

**For Immediate Release
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**Canadian Securities Regulators Seek Comments on
Mutual Fund Risk Classification Methodology**

Montréal – The Canadian Securities Administrators (CSA) published today for comment CSA Notice 81-324 and Request for Comments *Proposed CSA Mutual Fund Risk Classification Methodology for Use in Fund Facts* (CSA Notice 81-324), which sets out a proposed risk classification methodology (the Proposed Methodology) for use by mutual fund managers in the fund facts document (Fund Facts).

The Proposed Methodology has been developed in response to stakeholder feedback that the CSA has received throughout the implementation of the point of sale disclosure framework for mutual funds, notably that the lack of use by fund managers of a standardized risk classification methodology could result in inconsistent measurements of risk and make comparisons between mutual funds difficult.

Currently the Fund Facts requires the manager of a mutual fund to provide a risk rating on a scale of five categories ranging from Low to High. A mutual fund's risk classification methodology is chosen and applied at the fund manager's discretion in order to determine that rating.

"The Fund Facts is designed to ensure that key information about a mutual fund is provided to investors in a simple and comparable format," said Bill Rice, Chair of the CSA and Chair and CEO of the Alberta Securities Commission. "The consideration of a standard risk classification methodology is intended to enhance that objective, and promote consistency in how risk is measured by mutual fund managers."

The CSA welcomes feedback on the Proposed Methodology. In particular, the CSA is interested in whether the Proposed Methodology should be mandated or whether it should be adopted as a guidance for investment fund managers. CSA Notice 81-324 can be found on CSA members' websites. The comment period is open until March 12, 2014.

The CSA, the council of the securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

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