



Via e-mail: comments@osc.gov.on.ca, consultation-en-cours@lautorite.qc.ca

September 14, 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
Superintendent of Securities, Prince Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Nunavut

The Secretary
Ontario Securities Commission
20 Queen Street West
19th floor, Box 55
Toronto, ON M5H 3S8

Me Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers

800, square Victoria, 22 étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3

Dear Sirs/Mesdames:

Proposed Amendments to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* and to Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations* - Cost Disclosure, Performance Reporting and Client Statements (collectively, the “Proposals”)

We are writing on behalf of Dundee Private Investors Inc. (“we” or “our”) to provide comments on the Notice and Request for Comment dated June 14, 2012, published by the Canadian Securities Administrators (the “CSA”).

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We support the regulatory objectives of the Client Relationship Model project as we are committed to providing our customers with clear and transparent reporting on the performance of their investment accounts.

We are members of the Investment Funds Institute of Canada (“IFIC”) and have participated in deliberations with them on the Proposals and fully support all positions submitted in their comment letter to the CSA dated August 29, 2012.

We believe that IFIC’s recommendations meet the needs of all stakeholders and we strongly recommend that you consider them seriously as you decide on next steps for this initiative.

We are specifically concerned about the amendment requiring annual disclosure of the dollar amount of mutual fund trailing commissions that are received by a dealer with respect to each customer account. In regard to this issue, we note the following:

- Customers already receive disclosure at point of sale in the Simplified Prospectus (soon to be replaced by the Fund Facts document) of the percentage amount of trailing commissions payable.
- Systems do not currently exist at most fund managers and dealers to aggregate trailing commissions annually at the account level, deliver the information to a dealer and report the information annually on a customer statement. To do this will be a very significant and costly undertaking for the industry. It has not been clearly demonstrated that the benefit to investors of this reporting justifies the significant cost to the industry, nor are we aware of any quantitative cost/benefit analysis that was undertaken in this regard.
- Other types of investment products, which pay commissions to dealers, will not be required to make similar disclosures to customers. An unintended consequence of this will likely be that customers will not realize that similar commissions exist for other competing investment products. The lack of consistency in disclosure could result in investors being misled regarding the cost of their investments and making uninformed investment decisions which are not in their best interest.

We fully support transparency and clarity in investment cost and commission disclosure. However, we also advocate that the disclosure regime should be consistent across all investment products. An inconsistent disclosure regime is detrimental to both the industry and investors.

We appreciate the opportunity to comment on these important proposals.

Yours very truly,

Richard McIntyre
Executive Vice-President, Head of Retail
Dundee Private Investors Inc.