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September 10, 2012

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
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon
Superintendent of Securities, Nunavut

Attention: The Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, ON M5H 3S8
Fax : 416-593-2318
Email: comments@osc.gov.on.ca;

-And-

Me Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
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C.P. 246, Tour de la Bourse
Montréal, (Québec) H4Z 1G3
Fax : 514-864-6381
Email : consultation-en-cours@lautorite.qc.ca

Dear Sirs and Mesdames:

Re: CSA Notice and Request for Comment on Implementation of Stage 2 of Point of Sale Disclosure for Mutual Funds - Proposed Amendments to National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, Form 81-101F3 *Contents of Fund Facts Document* and Companion Policy 81-101CP *Mutual Fund Prospectus Disclosure* and Consequential Amendments (2nd Publication)

CI Financial Corp., on behalf of its affiliated registrants, is pleased at the opportunity to provide comment and respond to the CSA's notice and request for comment regarding the implementation of 'Stage 2' Point of Sale Disclosure for Mutual Funds further to your notice and request for comment published on June 21, 2012.

Affiliated registrants of CI Financial Corp. include:

- (i) CI Investments Inc., an investment fund manager, portfolio manager and exempt market dealer;
- (ii) CI Private Counsel LP, a portfolio manager and exempt market dealer;
- (iii) Assante Capital Management Ltd., an investment dealer and member of IIROC;
- (iv) Assante Financial Management Ltd., a mutual fund dealer and member of the MFDA and an exempt market dealer.

Comment #1

It is not practical to expect mutual fund companies to amend the Fund Facts of all mutual funds within a specific time period after the rule amendments become effective rather than at the next renewal cycle.

Timing of Stage 2 Implementation

The CSA proposes that mutual fund companies amend the Fund Facts of all mutual funds within a specific time period after the rule amendments become effective rather than at the next renewal cycle. This is not consistent with the CSA's past practices for significant disclosure changes and a disproportionately bigger challenge for larger mutual fund companies that have hundreds of mutual funds each with many classes of funds, all requiring a Fund Fact. For instance, with a lapse date of July for most of our funds, in the past two years we have begun the fund fact renewal project in January of each year, therefore using up relatively large company resources for six months, and thereby taking away resources from other important projects. Additionally, there are also third party costs associated with the preparation of filing Fund Facts, including those of our auditors and those of our Fund Fact generators. This is roughly double the time required to prepare the prospectus, management report of fund performance, financial statement and annual information form filings for the same funds. We submit that the two filings with such close proximity may be unnecessarily burdensome and costly to mutual fund companies and to certain securityholders of mutual funds. Therefore, we recommend to the CSA that a more reasonable approach would be to allow mutual fund companies to amend the Fund Facts upon their next scheduled renewal.

Comment #2

Better disclosure should be included to prevent the Fund Facts of mutual funds which have been created since 2009 from misleading investors.

"Worst return"

The proposal to require that mutual funds disclose their “worst” three-month performance to better inform investors about the possible loss of investment in the mutual fund needs better clarity and should be more balanced. For instance, most mutual funds that have been in existence prior to the recent financial crisis will record the three-months leading to March 2009 as their poorest performing quarter ever. When these mutual funds are compared to similar mutual funds created after 2009, the newer mutual funds will have an advantage since they were not in existence during what many economists argue was the worst financial crises since the Great Depression of the 1930s. We suggest that a footnote or additional disclosure help clarify this to investors in this section. In addition, the term “worst” is unbalanced and has a negative connotation which the CSA may not have considered, and suggest the term “Lowest return” or “Poorest return” be used in the Fund Facts to describe this disclosure. Further, we suggest that additional disclosure be included of the “Highest return” in order to provide investors with more balanced and therefore more useful information.

Comment #3

The 90 Day T-Bill is more liquid than a 1-year GIC and therefore a better “risk-free” benchmark to compare a mutual fund to.

Fund Performance Benchmark

The CSA proposes that the Fund Facts compare the mutual fund’s returns with a 1-year GIC return rate in a year-by-year bar chart. We submit that returns from a 90-Day T-Bill is a more appropriate “risk-free” benchmark as it is a more liquid security than a 1-year GIC and therefore has lower liquidity risk and also a lower interest rate risk.

Comment #4

Anticipated costs far outweigh the perceived benefits of the proposal.

Cost vs. Benefit of Stage 2 Implementation

We submit that the proposals contemplated by the CSA will be difficult to justify applying a cost benefit analysis. We do not believe that the changes proposed will provide any meaningful enhanced disclosure of benefit to investors. Furthermore, the cost of compliance with the additional disclosure requirements far outweighs any such marginal benefit. Compliance with the proposals will come at a significant cost to mutual fund companies in terms of information technology, third party service providers, legal, and accounting costs, and these costs may ultimately be borne by investors.

Conclusion

We further submit that a more balanced approach should be taken in terms of risk disclosure. While we understand and appreciate the importance of informing investors of risks, we also believe that investors should have the ability to make an informed decision based on weighing both the risks and the potential for better returns and growth of capital. For example the Fund Facts reference the risk of losing money nine separate

times, compared to the two references of growing money. A more balanced approach would align with the CSA's principles of full, true and plain disclosure, and make for a better informed investor.

Thank you for the opportunity to provide comments with respect to this proposal. If you have questions or wish for us to clarify any comments, please contact David C. Pauli, the undersigned below, at 416-681-6542.

Sincerely,

CI Financial Corp. and its affiliated registrants

"David C. Pauli"

David C. Pauli
Executive Vice-President and
Chief Operating Officer