

Good afternoon,

Let me thank you for soliciting comments on mutual fund fees in Canada. I'm glad to give you my comments.

1) I think the MER fees are high. They are twice as high as in the US, as writers in our newspapers have been pointing this out for a long time. Some firms have been lowering them, a little, but they are still too high on average.

2) The fees on bond funds especially are too high. It does not take a great deal of time to run a bond fund. Also, these days, the return on them, as you know, is very low.

3) The fees on balanced funds especially are often too high. Some of them are near 2.5%, with a large bond component – and see 2)!

4) I have no difficulty with trailer fees, if advisors are up-front about them. But their presence should affect the fees charged by the advisor and his / her firm. I pay 1.5% fees to Dominion Securities for an RRSP near \$150K, and pay trailer fees on top of that. This is too high, since I also pay (the hidden) mutual fund fees. Yet my advisor and his firm take all of that to be fair. It is not. I have many ETFs, which charge only a low fee, yet the total fee I calculate to pay every year is above 2%, or above \$3000 per year. This is too high.

John Cook