

**Subject:** Comment - proposed amendments to National Instrument 81-105 Mutual Fund Sales Practices (NI 81-105)

**Please note: These comments reflect my own opinion, and may not align with comments provided by those representing my firm in any capacity.**

While the proposed amendments effectively address the payment of trailing commissions to discount brokers and the future use of deferred sales charges as a compensation method, I believe they do not adequately address the issue of embedded commissions paid to advisors.

Earlier discussion papers on this issue dealt openly, and I thought effectively, with the real and potential conflicts of interest associated with advisors being paid via embedded commissions.

In my experience, despite steps taken with CRM2 to disclose investment costs to clients, most clients remain vague and generally uninformed about what it is costing them to own investments with embedded commissions. Since it doesn't appear as a line item on their monthly or quarterly statements, identified as a fee they are paying to have their money managed and to receive day to day service from their advisor it isn't as effective in informing clients.

We, as a profession, have an opportunity with this amendment to go all the way and take significant steps to better inform (therefore protect) investors by shining the bright light of day on all costs being paid by clients to have money managed and receive advice. I subscribe to the view that more transparency is better as it relates to clients hard earned money. While eliminating embedded commissions would pose challenges for some, alternate methods of paying for advice exist today.

Reporting advisor firm compensation and all other costs separately on clients recurring statements wouldn't change the costs being paid by investors (large or small) therefore it should not result in clients losing access to advice as proponents of embedded commissions warn. The collection method doesn't necessarily change the amount being paid by clients or received by service providers, it simply makes it clear to all involved what the costs are.

I hope you will revisit this proposal and *add elimination of embedded commissions across the board, including firms providing advice to clients.*

**W. Keir Clark, FCSI, FICB, CIM, PFP**

Portfolio Manager  
Director, Wealth Management

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**Scotia Wealth Management™ | ScotiaMcLeod®, a division of Scotia Capital Inc. | Scotia Wealth Insurance Services Inc.**  
570 Queen St. Suite 500, Fredericton, NB, Canada E3B 6Z6  
DIRECT 506.447.5629 MAIN 506.450.6465 TOLL FREE 1.888.450-6465  
[keir.clark@scotiawealth.com](mailto:keir.clark@scotiawealth.com)