



E D G E P O I N T

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

September 6, 2012

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Canadian Securities Administrators
New Brunswick Securities Commission
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Nunavut

Attention:

The Secretary
Ontario Securities Commission
20 Queen St. W., 19th floor, Box 55
Toronto, ON M5H 3S8

Me Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800, Square Victoria, 22^e étage
C.P. 246, tour de la Bourse
Montreal, QC H4Z 1G3

Dear Sirs/Madames:

Re: Request for comments on proposed disclosure enhancements to *Fund Facts*

We're writing to provide you with EdgePoint Wealth Management Inc.'s comments on the second publication of the proposed amendments for *Implementation of Stage 2 of Point of Sale Disclosure for Mutual Funds: Proposed Amendments to National Instrument 81-101 Mutual Funds Prospectus Disclosure*, in particular the presentation of risk in the *Fund Facts* document.

EdgePoint is in favour of assessing risk based on potential for loss. We believe this is far more meaningful than using volatility, an industry-accepted measure of determining risk. We don't believe volatility is risk; rather, it's a friend to those investors who understand the value of a business.

We view risk as the potential for permanent loss of capital over a long-term investment horizon, focusing on how much money could be lost and the probability of that loss. While there may be large swings in a company's stock price over shorter periods, we believe the focus should rest on the volatility in underlying business fundamentals.

We believe in the importance of examining company-specific risks such as increased competition, management competence, profitability compression and a business's underlying valuation. We also believe the extent to which a Manager adheres to its investment approach should be a factor in determining the risk level associated with an investment.

Thank you for allowing us the opportunity to comment. Should you have questions or wish to discuss our input in greater detail, please don't hesitate to contact us.

Sincerely,
EdgePoint Wealth Management Inc.

A handwritten signature in dark ink, appearing to read "P. Farmer", with a long horizontal flourish extending to the right.

By: Patrick Farmer
CEO and CCO