

2005 IFIC Annual Report

Taking the Lead...

- Issues
- Trends
- Perspectives



THE INVESTMENT FUNDS INSTITUTE OF CANADA



IFIC

Welcome to IFIC's 2005 Annual Report

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Tom Hockin – Perspectives from the President



Impending retirement puts most people in a reflective mood.

As we await the naming of my successor, I am fortunate to be able to look back at all we've been through and all we've accomplished together as a national trade organization. With your guidance, IFIC has taken the lead on many issues – to regulators, investors and the media.

In 1994 – the year I arrived here – IFIC Members reported \$127.3 billion in net assets, industry practices were under scrutiny, and talk, at a national level, of a harmonized regulatory structure was just beginning.

Now as I get set to retire, Member net assets have grown to more than half a *trillion* dollars, the *IFIC Sales Practices Code* has long been a national rule – and talk continues on a harmonized regulatory structure (you can't win everything).

During the last 11 years, we've weathered a three-year bear market, market timing and competition for investors' savings from real estate and a host of look-alike products and so-called sophisticated investments. We have had increased regulation, heightened investor scrutiny and faced down the ever-shifting whims of the marketplace.

But IFIC and its Members continue to rise to the challenge, taking the lead in a number of areas:

- IFIC's research and advocacy successfully led to federal reforms, such as increases in RSP contributions and the removal of RSP foreign content limits;
- On the provincial side, our work resulted in significant change to the way funds are structured, operated and sold;
- Our staff and committees worked to deal directly with issues raised in the two *Stromberg Reports*;

- Together, IFIC and the Investment Dealers Association of Canada (IDA) created the Mutual Fund Dealers Association of Canada (MFDA), ushering in a whole new era of investor protection at the dealer level;
- IFIC helped transform the mutual fund industry by developing best practices in areas ranging from disaster recovery to the valuation of mutual fund portfolio securities;
- Even before the Ontario Securities Commission (OSC) released the results of its probe into market timing, IFIC had produced a comprehensive toolbox of measures to help IFIC Members detect and deter abusive short-term trading – all of which have since become part of the OSC's recommendations in its latest report.

These are all complex issues. They all required the input and support of people in our industry. That's where our Member committees and working groups have stepped in, by consistently taking a co-operative and proactive approach to resolving industry issues. My thanks go to you and to all IFIC staff for your decade-plus of support. I know you will provide the same kind of encouragement and assistance to my successor.

I look forward to an ongoing friendship with all of you.

Sincerely,

Hon. Thomas A. Hockin
President & Chief Executive Officer



Brenda Vince – Perspectives from the Chair



The past year has been an eventful one, and one which highlighted for us all the continuing importance of maintaining our focus on initiatives and business practices that maintain the confidence of our investors and ensure the health and the continuous success of the industry.

On the regulatory front, many longer-term regulatory initiatives are now a reality. IFIC has monitored all industry-related proposals from the outset, including *Investment Fund Continuous Disclosure (NI 81-106)*, as well as revised regulations, such as the *Independent Review Committee for Investment Funds (NI 81-107)* and the *CSA Registration Reform Project*. In all these cases, IFIC staff set up working groups to solicit Member comments, submitted those comments and advocated on our members' behalf. When these initiatives are finalized, you can be assured that the perspectives of regulators, investors and industry participants have all been heard in the process.

Moving Ahead

Proposals on developing issues such as market timing and soft dollars are moving ahead on the national and international levels. To ensure markets remain free-flowing and effective, regulators and industry participants have to recognize that for some issues *international* standards and practices could be valuable. Britain's rules on soft dollars, for example, are expected to act as a yardstick for regulators in Canada, the U.S., Europe and Australia. IFIC staff are in close contact with other regulators to ensure the industry in Canada is up to date on international events.

In addition to harmonizing standards internationally, Canadians should be proud of the ongoing discussions over

the need for a harmonized regulatory structure within the country. The Quebec Investment Fund Council (QIFC) is also now working with the recently merged *Autorité des marchés financiers* to ensure mutual fund products are treated on a level playing field with other similar investment products.

I would like to extend gratitude on behalf of the entire board of directors to Michel Fragasso who was IFIC chair from September 2004 until he stepped aside in August 2005. Michel worked tirelessly at IFIC on a number of committees on the national front and helped build the mutual fund industry in Quebec.

Moving On

I would indeed be remiss if I did not express, on behalf of the board and all its Members, our sincere appreciation to Tom Hockin, who will be retiring shortly as IFIC's President & CEO. Tom's accomplishments during his 11 years at IFIC are well known. His leadership role in encouraging the federal government to increase RSP contribution limits and eliminate the foreign property rule for RSPs are certainly among the highlights. Tom was instrumental in the formation of the QIFC and his reputation internationally helped secure the establishment of the Support Office of the International Investment Funds Association in Montreal. Our warmest wishes go out to you for the years ahead.

Sincerely,

Brenda Vince
Acting Chair of the Board of Directors



Pierre Hamel – The Quebec Investment Funds Council (QIFC)



*Pierre Hamel,
Chair, The Quebec
Investment Funds
Council*

The strength of an industry association is its member representatives. At the Quebec Investment Funds Council (QIFC), over 60 committed professionals from IFIC Members in Quebec demonstrate this spirit of participation crucial to the success of our industry, meeting regularly with our five committees and Board of Governors to discuss controversial topics, take a stand and lead the way in bringing issues before our Members and regulators.

During the past year, QIFC has shown key support to IFIC as an industry association by adding its voice on national issues, including the implementation of the National Registration Database and recent regulations regarding *Investment Fund Continuous Disclosure (NI 81-106)* and the requirement for *Independent Review Committees (NI 81-107)*.

QIFC Takes Role in Quebec Coalition

Here in Quebec, the QIFC took on an integral role through participation in a coalition of influential financial service associations to comment upon the delegation of powers the Autorité des marchés financiers was asked to give to self-regulatory organizations (SROs) such as the *Chambre de la sécurité financière*. We expressed concern with the amount of control being given to others over our mature and effective industry.

Ahead, lay some challenges. We expect the role of the relationship between the advisor and the investor to change with the CSA Registration Reform Project. As well, we believe NI 81-106 will be unpopular among those investors who have no

desire to consume great amounts of financial data. As a result, we expect to see a change in the makeup of the prospectus as we now know it.

We already face more stringent rules on mutual funds than most other products do. This comes at a time when the market is creating a whole series of comparable products that have far fewer regulatory constraints. We continue to push in our submissions to regulators that they consider all similar products on the same grounds. We applaud recent actions by some regulators in other financial services to move toward greater harmonization, thereby creating a sense of fairness among the various sectors.

QIFC Maintains Highest Standards

I am proud to say that the mutual fund industry in Quebec has also made great strides in maintaining its commitment to regulatory compliance. As an industry, our target always has been, and always will be, to sustain a level of excellence by applying the highest standards of transparency, internal controls and compliance.

Finally, I would like to thank the team that contributes each day to the success of the QIFC, especially our committees and Board of Governors. Without them, there would be no QIFC. I would also like to mention the daily support we receive from our dedicated permanent resource, Mme Sylvie Lachapelle. IFIC staff continually supports our operations and activities through which we can be heard all across Canada. To all those people, thank you.



Taking the Lead in Regulation



*John W. Murray,
Vice President,
Regulation &
Corporate Affairs*

IFIC takes the lead in advocacy on behalf of the industry. Member representatives on IFIC's Manager Issues Committee, Dealer Issues Committee, Taxation Working Group and Operations Working Group, supported by staff of the Regulation Department and myriad sub-committees and ad hoc working groups, took the lead on a variety of serious industry issues during 2004 – 2005. Here is a sampling:

Trading Practices

In August 2004, IFIC led the industry in responding to the OSC's ongoing investigation into market timing activity with the release of a comprehensive *Report on Market Timing and Short-Term Trading*. Members of this important IFIC working group were further complimented on March 17, 2005, when the OSC released its own report on its year-long investigation which endorsed, as suggested best practices, many of the measures proposed in the IFIC report! IFIC continues to work with the regulators to ensure that any ensuing regulations will be appropriate for our Members and will reflect the recommendations contained in the IFIC report.

In addition to our work on market-timing issues at home, IFIC also submitted a comment letter in response to a concept paper on anti-market-timing procedures issued by IOSCO, the international umbrella organization for securities regulators. Many of IOSCO's proposals mirrored those in IFIC's report, particularly the key recommendation that fund managers should be given the discretion to select the anti-market-timing measures that best meet the needs of an individual fund or fund family.

Another IFIC working group, this one focusing on portfolio trading practices, has been developing recommendations on the

appropriate use of soft dollar arrangements by mutual fund managers in Canada. In dealing with this complex issue, the working group has looked at recommendations and proposals published elsewhere, notably Great Britain and the United States, as well as Concept Paper 23-402, issued for public comment by the Canadian Securities Administrators (CSA) in the spring of 2005. IFIC submitted a detailed comment letter on Concept Paper 23-402, setting out the industry's response to the variety of thought-provoking questions about soft dollars and other elements of "best execution" raised by the CSA. Among other points made, IFIC used this opportunity to promote the need for uniform definitions of soft dollar concepts as well as the need to ensure that any future Canadian position is consistent with those adopted in other major capital markets to avoid the balkanization of Canadian money managers who transact through foreign dealers.

Portfolio Pricing

After several years of co-operative effort, IFIC released its *Portfolio Pricing Guidelines* in early 2005. These valuable guidelines will serve as a detailed "how-to" guide for fund managers in creating their own internal pricing processes.

Taxation

IFIC was pleased to report the elimination of the 30% foreign content restriction for registered plans, an issue on which it has made submissions for years. This year's budget again increased the contribution limits for RRSPs. Through our Taxation Working Group, IFIC was successful in convincing Canada Revenue Agency to allow consolidated reporting of return of capital distributions on customized, approved T3 slips. More recently, Bill C-55 proposes to extend creditor protection on bankruptcy to all RRSPs and RRIFs.

continued



Taking the Lead in Regulation – *continued*

Investment Fund Continuous Disclosure (NI 81-106)

June 1, 2005 saw the coming into force of the long-awaited, nationally harmonized set of continuous disclosure (CD) requirements for investment funds. The culmination of a three-year process, the new *National Instrument* replaces most existing local CD requirements and sets out the required contents of financial statements and management reports of fund performance as well as delivery obligations, proxy voting disclosure, annual information forms for investment funds that do not have a current prospectus, material change reporting, information circulars, proxies and proxy solicitation, and certain other CD-related matters.

IFIC ensured the industry's voice was heard through submissions to the CSA and also provided a forum for Members to discuss the new requirements. High-priority issues to be raised with the CSA were identified through two well-attended conference calls and Members aided staff in developing a list of implementation questions. A detailed *Table of Questions and Comments* was submitted to the OSC on May 31, 2005 and awaits formal CSA response.

Independent Review Committee for Investment Funds (NI 81-107)

The proposed fund governance rule was republished for comment on May 27, 2005. NI 81-107 contemplates imposing a consistent minimum governance standard for publicly offered investment funds. Every investment fund that is a reporting issuer will be required to have an Independent Review Committee (IRC) to oversee all conflict-of-interest matters faced by the fund manager in the operation of the investment

fund – not just those currently subject to prohibitions or restrictions in securities legislation. Under this regime, a fund manager who wants to engage in certain transactions that are currently prohibited or restricted by securities laws, will be able to do so if IRC prior approval is obtained. Other proposed courses of action that involve, or that a reasonable person would consider involve conflicts of interest must be reviewed by the IRC for a recommendation, which the manager must consider before proceeding.

IRC approval is also substituted for investor approval in a change in auditor, a reorganization or a transfer of assets to a mutual fund managed by the same (or affiliated) fund manager. Investor votes will still be required in other “fundamental” changes.

Another important development was the expansion of the application of the proposed rule from just conventional mutual funds to all publicly offered investment funds, a move made in response to comments from IFIC and other industry participants.

Investor Protection Corporation

In May 2005, five provincial securities commissions approved the MFDA Investor Protection Corporation (IPC) to protect customers of MFDA-Member dealers. IFIC's March 24, 2005 submission to the MFDA detailed industry concerns regarding the assets covered under the plan, advertising related to IPC coverage and the mandate of the committee proposed to review various aspects of its operations. This group is required to submit a report and recommendations to the IPC board and the OSC within a year of the establishment of the IPC.

continued



Taking the Lead in Regulation – *continued*

CSA Registration Reform Project

IFIC began monitoring the OSC's Fair Dealing Model (FDM) proposals in October 2002. Detailed comment letters were submitted in December 2002 and February 2003.

Following the release by the OSC of *The Fair Dealing Model Concept Paper* in January 2004, a wide-ranging document proposing major changes to the way investors and their advisors deal with each other, IFIC's FDM Working Group forwarded a 36-page submission. IFIC Members and staff also participated extensively on OSC-sponsored working groups looking at various aspects of the FDM. Separate comments were also forwarded in response to the Alberta Securities Commission's questions to stakeholders about the FDM.

In the fall of 2004, the OSC's FDM initiative was recast as part of the CSA's ongoing Registration Reform Project (RRP) and moved to the broader jurisdiction of the CSA.

The RRP consists of four phases:

- The National Registration System (implemented in April 2005);
- SRO Rules to implement the core principles of the FDM – particularly enhanced transparency of the advisor/client relationship and investor costs;
- Changes to the National Registration Database, and
- A comprehensive registration rule to harmonize requirements across all CSA jurisdictions.

The CSA created a steering committee, made up of representatives from the MFDA, the IDA, the CSA and securities dealers to oversee development. It was only after some major prodding

by IFIC that the CSA agreed to include a mutual fund dealer representative on this steering committee.

The CSA also formed three working groups to make recommendations to an SRO Drafting Group that would assess current SRO requirements and make necessary changes. Again, IFIC submitted extensive comments on both the development process and substantive issues raised in the working groups' reports.

Going forward, IFIC expects to take on an even larger role in response to the CSA's recent invitation to help create a special "Investment Funds Reporting Working Group" to include both industry and IFIC representatives. Created by the CSA in direct response to IFIC comments, this new working group will help identify and resolve gaps in information flow that impede dealer compliance with the transparency recommendations flowing from the FDM.

Interested Members can keep track of new RRP developments through a CSA-sponsored web site (www.rrp-info.ca). At the time of writing, it was proposed that some changes to MFDA and IDA bylaws could be implemented as early as December 2005. A national registration rule is expected to be published for comment by December 2006.



Taking the Lead in Public Relations



*Susan Yellin,
Director,
Communications*

With IFIC's mandate to enhance the integrity of the mutual fund industry and maintain investor confidence, the 2004-2005 Public Relations Committee took the lead in increasing IFIC's visibility to three main stakeholders: Members, the media and the investing public. It also decided to take advantage of IFIC's solid name and reputation to reach out to advisors.

Keeping everyone up to date on regulatory, government and investor issues is key to these goals. Together with IFIC staff, the Committee pursued a number of strategies.

Working with Members, Staff and Media

The opportunity to put these ideas into practice came in February when the federal government brought down its budget. In it was the promise of the industry's long sought-after end to the foreign property limit in RRSPs and other tax-deferred retirement plans. But political uncertainty over the future of the minority government put Members in a difficult operational position.

Keeping Member and investor confidence in mind, IFIC staff met immediately with its committees and working groups to discuss next steps. While Members searched for clearer regulatory direction, IFIC staff frequently explained the issues to the media, and along with news releases, encouraged a thoughtful and cautious approach for all investors.

The budget was also the catalyst for the first *President's Letter*. Now a frequent communication, the *President's Letter* provides Member Senior Officers with information on breaking issues such as the budget and the status of proposed rules that affect the industry.

Maintaining Information Flow and Visibility

Other ways that IFIC increased its visibility and kept its Members, investors and the media informed, included:

- Writing IFIC articles and providing story ideas to news publications, aimed at keeping specific groups aware of issues and IFIC's role in them;
- Providing quick responses to the media in terms of news releases and appropriate spokespeople;
- Undertaking a survey of advisors to determine what IFIC can do for them;
- Creating a Communications Toolbox for Advisors. The toolbox, available on www.ific.ca, consists of a dozen template letters advisors can send to their clients on many general items of the day;
- Updating and revamping the Investor section of www.ific.ca to make it more reader friendly and offer better navigation;
- Providing an enhanced role at the Council for Investor Education, including taking a leading part in an event during Investor Education Month in October 2005.

The Public Relations Committee is constantly suggesting ways to raise IFIC's profile and image, maintaining an industry that is strong, vibrant and in tune with the needs of its stakeholders.



Taking the Lead in Member Services



*Donna B. Klein,
Director, Member
Services*

IFIC takes the lead in offering exceptional forums. From the highly technical to broad national issues affecting all segments of the industry, IFIC events provide Members with timely professional development and networking opportunities.

As always, IFIC's 18th Annual Conference held September 28-30, 2004, was the highlight of this year's offerings. Recognized as the leading Canadian industry showcase, this year's version saw more than 670 professionals come together in Toronto for a plethora of educational sessions focusing

on the core issues confronting the investment fund industry. Delegates also took advantage of non-stop networking opportunities and made good use of their time by visiting the 45 exhibitors who came to showcase their latest products and services.

2005 also saw the 2nd Annual Conference of the QIFC held in Montreal in April. With over 300 registrants, the program featured an impressive opening presentation by Henri-Paul Rousseau, President and General Manager of the Caisse de dépôt et placement du Québec speaking on market efficiency and performance. The agenda included new products, a debate on a single national securities commission and mutual fund fees. The much-anticipated Leger Marketing survey on investors' expectations and an electrifying presentation on change by Stéphan Bureau topped the bill.

The 4th Annual Compliance Forum, held in May and co-hosted by IFIC and the Association of Canadian Compliance Professionals, drew a crowd of over 250 delegates. The information-packed program, specifically designed for seasoned and newly appointed compliance officers of retail distributor firms, focused on best practices, class action litigation and preparing

for a regulatory audit. On the same day in Vancouver, IFIC President & CEO Tom Hockin updated Members on recent regulatory initiatives, market pressures and introduced ways industry participants can maintain investor confidence.

In July, a sold-out crowd of 288 golfers participated in IFIC's 14th Annual Golf Classic. Held at Lionhead Golf & Country Club, this much-anticipated, Member-only event, had an added benefit – all sponsorship money raised was donated to The United Way.

But events are not the only Member service offerings. Member users frequently comment that IFIC's Job Board is their best source for attracting quality prospects. Indeed, since its inception back in April 1998, IFIC's Job Board has been one of the most popular pages visited on our web site.

Now in its 14th year, the Mutual Fund Industry Compensation Survey is once again being conducted by the Hay Group Limited. Salary, annual bonus, and long-term incentive information are gathered on 99 industry-benchmarked positions, ranging from entry-level positions to CEO. The "confidential to participating firms only" survey also presents data by level of work and analyzes the various pay practices and incentive programs administered by the participants.

IFIC's Member Services Department, headed by Donna B. Klein, aims to enrich and expand the repertoire of Member services, professional development and networking opportunities and Members are urged to submit their suggestions to dklein@ific.ca.



Taking the Lead in Education



*Keith Costello,
Vice President,
Information,
Education,
Member Services*

IFIC and its subsidiary, the Canadian Institute of Financial Planning (CIFP), take the lead in industry education through developing and maintaining high standards for mutual fund salespersons, life agents and financial planning professionals. Our courses provide industry participants with up-to-the-minute knowledge crucial to meeting the needs of investors and conducting themselves with the highest level of integrity.

New! Chartered Alternative Investment Planner Program (CHAIP™):

IFIC and Canadian Hedgewatch Inc. are pleased to announce the launch of a new certification program for the hedge funds industry – The Chartered Alternative Investment Planner Program (CHAIP™).

In response to the rapidly growing hedge funds market, this program provides the necessary knowledge and standards required by advisors/planners, managers and analysts through a comprehensive certification process which includes:

- An independent certification board comprising academic and practice experts who will certify the CHAIP™ curriculum and examination, set practice standards, and determine continuing education requirements;
- A comprehensive self-study course providing a body of knowledge through theory and applied practice on the parameters, application and risks of hedge funds as an alternative in an investment portfolio;
- The prestigious CHAIP™ mark can be earned by completing the course and passing the 4-hour proctored certification exam ensuring the highest level of recognition for certification mark holders; and

- Annual continuing education requirements to ensure the ongoing value and integrity of the CHAIP™ mark.

Developed by industry experts such as Miklos Nagy, author of *“Hedge Funds for Canadians: New Investment Strategies for Winning in any Market,”* McMillan Binch LLP, and the leading educational experts at IFIC and Canadian Hedgewatch Inc., this program will provide the solution for organizations and their staff looking to provide expert advice to clients in this emerging area. The CHAIP™ program will be available in paper format. An online course option will be available next year. You can enrol at www.ifse.ca.

The Certified Financial Planner™ Web-based Program (CIFP on the Web™):

CIFP 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. Successful graduates satisfy the educational requirement necessary for sitting the Certified Financial Planner™ Examination administered by the Financial Planners Standards Council.

Canadian Investment Funds Course (CIFIC on the Web™):

CIFIC 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 analyse case studies and put their knowledge into practice. By the end of the course, students will have the foundation to become mutual fund salespeople.

continued



Taking the Lead in Education – *continued*

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 MFDA Rule 1.2.1(c), which requires all newly registered salespersons to complete a 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.

This 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 (LSIF):

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. The course focuses on identification of practical differences between LSIFs and mutual funds. The LSIF course includes specific addenda conforming course

information to individual requirements required 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.

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 sixteen 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 and Current Trends and Issues in Financial Planning which are both worth 10 CE credits. These courses qualify for insurance credits as well.



2004/2005 IFIC Board of Directors



Front row (left to right):

| | |
|------------------|--|
| Greg Reed | Altamira (resigned effective May 2005) |
| Murray Taylor | Investors Group Inc. |
| Terrence Wright | Investors Group Inc. |
| Brenda Vince | ACTING CHAIR, RBC Asset Management Inc. |
| Thomas A. Hockin | PRESIDENT, The Investment Funds Institute of Canada |
| Michel Fragasso | Chair (Sept. 2004 – Aug. 2005), Fonds Évolution Inc. |
| Brian Gooding | Fidelity Investments (Canada) Ltd. |
| Susan Han | AIM Trimark Investments |
| Ben Eggers | Dynamic Mutual Funds Ltd. |

Back row (left to right):

| | |
|--------------------|-----------------------------------|
| A. Guy Belanger | MD Management Ltd. |
| J. Glenn Butt | Fund Trade Financial Corp. |
| John A. Adams | PFSL Investments Canada Ltd. |
| Scott Sinclair | AEGON Dealer Services Canada Inc. |
| Steve Geist | TD Asset Management |
| Michael J. Killeen | CI Mutual Funds |
| Robert Frances | VICE CHAIR, Peak Financial Group |
| George Aguiar | GP Capital Corporation |

Not pictured:

| | |
|-------------------|----------------------------|
| Brenda Bartlett | CIBC Asset Management Inc. |
| Karen Fisher | Scotia Securities Inc. |
| Judy Goldring | AGF Management Ltd. |
| Pierre Hamel | Optimum Asset Management |
| Edgar N. Legzdins | BMO Investments Inc. |
| Michael Mezei | ATB Securities Inc. |
| Brian Walsh | Phillips, Hager & North |



2004/2005 QIFC Board of Governors



Front row (left to right):

Marc Dubuc
Pierre Hamel

Fédération des caisses Desjardins du Québec
Optimum Gestion de placements

Centre (left to right):

| | |
|----------------|-----------------------------|
| Daniel Marceau | Investia Financial Services |
| Gilles Vézina | Groupe Option Retraite |
| Robert Frances | Peak Investment Services |
| Alain Brunet | Standard Life Mutual Funds |
| Tracy Chénier | Gestion financière Talvest |
| Éric Lapierre | Investors Group Inc. |
| Richard Boivin | Dundee Private Investors |

Back (left to right):

| | |
|-------------------|--------------------------|
| Stéphane Langlois | LBC Financial Services |
| Charles Guay | National Bank Securities |
| Michel Fragasso | Fonds Évolution Inc. |



Industry Leaders: IFIC and QIFC Committees

Conference Committee

| | | | |
|----------------------|--|-------------------|---|
| Anthony Koves, Chair | Investment Planning Counsel | Patricia Dunwoody | International Financial Data Services |
| Theo Heldman | AIM Trimark Investments | Melissa Kelman | Jones Heward Investment Counsel Inc. |
| Adam Segal | Borden Ladner Gervais LLP | | Mackenzie Financial Corporation |
| Claire Johnson | CIBC Mellon | Valerie Shaw | Manulife Financial |
| Richard Schuetz | Dynamic Mutual Funds Ltd. | Jackie Bizjak | PricewaterhouseCoopers LLP |
| Stephen Korczak | IBT Trust Company (Canada) | Sarah Hurley | TD Bank |
| Ian Moorhouse | Independent Accountants' Investment Group | Lesley Pascoe | Unisen Inc. |
| Carolyn Horan | Informco Inc. | Nick Petrucci | |

Dealer Issues Committee

| | | | |
|--------------------------------|--|------------------------------|----------------------------|
| David Sharpe, Chair | PFSL Investments Canada Ltd. | Scott Sinclair | MRS Inc. |
| David Chapman | AEGON Fund Management Inc. | John Kennedy | National Bank Mutual Funds |
| Darcy Lake | BMO Investments Inc. | Susan Monk | Peak Investment Services |
| Michael Bean | CGI Group Inc. | Neelam Jolly | Rice Financial |
| Christopher Marrese | Clarica Investco Inc. | Russell Purre | Royal Mutual Funds Inc. |
| Mariane Davis (eff. Mar-05) | Coast Capital Investments | Alan Harbinson | Scotia Securities Inc. |
| Murray Morton | Dundee Wealth Management | Dawn Scott | Torys LLP |
| Pierre-Yves Chatillon | Fasken Martineau & Dumoulin LLP | | |
| Betty Jo Royce (eff. April-05) | FundEX Investments Inc. | <i>Retired Members</i> | |
| Glenn Butt | FundTrade Financial Corp. | Don Keller (ret. Jan-05) | Coast Capital Investments |
| Donald MacDonald | Investors Group Inc. | Chuck Hamilton (ret. Feb-05) | MD Management Limited |
| Ken Lofranco | Manulife Securities International Ltd. | Sandra Kegie (ret. Mar-05) | FundEX Investments Inc. |
| Chris Clemens (eff. Mar-05) | MD Management Limited | | |

continued



Industry Leaders: IFIC and QIFC Committees – *continued*

Manager Issues Committee

| | | | |
|-------------------------------|---------------------------------------|-----------------------------|--------------------------------|
| Mary Joyce Empensando, Chair | ClaringtonFunds Inc. | Anthony L. Cox | Opus 2 Financial Inc. |
| Mark Adams (eff. Nov-04) | AGF Management Limited | John Black | Osler, Hoskin & Harcourt LLP |
| Julianna Ahn (eff. Jan-05) | AIM Trimark Investments | Barry Myers | PricewaterhouseCoopers LLC |
| Rebecca Cowdery | Borden Ladner Gervais LLP | Mary Savona (eff. May-05) | Saxon Funds Management Limited |
| Carol Lynde | Brandes Investment Partners & Co. | Josie Pampena | Standard Life Mutual Funds |
| Debra MacIntyre (eff. May-05) | CIBC Asset Management Inc. | Jennifer Northcote | Stikeman Elliott LLP |
| David Burbach | Fidelity Investments Canada Limited | Jeanne Beverly | TD Asset Management Inc. |
| Brad Beuttenmiller | Franklin Templeton Investments Corp. | | |
| John Kaszel | Guardian Group of Funds | <i>Retired Members</i> | |
| Deborah Rose | International Financial Data Services | Judy Goldring (ret. Nov-04) | AGF Management Ltd. |
| William Chinkiwsky | Legg Mason Canada Inc. | Frances Lee (ret. Dec-04) | AIM Trimark Investments |
| Sian Burgess | Mackenzie Financial | Peter Moulson (ret. May-05) | CIBC Asset Management Inc. |
| Leslie Culjat | Northwest Mutual Funds Inc. | Allan Smith (ret. April-05) | Saxon Funds Management Limited |

Operations Working Group

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| Frances Lee | AIM Trimark Investments | Anthony L. Cox | Opus 2 Financial Inc. |
| Dean Shales | CI Mutual Funds Inc. | David Howarth | PFSL Investments Canada Ltd. |
| Patricia Carswell | Clarica Investco | Ian Hawkins (eff. Mar-05) | RBC Asset Management |
| Al Knight | Edward Jones | Rhonda Dalton | Scotia McLeod Inc. |
| Larry Martin | Fidelity Investments Canada Limited | Josie Pampena | Standard Life Mutual Funds |
| Carol De Veau | FundSERV Inc. | Naomi Feth | TD Bank Financial Group |
| Cheryl Anderson | International Financial Data Services Limited | | |
| Alex Bodnar | Manulife Investments | <i>Retired Members</i> | |
| | | Sharon Acorn (ret. Mar-05) | RBC Asset Management |

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Industry Leaders: IFIC and QIFC Committees – *continued*

Public Relations Committee

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| Caroline Dabu | BMO Nesbitt Burns | Hande Bilhan | PFSL Investments Canada Ltd. |
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| Barbara Axworthy | Investors Group Inc. | Ian Filderman | ScotiaMcLeod Inc. |

Taxation Working Group

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| Judy Lai | AGF Management Limited | Gary Green | Investors Group Inc. |
| Craig J. Webster | Borden Ladner Gervais LLP | John Lee | Manulife Investments |
| Kathleen C. Young | Brandes Investments Partners & Co. | Nigel Johnston | McCarthy Tetrault LLP |
| Catherine Egboye | CGI Group Inc. | Hélène Martin | MD Funds Management Inc. |
| Debbie Pearl-Weinberg | CIBC Securities Inc. | Laura White | PricewaterhouseCoopers |
| Ronald Wilson | Davies Ward Phillips & Vineberg LLP | Thomas Lee | RBC Asset Management Inc. |
| Hugh Chasmar | Deloitte & Touche LLP | Suman Bhardwaj (eff. April-05) | Unisen Inc. |
| Kevin Ng | Dundee Bancorp Inc. | | |
| Paul Vienneau | Ernst & Young LLP | <i>Retired Members</i> | |
| Mitchell Thaw | Fasken Martineau & Dumoulin LLP | Simone Gonsalves (ret. Mar-05) | Unisen Inc. |

Communications Committee

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Industry Leaders: IFIC and QIFC Committees – *continued*

Compliance Forum

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| Frédéric Belleau, Chair | Performa Financial Group | Hélène Rocheville | National Bank of Canada |
| Isabelle Boivin | Desjardins cabinet de services financiers | Marie-Ève Guilbeault | Norboung Financial Group |
| Richard Boivin | Dundee Private Investors | François Vaillancourt | Optifund Investments |
| Éric Primeau | Fédération des caisses Desjardins du Québec | Jean-Marc Prud'homme | Peak Investment Services |
| Yves-Dominique Vachon | Investia Financial Services | François Guérin | PFSL Investments Canada |
| Laura Iadisernia | LBC Financial Services | Élizabeth Manoukian | Quadrus Investment Services |
| Joanne Richer | Manulife Investments | Ann David | RBC Investments |
| | | Léna Thibault | Talvest Fund Management |

Conference Committee

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| Nicolas Milette, Chair | National Bank Securities |
| Marie-Ève Guilbeault | Norboung gestion d'actifs |
| Tracy Chénier | Talvest Fund Management |

Operations Committee

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| Lynda Grenier, Chair | National Bank Trust | Lynne Quesnel | Optimum Placements |
| Marie-Josée Gagnon | Avantages services financiers | Marie-Lyne Boutin | Optifund Investments |
| Normand Leclerc | Felcom Data Services | Patrice Nzigamasabo | RBC Investments |
| Éric Porlier | Fédération des caisses Desjardins du Québec | Élise Bourret | Standard Life Mutual Funds |
| Luc Cournoyer | MICA Capital | Josie Pampena | Standard Life Mutual Funds |
| | | Stephen Biringier | Talvest Fund Management |

Regulation Committee

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| Julie Blais | CIBC Asset Management | Alain Fortin | LBC Financial Services |
| Jean-Sébastien Proulx | Dundee Private Investors | Renée Piette | National Bank of Canada |
| Pierre-Yves Châtillon | Fasken Martineau Dumoulin LLP | Michel Fragasso | Fonds Évolution Inc. |
| Gérard Chagnon | Fédération des caisses Desjardins du Québec | Frédéric Belleau | Performa Financial Group |
| Éric Primeau | Fédération des caisses Desjardins du Québec | Jean-Marc Prud'homme | Peak Investment Services |



IFIC Codes, Guidelines, Bulletins

IFIC leads the way in setting industry standards and by 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. All these documents are available at our Member web site at: www.ificmembers.ca

The Latest Publications

Fr. = Document is available in French

IFIC Limited Authorization Form and Guidelines for Individual and Joint Accounts (April 2005) **Fr.**

This form and accompanying guidelines have been designed for investors to authorize their dealer/representative to convey trade instructions to the fund company on their behalf. It is used with individual and joint accounts held in client name.

IFIC Memorandum to Members Providing Personal Rates of Return, Explaining Time-Weighted vs. Dollar-Weighted Rates of Return (March 8, 2005)

The memorandum explains, with examples, how the measurements work and why IFIC recommends the Daily Time-Weighted approach.

IFIC Guidance on Portfolio Pricing (December 2004)

This information provides guidance to fund managers in the valuation of mutual fund portfolio securities.

IFIC First 60-Day Contributions Letter of Indemnity (“LOI”) Procedure Guideline (February 2005) **Fr.**

The guideline, designed for client name accounts, helps in the timely processing of LOIs requesting contribution receipts following the first 60-day contribution period.

IFIC First 60-Day Processing Best Practices Guide (latest issue November 2004, for first 60 days 2005) **Fr.**

IFIC’s guide provides assistance to firms that receive contributions on or before the 60th day but that have difficulty executing the trades by the CRA deadline.

IFIC Report on Market Timing and Short-Term Trading (August 25, 2004)

This report provides guidelines for deterring and detecting inappropriate short-term trading and market timing. It contains a toolbox of measures from which Members can draw to safeguard investors.

IFIC PIPEDA Practice Guideline (July 30, 2004) **Fr.**

Member organizations can use this guideline to comply with federal privacy legislation. The information acts as a basis for IFIC Members to develop and document their own policies and procedures as required under the legislation.

Visit the IFIC Member web site at www.ificmembers.ca under IFIC Leads – IFIC Codes, Guidelines, Bulletins.

