

VIA E-MAIL: comments@osc.gov.on.ca - consultation-en-cours@autorite.qc.ca

September 13, 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^e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3

Dear Sirs/Madames:

Re: Proposed Amendments to National Instrument 31-103: Cost Disclosure and Performance Reporting

Thank you for the opportunity to provide comments regarding the second publication of proposed amendments to *National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations: Cost Disclosure, Performance Reporting and Client Statements* (the "Proposals"), published on June 14, 2012.

Manulife Securities works with over 1250 professional advisors to help hundreds of thousands of Canadians achieve their financial goals. Manulife Securities helps Canadians save for their first home, fund their children's education and to prepare for and enjoy their retirement.

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Manulife Securities and our advisors work diligently to ensure our clients define their objectives and establish a financial plan that works for them. We believe that it is important for clients to understand how their investments fit into their plan, understand how products perform and the costs and risks associated with their investments. As such we are strongly in favour of providing clients with clear and understandable disclosures and information.

We believe that some clients may find some benefit from the changes contemplated by the Proposals. We do, however, believe that more clients would find more benefit if the Proposals were more flexible in allowing firms to determine the appropriate method for reporting performance. The goal should be ensuring that clients have information that makes sense in the circumstances of that client. Some clients may prefer reporting that is different than that set out in the Proposals. Requiring companies to provide information that may not meet the client needs could result in confusion and client dissatisfaction. We believe that the ultimate goal is clear and meaningful communication and that the advisor and his firm are best placed to determine how to achieve that goal in any particular situation. Our ability to continue to provide high quality information and innovative client solutions is an important market differentiator. We would appreciate it if the regulations could provide flexibility that would allow us to continue to offer our clients the high level of service they expect.

In the alternative, if, contrary to our comment above, the CSA does wish to mandate specified performance reporting standards, then we would strongly urge that such standards be consistent with the corresponding requirements imposed by IIROC and the MFDA. While we are generally opposed to imposing specific reporting standards, we are strongly opposed to the imposition of multiple standards or, worse, conflicting standards.

We also believe that it is important for regulators to perform a meaningful cost-benefit analysis. The cost of implementing changes is ultimately borne by investors. In some circumstances the benefits of regulation are obvious. In this instance, we believe that clients already receive most of the information in some manner. As such, we believe that the benefit that clients will derive by receiving mostly duplicative additional information is small. The CSA has, however, acknowledged that there will be a potentially significant cost to produce the proposed new documents. In that context, we think it is incumbent upon the regulators, consistent with the requirements of securities legislation to undertake a thorough cost-benefit analysis in this instance and in future proposals. In our submission, neither the fact that you believe that the additional information is important nor the fact that you have proposed longer transition periods constitutes a robust cost-benefit analysis sufficient to justify the imposition of regulations that you acknowledge may have a significant cost.

We look forward to continuing to work with regulators to ensure that Canadians have efficient access to the financial advice and products that they need.

Yours truly,

