

Message from the Chair

In the midst of a global pandemic, this past year has been a challenging one for the investment funds industry. Through these unprecedented times, I commend the staff at IFIC for their swift response to the issues faced by the industry as they seamlessly made the transition to working remotely.

IFIC has undertaken a number of important initiatives to enhance the member experience, including its expanded asset and sales data coverage to include all mutual fund and ETF firms. IFIC will now produce fund-level asset and sales estimates for all firms previously not reported in IFIC's datasets. The estimates will be calculated using third-party data sources, including Morningstar, TSX, NEO and regulatory filings.

Leveraging enhancements to the asset and sales database, IFIC developed a process to assist members in complying with a request by the Canadian Securities Administrators (CSA) for multi-year asset and sales data. The replatformed data application saved member firms in aggregate hundreds of hours of work.

In an important step to reach more members and enhance engagement, IFIC launched its new member database, IFICConnect. The new database represents a cost savings, has the capability to reach an expanded number of member records, and provides social functionality for more effective member engagement.

IFIC continues to provide several webinars each year to members across Canada on a number of industry-related topics. Over the past year, IFIC has held seven webinars with 2,501 registrants across the country. As Canadians adapt to the 'new normal' of working from home, these opportunities for ongoing learning and development have become invaluable.

During the past year, IFIC continued to provide research-based insights through a number of projects: the 15th annual Pollara survey tracked investor attitudes and expectations; online disclosure research was conducted in partnership with the University of Southern California, Center for Economic and Social Research to further understand the effectiveness of an online approach to investment fee and performance reporting; the 2019 Investment Funds Report provided detailed data and analysis mutual fund and ETF sales activity and assets under management for the second year; and research on the impacts of financial advice on the Canadian economy was conducted in partnership with The Conference Board of Canada.

As responsible investing continues to gain popularity, IFIC released its Report on Responsible Investment. This report reflects IFIC's ability to recognize and respond to the evolving needs of investors by helping drive awareness and creating clarity around a rapidly growing approach to investing.

IFIC's President and CEO Paul Bourque has provided strong leadership in building IFIC membership and engagement with policy makers. His commitment to strengthening the industry voice has led to meaningful policy discussions, which have ensured that industry views have been considered in important policy decisions.

I would like to thank my fellow board members and committee volunteers for your contributions on behalf of the industry. Finally, I would like to again thank the staff at IFIC for their hard work and dedication this year.

Sincerely,



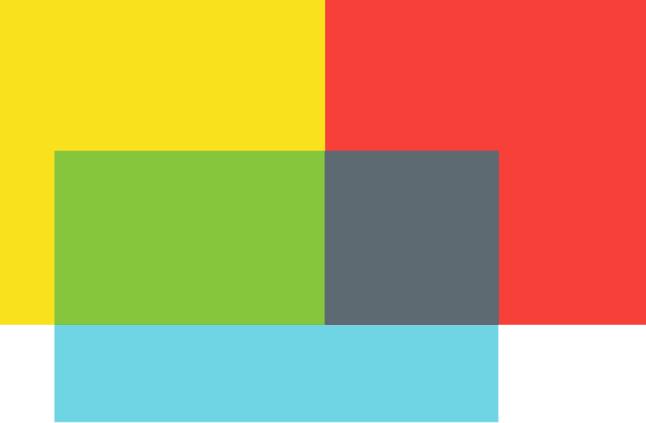
Carol Lynde
Chair, Board of Directors



THE INVESTMENT
FUNDS INSTITUTE
OF CANADA

L'INSTITUT DES FONDS
D'INVESTISSEMENT
DU CANADA





Message from the President and CEO

The past year saw the Canadian investment funds industry respond to a rapidly evolving global pandemic. Through these uncertain times, IFIC remained committed to working with our members to address key issues as they navigate the new reality, while continuing to execute against our strategic plan.

Over the past year, IFIC worked on a number of important policy submissions.

IFIC responded to the Canadian Securities Administrators' (CSA) request for comments on Reducing the Regulatory Burden for Investment Fund Issuers – Phase 2, Stage 1, providing specific recommendations, including: reassessing and streamlining all aspects of investment fund disclosure; eliminating the requirement to annually renew and file a prospectus; and removing duplicative information within and across disclosure documents.

IFIC leads investment industry advocacy on CSA National Electronic Systems Renewal Project to support the timely completion of this critical capital markets infrastructure project, which has the potential to significantly reduce the regulatory burden.

IFIC proposals on modernization of the Ontario Securities Act, title reform and OSC power to issue blanket orders were presented to the Standing Committee on Finance and Economic Affairs. In particular, the government amended the Securities Act to include the power to issue blanket orders which was utilized to good effect in some aspects of the COVID-19 relief measures.

The IFIC Vulnerable Investors Task Force led advocacy work for practical policies – like the Trusted Contact Person and Temporary Account Holds – that will help guide advisors as they work with clients facing cognitive decline or financial exploitation.

This year also saw a number of key wins.

When the CSA published Final Amendments to NI 31-103- the Client Focused Reforms, it addressed a number of concerns raised by IFIC, resulting in a material conflict of interest rule and clarity around due diligence guidance, “know your client” and “know your product” rules.

As part of our strategic plan, we engaged with Morningstar to advise on gaps in their methodology and commentary concerning the Canadian fund industry. As a result, Morningstar acknowledged for the first time a number of limitations, including the ‘penalization’ of fund markets due to the common practice of bundling advice and distribution fees into fund expense ratios.

IFIC initiated a relationship with the Bank of Canada, sharing research and insights on systemic risk issues with the Bank. As a result, the Bank reached out to IFIC on four occasions during the global pandemic to discuss mutual fund flows and investor behavior in turbulent markets.

We responded swiftly to the COVID-19 pandemic. The CSA relief on short-term borrowing limits for mutual funds investing in fixed income was one example of targeted IFIC advocacy for securities regulatory and tax COVID-19 relief.

IFIC also developed the DSC Waivers due to Investors' Financial Hardship Discussion Framework to assist members receiving DSC waiver requests from investors due to financial hardship during the pandemic.

We are proud of our achievements during the last year, which are included in the enclosed Year in Review.

I would like to thank our board members and committee volunteers for their important contributions. A special thank you goes out to Carol Lynde, who is completing her first year as Chair. Finally, I would like to express gratitude to the staff at IFIC for their hard work and commitment.

Sincerely,



Paul C. Bourque, Q.C., ICD.D
President and CEO



THE INVESTMENT
FUNDS INSTITUTE
OF CANADA

L'INSTITUT DES FONDS
D'INVESTISSEMENT
DU CANADA



IFIC Year in Review

August 2019 to July 2020

- Policy Submission
- IFIC Tool or Initiative
- IFIC Advocacy
- Research
- Event
- New IFIC Member or Affiliate
- IFSE Initiative

2019

August

1 Federal Pre-budget Finance Canada	6 Transfers for Processing OPC	7 IFIC and Conference Board of Canada release Economic Footprint Report	14 IFIC announces second phase of behavioural economics research
22 IFIC attains year-end administrative relief for registered plan withdrawals from Revenue Quebec	29 CFIQ Board announced		

September

5 IFIC Annual General Meeting	10 Webinar: IFIC and Conference Board of Canada Economic Footprint Report	12 IFIC responds to CSA Regulatory Burden Reduction	13 Regulation of Financial Planners and Financial Advisors in Saskatchewan FCAA
18 Investment Executive Guest Column: Canadian investors value advice	20 Continuing Education MFDA	23 IFIC meeting with Bank of Canada on Risks to Financial Stability	26 IFIC Annual Leadership Conference
26 Investor Survey (Pollara)			

October

3 IFIC welcomes rule amendments to implement the Client Focused Reforms	7 Ontario Financial Planner/ Financial Advisor Consultation	8 National Systems Renewal Program (IFIC, FMFD, IAC and PMAC) OSC (and other provincial regulatory bodies)	17 Webinar: Client Focused Reforms
21 Webinar: Pollara Investor Survey	28 IIFA releases Global Cybersecurity Guide	29 Paul Bourque speaks at Aligned Capital Partners Symposium	

November

4 Proposals to Modernize PIPEDA Federal Government	4 Course launch: 90 Day Training Course	8 IFIC meeting with CSA Investment Funds Committee	12 Minal Upadhyaya speaks at Advocis Symposium
19 Minal Upadhyaya speaks at Jr. Economic Club of Canada's Mindfulness & Money Series	27 IFIC welcomes Wealthforce Inc.	27 IFIC welcomes Invesco Canada	27 IFIC welcomes K.J. Harrison & Partners
27 IFIC develops Guide for Dealer Member Mutual Fund Sales Practices			

December

2 Paul Bourque speaks at CCLS Conference	2 Testimony to Ontario Standing Committee on Finance and Economic Affairs	5 IFIC Briefing Breakfast at Queen's Park	9 Reducing the Regulatory Burden for Investment Fund Issuers CSA
9 IFIC and CFIQ meeting with Quebec Ministry of Finance	11 Presentation to OSC Investor Advisory Panel Board	18 IFIC meeting with Ontario Associate Minister of Small Business and Red Tape Reduction	

2020

January

22 Investment Executive Guest Column: Regulators must clarify approach to outside business activities	22 IFIC meeting with CSA Members on SRO Framework Consultation	23 IFIC releases 2019 Investment Funds Report	28 Federal Pre-budget Finance Canada
30 Webinar: IFIC's 2019 Investment Fund Report			

February

7 Alternative Funds Proficiency (IFIC and FMFD) MFDA and OSC	12 IFIC welcomes The Co-operators	12 IFIC welcomes Belay Wealth	28 Reducing the Regulatory Burden (CFIQ) Ministry of Economy and Innovation (Quebec)
--	---	-------------------------------------	--

March

5 IFIC welcomes CSA proposed amendments to address financial exploitation of vulnerable investors	9 Access Equals Delivery Model for Non-Investment Fund Reporting Issuers OSC (and other provincial regulatory bodies)	12 IFIC releases Online Disclosure Report	12 Proposals for Ensuring Appropriate Regulation of Artificial Intelligence (IFIC, FMFD, and CETFA) OPC
18 Investment Executive Guest Column: Responsible investing: a growing priority for Canadians	18 IFIC successfully advocates for securities regulatory and tax COVID-19 relief	23 IFIC launches expanded data coverage to include all mutual fund and ETF firms	24 IFIC launches COVID-19 web page
26 IFIC meeting with Bank of Canada on Pandemic Issues			

April

2 IFIC meeting with Bank of Canada on Pandemic Issues	16 IFIC welcomes CSA decision to adjust implementation date for client focused reforms	17 IFIC welcomes CSA Relief on short-term borrowing limits for mutual funds investing in fixed income	20 IFIC Launches COVID-19 'Value of Advice' social campaign
24 IFIC meeting with Bank of Canada on Pandemic Issues			

May

13 Presentation to Capital Markets Modernization Taskforce	13 Investment Executive Guest Column: Canadian fund investors stay the course	13 CFIQ webinar with the AMF on regulatory updates	15 IFIC develops DSC Waivers due to Financial Hardship Discussion Framework
20 Webinar: IFIC and BEworks on Helping Investors stay Rational during Irrational Times			

June

10 IFSE launches remote online proctoring for proficiency exams	11 IFIC releases Report on Responsible Investment	23 Webinar: Responsible Investment	25 IFIC Releases Conference Board of Canada Report on the Impacts of Financial Advice on the Canadian Economy
--	---	--	--

July

6 Restrictions on the Use of the Deferred Sales Charge Option for Mutual Funds OSC	8 Webinar: Conference Board of Canada Report on the Impacts of Financial Advice on the Canadian Economy	8 Investment Executive Guest Column: The case for self-regulation of Canada's securities dealers	20 Vulnerable Investors Submission CSA
--	--	---	---