

March 24, 2017

Hello,

I have worked as a financial planner in Listowel, Ontario for the past 22 years, partnering with independent mutual fund dealers to provide financial and retirement planning advice to a wide range of clients.

I applaud the direction of the CRM disclosure rules to ensure that clients are aware of the costs of the financial advice they receive. Individual investors should always be made aware of the cost of the advice they receive. While our preference would have been to provide full disclosure of all costs to investors (full cost of both MER and TER), this dealer compensation disclosure is a step in the right direction. We have been providing this disclosure (both in percentage and dollar terms) to our clients for many years.

We operate almost exclusively on a fee based model but with a combination of embedded trailer on no-load funds and transparent fee with "F" class funds. We have always felt that it is important to provide excellent advice to all of our clients, including those with less financial assets. Many of our clients don't initially have an investment portfolio of sufficient size for a transparent fee model. Burdening them with either a minimum account fee or an hourly fee wouldn't be in their best interest. The choice of an embedded trailer fee with appropriate disclosure allows us to form a long term partnership to help them achieve their financial goals. Removing this choice of compensation models could potentially severely limit the investment options for these small accounts and could either force smaller investors into a choice between trying to invest without any advice or have higher costs. The concept of capping the maximum embedded compensation (1% for equity/balanced, 0.5% for fixed income) eliminates any perceived conflict of interest for choosing different solutions and is an easily implemented solution and reduces the possibility of unintended consequences.

In conclusion, since the regulators have already made the step of requiring disclosure of fees paid to investment dealers, would it not make sense to wait until they can measure the effect of that disclosure before deciding their next course of action? Making a decision without that information makes the whole CRM II disclosure a waste of time and resources for investment management firms and investment dealers.

I appreciate the opportunity to comment and hope it provides some insight into the concerns of ourselves and our clients.

Thanks,

Trent Stanley CFP PFP CFSB

Oak Tree Financial Services/Peak Investment Services