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## Comments - Proposed Framework 81-406

### To the attention of: Joint Forum Project Office:

I am hereby submitting comments regarding the “Proposed Framework 81-406; Point of sale disclosure for mutual funds and segregated funds.”. I am an individual investor, and do not currently work in the fund industry in any capacity.

Generally, the proposal is a substantial improvement over existing methods. However, I do have the following suggested improvements regarding the proposed Fund Facts for Mutuals Funds and Fund Facts for Segregated Funds:

1. The existing wording in the proposals suggest that the Annual expenses are all inclusive. Actually, the MER excludes brokerage commissions and fees, and this can be a significant expense. This notable exclusion from the MER should be identified in the Fund Facts. I have suggested a suitable wording change (changes in **bold underlined font**):

Annual expenses, **excluding brokerage fees**, as  
a % of the fund’s total value (also called the MER): 2.25%

2. The section, "How does my adviser get paid?" incorrectly suggests that the sales commission with the Initial Sales Charge is paid by the Mutual Fund company to the dealer, and is part of the fund's annual expenses. This is not correct, so the wording needs to be modified. I have suggested a suitable wording change (changes in **bold underlined font**):

How does my adviser get paid?

- Your adviser gets a **sales** commission when you buy the fund, unless they choose to waive it.
- Your adviser also gets an ongoing commission for as long as you hold the fund. This is called a “trailing commission”.
- The commission rates depend on the sales charge option you choose. Your adviser can tell you the commission rates for this fund, and how they compare with similar funds.
- **(With the exception of the sales commission with the Initial sales charge option), XYZ Mutual Funds pays the commissions to the company your adviser works for. The company pays your adviser some or all of these commissions.**
- **Generally, the commissions are part of the fund’s annual expenses. The only exception is that the sales commission with the Initial sales charge option is deducted from your initial purchase amount and is not part of the fund’s annual**

**expenses.**

Regards,  
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