

**Objet** : CSA Notice 81-324 and Request for Comment Proposed CSA Mutual Fund Risk Classification Methodology

[Via email](#)

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British Columbia Securities Commission  
Alberta Securities Commission  
Financial and Consumer Affairs Authority of Saskatchewan  
Manitoba Securities Commission  
Ontario Securities Commission  
Autorité des marchés financiers  
Financial and Consumer Services Commission (New Brunswick)  
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward  
Island Nova Scotia Securities Commission  
Securities Commission of Newfoundland and Labrador  
Superintendent of Securities, Northwest Territories  
Superintendent of Securities, Yukon  
Superintendent of Securities, Nunavut

**CSA Notice 81-324 and Request for Comment Proposed CSA Mutual Fund Risk Classification Methodology for Use in Fund Facts**

[http://www.osc.gov.on.ca/documents/en/Securities-Category8/csa\\_20131212\\_81-324\\_rfc-mutual-fund-risk.pdf](http://www.osc.gov.on.ca/documents/en/Securities-Category8/csa_20131212_81-324_rfc-mutual-fund-risk.pdf)

As a former financial advisor I can tell you that the proposed presentation of mutual fund risk will not resonate with most fund investors. I also do not believe that the use of the

variance/ standard deviation to capture downside risk is appropriate . It could very well mislead investors as did its predecessor, the IFIC methodology. How about something like "if \$10000 were invested in this fund during its worst 12 month performance , the fund would have fallen to \$6800. If 10 year data not available ,use a fee adjusted benchmark for the fund.i certainly agree with the SIPA comment letter recommendations and hope they are heeded.--

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