

March 12, 2014

John Stevenson, Secretary  
Ontario Securities Commission  
20 Queen Street West  
Suite 1900, Box 55  
Toronto, Ontario, M5H 3S8  
e-mail: [jstevenson@osc.gov.on.ca](mailto:jstevenson@osc.gov.on.ca)

Me Anne-Marie Beaudoin, Corporate Secretary  
Autorité des marchés financiers  
800, square Victoria, 22e étage  
C.P. 246, Tour de la Bourse  
Montréal, Québec, H4Z 1G3  
E-mail: [consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

**Re: [CSA Notice 81-324](#) and Request for Comment – Proposed Canadian Securities Administrators (CSA) Mutual Fund Risk Classification Methodology for Use in Fund Facts**

Dear Sir/Madame:

I am pleased to submit my comments on the above-captioned CSA Notice. I express my comments

- As an individual investor
- As a past Registered Representative with over 20 years of experience working for individual Canadians
- As the Founder of InvestingForMe.com, an independent, unbiased financial resource for individual investors.

**Support for submissions**

I wish to express my support for the following submissions

- Stu Buell & Ken Kivenko (Small Investor Protection Association), December 27, 2013 and
- Connie Craddock (Investor Advisory Panel), March 7, 2014

Both submissions present detailed arguments that I whole-heartedly support and urge the CSA to give their strong consideration.

Both submissions make strong arguments as to why the use of a performance standard deviation is not a surrogate for assessing an investment fund's inherent investment risks. To label an investment fund's performance standard deviation

as a measure of its investment *Risk* is a tenuous and possibly erroneous connection, at best, and by doing so the CSA may actually create more confusion than clarity for investors.

### **Investor confidence may render risk ratings impotent**

My understanding of CSA Notice 81-324's objective is to discuss and ultimately develop a risk assessment tool that aids investors in making better investment decisions with greater confidence and success. And I believe the CSA's efforts in this regard are to be commended and this discussion is a worthwhile undertaking.

However, I must voice my concern and objection to entrusting fund managers and investment fund providers with the task of grading their own work.

At its most basic level, investing is simply a transaction between a seller and a buyer. As a buyer, I would never have confidence in the seller's opinion of their own product's character, by itself. This is no different when it comes to the buying and selling of investment funds and the seller's opinion of their product's inherent investment risks.

I believe any risk classification created by the CSA must be

- independent of fund managers and investment fund providers
- must be unbiased and indifferent to both the sellers and the buyers of investment funds
- must be applied equally and evenly to all investment funds

It is my belief that without independence, investors will not and should not give any value to the CSA's Risk Classification Methodology and the risk ratings subsequently posted on Fund Fact.

Any risk rating for investment funds must be from an independent source just as we currently have for bonds, preferred shares and hybrid securities.

I believe investment funds should be required to obtain an independent risk rating from an established rating agency. This would give investors greater confidence in the rating and it would enable them to make better investment decisions with greater confidence.

I thank the CSA for the opportunity to express my thoughts.

Yours truly,



George Christison, STI, CIM, FMA, FCSI

[georgechristison@investingforme.com](mailto:georgechristison@investingforme.com)