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MFDA Bulletin

Membership Information

For Distribution to Relevant Parties within your Firm

Request for Comment on Recommendations of MFDA IPC Issues Committee

1. Overview

The MFDA Investor Protection Corporation (“IPC”) fund is expected to reach its initial target of \$30 million by the end of calendar 2010. The IPC has developed a plan to continue to accumulate money in the fund after the initial target is met. The IPC Board of Directors has determined that accumulating a further \$20 million over the next five years is advisable. The IPC must consult with its sponsor, the Mutual Fund Dealers Association of Canada (“MFDA”), regarding any changes to the size of the fund or its assessment methodology.

The MFDA Board of Directors considered the recommendations from the IPC to be of such importance that it formed an IPC Issues Committee (“IPCIC”) to:

- consider the IPC’s proposal regarding its fund size;
- consider other IPC issues such as the assessment calculation; and
- outline a strategy to communicate to and consult with the MFDA membership.

The IPCIC has determined that asking for written comments from Members and hosting two in-person meetings of Members would be appropriate to engage Members on the issues and recommendations. This Bulletin provides background to and analysis of the matters to be addressed at the in-person meetings and invites written comments on several issues. Comment letters should be sent to the attention of Jason Bennett, Corporate Secretary, at 121 King St. West, Suite 1000, Toronto, Ontario, M5H 3T9 or corporatesecretary@mfd.ca by no later than **September 1, 2010**.

The members of the IPCIC are a combination of Public and Industry MFDA Directors, with the Industry Directors being senior executives of large and small firms. The Committee members are listed at Appendix A.

1.1 Benefits of the IPC for Member Firms

The IPC's objective is to provide "protection to clients of the Members of the MFDA if the client property held by such Members becomes unavailable as a result of the insolvency of such Members...". If an MFDA dealer becomes bankrupt, the dealer's customers can be harmed by losing access to their assets under the control of the dealer. In addition, the industry as a whole would likely suffer because the public could lose confidence in dealing with MFDA Members. The IPC provides compensation to make the customers whole to the extent of the value of the property lost and to preserve and enhance the reputation of all dealers in the industry. The IPC coverage levels are comparable to those of the Canadian Investor Protection Fund ("CIPF"), helping to put mutual fund dealers on a competitive footing with securities dealers.

The IPC addresses the risk that customers may suffer financial loss as a result of a Member's bankruptcy. Experience shows that there is real risk that a Member can become bankrupt. Several Member firms have become bankrupt since 2005. Most of these firms have been headquartered in Quebec, and the insolvencies have therefore been administered by the Autorité des marchés financiers ("AMF") and AMF compensation fund. Two Ontario insolvencies also occurred, with one resulting in a small payout by the IPC.

1.2 Benefits for Level 2 and Level 3 Dealers

The IPC coverage addresses losses that can occur at Members that operate in client name, nominee name or both. Client property may be at risk because dealers do or could control client property. Even where a dealer operates in client name, the dealer may hold cash and other assets that are in transit or intended to be held in client name.

Level 2 and Level 3 dealers handle client cheques, redeem fund positions, hold cash in trust accounts and conduct other activities that put them in control of client assets. In addition, Level 2 and Level 3 dealers have the opportunity to control client assets through the exercise of powers of attorney or limited trading authorizations. Client assets in the control of the dealer that might not be available to customers in the event of a Member's bankruptcy would be covered by the IPC.

1.3 Objectives Established by the IPCIC

To address the various issues that were raised by the recommendations of the IPC Board, the IPCIC established several objectives:

- Alignment of the asset base that is assessed with the assets that are covered by the IPC;
- Alignment of risk from a Member insolvency with assessments;
- Ensure that Members have ample opportunity to present their views on issues under consideration, either in writing or in person, before recommendations are made by the IPCIC to the MFDA Board of Directors; and
- Ensure that the MFDA and IPC recommendations are appropriately communicated to MFDA Members with sufficient time to incorporate the changes into each firm's business plans and strategy.

1.4 Recommendations and Issues

The IPCIC considered several issues related to the key recommendation of increasing the size of IPC's fund. Consistent with the objectives of reviewing the changes proposed by the IPC and advising the MFDA Board of Directors, the Committee feels it prudent to explore the issues and to adopt recommendations in the three stages set out below.

The result of the three stages will likely be a phased-in approach to changes. The benefits of this approach for Members are: having sufficient time to provide comments, facilitating further informed discussion, *and* adequate time to adapt each firm's business strategy and plans to the potential changes.

By this Bulletin, the MFDA and IPCIC invite Members to comment on the proposed recommendations and issues that are identified with respect to the IPC and its fund.

Stage 1. Recommendations proposed by the IPCIC to be made to the MFDA Board of Directors at its September 30, 2010 Board meeting:

- Increase the IPC fund to \$50 million;
- Implement this increase over five years;
- No change in assessment methodology; and
- Maintain minimum assessments but reduce such minimums by the proportional reduction in Member assessments that would be in place once the annual amount collected by the IPC declines to \$4 million per year.

Stage 2. Issues seriously considered, but decision deferred until Member input is received and relevant and accurate data is available:

- Inclusion of "other assets" in assessment base;
- Flow of funds included in assessment base; and
- Risk-based assessment.

Stage 3. Alternatives related to the IPC recommendations that were considered by the IPCIC but not requiring action or change currently:

- Client name versus nominee name assets assessed;
- Insolvency fund versus fraud fund; and
- Use of insurance rather than assessments or in addition to assessments.

1.5 Impact of Recommendations from Stage 1

The proposed recommendations will impact IPC and MFDA Members in a number of ways:

1. Increasing the fund size will increase the likelihood that the IPC fund is sufficient to fulfill its mandate of protecting investors in a Member's insolvency.

2. The total amount to be raised by the assessments will fall from \$5 million to \$4 million per year for five years. As a result, each Member's assessment will, in future years, be reduced by approximately 20% from what it would have been under the current assessment.
3. The fee minimums will be maintained but reduced by the 20% proportional reduction in Member fees. Thus, the \$3,500 minimum fee will be reduced to \$2,800 (affecting five firms) and the \$1,000 minimum will be reduced to \$800 (affecting approximately 40 firms).

2. Detailed Discussion of the Recommendations and Issues

2.1 Relevant History

The IPC was formed as part of the establishment of self-regulation in the mutual fund industry. The members of the Canadian Securities Administrators that recognized the MFDA included in their recognition orders a requirement for the MFDA to establish a customer compensation fund. The IPC was recognized as an independent entity in May of 2005 and began providing coverage to customers of MFDA Member firms in July of 2005.

Between July 2005 and now, the IPC has been accumulating a cash fund in order to be in a position to fulfill its mandate of customer protection. The initial target for the fund was set at \$30 million. Assessments have been levied against the MFDA membership at a rate of \$5 million per year and this money, along with seed money from a disciplinary fine and an Ontario Securities Commission settlement, has accumulated to roughly \$26.5 million as of IPC's most recent fiscal quarter ended March 31, 2010. Subject to any payouts and at the current rate of accumulation, it is estimated the fund will reach its initial target size near the end of calendar 2010.

Appendix B provides an outline of the distribution of fees among Members for the most recent 2009-10 fiscal year. **With a total membership of 140 firms as of May 4, 2010, we note that the top 29 firms provide 93% of the required annual assessment, with the top 62 firms providing 98% of the required assessment.**

The IPC maintains a fund of highly liquid assets that can be drawn upon to compensate customers as necessary. The IPC Board of Directors determines the appropriate level of assets for the IPC. Under the terms of its recognition order, the IPC Board of Directors has an obligation to review the size of the fund each year.

The IPC Board of Directors established a framework for the review of the fund size in 2006. The process includes a review of:

- changes in size of industry assets under administration ("AUA");
- risks in the industry;
- change in composition of industry AUA;
- insolvencies among MFDA Members;
- the size of the IPC fund in relation to other comparable funds; and

- the size of potential insolvencies compared to the ability of the IPC to address them.

The IPC has updated this analysis each year and has communicated with the MFDA Board of Directors periodically on its results.

2.2 Stage 1

2.2.1 Recommendation 1

The IPCIC proposes to recommend to the MFDA Board of Directors that the IPC fund increase to \$50 million.

The IPCIC agrees with the IPC that this course of action is prudent and that the IPC's reasons support its position. The IPCIC considered the alternatives to building a fund, including funding payouts after the fact, and agreed with the IPC's preference for building the cash reserves rather than risk being in the position of having to levy emergency assessments on MFDA Members during periods of financial difficulty.

Reasons for Recommendation 1 of Stage 1

There are a number of reasons for increasing the size of the fund beyond the initial target:

1. Increased risk in the industry;
2. Early evaluations of the fund, assumed lower coverage levels would be in place;
3. Comparison to other funds reveals a fund that should be larger than the current size;
4. Size of membership and its AUA compared to the size of the fund;
5. History of failure of MFDA Members since the IPC's inception; and
6. General credibility in the marketplace and consideration of alternative means of funding.

An explanation of each of these reasons follows.

1. Increased Risk in the Industry

Market Conditions

The mutual fund industry has, through the past two years, endured significantly adverse conditions in the financial markets. Values on stock markets have fallen, asset-backed commercial paper assets have been frozen, credit markets have tightened and public confidence in all types of investment vehicles has dramatically decreased. While some of these trends have reversed to a degree, many MFDA Members continue to experience significant profitability issues. Fees based on the value of AUA have fallen, transaction fees are significantly down and fee structures are under pressure generally. The number of Members has dropped due to consolidation of the industry during the last two years and the frequency of firms triggering early warning criteria, including capital deficiencies, has grown.

AUA numbers reported by MFDA Members on the Financial Questionnaire and Report ("FQR")

and for fee purposes (mutual funds only) have fallen year over year. Totals as at March 31, 2009 were approximately \$230 billion, down from \$297 billion at March 31, 2008. By March of 2010, reported AUA had recovered to \$284 billion. Lower AUA levels decrease the base of assets the IPC must cover; however, the risks in the industry point to the increased likelihood that coverage will be called upon.

AUA not Reported on the Financial Questionnaire and Report (“FQR”)

There is an amount of AUA that is not routinely reported by Members and not included in the AUA numbers above. FQR reporting requires mutual fund AUA to be submitted, but the number does not include products other than public mutual funds which might be sold by the dealer. The determination of the original IPC fund size was based on the amount of AUA reported on the FQR, so the initial target fund size did not reflect the higher dollar value of AUA including these other products.

Because the IPC covers other products as well as mutual funds, it must ensure that the fund size reflects the nature and quantity of all of the products it covers. Therefore, the IPC has been collecting information about these other products in the recently instituted annual Member surveys.

2. Coverage Levels

When the initial determination of coverage to be offered by the IPC was set, the maximum amount of coverage per general and separate accounts was \$100,000. The first IPC application of November 2002 stated that “an initial fund size of \$5 million is appropriate to permit IPC commence (sic) operation and to provide coverage of up to \$100,000 per eligible claim...it is proposed that IPC establish a target fund size of \$30 million to be attained within five years of the coverage commencement date”. Between the initial and final applications for approval, the maximum coverage amount was increased ten-fold to \$1 million with no changes to the plan for accumulating assets into the fund. The apparent assumption was that there were very few mutual fund accounts that were in excess of \$100,000. The Member survey in 2008 contradicted this theory; a summary of those results is shown below. The cost of covering these accounts should be reflected in the size of the fund.

	Number of Accounts Holding Over \$100,000 and less than or = \$1 million	Dollar Value of Accounts Holding Over \$100,000 and less than or = \$1 million (billions)
Total	556,843	\$112.3

3. Comparison to Other Funds

Cash Resources

In its early work, the IPC compared four separate customer compensation funds: the Canadian Deposit Insurance Corporation (“CDIC”), the Deposit Insurance Corporation of Ontario

("DICO"), the Canadian Investor Protection Fund ("CIPF"), and the Securities Investor Protection Corporation ("SIPC"). It was decided that a comparison of the IPC and CIPF was more appropriate than a comparison between the IPC and any of the other compensation funds. **CIPF's coverage ratio (i.e. the value of fund assets as a percentage of the value of covered assets) was the lowest among the funds used as comparators** and the CIPF is the most similar type of fund to the IPC. CIPF is, therefore, used as the basis for projecting an implied funding level for the IPC.

The numbers from a comparison to CIPF would suggest an IPC fund size of \$73 to \$104 million. However, it is reasonable to note that the risks relevant to dealers in the mutual fund industry are not the same as those in the securities industry which is the subject of CIPF coverage. Significant risk mitigating factors in the mutual fund industry are the use of client name accounts and the segregation of cash. However, it cannot be assumed that client name assets or segregated funds are always low risk because:

- Controls over trust account and client name assets are not always ideal – client name assets are not always properly registered in client name and inaccessible to the dealer;
- Cheques written to or received from mutual fund companies may be diverted; and
- Large values of assets are held at Level 2 and Level 3 dealers and these dealers do not come under the same regulatory scrutiny as do Level 4 dealers.

Nevertheless, it is reasonable to reduce the target for IPC somewhat from CIPF levels.

Credit Line

At present, the IPC has a \$30 million credit line. CIPF's ratio for its credit facilities compared to cash and insurance resources is 22.4%. This ratio would imply a \$19.7 million credit facility for the IPC, based on the average implied fund size above. However, CIPF has had more time to build its reserves and its cash resources are much larger relative to its assets covered than IPC's. It is, therefore, reasonable for the IPC to have a larger ratio for its financing and maintain its current \$30 million credit line.

4. Insolvency Scenarios – Comparing the Size of Member AUA to the Size of the Fund

In order to model insolvency scenarios to determine if the fund size is adequate, the IPC must estimate the maximum loss from a Member insolvency that it could absorb at varying fund levels. The IPC would be able to pay a maximum amount based on: (i) drawing down the cash in the fund; (ii) borrowing against its credit facility; and (iii) the ability to levy additional assessments against the MFDA membership.

For purposes of this analysis, the capacity of the IPC to pay losses in an insolvency scenario will vary according to the assumptions about (iii) above – the IPC's ability to levy additional assessments against the membership. After achieving the \$30 million initial target fund size, the IPC would have access to that amount of cash and up to \$30 million in borrowings from its credit line. However, draining the cash in the fund and maximizing its borrowing power would put the IPC in a position where it would have to levy an assessment on the membership of

approximately 3 times the current amount of \$5 million per year. \$10 million per year would be necessary to repay the \$30 million in borrowings on the required three-year schedule, and \$5 million per year in additional assessments would be needed to rebuild the fund.

A more realistic scenario might be that the IPC would leave \$10 million in the fund, drawing down \$30 million from the credit facility and using \$20 million in cash. This would provide funding of \$50 million for an insolvency and also permit assessments to be levied at 2 times the current level – first, to repay the line of credit at the required rate of \$10 million per year and then to rebuild the fund at that rate.

There are many combinations of borrowing, use of cash and subsequent assessment levels that could be assumed. For purposes of the analysis, a maximum single payout of \$50 million will be assumed, where the cash in the fund is \$30 million. A payout of \$70 million will be assumed where the cash in the fund is \$50 million.

It is also necessary to model the losses as a percentage of AUA. In an insolvency scenario, it is reasonable to assume that only a portion of the AUA will be lost. It is impossible to predict what that percentage would be, but there are a number of precedents that could be applied. In the case of ASL Direct Inc., the estimated shortfall is 8%. In the case of Portus Alternative Asset Management Inc., the ultimate shortfall is estimated to be 15%. In some instances of insolvencies of Members in Quebec, the losses have been a much larger percentage of total AUA. CIPF’s recent payouts have ranged from approximately 1.5-3% of client net equity, although the largest payout has a contingency of about 300% of the payout to date. The IPC has used 15% of AUA as its estimate of losses in the following scenarios.

The following table, drawn from the data at Appendix B, presents a summary of the number of firms within each dealer level that would individually lead to a fund shortfall under this scenario:

Number of Insolvent Firms that Would Individually Result in Fund Depletion if 15% of AUA is Unrecoverable

Members		FUND PAYOUT LEVEL	
Level	Total number of firms in level	\$50 million	\$70 million
Level 2	45	2	2
Level 3	55	14	6
Level 4	40	31	29
Total	140	47	37

There are several observations that may be drawn from these insolvency scenarios:

- There is a great deal of uncertainty about the estimates, particularly with respect to the percentage of loss that might be incurred;
- Increasing the fund size decreases the number of individual firms that would deplete the fund; and

- Due to the large size of some MFDA Members, a significant proportion of individual firm insolvencies could result in the depletion of any reasonably sized fund.

5. Member Firm Bankruptcies

As mentioned above, a number of Member firms have become bankrupt or insolvent since the inception of the IPC's operations in 2005. It is clear that there is some risk of Member firm insolvency and potential for payouts. The IPC made its first payment to clients in 2008.

6. General Credibility in the Marketplace and Alternative Means of Funding

The IPC feels that the fund must have a reasonable amount of cash on hand to credibly operate as a compensation plan. As was expressed by the Start-up Committee for IPC, the IPC thinks "a plan size of less than \$50 million could not credibly offer coverage to customer in amounts comparable to CIPF."

There are alternatives to raising the level of assets held by the fund. These include after-the-fact funding of any payouts of the fund in excess of assets on hand. After deliberation, the IPC Board of Directors has concluded that this is not a desirable approach to funding, as it may impose hardship on MFDA Members at times when the industry is experiencing difficulties. Extra assessments are not an expense that can be managed by MFDA Members and the timing of assessment and collection may not be sufficient to meet IPC's immediate needs on an insolvency. The MFDA IPC Working Group concluded that "the IPC should have substantial funding on hand to support dealer operations at the early stages of insolvency and to facilitate transfer of accounts." (WG Report, September 2006).

2.2.2 Recommendation 2

The IPCIC proposes to recommend to the MFDA Board of Directors that the incremental \$20 million fund increase be raised over a period of five years.

The reasons for this recommendation include the fact that the five-year period is consistent with the precedent of the initial target accumulation period, and the reduced size of the incremental amount to be accumulated over this time will result in a reduction of annual assessments for Members. As well, after the second five-year accumulation, the experience of the IPC will have doubled and any further actions to be taken at that time will benefit from that experience.

2.2.3 Recommendation 3

The IPCIC proposes to recommend to the MFDA Board of Directors that the minimum assessments be retained, but be reduced by the same proportion (approximately 20%) that Members' regular assessments for the next five years are expected to be reduced (see Section 1.5.2).

This recommendation is intended to extend to all Members the reduced amount of the assessment due to the lower amount to be accumulated annually.

2.2.4 Request for Comments on Stage 1 Recommendations

Members are invited and encouraged to submit their comments on the proposed recommendations of the IPCIC to the Board of Directors. In addition, as the size of the fund is reviewed annually by the IPC, the Committee is interested in Members' comments as to any additional criteria that are relevant in determining a reasonable or prudent fund size and your views on changes to the minimum fees.

2.3 Stage 2

2.3.1 Issues under Consideration

The IPCIC considered a number of issues related to the IPC fund size question. Most of these issues related to the assessment methodology and how to most fairly allocate the IPC costs across the MFDA membership. The IPCIC felt that the following issues will need to be addressed in the future and more accurate data concerning some matters will need to be developed before recommendations can be made.

These issues include:

1. The Inclusion of Other Assets in the Calculation of Assessments

Presently, the assessment base only reflects mutual funds as reported on the Members' FQR. The survey results from March of 2008 and 2009 indicate that MFDA Member firms sell a significant amount of products other than mutual funds. (See Appendix C for details.) These other products had not, until the survey, been routinely reported to the MFDA. The IPC needs to ensure that its fund size reflects the nature and quantity of these products that are covered by the IPC. The assessment base should include those products as well.

The IPCIC discussed the incorporation of "other assets" in the assessment base and agreed that there should be alignment between the IPC fund coverage and the base for assessments. The IPCIC feels it is necessary to take time to:

- examine the potential impact, particularly for the Members whose fees might rise if these changes were implemented;
- consider whether MFDA fees warrant the same consideration; and
- develop transition plans if appropriate.

2. The Nature of the Products Included in Other Assets

Some products included in "other assets" might be less risky than others. In addition, some products may have other protections associated with them such as CDIC coverage. IPC's risks with respect to these products should be analyzed.

3. The Impact of the Flow of Funds through an MFDA Dealer on IPC's Risk

The amount of cash that flows through an MFDA dealer might be indicative of the amount of IPC's risk associated with that dealer. The data to evaluate this concept is not currently available and a practical method of obtaining it would have to be available before it could be studied.

4. Risk-based Assessments

The CIPF has instituted a system of risk-based assessments based on many of the same factors that the MFDA risk evaluation model measures. The Investment Industry Regulatory Organization of Canada ("IIROC") has recently requested comments on its new "integrated fee model," which is in part risk-based. The question has arisen whether the IPC could follow some of these precedents to more clearly identify the individual risk each dealer brings to the fund. This is a potentially expensive exercise, which requires a significant amount of history to be studied, but should be considered if it is deemed to be feasible.

2.3.2 Request for Comments on Stage 2 Considerations

The IPCIC is interested in Members' comments as to the suggested criteria and any additional criteria it should be looking to in order to determine a reasonable assessment methodology.

2.4 Stage 3

2.4.1 Longer-Term Alternatives Considered

In the longer term, as the fund matures and as the MFDA develops a base of more accurate, reliable data related to risk measures of the Members, the IPCIC is of the view that other risk measures could be incorporated into the overall assessment formula for both the IPC and the MFDA. Some suggestions of risk measures include quantifying the relative risks of client name assets. Another alternative considered is the possible use of insurance to augment the fund.

2.4.2 Request for Comments on Stage 3 Considerations

The IPCIC is interested in comments on the optimum way to evaluate Member risk and adapt the current IPC and/or MFDA assessment methodology to that risk determination. In addition, it would be useful to include suggestions of how to reduce risk at individual Members.

3. Communication and Consultation with MFDA Members

The IPCIC invites Members to comment on the recommendations and issues outlined in this Bulletin.

Written Comments

Members are invited to forward their comments on this proposal to the attention of Jason Bennett, Corporate Secretary of the MFDA, at 121 King St. West, Suite 1000, Toronto, Ontario,

M5H 3T9 or corporatesecretary@mfd.ca. **All comment letters must be received by September 1, 2010.**

In-Person Meetings

Members are invited to attend a meeting on July 15, 2010 at 11:00 a.m. to discuss the issues and considerations outlined above. The meeting will take place at the St. Andrew's Club and Conference Centre, 150 King Street West, 27th Floor, Toronto, Ontario. Members may attend the meeting either in-person or by telephone.

A Joint Meeting of the Investment Funds Institute of Canada, Federation of Mutual Fund Dealers and MFDA is scheduled for July 28, 2010 at 9:00 a.m. at the offices of IFIC, 11 King Street West, 4th Floor, Boardroom B, Toronto, Ontario. Teleconference facilities will also be made available for this meeting.

IPCIC Members

Lea Hansen, Public Director (Chair)
Sonny Goldstein, Industry Director
Sandy Grant, Public Director
Ed Legzdins, Industry Director
Kevin Regan, Industry Director
Dawn Russell, Q.C., Public Director
Robert Sellars, Industry Director

Present By Invitation

Joni Alexander, President, MFDA IPC
Larry Wright, Chair, MFDA IPC
David Richards, Public Director, MFDA IPC
Larry Waite, President & CEO, MFDA

IPC Fees Paid

Firms Ranked by Size of Fees	Amount of the Fees per Firm	Amount of the Fees	Cumulative Amount of the Fees	Percentage of Fee	2-Year Average AUA (billions)	Percentage of Assets
1-5	greater than \$200K	\$2,700,000	\$2,700,000	54%	\$143	54%
6-13	greater than \$100K but less than \$200K	\$1,100,000	\$3,800,000	22%	\$60	23%
14-29	greater than \$20K but less than \$100K	\$800,000	\$4,600,000	17%	\$42	16%
30-62	greater than \$3.5 K but less than \$20K	\$300,000	\$4,900,000	5%	\$13	5%
63-140	greater than or equal to \$1K but less than \$3.5K	\$100,000	\$5,000,000	2%	\$5	2%

**Breakdown of 2009 Survey Results
Products sold by MFDA Dealers**

Type of Investment			All as at March 31, 2009			
			AUA Excluding Quebec		Total AUA (Excluding Quebec)	
			Value of Assets Held Client Name	Value of Assets Held Nominee Name	Total AUA	% of Total AUA
Prospectus Qualified Investments	A1	Mutual Funds (including Money Market)	\$198,518,933,313	\$39,691,200,033	\$238,210,133,346	93.46%
	A2	Labour Sponsored (LSIF, LSVCC, RVC, etc.)	\$896,554,793	\$286,577,440	\$1,183,132,233	0.46%
	A3	Commodity Pools (NI 81-104)	\$2,138,904	\$30,688,662	\$32,827,566	0.01%
Non-Prospectus Qualified Investments	A4	Hedge Funds	\$213,106,021	\$69,299,696	\$282,405,717	0.11%
	A5	Pooled Funds	\$259,943,983	\$49,143,058	\$309,087,042	0.12%
	A6	Limited Partnerships	\$78,426,166	\$7,222,129	\$85,648,296	0.03%
	A7	Flow Through Shares	\$22,181,231	\$0	\$22,181,231	0.01%
Cash / Deposit Instruments	A8	Deposit Accounts (incl. Fund Company & Intermediary savings accounts)	\$1,192,934,548	\$1,135,953,114	\$2,328,887,663	0.91%
	A9	GICs	\$6,836,557,146	\$2,037,185,940	\$8,873,743,086	3.48%
	A10	PPNs (Structured & Linked Notes)	\$669,090,966	\$120,687,593	\$789,778,559	0.31%
Insurance Products	A11	Segregated Funds & Equivalents	\$2,342,739,789	\$198,265,580	\$2,541,005,369	1.00%
	A12	Other Insurance Products	\$0	\$0	\$0	0.00%
Govt Bonds	A13	Government Bonds (T-Bills, Strip Bonds)	\$4,085,755	\$29,431,298	\$33,517,053	0.01%
Other	A14	<i>Description of Product (Issuer & Type of Security)</i>	\$54,110,884	\$124,533,551	\$178,644,435	0.07%
Total			\$211,090,803,500	\$43,780,188,095	\$254,870,991,595	100.00%

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