

CSA Forges on with POS Investor Protection Initiative

Point of Sale regulation is coming to Canada

Toronto, ON, June 16, 2010: The Canadian Securities Administrators (CSA) today released its “Status Report on the Implementation of Point of Sale Disclosure for Mutual Funds” and in it outlined its staged approach to POS implementation. Point of Sale regulation has long been the CSA’s key initiative for retail investor protection, in which investors would receive important information about a mutual fund at a time that is relevant to their investment decision. The central disclosure document, the Fund Facts, is intended to more clearly describe the nature of the mutual fund investment to investors and the CSA’s objective is to have financial advisors provide the disclosure information to their clients at or prior to the mutual fund purchase, and not after the fact as is currently the case (today, the prospectus is sent along with the trade confirmation two days after the trade, but investors do not read the document as it is written in legal jargon and it comes after the decision has been made).

“I think the regulators have signaled that Point of Sale is coming, but that they’re listening to industry’s concerns. As a solution provider to the financial services industry, we have focused our attention on the two biggest challenges our clients will face: creation of the Fund Facts documents in an efficient and cost-effective manner and delivery of the Fund Facts to investors at or prior to the point of sale. Our hosted solution ‘InvestorPOS’ addresses these issues.” said Anthony Boright, President of InvestorPOS.

The CSA is encouraging mutual fund companies to start creating these Fund Facts documents as soon as possible, promising Fund Facts requirements by December of this year and an effective date for mutual fund companies to comply early in 2011. The CSA has stood firm with its requirement that Fund Facts for each class or series of the mutual fund be created and filed by the fund company - an onerous

administrative task that will potentially tie-up accounting, marketing, legal and compliance departments as they will need to create and file thousands of Fund Facts documents each year.

The CSA has offered industry a little more time before imposing a pre-trade Fund Facts delivery requirement and in the meantime will allow fund companies to deliver the Fund Facts after the trade along with the confirmation, or even in lieu of the prospectus for those dealers wanting to get a jump on the regulation and potentially save money in the process. Given the Securities and Exchange Commission's (SEC) stated plans to move ahead this year with pre-trade delivery of their disclosure document and international pressure to do the same in other countries, it won't be long before Canadian investors will be presented with relevant and plain English information before they purchase an investment fund.

InvestorPOS™ Response to CSA Status Report:

This CSA announcement confirms that Fund Facts publishing and delivery at point of sale is coming. While we have a little more certainty on the timelines for publishing (early 2011), we believe that once the Fund Facts documents are published, it is in the best interest of all industry players to make these readily available for distribution through the advisor channel to investors. Our strategy in response to this status report is twofold:

- Publishing - we are working with our clients and prospects assisting them with the task of publishing and filing the Fund Facts documents. Our solution automates this task, potentially eliminating months of development effort facing our clients.
- Delivery - we believe that an industry repository for all Fund Facts makes sense. Our plan with InvestorPOS™ version 1 is to provide an industry repository that enables advisors to find and deliver Fund Facts documents to their clients.

To see the CSA's latest release visit:

http://www.osc.gov.on.ca/en/NewsEvents_nr_20100616_csa-point-of-sale.htm

http://www.osc.gov.on.ca/documents/en/Securities-Category8/csa_20100616_81-319_status-pos.pdf

About InvestorPOS

InvestorPOS™ is a hosted, Software-as-a-Service (SaaS) solution and suite of modules that allows fund managers and dealers to efficiently create and deliver Fund Facts and other disclosure documents to investors on a pre-sale basis. It includes:

- FF Publisher™ - Fund Facts creation module for fund managers to manage standard and custom content, approve, schedule publication and file documents through SEDAR
- FF Delivery™ - Module for dealers and their financial advisors to deliver Fund Facts to investors prior to or at the point of sale
- FF Intel™ - Business intelligence for fund managers, dealers, sales managers and their advisors surrounding pre-sale marketing activities

InvestorPOS™ focuses on the front office needs of advisors and the investors they serve. It is a revolutionary new solution designed NOT to revolutionize the sales process.

To learn more, please contact info@investorpos.com