

For Immediate Release
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Canadian Securities Regulators Take Steps To Improve Mutual Fund Disclosure For Investors

Toronto – The Canadian Securities Administrators (CSA) today published for comment proposed amendments to National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, its Forms and Companion Policy, as well as related amendments, that are aimed at providing investors with improved disclosure about mutual funds.

This publication is the first step in implementing the point-of-sale disclosure framework published in October 2008 by the Joint Forum of Financial Market Regulators, which includes the CSA. Under the framework, investors would receive key information about a mutual fund at a time that is relevant to their investment decision. Investors currently receive a simplified prospectus up to two days after buying a mutual fund.

“Mutual funds are required to disclose a great deal of information, but we know that many investors do not use this information when making purchase decisions,” said Jean St-Gelais, CSA Chair and President & Chief Executive Officer of the Autorité des marchés financiers. “The current market conditions highlight the need for investors to fully understand what they are buying. This significant investor protection initiative will provide investors with the opportunity to make more informed investment decisions.”

Central to the proposal is a new two-page document called Fund Facts. The Fund Facts will be written in plain language and in a format that is easy to read and understand. It highlights important information for investors, including what the mutual fund invests in, the risks and the costs of buying and owning the mutual fund.

Under the proposal, investors would receive a Fund Facts when they buy a mutual fund they do not currently own. The simplified prospectus and other disclosure will also be available to investors upon request.

Copies of the proposed rule amendments and additional background information are available on the websites of CSA members. The CSA is seeking input from all stakeholders on the proposals. The comment period is open until October 17, 2009.

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

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