

June 26, 2020

The Secretary Ontario  
Securities Commission 20  
Queen Street West 22<sup>nd</sup>  
Floor Toronto, Ontario M5H  
3S8

***Dale Roberts comments on OSC Consultation restricting the sale of DSC mutual funds.***

I am writing to express my opinion on proposed OSC Rule 81-502 *Restrictions on the Use of the Deferred Sales Charge Option for Mutual Funds* (“Ontario’s proposal”). The IAP is an initiative by the Ontario Securities Commission to bring investor perspectives into its policy development and rule making process.

I am a former advisor with Tangerine Investments. As part of my duties I would conduct portfolio reviews of clients’ outside investment portfolios. It was not a pretty sight. I witnessed the destruction of wealth due to high fee mutual fund fees. I saw the effect of deferred sales charges (DSC). That was a weapon in the arsenal of some very unscrupulous advisors. The abuse was a regular event. It’s a great money maker for advisors and their firms.

It was common to see no returns or very low returns for investors over a 10 and 15 year period. They would have been better off in savings accounts.

By way of my investment blog Canadian and Ontario investors continue to reach out to show me how much they are dinged by DSC’s on a regular basis.

Of course, things are so bad it’s a societal issue. Imagine the benefits of investors being treated fairly. Imagine the societal and economic benefits if investors in Ontario had very solid investment returns? They would be better prepared for retirement. They would be less strain on government agencies and benefits.

I am in agreement with the Canadian Securities Administrators (CSA) that deferred sales charges (DSCs) are harmful to investors. Ample evidence supports this conclusion. There is no need for DSC’s. They serve no purpose

other than to enrich advisors. These harmful fees need to go away, period. There are no if's and's or but's.

The proposed option that is still harmful for older investors and they'd still be allowed to sell to younger investors? Investors that are even less aware? How could that ever be a reasonable 'fix'?

Who are you answering to? It's not the investors in Ontario, that's for certain.

If a regulatory body was serving the interests of investors in Ontario they would eliminate the DSC. And in fact they'd do much more on the subject of investments and fees.

So, who do you serve? Ontario investors, or the mutual fund establishment?

Sincerely,

Dale Roberts

Chief Disruptor at Cut The Crap Investing.