

IFIC Annual Report
Leading Issues, Trends, Perspectives

English

2004

Rapport annuel IFIC
Actualité, tendances et perspectives

Français



- Information
- Ideas
- Innovation

IFIC Annual Report
Leading Issues, Trends, Perspectives 2004

THE INVESTMENT FUNDS INSTITUTE OF CANADA •



Welcome to IFIC's 2004 Annual Report

Contents

- 1 Perspectives from the President – Tom Hockin
- 2 Perspectives from the Chairman – W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council (QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

Contents

- 1 Perspectives from the President – Tom Hockin
- 2 Perspectives from the Chairman – W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council (QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

1) Tom Hockin – Perspectives from the President



The past year is a stunning example of why an active, professional industry association is *essential* to the investment funds industry. Together, we watched the markets rebound against a backdrop of unprecedented regulatory innovation – both at home and abroad. IFIC staff, Member Committees and industry Working Groups have had their work cut out for them, evaluating new and proposed regulatory initiatives impacting upon all aspects of the industry and all industry participants – fund managers, retail distributors and service providers of every type.

While IFIC has always provided a forum for Members to address substantive regulatory issues, increasingly we find ourselves confronting proposals with “bigger picture” implications for our industry. Here, the challenge is to look beyond the details and consider the long term, future effects of seemingly mundane regulatory changes, both in the context of our industry and in the context of the general business world. Working hand in hand with our Members, we have, as you will see in the pages that follow, recognized marked achievements in this regard.

In 2003, annual sales of mutual funds were negative for the first time in recorded history. As a unified voice for the industry, IFIC helped investors to regain their confidence by encouraging Members to promote the many benefits of investing in mutual funds. As trading practices

violations were uncovered in the United States, IFIC took a leading role behind-the-scenes. We worked directly with the media to educate investors about the issues around market timing and late trading in the Canadian context, including the many systematic protections that mitigate against abuses along the lines of those found in the U.S., and utilized our Committees and Working Groups to define improper trading practices and develop guidance on preventative measures.

Our efforts have had an impact. Net assets in long-term funds increased 16% in 2003, the largest annual increase since 1999, and in 2004 (as this Report goes to print), the industry has enjoyed 10 consecutive months of positive sales.

Your participation on Committees and Working Groups provides IFIC with valuable insight and industry representation. Without this, we would not be able to speak, advocate or educate on your behalf. Together, however, we can continue our proud tradition of serving the investment funds industry in the interests of Canadian investors.

Sincerely,

Thomas A. Hockin
President & CEO

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

2) W. Terrence Wright, Q.C. – Perspectives from the Chairman



As Chairman of IFIC over the past two years, I have been consistently impressed by the efforts put forth by IFIC staff and industry volunteers, via Committees and Working Groups struck to address industry issues. Together, we acted as a uniform voice for the industry, to regulators, the government, the media and the marketplace.

This year was a unique one for IFIC's Board of Directors. Revisions to IFIC's By-laws last year reduced the size of the Board from 33 to 20 industry representatives from manager, retail distributor, bank and integrated firms. As evidenced over the past year, IFIC's consolidation of the Board paved the way for efficient discussions and educated decisions. Going forward, Members can have confidence that a dedicated Board of Directors is acting on their behalf.

IFIC represents a \$470 billion industry that helps Canadians realize their financial goals and objectives. IFIC's many initiatives such as its licensing and education programs, its involvement in building the Mutual Fund Dealers Association and its interaction with market regulators create enhanced protections for investors. The future will undoubtedly continue to throw challenges in the way of the industry, but IFIC will work with the regulators and market participants to meet those challenges, as together they make the industry even stronger.

As the trade association of your industry, IFIC provides a forum for its Members to discuss leading industry issues, anticipate trends in the marketplace and share perspectives for the future. Your observations and comments allow IFIC to speak on behalf of the industry, thus allowing you to spend your time and money operating your business.

Those of you not involved with IFIC's Committees and Working Groups may not be fully aware of our accomplishments on your behalf. You will learn in the following pages of achievements at both regulatory and government levels that can be directly attributed to the work of IFIC staff and volunteers.

Concluding my term as IFIC Chairman this year, I extend my gratitude to IFIC staff and the many Committee volunteers. Without you, IFIC, and in turn, the industry as a whole, would not have been able to accomplish all that it has. Through your continued support, IFIC will remain a strong, unified body to guide you through the sometimes treacherous waters of the marketplace.

Sincerely,

W. Terrence Wright, Q.C.
Chairman of the Institute

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

3) Bernard Letendre – The Québec Investment Funds Council (QIFC)



A trade association which is well known, credible and highly regarded by its own Members is more likely to be influential with the outside world. With limited financial resources and only one full-time employee, the QIFC is acutely aware of the importance of its

Members and volunteers in conducting its operations. For that reason, much of our focus, over the past year, has been on making the QIFC known to its own Members and attracting volunteers willing to lend a hand on our various Committees.

One of the main recruiting and public relations initiatives of the year was the first-ever QIFC Conference, which was held in Montreal on April 1, 2004. The conference, which attracted over 200 participants from the Quebec fund industry, received excellent reviews. It was an opportunity for our association to showcase the quality work of its various Committees to the Members. The event was a resounding success and planning is already under way for the Second Annual QIFC Conference.

Another significant public relations initiative of the past year was the launch of “*L’Express du CFIQ*”, a monthly electronic newsletter that is now at its 9th issue and has become one of the main communication tools for our association in Quebec. Again, reviews have been extremely positive and circulation, which started at 255 in January, is now up to 337 per month.

Naming here all the projects that were worked on by our various committees throughout the year would take too much space, but one such initiative was the creation, by our Distribution Committee, of a model distribution agreement for manufacturers and distributors. This document was approved in principle by the QIFC Board on June 18, 2004, for use as a template to develop such agreements. It will be made available on IFIC’s web site, pending review by the IFIC Manager and Dealer Issues Committees.

Another initiative worth mentioning is the 2004 Fund Accounting Benchmarking Study, a key project of the Operations Committee in the past year. Designed to identify best practices in the field of fund accounting, the 2004 study allowed 25 participating fund companies to benchmark themselves against their peers on issues related to fund accounting and unit valuation. The study allowed fund accounting professionals from across the industry to realize that issues are actually very similar from one company to another. It is hoped that the study may serve as a way to get a dialogue going among fund accounting professionals from across our industry, creating a forum for sharing concerns and issues.

For all of its internal focus, QIFC was successful in maintaining a high profile outside of the fund industry. Through its many volunteers, QIFC maintains relationships with other groups and associations, including CLHIA, the CSF, the IDA and many others. This focus on external partners allowed us to contribute to a joint

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

3) Bernard Letendre – (cont'd)

submission to the legislature's Public Finances Commission (*Commission des finances publiques du Québec*). I am also pleased to report progress on the issue of unclaimed assets, which had been on our action list since 2000 and now looks like it will be finalized before year-end.

As a result of the hard work of our volunteers, the QIFC received significant and repeated media exposure throughout 2004 in publications such as *Finance et Investissement*, *Le journal de l'assurance*, *Les Affaires* and *Le journal de Montréal*. QIFC is seen as a highly credible source of insight regarding the mutual fund industry and rarely does a month go by without QIFC being called upon by journalists to comment on one aspect of our industry or another.

Taken together, all of the above amount to a very full and productive year for the Quebec Investment Fund Council and its Members. I wish to extend my thanks to

the over 60 volunteer members on our 6 committees, without whom these results could not have been achieved. I also wish to thank our various Members and Affiliate Members for allowing our volunteers to commit their time and expertise to the advancement of our collective interests. The amount of work put in by our numerous volunteers on behalf of the mutual fund industry is a testament to how vibrant the mutual fund industry has become in Quebec. It is also an indication of the brilliant future we have ahead of us.



Bernard Letendre, LL.B., LL.M.
Chair, Quebec Investment Funds Council

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

4) IFIC Leads:

- *Fair Dealing Model*
- *Model Portfolio Pricing*
- *Fund Risk Classification*
- *PIPEDA*

In October 2002, the Ontario Securities Commission (“OSC”) launched an innovative web site seeking public comment on a new proposal – the Fair Dealing Model (“FDM”). IFIC immediately struck a Working Group to respond to the FDM as, in our view, this model had many dramatic implications for the industry. The Working Group met regularly and submitted comment letters to the OSC responding to the FDM web site on December 4, 2002 and February 20, 2003.

After a lengthy hiatus, the OSC released *The Fair Dealing Model Concept Paper* for comment in January of 2004. The Concept Paper proposed wholesale changes to the way that investors and their advisers deal with each other by, *inter alia*, mandating the categorization of such relationships into one of three heavily-prescribed types. Other issues raised in the Concept Paper struck deep into industry manager-dealer relationships and compensation models. IFIC immediately revived its FDM Working Group to respond.

Following numerous meetings and consultations with the OSC, the Working Group prepared and forwarded a 36-page comment letter.

Though supportive in principle of the FDM’s attempts to improve transparency and meaningful disclosure with respect to compensation, conflicts of interest and risk, the Working Group found that many current and already-proposed regulatory initiatives could achieve these goals more efficiently, with less industry disruption and at a far lower cost to the industry and investors.

Other, more specific concerns outlined in the comment letter included concerns that: designating the initiative as the “Fair Dealing Model” implies that industry participants are not dealing “fairly” with their clients today; the absence of a cost/benefit analysis – a requirement for all new regulatory proposals – hampered industry understanding and comment; the lack of endorsement by other CSA jurisdictions would impede CSA efforts to further a harmonized regulatory regime; the relegation of a discussion of licensing, registration and proficiency issues to a second (as of yet unissued) concept paper obscured the longer-term effects of the proposal on industry participants; the effect that increased costs occasioned by the model would have on smaller dealer firms and investors with small accounts; and the effects that a suggested ban on third-party commission payments would have on the industry’s business model.

In June 2004, the OSC released an FDM update. This update specifically recognized IFIC’s concerns regarding national harmonization, the name of the model, and the impact on investors with small accounts. Also in response to IFIC’s comments, the update confirmed that issues regarding third-party compensation would be dealt with by way of disclosure rather than prohibition.

IFIC’s Working Group continues to monitor the OSC actions on your behalf.

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

4) IFIC Leads:

- *Fair Dealing Model*
- *Model Portfolio Pricing*
- *Fund Risk Classification*
- *PIPEDA*

IFIC has long been involved with issues concerning pricing and net asset value calculation. Previous initiatives, include: an examination of industry pricing methodologies resulting in a detailed survey of the industry's pricing practices; the creation of a set of standards for correction of errors in calculation of a fund's net asset value (IFIC Bulletin #22); and the release of the Fair Valuing Report, in December 2001, intended to assist funds in assessing when to fair value portfolio securities where market quotes are unavailable or unreliable.

Feedback to the Fair Valuing Report indicated that industry-wide guidance on normal course pricing issues would be beneficial to Members. As a result, in early 2001, IFIC's Model Portfolio Pricing Working Group was formed to develop guidance on portfolio pricing to assist industry participants in the valuation of portfolio securities. In November 2003, IFIC's Model Portfolio Pricing Working Group released *Guidance on Portfolio Pricing*.

This document offers guidance to assist funds in the valuation of their portfolio securities, including the processes and internal controls that fund managers may consider implementing and maintaining. The guidance document reiterates the responsibility of each

fund manager to ensure it is meeting its standard of care with respect to valuation of its funds' portfolios, and considers the role of the fund manager and the trustee or board of directors in discharging their fiduciary obligations. It also contains extensive pricing processes for all general asset types: equities, fixed income, cash and money market instruments, derivatives, real property and commodities.

The comprehensive *Guidance on Portfolio Pricing* document begins with the governance and oversight structure of the pricing process, comprising the fund's governing body, a valuation committee and a primary valuation group. It further discusses the pricing process, covering topics such as the timing of valuations, sources for prices, validation of prices obtained, procedures for testing and verification of the fairness and reasonableness of prices, and the use of fair value pricing. Post valuation processes such as documentation and reporting, net asset value differentials (including materiality thresholds) and correction of price errors are also discussed in detail.

Guidance on Portfolio Pricing was approved for circulation by IFIC's Board of Directors in June 2004. After a final review and update by the Working Group, the document was distributed to Members in August 2004.

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

4) IFIC Leads:

- *Fair Dealing Model*
- *Model Portfolio Pricing*
- *Fund Risk Classification*
- *PIPEDA*

IFIC's Fund Risk Classification Working Group was struck in July of 2002 to propose guidelines for fund managers regarding the classification of the level of investment volatility risk associated with different types of mutual funds, with a view to assisting fund managers to complete required prospectus disclosure. Participation on the Working Group comes primarily from Manager Member organizations with additional representatives from Dealer and Affiliate Members.

A first draft of the Working Group's Report was completed in October 2003 and was circulated to IFIC's Manager Issues Committee. A revised draft was presented to the Manager & Dealer Issues Committees on November 6, 2003. The draft Report was approved for circulation to Membership by IFIC's Board of Directors at their December 1, 2003 meeting, pending review by the OSC.

Representatives from the Working Group subsequently met with OSC staff from the Investment Funds group on December 8, 2003. On April 13, 2004, IFIC staff, together with representatives from the Working Group, met with OSC staff from the Investment Funds and Capital Markets groups to further discuss the draft Report. OSC staff provided the Working Group with a written list of comments on June 1, 2004.

The Working Group is now in the process of reworking the Report to accommodate many of the comments received from the OSC. The revised document, which incorporates discussion of the methodology used to establish standard deviation as the appropriate measure and responses or disclosure, will be submitted to IFIC's Board of Directors for final approval in the near future.

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

4) IFIC Leads:

- *Fair Dealing Model*
- *Model Portfolio Pricing*
- *Fund Risk Classification*
- **PIPEDA**

The *Personal Information Protection and Electronic Documents Act* (Canada) (“PIPEDA”) first came into being on January 1, 2001, setting out the ground rules for the management of personal information in the private sector. It balances an individual’s right to privacy, with respect to their personal information, with an organization’s need to collect, use or disclose personal information for legitimate business purposes.

As of January 1, 2004, the final phase of PIPEDA came into full effect, bringing with it extensive privacy requirements for how all Canadian businesses may collect, use or disclose personal information in the course of their business activities.

Members looked to IFIC to provide guidance with respect to the application of PIPEDA and we welcomed the opportunity to once again fulfil our role as your industry trade association, by assisting you in educating yourselves on this legislation. On January 19, 2004, IFIC answered the calls of its Membership, holding a Privacy Forum to discuss the complex implications of PIPEDA and its impact on your organizations.

IFIC’s PIPEDA Issues Working Group also developed guidance intended to serve as an industry practice guideline with respect to the application of PIPEDA.

The application of PIPEDA to the collection, use or disclosure of personal information by dealers, managers and third party service providers gives rise to questions about: the consent required for a dealer to be able to give personal information regarding the dealer’s clients to mutual fund managers and/or the managers’ third party service providers; and uses mutual fund managers and/or their third party service providers can make of personal information regarding the dealer’s clients once it has been given to them by the dealer.

IFIC’s *PIPEDA Practice Guideline* was released to Members on July 30, 2004.

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

5) IFIC Facilitates:

- *Fund Governance*
- *Trading Practices*

In early 2002, the Canadian Securities Administrators (“CSA”) released CSA Concept Proposal 81-402 *Striking a New Balance: A Framework for Regulating Mutual Funds and Their Managers* which set out an extensive proposal for establishing a new governance regime for Canadian mutual funds. In June of 2002, IFIC submitted detailed comments on the fund governance proposals dealing with both general and specific concerns.

IFIC’s Board of Directors’ Fund Governance Committee met regularly with the regulators to provide ongoing guidance following our submission on the initial version of the Concept Proposal. Through these meetings and your input, IFIC significantly influenced both the scope and direction of this important initiative.

The latest iteration of the CSA Fund Governance Project, Proposed NI 81-107 *Independent Review Committee for Mutual Funds*, was published for comment on January 9, 2004. This current proposal is much narrower than the previous version.

The proposed rule would introduce a mandatory fund governance regime focused on conflicts of interest, requiring each mutual fund manager to establish an independent review committee (“IRC”) for its funds. The IRC would be charged with reviewing all matters involving a conflict of interest between the fund manager’s own commercial and business interests and its fiduciary duty to manage its mutual funds in the best inter-

ests of those funds. These conflicts include transactions with entities that are related to the manager, trades between mutual funds, certain changes which currently require an investor vote (referred to as fundamental changes), and situations when a reasonable person would question whether the manager is in a conflict of interest situation.

Where a conflict of interest has been found, the fund manager must refer the matter to the IRC and obtain its recommendation. The manager would be allowed to proceed without the IRC’s agreement, but must disclose its position and the reason for not following its recommendations to the fund’s investors. The existing self-dealing and conflict of interest prohibitions in the securities legislation and National Instrument 81-102 Mutual Funds (NI 81-102) would be repealed, effectively being replaced by the discretion of the IRC. The requirement for an investor vote on certain changes would also be replaced by consideration of the matter by the IRC.

The new proposed rule evidences IFIC’s success in articulating a number of key points to regulators on behalf of the industry. The CSA undertook to re-evaluate the existing conflicts of interest rules concurrently with the introduction of fund governance. The fund governance regime set out in the new proposed rule is designed to replace the conflicts of interest prohibitions in existing regulation. Registration of mutual fund managers was also not elaborated upon in the proposed rule

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

5) IFIC Facilitates:

- *Fund Governance (cont'd)*
- *Trading Practices*

in order to await the outcome of other policy initiatives that may change the way we approach registration issues. The proposed rule also removed the mandate for a dispute resolution mechanism, instead leaving it to each IRC and fund manager to take the most appropriate course of action and requiring disclosure when the manager decides not to follow the recommendations of the IRC.

IFIC made a detailed submission on Proposed NI 81-107 *Independent Review Committee for Mutual Funds* to the CSA on April 8, 2004. The CSA's response is expected in the fall of 2004.

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

5) IFIC Facilitates:

- *Fund Governance*
- *Trading Practices*

In late 2003, as the result of an industry investigation, United States regulators alleged that certain U.S. mutual fund managers had permitted certain investors and, in some cases, their employees, to engage in late trading and inappropriate short-term trading and market timing activity in their mutual funds, to the detriment of the other investors in the fund. Several cases resulted in the filing of criminal charges, with fund executives receiving terms of imprisonment.

In cases where administrative or civil complaints were filed, fund managers were alleged to have inconsistently applied the funds' explicit short-term trading rules and procedures that are intended to be uniformly applicable to all investors in the funds; or they permitted late trading or market timing arrangements to be established which directly contravened prohibitions or restrictions on such activity.

In response to these issues in the United States, in November 2003, the Ontario Securities Commission ("OSC") issued a questionnaire to Canada's fund managers. The Mutual Fund Dealers Association of Canada and the Investment Dealers Association of Canada issued similar questionnaires to their members, seeking information about incidents of late trading and market timing in Canadian mutual funds.

In late 2003, IFIC's Trading Practices Working Group was formed to study the issues around various trading

practices, including market timing and short-term trading, and to articulate the industry's position in relation to enhanced detection and deterrence measures with respect to such trading activity.

The Working Group's mandate was to review industry practices in connection with the sale of mutual funds, with an initial focus on late trading and short-term trading, and to make recommendations for changes to such practices, if warranted, to enhance protection of the interests of Canadian investors. The Working Group also acts as liaison between the industry and appropriate securities regulators to promote discussion and the flow of information about industry trading practices.

In connection with the late trading and market timing portion of its mandate, the Working Group reviewed current Canadian regulatory requirements, prospectus disclosure and operational practices. It also reviewed the issues and concerns presented by the regulatory investigations carried out in the United States, as well as in the United Kingdom and Luxembourg, and the proposed and adopted detection and deterrence measures in these jurisdictions.

Based on differences in structure of the Canadian industry and order placement systems in use in Canada, compared to the United States, it was the Working Group's view that late trading was not likely to be an issue in Canadian mutual funds.

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

5) IFIC Facilitates:

- *Fund Governance*
- *Trading Practices (cont'd)*

On December 11, 2004, IFIC held a media briefing to explain and clarify market timing and late trading, and to underline the systematic differences between Canada and the U.S.

The Working Group's analysis and discussions led to the development of a set of principles and measures, set out in the *Trading Practices Working Group Report* (the "Report") – designed to ensure fair treatment of all investors in the Canadian mutual fund industry and to provide guidance for IFIC members in detecting and discouraging market timing and disruptive short-term trading activity.

Adoption of the Working Group's principles by all mutual fund managers is recommended, however each manager Member is permitted to implement those measures that it considers most appropriate to its needs and business operations. Furthermore, managers will be free to adopt and implement additional measures consistent with those principles as they consider appropriate or necessary based on their unique business considerations.

The principles in the *Report* include the strong support of measures to protect investors that will effectively control market timing trading practices and an effective regulatory environment to protect investors within a viable mutual fund industry. Managers must also adopt policies and institute procedures to monitor, detect and deter market timing trading in their funds. Those procedures should include effective monitoring of trades. Fund

managers should then adopt a combination of the procedures listed in the *Report* after a determination is made as to which will be most effective for their funds. The listed procedures include:

- imposition of a fee once market timing trading in funds is identified, to be collected and paid to the funds in question;
- placing a client who has engaged in market timing trading on a watch list to ensure that further market timing trading activity does not occur;
- restructuring transactions in client accounts where attempts to repeat market timing trading occur;
- utilization of fair value pricing; and
- utilization of such additional measures as the manager deems appropriate.

The Working Group analyzed the requirements for effective implementation of each of these measures, and considered the difficulty and costs of implementation against the benefits of so doing, in addition to other best practices that may be adopted by individual managers as required.

The Working Group's *Report* was released to Members and the media on August 25, 2004.

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

6) IFIC Educates:

- *IFSE.ca*
- *Conferences and Forums*



Several years ago, IFIC and The Canadian Institute of Financial Planning (“CIFP”) joined forces to create a new distance learning education institute, www.IFSE.ca, to deliver cost-effective financial services programs through its newly developed web-based education portal. The IFSE.ca educational portal has continued to be extremely successful over the past year with many students now accessing our web-based courses.

This innovative institute truly combines the strengths of traditional classroom-based learning and distance education learning together into one web-based campus. Many courses have been re-engineered, and the remainder will be completed soon, to take advantage of the web medium to maximize the distance education and to embrace all learning types across the spectrum. Students learn more in fewer study hours. From course enrolment through to graduation, it can all be done by simply accessing our educational portal with a private login and student number.

The ground-breaking web site, www.IFSE.ca was also created to deliver one-stop financial services education to students and IFIC Member organizations. We have integrated education programs providing students with a comprehensive and seamless path to all careers within the industry. As the industry consolidates and regulation requires more integrated proficiency, our programs adapt to meet these needs.

Programs now offered through this innovative learning program include:

- The CFPTM Program
- The Life License Qualification Program (LLQP)
- The Canadian Investment Funds Course

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

6) IFIC Educates:

- *IFSE.ca (cont'd)*
- *Conferences and Forums*


The insurance regulators across Canada have introduced a new and enhanced proficiency regime to license life insurance agents. The new Life License Qualification Program (“LLQP”) replaces the current Level I and Level II licensing regime. IFIC, together with the Peel Institute of Applied Finance, has been accredited by provincial regulators as an education provider for this new mandatory pre-licensing course.

In 2003, IFIC began to deliver insurance education. LLQP on the Web™ was introduced and has been extremely successful. This course is backed by years of experience in financial and insurance education.

We also have an extensive *academic partner network* of over 50 colleges and universities from across Canada who will be using our new web-based programs and portal to deliver class-based versions of our programs.

In addition, we offer *continuing education* to keep you at the professional knowledge level that you need to continue your successful career.

IFIC Members can experience the power and results of our new *Corporate Training Plus™* program featuring fast-track tutoring to deliver the results you need, when you need them most.

CIFP does not award the CFP™ and CERTIFIED FINANCIAL PLANNER™ designation. The right to use the marks CFP™, CERTIFIED FINANCIAL PLANNER™ and  is granted under license by the Financial Planners Standards Council (FPSC) to those persons who have met its educational standards, passed the FPSC Certified Financial Planner (CFP)™ Examination, satisfied a work experience requirement and agreed to abide by the FPSC Code of Ethics.

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

6) IFIC Educates:

- IFSE.ca
- Conferences and Forums

IFIC's conferences and forums are well-known for providing exemplary continuing professional development, geared to keep industry participants abreast of leading issues, trends and perspectives, in our ever-changing marketplace. Attendance at one of our cutting edge educational forums is also a great opportunity to network with key colleagues and clients and opens a new channel of communication and opportunity to learn and exchange ideas.

Now in its 18th year, IFIC's Annual Conference is recognized as the premier industry event for the Canadian investment funds industry. Offering compliance, operations, leadership and marketing sessions, delegates can customize their program to maximize their professional development.

Our last Annual Conference, held September 9-11, 2003, featured a diverse line-up of keynote speakers, each at the top of their respective fields. Nicholas Boothman talked about How to Make People Like You in 90 Seconds or Less; futurist Richard Worzel focussed on The Future of Financial Services; economist Lloyd C. Atkinson explored The Dollar, The Economy and Financial Markets; and Donald Cooper clarified 10 Things You Must Absolutely Know About Your Customers, Business and Life. All in all, over 600 participants, from all walks of the industry, took advantage of this excellent educational and networking opportunity.

In 2002, IFIC recognized the emergence of hedge funds as an alternative investment product and its rise in pop-

ularity with investors. We responded by convening the Hedge Fund Forum on November 23, 2003, in collaboration with CanadaHedgeWatch. Now in its second year, the Hedge Fund Forum has become a successful annual event.

As discussed elsewhere in this report, the final phase of the *Personal Information Protection and Electronic Documents Act* (Canada) ("PIPEDA") was introduced on January 1, 2004. Responding to Member application and implementation queries, IFIC held a Privacy Forum on January 19, 2004.

The Mutual Fund Forum, a well-known, Members' only networking event took place on March 8th, 2004. IFIC's President & CEO, Tom Hockin, engaged attendees with a thought-provoking discussion about strategies for our maturing industry.

The inaugural conference of the Conseil des fonds d'investissement du Québec took place on April 1st in Montréal. This fast-paced, one-day event, offered in French, drew together 206 industry participants from across Québec. Deemed a huge success by all delegates, this event will be added to our yearly roster of professional development opportunities.

As always, IFIC kicked off Investor Education Month with a sold-out Industry Breakfast on April 5, 2004 featuring OSC Chair David Brown, who outlined the CSA's proposed governance of mutual funds and updated attendees on the ongoing probe of mutual fund trading practices.

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

6) IFIC Educates:

- IFSE.ca
- Conferences and Forums (cont'd)

At the same time, across the country, IFIC President & CEO Tom Hockin addressed Members in Vancouver with regard to the changing industry and ways to ensure its continued success.

The 3rd Annual Compliance Forum on May 10, 2004 was a resounding success. This intensive one-day forum, co-hosted by IFIC and the Association of Canadian Compliance Professionals, was geared to address the specific educational development needs of retail distributor compliance officers.

Over 280 industry participants hit the greens at the Lionhead Golf & Country Club for IFIC's 13th Annual Golf Classic on July 20, 2004. This sold-out event raised \$35,000.00 in support of the United Way – clearly the overall winner of the day.

Recognizing the demand for timely, industry-specific, professional development and networking opportunities, IFIC seeks your support to expand its repertoire of yearly event offerings. Members are urged to contact Donna B. Klein, Director, Member Services with further professional development ideas and suggestions.

To keep abreast of all of the exciting conferences and forums that IFIC will be offering in the months to come, check IFIC's Events web site regularly at http://www.myinvestmentfunds.ca/ific_events/index.asp.

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

7) IFIC and CIFP Course Offerings

NEW

Chartered Alternative Investment Planner (CHAIP)[™]: Coming this September 2004, IFIC in partnership with CanadianHedgeWatch Inc. will introduce a new certification program for advisors specializing in alternative investment products named the Chartered Alternative Investment Planner[™] (CHAIP) program, which will cover topics such as modern portfolio theory, risk and return measures for hedge funds, use of qualitative and quantitative measures in selecting hedge funds and many other required topics. Students will earn this new prestigious mark that will give them the knowledge, proficiency and recognition to serve investors in this emerging and growing segment within the financial services industry. Backed by practice standards and annual continuing education requirements, the CHAIP professional will be well qualified to assist investors with their alternative investment product needs.

The Certified Financial Planner[™] Web-based Program (CIFP on the Web[™]): The Canadian Institute of Financial Planning (CIFP), an educational institution dedicated to developing and maintaining high standards for financial planning professionals, offers a four-course Web-based Certified Financial Planner[™] Program leading to the internationally recognized CFP[™] designation. The program provides individuals with the knowledge and practical skills necessary to begin a career in this growing profession. The program consists of four core courses, a program evaluation and a final program examination. Upon successful completion of the program examination, graduates satisfy the educational requirement necessary for sitting the

Certified Financial Planner[™] Examination administered by the Financial Planners Standards Council.

Canadian Investment Funds Course (CIFC on the Web[™]): CIFC on the Web[™] is unlike anything in the industry. Throughout this course, learners will be given information and exercises relevant to their work as mutual fund salespeople. The sequence of instruction parallels the process they will follow much of the time with clients. Our goal is not only to present the knowledge they will need for the role, but also to give them the opportunity to analyze case studies and put their knowledge into practice. By the end of the course, students will have the foundation to become mutual fund salespeople.

Life License Qualification Program (LLQP on the Web[™]): IFIC, through its educational portal www.ifse.ca, is offering an innovative web-based course that is flexible and provides a solid learning foundation for insurance professionals who are entering the field. This course replaces the old Level I and Level II. The course emphasizes case studies that will provide candidates with the practical skills that insurance professionals need to excel on the job.

90-Day Training Program to assist with the MFDA's requirements for new Mutual Fund Salespersons: The main objective of IFIC's 90-Day Training Program for new mutual fund salespersons is to assist mutual fund dealers in complying with the new Mutual Fund Dealers Association Rule 1.2.1(c), which requires all newly registered salespersons to complete a

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

7) IFIC and CIFP Course Offerings *(cont'd)*

training program within 90 days of being registered with a provincial securities commission. The Program will also assist dealers in ensuring that their new salespersons receive adequate up-front training and guidance to obtain a clear and adequate understanding of the industry in which they work, the dealer that they work for, the products they sell and the regulatory environment that governs them.

The course is a self-study course with review questions and answers at the end of each chapter. At the end of the course there is a web-based assessment. This assessment is done on-line with immediate feedback. On successful completion, all students will receive a Certificate of Completion from IFIC.

Labour-Sponsored Investment Funds Course:

The LSIF course is the licensing course for the sale of labour-sponsored investment funds and is accepted by the securities regulators in the provinces of Ontario, New Brunswick, Nova Scotia, Saskatchewan and Manitoba. Graduates of the LSIF course, who are already registered by the securities regulators as mutual fund salespersons, have their licenses extended to include the sale of units of LSIFs. The LSIF course focuses on identification of practical differences between LSIFs and mutual funds. The LSIF course includes specific addenda conforming course information to individual requirements imposed by the provinces of Nova Scotia, Saskatchewan, Manitoba and New Brunswick.

Canadian Investment Funds Operations

Course: Developed in 1995, this course provides in-depth discussion of the administrative and operational procedures that must occur for an investor to purchase or redeem mutual fund units in Canada. Aimed at mutual fund salespersons, dealer administrators, or fund management personnel engaged in the processing of fund transactions, this course contains comprehensive appendices and review questions, a glossary, and a sample examination.

Branch Managers' Examination:

The Branch Managers' Examination has been developed to ensure that branch managers are knowledgeable about industry regulations, policies and practices so they may carry out both their supervisory responsibilities and the compliance requirements of the Securities Commission in their jurisdiction.

Officers', Partners' and Directors' Examination:

This course has been developed to arm all officers, partners and directors with the policy and regulatory knowledge needed to both carry supervisory responsibilities and meet the compliance requirements of a particular province or territory.

Segregated Funds: A Salesperson's Complete Manual:

The objective of this course is to explain the main differences between segregated funds and mutual funds. Its focus is the suitability of segregated funds and issues related to the guarantee of such funds. The course is based on practical client suitability examples to ensure important principles are understood.

7) IFIC and CIFP Course Offerings *(cont'd)*

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

Continuing Education (CE) Program:


Consistent with our mission to provide quality professional educational programs to advance the knowledge and competence of individuals in the financial services industry, we now offer fifteen continuing education courses. These timely courses give you the option of earning all your credits through a single source. Each course is worth up to eight CE credits with the exception of our Investment Risk Evaluation Course, which is worth ten CE credits. Our suite of CE courses was enhanced in 2003 to incorporate developments within the industry.

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

8) List of all Codes, Guidelines and Forms Distributed by IFIC

Legend:

 = IFIC endorsement in the form of designated wording and/or seal of approval is available for Members adhering to IFIC Guidelines


Fr. = Document available in French / Document disponible en français

New This Year! = New publication since IFIC 2003 Annual Report

IFIC Leads by setting industry standards, providing guidance and standardizing practices in various Codes, Guidelines and Bulletins. These documents are developed by industry experts in IFIC Committees and Working Groups and are published after broad Member consultation.

Coming Soon: IFIC Web-Based Risk Management and Legislative Compliance Service for Mutual Fund Managers This will replace the IFIC Compliance Manuals. A similar web-based service is expected to be developed for Mutual Fund Dealers. Stay tuned for details over the coming year.

IFIC Member Code of Practice **Fr.**: Outlines IFIC Member responsibilities to clients/unitholders.

 Members must comply. Code of Practice may be displayed and distributed to clients/potential clients.

Codes of Ethics Guidelines:

Guidelines for a Mutual Fund Manager Code of Ethics (Revised March 1998): Guidelines that employees, officers and directors of an IFIC Manager Member firm should adhere to, ensuring the highest principles of conduct.

Guidelines for a Retail Distributor Code of Ethics (Updated March 2003): Guidelines that employees, licensed representatives, officers and directors of an IFIC Dealer Member firm should adhere to, ensuring the highest principles of conduct.

Code of Ethics Guidelines for Personal Investing (May 1998) **Fr.**: Recommended ethical practices for personal investing by individuals responsible for the investment decisions affecting mutual funds and for those employees with access to information concerning those investments.

Cross-Border (Canada-U.S.) Trading Relating to Canadian Retirement Accounts:

Serving Clients in the United States – IFIC Guide for Mutual Fund Dealers and Managers (February 2002): Assists mutual fund dealers and managers to understand complex state-level rules governing interaction with registered-investment clients in the United States.

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

8) List of all Codes, Guidelines and Forms Distributed by IFIC (cont'd)

Electronic Commerce and Electronic Records Management:

Guidelines for an Image Management Program (March 1998) **Fr.**: Guidelines for reducing paper with scanning technology.


Internet Web Sites – Issues and Best Practices (April 2000): Provides recommendations concerning legal and non-legal issues in the operation of Internet web sites by IFIC Members.

Operations Guidelines:

Account Openings – IFIC Standard Application Form (2002) **Fr.**: A printable standardized form that can be customized by fund companies for use by dealers.

Account Redemptions – RESP Redemption Form (September 2002) **Fr.**: A form created to standardize RESP redemptions.

Account Statements – IFIC Bulletin 21, Personal Rates of Return (2000): Identifies acceptable methodology and practices for industry participants who choose to provide personal rates of return.

 The following statement may accompany documents containing personal rates of return using the recommended methodology: “The Personal Rate(s) of Return has(have) been calculated using a [named

methodology] recommended by The Investment Funds Institute of Canada.”

Account Transfers – Transfer Authorization for Registered Investments (1997-1998) **Fr.**: A set of guidelines and forms created to standardize the timely processing of registered account transfers.

Account Transfers – Bulk Account Transfer Authorization Letter (Revised March 2003) **Fr.**: Standardizes the transfer of multiple accounts between delivering and receiving Members.

Account Transfers – Standard Locked-in Confirmation Agreement Guidelines and Form (1999): Members can use the form to minimize the time frames currently encountered in the processing of registered account transfers involving locked-in funds.

Account Transfers – RESP Account History Form and Guidelines (September 2000): Assists RESP promoters to adopt a standardized form to facilitate transfers between RESPs.

New This Year! *Estate Settlement – Estate Claim Forms for Probate Estates and for Non-Probate, Intestate Estates (Schedules A and B) (May 2004)*: Two separate forms for use in connection with the transfer and/or redemption of mutual fund investments in the settlement of estates of deceased investors. For use in all provinces and territories except Quebec.

8) List of all Codes, Guidelines and Forms Distributed by IFIC (cont'd)

Contents

- 1 Perspectives from the President – Tom Hockin
- 2 Perspectives from the Chairman – W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council (QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

New This Year! *Estate Settlement – Estates Documentation Requirements by Account Type (2004)*: This chart sets out the minimum supporting documents required by fund companies to settle estates of deceased investors, which vary by account type. For use in all provinces and territories except Quebec.

Order Processing – Investor Direct Orders – IFIC Best Practices Guide for Mutual Fund Managers (June 2002): Provides suggested procedure for mutual fund managers when dealing with an order received directly from an investor.

Order Processing – IFIC First 60-Day Processing Best Practices Guide (latest issue November 2003, for first 60 days 2004) **Fr.**: Provides guidance to firms that receive contributions on or before the 60th day but that have difficulty executing the trades by the CRA deadline.

Order Processing – Limited Authorization Form and Guidelines (2002) **Fr.**: A form and accompanying guidelines created to accommodate the desire of investors to give their dealer/representative limited authorization over their account(s).

Order Processing – Rights of Withdrawal and Rescission – IFIC Best Practices Bulletin (March 1998): Summarizes obligations to deliver prospectuses and trade confirmations and best practices for discharging those obligations.

Order Processing – National Instrument 81-102, Parts 9 and 10 – IFIC Best Practices Guide (April 2000): Clarifies meaning and application of provisions in Parts 9 and 10 of NI 81-102 relating to the processing of purchase and redemption orders.

Pricing Issues:

IFIC Bulletin 22 – Correcting Portfolio NAV Errors (2000): Provides guidance regarding the fiduciary obligations of fund managers relating to pricing discrepancies in the calculation of the NAV of an investment fund.

IFIC Bulletin 23 – Fair Valuing Portfolio Securities (2001-2002) **Fr.**: Provides guidance to assist funds in assessing when they should consider fair valuing certain securities.

New This Year! *IFIC Portfolio Pricing Guidelines (2004)*: Provides guidance to assist funds in the valuation of portfolio securities.

Privacy Issues:

IFIC Privacy Code (2000): Addresses the way IFIC Members collect, use, disclose and protect clients' personal information, and the right of clients to have access to personal information.



Compliant Members are granted the right to use IFIC's Privacy Code 'seal of approval'.

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

8) List of all Codes, Guidelines and Forms Distributed by IFIC (cont'd)

Proceeds of Crime (Money Laundering) and Terrorist Financing:

Money Laundering and Terrorist Financing: Detection and Deterrence – IFIC Guide (revised December 2002): Assists Members in complying with their obligations pursuant to Canada's *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (the "Act"). Can also be used as a reference tool to assist in the development and documentation of detailed and firm-specific policies and procedures.

New This Year! *Money Laundering and Terrorist Financing..IFIC Consolidated Bulletin (updated October 2003)*: Used in conjunction with IFIC Guide, provides Member questions and FINTRAC interpretations/clarifications related to the Act.

Risk Management:

Business Recovery Planning Guide (June 1995): Helps mutual fund companies continue operations in the event of a disaster.

Error Corrections Guide (Phase 1, 1999; Phase 2, 2002): Describes the nature of trading errors and proposes a general model for adjustments processing.

Sales Communications Compliance:

IFIC Consolidated Sales Communications Bulletin (Revised July 2002): Guidance to the industry in the interpretation and application of National Instrument 81-102, Part 15.

Mutual Fund Sales Communications Compliance Guidelines and Checklist (2002): Assists individuals who manage the process of developing sales communications to ensure regulatory compliance.

Sales Communications Guidelines for Internet Web sites (October 2001): A tool to assist the industry in meeting some of the challenges of Internet web site communications.

Guidelines for Use of Ratings, Rankings and Testimonials in Mutual Fund Sales Communications (April 2003): Provides suggested best practices in connection with the use of ratings, rankings and testimonials in mutual fund sales communications.

Sales Practices Compliance:

IFIC Consolidated Sales Practices Bulletin (Revised September 2002): Provides clarification of sales and marketing practices and interpretation of National Instrument ("NI") 81-105.

Co-operative Advertising – IFIC Best Practices Guide (December 2001): Assists Members in determining if a sales communication is eligible for co-op support under NI 81-105 and helps fund managers and dealers prepare compliant co-op sales communications.

Co-operative Marketing Guidelines and Forms (1999) Fr.: A set of guidelines and forms to facilitate and standardize requests made in respect of co-operative marketing support under Part 5.1 of NI 81-105.

9) 2003/2004 IFIC Board of Directors



Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

Front row (from left to right):

| | |
|--------------------|---|
| Eric Grove | MRS Inc. |
| Brenda Vince | RBC Asset Management Inc. |
| Blake Goldring | FIRST VICE-CHAIR, AGF Management Limited |
| W. Terrence Wright | CHAIR, Investors Group |
| Thomas A. Hockin | PRESIDENT, The Investment Funds Institute of Canada |
| Michel Fragasso | SECOND VICE-CHAIR, Capital Teraxis |
| Susan Han | AIM Trimark Investments |
| Michael Killeen | CI Mutual Funds Inc. |

Back row (from left to right):

| | |
|------------------|--|
| Bernard Letendre | Standard Life Mutual Funds |
| Scott Sinclair | AEGON Dealer Services |
| Steve Geist | TD Asset Management |
| Edgar Legzdins | BMO Investments Inc. |
| Robert Frances | PEAK Investment Services |
| Steve Ellis | Assante Advisory Services (resigned March 8, 2004) |
| George Aguiar | GP Capital Corporation |

Not pictured:

| | |
|----------------|--|
| Ted Cadsby | CIBC Securities Inc. (resigned June 7, 2004) |
| Joseph Canavan | Assante Corporation |
| Ben Eggers | Dynamic Mutual Funds |
| Don Ferris | Mawer Investment Management |
| Karen Fisher | Scotia Securities |
| David Goodman | Dynamic Mutual Funds (resigned June 7, 2004) |
| Don Panchuk | Phillips, Hager & North |
| Thomas Rice | Rice Capital |
| Mary Taylor | Fidelity Investments (Canada) Ltd. |
| Larry Tomei | CIBC Securities Inc. |

10) 2003/2004 QIFC Board of Governors

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees



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Front Row (Left to Right)

| | |
|------------------|---------------------------------------|
| Eric Lapiere | Investors Group |
| Robert Frances | PEAK Investment Services Inc. |
| Pierre Hamel | Optimum Placements Inc. |
| Joanne Vezina | PAST CHAIR, Talvest Fund Management |
| Bernard Letendre | CHAIR, Standard Life Mutual Funds |
| Marc Dubuc | SECOND VICE-CHAIR, Fiducie Desjardins |

Second Row

| | |
|-----------------|---|
| Charles Guay | National Bank Securities |
| Michel Fragasso | Capital Teraxis |
| Hon. Tom Hockin | VICE-CHAIR, The Investment Funds Institute of Canada |
| Gilles Vezina | Le Groupe Option Retraite |

Were not present for this picture

| | |
|--------------------|--|
| Michel Marcoux | Avantages Services Financiers |
| Normand Balthazard | Biocapital Mutual Fund Management Inc. |
| Richard Boivin | Cartier Partners Financial Services |
| Daniel Marceau | Investia Financial Services |

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

11) IFIC & QIFC Committees

Conference Committee

| | | | |
|---------------------|--|---|--|
| Pat Dunwoody, Chair | International Financial Data Services Limited | Anthony Koves | Investment Planning Counsel of Canada |
| Theodor Heldman | AIM Trimark Investments | Valerie Shaw | Mackenzie Financial Corporation |
| Stuart Plummer | CIBC Mellon | Jackie Bizjak | Manulife Financial |
| Richard Schuetz | Dynamic Mutual Funds | Lesley Pascoe | TD Bank Financial Group |
| Lesley Brown | Investors Group Inc. | Naomi Andjelic Bartlett (resigned July 2004) | Torys LLP |
| Carolyn Horan | Informco Inc. | Joanne Currie (resigned January 2004) | AIC Limited |
| Melissa Kelman | Jones Heward Investment Counsel Inc. | | |

Dealer Issues Committee

| | | | |
|---------------------|---|--|-------------------------------|
| Glenn Butt, Chair | FundTrade Financial Corporation | Gary Legault | IPC Investment Corporation |
| Scott Sinclair | AEGON Dealer Services Canada Inc. | Kim Maggiacomo | MRS Inc. |
| Darcy Lake | BMO Investments Inc. | John Kennedy | National Bank Mutual Funds |
| Michael Holder | Borden Ladner Gervais LLP | Terry Ford | Partners in Planning |
| Murray Morton | Cartier Partners Financial Group | Gilles Bouillon | PEAK Financial Group |
| Michael Bean | CGI, Banking and Investment Services | Neelam Jolly | Rice Financial |
| Christopher Marrese | Clarica Investco Inc. | Paul Ferrier | Scotia Securities Inc. |
| Cheryl Shkurhan | Coast Capital Investments | Jerry Beniuk | TD Asset Management |
| Michael Préfontaine | Desjardins Trust | Daniella Dimitrov (resigned March 2004) | Dundee Wealth Management Inc. |
| Garth Foster | Fasken Martineau Dumoulin LLP | Malcolm Anderson (resigned May 2004) | Rice Financial |
| Sandra Kegie | FundEX Investments | | |
| Donald MacDonald | Investors Group | | |

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

11) IFIC & QIFC Committees (cont'd)

Education Committee

| | |
|---------------------|---------------------------------------|
| Laura Hinton, Chair | Counsel Wealth Management |
| Leena Malik | AGF Management Limited |
| April Aandal | Assante |
| Gelsie Casella | Berkshire Investment Group Inc. |
| Serge Cecchetto | AEGON Canada |
| Paul Griffin | ING Canada |
| Michaela Koch | International Financial Data Services |
| Sandra Shibata | Investors Group Inc. |
| Carol Johnson | Scotia Capital |
| Steven Kelman | Steven G. Kelman & Associates |

Manager Issues Committee

| | | | |
|-----------------------|---------------------------------------|-----------------------|-----------------------------------|
| Sian Brown, Chair | Mackenzie Financial | Reena S. Lalji | RBC Funds Inc. |
| Judy Goldring | AGF Funds Inc. | Lino Cambone | Scotia Securities |
| Frances Lee | AIM Trimark Investments | Josie Pampena | Standard Life Mutual Funds |
| Warren Collier | Barclays Global Investors | Jennifer Northcote | Stikeman Elliott LLP |
| Carol Lynde | Brandes Investment Partners & Co. | Dawn Scott | Torys LLP |
| Peter Moulson | CIBC Asset Management Inc. | Laurie Davis | Brandes Investment Partners & Co. |
| Mary Joyce Empensando | ClaringtonFunds Inc. | (resigned Dec. 2003) | |
| Peter Bowen | Fidelity Investments | Mark Pratt, Chair | RBC Funds Inc. |
| Lisa Johnson | Franklin Templeton | (resigned May 2004) | |
| John Kaszel | Guardian Group of Funds | Joanne Vezina | Talvest Fund Management Inc. |
| Nigel Etherington | International Financial Data Services | (resigned Jan 2004) | |
| Alex Bodnar | Manulife Mutual Funds | Lena Thibault | Talvest Fund Management Inc. |
| Stephen Fernandes | Northwest Mutual Funds Inc. | (resigned March 2004) | |
| John Black | Osler, Hoskin & Harcourt LLP | | |
| Barry Myers | PricewaterhouseCoopers LLP | | |

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CIFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

11) IFIC & QIFC Committees (cont'd)

Public Relations Committee

| | | | |
|-----------------------|---------------------------------------|----------------------|---------------------------|
| Kimberly Flood, Chair | Fidelity Investments | Barbara Axworthy | Investors Group Inc. |
| Scott Edgington | AEGON Dealer Services | Jeffrey Ray | Manulife Mutual Funds |
| Dwayne Dreger | AIM Trimark Investments | Ella Rebanks | AIM Trimark Investments |
| Frank Valicek | Altamira Investments | (resigned Oct. 2003) | |
| Caroline Dabu | BMO Investments Inc. | Susan Yellin | Assante Advisory Services |
| Tracey Hooey | Fasken Martineau Dumoulin LLP | (resigned June 2004) | |
| Anne Lachance | Fleishman Hillard | Sylvia Kovesfalvi | Assante Asset Management |
| David Hawkins | FundTrade Financial | (resigned June 2004) | |
| Jane Noonan | International Financial Data Services | | |

Taxation Working Group

| | | | |
|-----------------------|--|----------------------|---------------------------------|
| Jamie Golombek, Chair | AIM Trimark Investments | John Lee | Manulife Investments |
| Judy Lai | AGF Management Limited | Mitchell Thaw | Fasken Martineau & Dumoulin LLP |
| David Sitarik | Assante Asset Management | Christopher Anderson | Franklin Templeton Investments |
| Debbie Pearl-Weinberg | CIBC Securities Inc. | Gary Green | Investors Group Inc. |
| Ronald Wilson | Davies Ward Phillips & Vineberg LLP | Nigel Johnston | McCarthy Tetrault LLP |
| Hugh Chasmar | Deloitte & Touche LLP | Laura White | PricewaterhouseCoopers LLP |
| Kevin Ng | Dundee Bancorp Inc. | Thomas Lee | RBC Asset Management Inc. |
| | | Mashkoor Munim | Unisen Inc. |

Communications Committee

| | | | |
|------------------------|-------------------------|--------------------|---------------------------|
| Marc Dubuc, Co-Chair | Fiducie Desjardins | Gilles Vezina | Le Groupe Option Retraite |
| Pierre Hamel, Co-Chair | Optimum Placements Inc. | Michelina Borrelli | National Bank Securities |
| Sylvie Coulombe | Clarica | | |

Contents

- 1 Perspectives from the President
– Tom Hockin
- 2 Perspectives from the Chairman
– W. Terrence Wright, Q.C.
- 3 The Québec Investment Funds Council
(QIFC) – Bernard Letendre
- 4 IFIC Leads:
 - Fair Dealing Model
 - Model Portfolio Pricing
 - Fund Risk Classification
 - PIPEDA
- 5 IFIC Facilitates:
 - Fund Governance
 - Trading Practices
- 6 IFIC Educates:
 - IFSE.ca
 - Conferences and Forums
- 7 IFIC and CFP Course Offerings
- 8 List of all Codes, Guidelines and Forms
Distributed by IFIC
- 9 2003/2004 IFIC Board of Directors
- 10 2003/2004 QIFC Board of Governors
- 11 IFIC & QIFC Committees

11) IFIC & QIFC Committees (cont'd)

Compliance Forum for Managers & Distributors

| | | | |
|-------------------------|--|-----------------------|---|
| Frédéric Belleau, Chair | Performa Financial Group Ltd. | Renée Piette | National Bank Securities |
| Christiane Vachon | AIM Trimark Investments | François Vaillancourt | Optifund Investments Inc. |
| Nancy Lachance | Cartier Partners Financial Group | Helen Timotheatos | Partners in Planning Financial Services Ltd. |
| Gérard Chagnon | Fédération des Caisses Desjardins du Québec | Jean-Marc Prud'homme | Peak Investment Services Inc. |
| Constance Comte Boucher | iForum Financial Services Inc. | Élizabeth Manoukian | Quadrus Investment Services Ltd. |
| Yves-Dominique Vachon | Investia Financial Services | Ann David | RBC Investments |
| Laura Iadisernia | Laurentian Bank of Canada | Léna Thibault | Talvest Fund Management |
| Shamshad Khan | Manulife Securities International Ltd. | | |

Operations & Administration Committee

| | | | |
|----------------------|--------------------------------|-------------------|-------------------------------|
| Josie Pampena, Chair | Standard Life | Marie-Line Boutin | Optifund Investments Inc. |
| Marie-Josée Gagnon | Avantages services financiers | Serge Sigouin | Peak Investment Services Inc. |
| Lynda Grenier | Fiducie Desjardins | Ken Malin | Performa Financial Group Ltd. |
| Carmela Abandonato | iForum Financial Services Inc. | Élise Bourret | Standard Life |
| Luc Cournoyer | Investissements BBA Inc. | Vincent Bruzzese | Talvest Fund Management |
| Marie-Ève Guilbault | Laurentian Bank of Canada | | |

Regulation Committee

| | | | |
|-------------------------|--|--------------------|-------------------------------|
| Michel Fragasso, Chair | Capital Teraxis | Assunta Di Lorenzo | Fraser Milner Casgrain s.r.l. |
| Roderick Darroch Elliot | Borden Ladner Gervais | Éric Lapierre | Investors Group Inc. |
| Jean-Sébastien Proulx | Cartier Partners Financial Group | Éric René | Laurentian Bank of Canada |
| Pierre-Yves Châtillon | Fasken Martineau DuMoulin s.r.l. | Frédéric Belleau | Performa Financial Group Ltd. |
| Gérard Chagnon | Fédération des caisses Desjardins du Québec | Julie Blais | TAL Global Asset Management |

Distribution Committee

| | | | |
|------------------------|----------------------------------|-------------------|--------------------------|
| Michel Marcoux, Chair | Avantages Services financiers | Nicolas Milette | National Bank Securities |
| Francine Laflèche | Fiducie Desjardins | Stéphane Langlois | Optimum Placements |
| Henri-Julien Chartrand | Investia Financial Services Inc. | Sophie Fauteux | RBC Investments |