealers should maintain adequate records to evidence that disclosure about the fund facts document has been brought to the attention of investors in compliance with paragraph 3A.2(1)(b) of the Instrument".

Our members believe that the requirement to bring the fund facts document to the attention of the investor is inappropriate for the following reasons. First, this requirement is overly prescriptive, which deviates from the trend of principles-based regulation that has guided the formation of securities legislation in recent years. Second, we believe that the suitability obligations imposed on dealers (i.e. know-your-client and know-your-product requirements) will address the concerns that this requirement attempts to address in that dealers will always ensure that a product is suitable for clients prior to recommending it. Therefore, there is no need to add a further obligation requiring the dealer to also bring the fund facts document to the attention of the client. Third, where dealers are required to provide clients with the fund facts document for

certain purchases, evidencing the delivery of the fund facts document should constitute sufficient delivery and should suffice as bringing the fund facts to the attention of the investor. Fourth, there is no precedent for this type of requirement under the current regime governing disclosure relating to mutual funds (i.e. with regards to the delivery to clients of the prospectus, the annual information form or the management's report of fund performance, there is no further obligation on the dealer to bring these documents to the attention of the client). Finally, this requirement undermines the already robust continuous disclosure regime that has successfully functioned for years without the requirement to bring such continuous disclosure to the attention of clients. For these reasons, we respectfully submit that the requirement to bring the fund facts document to the attention of the investor should be removed from the Proposed Instrument.

In any event, the CSA has not provided sufficient practical guidance regarding how to evidence that the fund facts document has been brought to an investor's attention and what constitutes "adequate records". The CSA has indicated that existing systems can be used to prove compliance. However, our members are uncertain as to how existing systems can be used to evidence this proposed requirement since existing securities requirements do not include the concept of bringing the disclosure documents noted above to the attention of the investor. Our members strongly believe that if this requirement is going to be retained, then the CSA and the self-regulatory organizations ("**SROs**") must provide practical guidance as to how dealers can satisfy this requirement from a compliance perspective.

Issue II(3)

The CSA has indicated that they are considering requiring delivery of the fund facts document for subsequent purchases, either in instances where the investor does not have the most recently filed fund facts document, or in all instances with the trade confirmation. The CSA has also asked for views on the assumption that introducing this requirement could result in the removal of an annual option to receive a fund facts document. Our members are of the view that annual delivery should be required in lieu of subsequent delivery. We do not believe that subsequent delivery is necessary given the strong continuous disclosure regime that will continue to exist after the Proposed Instrument comes into effect. Therefore, if investors wish to access a fund facts document for a subsequent purchase, they can do so under the existing continuous disclosure regime. Our members believe this is nicely complemented with the option for the investors to receive the fund facts document annually, should they so choose. Mandating delivery of the fund facts for subsequent purchases in addition to annual delivery would be excessive disclosure.

We also believe that managers should be able to rely upon standing instructions from clients with respect to whether they wish to receive the fund facts document with an annual reminder to each client regarding their rights to receive documentation as is currently permitted with respect to delivery of financial statements and MRFPs pursuant to section 5.2 under Part 5 of National Instrument 81-106 *Investment Fund Continuous Disclosure*.

In any event, should the requirement to deliver the fund facts document for subsequent purchases be retained, our members submit that the delivery of the fund facts document should be required with the trade confirmation rather than the point of sale, as that would facilitate compliance with this requirement. Further, there should be an exemption for pre-authorized purchase plans, money markets and switches under an asset allocation plan. Also in the context of subsequent purchases, we would also appreciate clarification regarding whether delivery would be required following the filing of an amendment of the fund facts document or the annual update.

Issue II(4)

The CSA is considering allowing delivery of the fund facts document with the trade confirmation in instances where the investor expressly communicates that they want the purchase to be completed immediately and it is not reasonably practicable for the dealer to deliver or send the fund facts document before the purchase is completed. The CSA has further requested comments on what information the investor should receive before the purchase if this change is made in order to satisfy this aspect of delivery.

We are pleased that the CSA is considering modifying the Proposed Instrument to address this type of situation as it will allow dealers to better accommodate unique circumstances such as RRSP season or inaccessible geographic locations. However, we submit that the two-pronged test created by the CSA – requiring both immediacy of request from the client and delivery not be "reasonably practicable" for the dealer – is too stringent. Specifically, the requirement that delivery not be "reasonably practicable" is too high an onus on dealers. It would be very difficult for dealers to assess on a per-trade basis whether or not delivery is not "reasonably practicable". Further, from the perspective of serving the client, the client's request that the purchase should be completed immediately should be adequate reason for the dealer to do so. In this regard, we note that the client will receive the fund facts document with the trade confirmation and have rights of rescission and cancellation that are triggered by receipt of the trade confirmation which provides investors with further protection in the event that information in the fund facts document impacts an investor's decision to purchase the fund. Therefore, it is our members' recommendation that waiver of a fund facts document should be allowed in all instances at the client's request regardless of immediacy or practicality of delivery. This approaches places the right to choose in the hands of the investors and ultimately gives them the power to decide when to receive the fund facts.

In all instances where a waiver is permitted, a fundamental concern of our members is the requirement to provide oral disclosure with respect to the option to waive receipt of the fund facts at the point of sale, given the difficulties associated with evidencing compliance with pre-sale disclosure requirement and tracking waivers. For these transactions, we believe that where waiver is going to be permitted that delivery of the fund facts with the trade confirmation would be more aligned with investors' expectations and preferences. To that end, in lieu of the requirement to solicit a waiver for each and every such transaction, we suggest an obligation to include in the account agreements that discloses to the investor that delivery of the funds facts document in these specific circumstances will always be with the trade confirmation, thereby eliminating the need to ask the client that question for each and every trade which we strongly believe will lead to frustration on the part of the investor. In the alternative, if a waiver with each and every purchase is going to be required, we submit that a waiver should be permitted in oral form, rather than written, since requiring the waiver to be in written form would undermine the rationale for this exception, i.e. time sensitivities for mobile and telephone channels. In this regard, in all instances where a waiver has been given, we note that the fund facts document will be delivered with the trade confirmation at which point the investor will have the option of rescinding the trade.

With regards to the type of information that the investor should receive prior to completion of the purchase where there is a waiver option, our members believe that the specific information required in this instance could be similar to the information that is required to be provided in respect of initial purchases of money market funds, as described in subsection 7.5(4) of the Companion Policy to the Proposed Instrument. In effect, oral disclosure in waiver situations should be limited to the existence of the fund facts document and ability of client to receive the document prior to purchase. We also note that it will be very difficult for dealers to evidence oral disclosure to the client regarding the availability of the fund facts document and we believe that written disclosure to clients in account opening documentation should be sufficient. In addition, our members request further guidance on complying with this requirement from the SROs.

Issue II(5)

The CSA is proposing some limited binding of the fund facts document and provides related guidance in section 4.1.5 of the Companion Policy to the Proposed Instrument. First, our members are concerned about the limit on binding no more than ten fund facts documents when they are delivered in paper format. We believe that this limit is unduly restrictive and that dealers and manufacturers should be given the flexibility to bind more than ten fund facts documents where such action would be appropriate to a particular client's situation. We note that such flexibility would be exercised by dealers and manufacturers in accordance with the underlying principles of the Proposed Instrument, i.e. ensuring that clients received disclosure that is simple, accessible and comparable.

Second, our members are concerned about the lack of clarity in the Companion Policy regarding the permissibility of sending several fund facts documents to clients via one email. It is our understanding that the Proposed Instrument permits this so long as the fund facts are presented through multiple links or PDF documents, but we believe express confirmation of this understanding in the Companion Policy is necessary.

Further, we believe that the prohibition on binding several fund facts document in the electronic context is inappropriate. Our members do not agree with the reasoning provided in subsection 4.1.5(4) of the Companion Policy that electronic delivery of multiple fund facts documents could constrain an investor's ability to download the file, find and print the specific fund facts document. The CSA indicates in subsection 4.1.5(1) that they believe a document with more than ten fund facts documents bound together may discourage an investor from reading a fund facts document and obscure key information which is inconsistent with the principles of simplicity, accessibility and comparability. Given that the length of the fund facts document is limited to a maximum of three pages, the maximum length of fund facts documents bound together would be approximately 20 to 30 pages. We do not believe that it would be unduly onerous for an investor to download and review a document that is 20-30 pages in length in order to locate and print a two or three page portion. We also note that the dealer can direct the client to the specific page number at which the fund facts document of interest to the client is located. The alternative of emailing the client several fund facts documents or links in one email would be inconvenient for the client and, indeed, might reduce comparability. We note in this regard that comparability of different fund products is one of the principles underlying the Proposed Instrument. We submit that limited binding of the fund facts document should be permitted in the electronic context, and request that subsection 5.4(2) of the Proposed Instrument and subsection 4.1.5(4) of the Companion Policy be modified accordingly.

Issue II(6)

The CSA has requested views on whether the transitional period for delivery of the fund facts document is appropriate. Our members support the two-year transition period for delivery, though we believe that it may be too short given the significant costs and technological issues that are associated with implementation of the delivery requirements and related oversight, compliance and tracking mechanisms.

We also believe that there should be a one-year transition period with respect to the requirement to prepare and file the fund facts document. This transition period is necessary due to a number of factors, including the following:

- the number of funds involved (up to five hundred for some fund managers);
- the requirement to prepare and file on a per series basis;
- the different year-ends for each fund;
- the translation of each fund facts document; and
- the internal reviews required by legal, compliance, control, audit, finance, management, product and marketing.

We suggest that the managers be required to file their fund facts at the same time as they are required to file their MRFPs to ensure efficiency.

Finally, as discussed in our comments under Issues I(1) and I(2) above, our members strongly believe that the existing disclosure requirements and the forthcoming requirements under the Proposed Instrument should be rationalized in order to eliminate duplication prior to the time that production of the fund facts document becomes mandated.

Issue II(7)

The CSA has indicated that they might decide to proceed with finalizing some parts of the Proposed Instrument while continuing to consult on other parts. For example, the CSA may move forward sooner with the requirement to prepare and file a fund facts document and have it posted to the website. If this were to occur, the CSA would provide a reasonable transition period before anyone has to comply with the fund facts document requirements and would consider a shorter transitional period for delivery.

Since there continue to be significant concerns around the delivery requirements, our members believe that further consultation on those requirements would be beneficial and would thus support the CSA if they choose to finalize delivery requirements at a later date from the rest of the Proposed Instrument. However, our members strongly believe that two years is the minimum transitional period that is necessary, including a minimum one-year transition period for the requirement to prepare and file the fund facts document, and would not support any shorter time frame. New rules and regulations can only be implemented by industry after they are finalized due to the significant costs associated with implementation. Further consultation on the delivery requirements would be beneficial in creating a more workable framework for delivery, but a longer consultation period cannot substitute for adequate implementation time after the consultations have resulted in a final set of rules.

Issue III(1)

The CSA has indicated that they have not yet seen a sample fund facts document that contains multiple class or series disclosure that meets the principle of providing investors with information in a simple, accessible and comparable format and has requested sample fund facts documents that adhere to this principle. Our members believe that fund managers should have the flexibility to choose whether or not to combine any classes or series; where the funds in a class or series are similar, for example where the only differences are with regards to minimum investment amounts, distribution rates, etc., managers should be permitted to opt for disclosure in one fund facts document.

Issue III(2)

The CSA has indicated that they are considering whether it is more appropriate to require disclosure of the MER without any waivers or absorptions, since there is no guarantee such waivers or absorptions will continue. Our members believe that it is more appropriate to disclose the actual MER rather than the fully-absorbed number as the latter would be confusing to investors. The fund manager should also have the discretion to break down the different types of expenses as line items on the fund facts document.

We also note the following concerns regarding Form 81-101F3 *Content of Fund Facts Document*, as currently drafted:

- The Form does not accommodate well the disclosure required for funds that operate in a fixed administration fee environment.
- The Form requires that the management fee percentage disclosed in the fund facts document "must correspond to the percentage shown in the fee table in the simplified prospectus". Where a fund manager shows the maximum annual management fee in the prospectus, but actually charges a lower amount, disclosure in accordance with this requirement would be misleading.
- The Form requires that the amount shown in the fund facts document for operating expenses must be calculated by subtracting the management fee shown from the MER shown. This is inaccurate and potentially misleading, particularly where the manager is waiving management fees or absorbing operating expenses. Each component – management fee, operating expenses, and MER – should be calculated discreetly, and accompanied by a footnote that the MER may not equal the sum of the management fee and the operating expenses due to the manager having waived fees or absorbed expenses.

Issue III(3)

The CSA is proposing for the fund manager to identify the mutual fund's risk level on a prescribed scale set out in the fund facts document, based upon the risk classification methodology adopted by the manager. To assist investors in comparing different fund products and to ensure consistency, we believe that it would be beneficial to use a consistent methodology, preferably the methodology introduced by the Investment Funds Institute of Canada ("IFIC") based on the CIFSC categories. Further, we believe it should be consistent with what is used in the prospectus.

Issue III(4)

The CSA has requested feedback on whether the band that they have prescribed for the scale is appropriate or whether there are better ways to describe the range of investment risk for a mutual fund. Our members believe that the five-point scale currently prescribed by the CSA is too narrow. The six-point scale suggested by IFIC in their October 2009 comment letter on the Proposed Instrument is more appropriate for the reasons suggested in that letter.

Issue III(5)

The CSA notes that managers with similar type mutual funds may adopt different methodologies to identify the mutual fund's risk level on the scale prescribed and has requested views on whether this will detract from their objective to provide a simple and comparable presentation of the level of investment risk. The CSA has further asked if they should consider requiring a particular type of risk classification methodology be used and, if so, which methodology would be appropriate. As indicated above, our members believe that consistent use of one particular risk classification methodology would be more beneficial to investors and reiterate our recommendations made above.

Issue III(6)

The CSA is considering allowing the disclosure in the risk section of the fund facts document to be supplemented with a brief description of the key risks associated with an investment in the mutual fund. Our members do not believe such disclosure in the fund facts document is appropriate. The disclosure would be duplicative of identical disclosure required in the prospectus. It would also lengthen the fund facts document, which is supposed to be a simple and concise source of information for investors. Further, it is difficult to know how to prioritize which risks should be disclosed in that limited space and the exercise of selectively choosing some risks and excluding others could result in incomplete or misleading disclosure. Finally, the introduction of a narrative description of risks would undermine the purpose behind providing the risk scale on the fund facts document.

Issue III(7)

The CSA is considering requiring an illustration of the sales charges and ongoing fund expenses in the fund facts document. Our members believe that an illustration should not be required because the impact on the investor of the sales charges and ongoing fund expenses is already set out in the fund facts document. This requirement would also give rise to technical issues in terms of compliance: for instance, sales charges are not uniform across all investors and using a maximum figure would not be relevant to the individual investor. We also note that this disclosure would be duplicative of similar disclosure required to be provided in the prospectus. As indicated above, we strongly believe that the existing disclosure requirements in respect of mutual funds should be rationalized in order to avoid this type of duplication.

If the CSA chooses to retain this requirement, we recommend that the sales charges and ongoing fund expenses be disclosed in percentages rather than in dollar amounts as that method of disclosure would be more appropriate in this context.

Issue III(8)

The CSA is considering whether to require disclosure in the fund facts document of the trading expense ratio (TER). Our members do not believe that TER disclosure in the fund facts document would benefit investors. The TER is a concept that many investors are not familiar with, and to introduce it into the fund facts document without any explanation may be confusing and even misleading to investors. The TER is impacted by many different considerations and it may be difficult for investors to understand the concept. In addition, we note that the TER is already disclosed in the Management Report of Fund Performance.

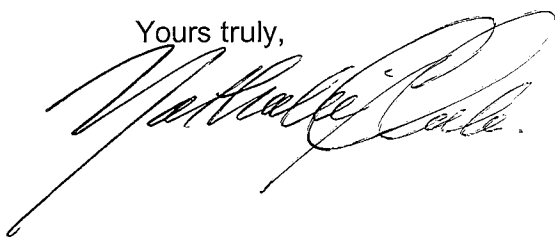
Other Comments

The IIAC comment letter submitted in October 2009 has expressed concerns regarding problems associated with storage of fund facts documents and we agree with these concerns. As there will be a large volume of fund facts documents being accessed by dealers and their advisors, the IIAC believes that it would be useful to ensure that all fund facts documents are housed in one centralized database to assist these individuals in meeting the delivery requirements under the Proposed Instrument. We understand that FundSERV has proposed the creation of a central database for fund facts documents which is supported by the IIAC. Our members also support this proposal by FundSERV.

Our members also have a number of concerns that more technical in nature which we have set out in the attached Appendix A.

In closing, we appreciate the opportunity to express our members' key concerns regarding the Proposed Instrument. Should you require any further information or have any questions or concerns regarding the foregoing, please do not hesitate to contact me.

Yours truly,



Attach.

CC: Richard Corner, Investment Industry Regulatory Organization of Canada
Karen McGuinness, The Mutual Fund Dealers Association of Canada

APPENDIX A

TECHNICAL CONCERNS RELATING TO THE PROPOSED NATIONAL INSTRUMENT 81-101

All references below are to the draft form of National Instrument 81-101 published on June 19, 2009.

A. Section 2.1(1)(d)(iii)

Currently, our members are able to create a new class of securities of a mutual fund by way of an amendment to the simplified prospectus (SP) and annual information form (AIF). The Proposed Instrument indicates that, in addition to the SP/AIF amendments, a preliminary fund facts document (FF) will have to be filed. We are assuming this requirement means that our members would file the amendments and preliminary FF, wait for a review and a clearance to file the final FF, file the final FF, and only then the receipt for all three documents be given by the CSA. Clarification is required on this requirement as it will impact things like product launches. This would mean significant additional work when launching a new class across a series of funds.

B. Section 2.3(1)(b)(iv), s.2.3(2)(b)(v), and s.2.3(3)(b)(iv)

With the filing of a preliminary, pro forma, or final FF, our members will be required to file a letter attesting to the grade level of the content of the FF (i.e. the grade level cannot exceed grade 6 on the Flesch-Kincaid scale). This requirement will obligate our member banks to maintain the content in both individual Word documents and in the design format, as Word will be necessary to calculate the grade level. Maintaining content in both formats will double the work effort. We request the CSA to reconsider the requirement to submit this attestation.

C. Section 2.3(3)(b)(ii1)

Specifically for a final FF, the requirement is that the blackline be created against the "most recently filed fund facts document", which our members read as being the previous final FF. This is inconsistent with the requirements for the SP and AIF, which are filed as blacklines against the preliminary or pro forma documents – further clarification is needed on this requirement.

D. Section 2.3.1(3)

If a fund manager chooses to update the FF voluntarily (that is, other than annually or when required due to a material change), the document must be filed within 30 days of the end of the period for which it is prepared. Our members believe that 30 days is too restrictive due to the timelines over which data is calculated and becomes available. We submit that the requirement should be 45 days, which is consistent with the requirements for performance data in sales communications set out in section 15.8(2)(b)(i) of National Instrument 81-102.

E. Section 2.3.2

The final FF must be posted to a manager's website no later than the date it is filed. However, the manager would not be receipted by the regulators at that point. Thus, the manager could be exposed to liability if the regulators requested changes prior to issuing the receipt, but advisors had delivered the original version to a client in the interim. This requirement is inconsistent with the requirements for the SP and AIF – we would appreciate receiving further clarification on this requirement.

F. Section 4.1(3)(f)

Our members submit that the requirement not to exceed a grade 6 reading level is too onerous and goes far beyond any previous guidance regarding transaction-related disclosure documents. Previous guidance has been limited to the principle that documents should be prepared using plain language and information should be presented in a concise manner. We recommend that the Proposed Instrument be amended to allow for the FF to be drafted in plain English consistent with the existing disclosure regime. This would also eliminate the concern set out above with respect to the requirement that an attestation on grade level be submitted.

G. Section 5.4(4)

This section, which outlines the order in which documents have to go if the FF is included in a package, contradicts the earlier Section 5.1 (3), which similarly outlines the order in which documents have to go if the SP is included in a package.

H. Section 5.4(5)

This section suggests that our members can include all of the FF for all classes of all funds contained in the same SP as one document when the SP is required to be filed with the regulators. We would appreciate clarification on this requirement since, as currently drafted, this section would require our members to file very large documents on SEDAR, such as a single 100 MB PDF.

I. Section 7.4

This section suggests that the FF will have to be delivered for all first purchases of a fund by a client after the proposed amendments to National Instrument 81-101 are effective, regardless of the exemptions that exist for client-initiated purchases, purchases of money market funds and purchases through discount brokers. This section appears to impose an "at or prior to the point of sale delivery requirement" effective as soon as the Proposed National Instrument is adopted even though there is a transition period for meeting the delivery requirement. This should not be the case and we recommend that this section be revised accordingly.