

December 6, 2018

Hello. I would like to offer my support for the proposed amendments to *National Instrument 81-105 Mutual Fund Sales Practices*.

I encourage additional regulation of the mutual fund market and support limitations on DSCs. Speaking from my own personal experience, I did not fully understand the lock-in nature of DSCs when I purchased mutual funds from Investors Group several years ago.

These fees are exorbitant and, in my case, only expire 7 years from the period in which I purchased the funds. They provide a disincentive for brokers to offer advice beyond the initial sales period as they have nothing further to gain from offering advice or ensuring the portfolio is well managed. And should a customer be unsatisfied with the service they have or are receiving, they are unable to move their funds to another firm without incurring financial losses that could easily wipe out all the gains they have made in these funds, or worse, result in significant financial losses altogether.

The fees are above and beyond what is required to provide advice for the purchase of mutual funds and the few hours of time that one might spend with an advisor to select a portfolio. If you were to translate these fees to an hourly wage, the numbers would be shocking.

Finally, many of these funds already have very high MERs of nearly 3%. To put this into perspective, this fee alone represents anywhere from 25-40% of my total mutual fund earnings over the last 5 years. These fees are not often properly disclosed or are glossed-over during the sales process. When my broker recommended funds, I was never presented different options on fees or payment and have no confidence that the broker was choosing funds that were the best financial options for me as opposed to the best compensation for their firm.

Thank you for listening.

Eric Portelance