

InvestorPOS™ Well-Positioned to Help Mutual Fund Dealers Meet Stages 2 and 3 of Fund Facts Delivery Regulation

FFdelivery™ solution leverages the InvestorPOS™ Fund Facts repository to allow dealers to deliver Fund Facts in lieu of Simplified Prospectus.

Toronto, ON, June 25, 2012: On June 21st the Canadian Securities Administrators (CSA) released for comment their proposed amendments to National Instrument 81-101 Mutual Fund Prospectus Disclosure for the Implementation of Stage 2 of Point of Sale Disclosure for Mutual Funds, outlining enhancements to the Fund Facts document and details surrounding the delivery of the document to investors. The CSA has requested a short 6-month transition period for both asset managers and mutual fund dealers to make the document and delivery systems changes, suggesting that in 2013 dealers will start delivering Fund Facts documents to investors after a mutual fund purchase.

The Fund Facts document was first introduced to investors in July 2011, when as part of Stage 1 of the Point of Sale regulation fund managers were required to produce and file the 2-page disclosure document and make it available for investors on the mutual fund's web site. The substance and purpose of the recent proposed amendments to Stage 2 of the 3 stage regulation are to refine the level of disclosure, providing investors with a more concise summary of key information concerning mutual funds including the potential benefits, risks and costs relevant to their investment decision. A number of the Fund Facts document refinements focus on the presentation of risk and performance of the mutual funds with an aim to enhancing disclosure to investors. As part of Stage 2, dealers will now be required to deliver Fund Facts to investors (in lieu of the Simplified Prospectus which asset managers must continue to produce, but deliver to investors only upon request) along with a transaction confirmation, within 2 days of the mutual fund trade.

While the content and timing of delivery of the plain-English document has long been debated, the CSA remains committed to their vision of Stage 3, providing investors the information relevant to their investment decision at the time they are making their decision and not after the fact. Accordingly, the CSA has re-affirmed that Stage 3 of the regulation will require dealer representatives to deliver Fund Facts to their mutual fund investors at or prior to the point of sale. The CSA has suggested that other investment fund products will also become subject to the same regulation at Stage 3, requiring both a summary disclosure document and point of sale delivery of that document.

InvestorPOS™ was launched in 2010 to help asset managers and dealers comply with the new POS regulation and to help improve disclosure to investors. InvestorPOS™ first introduced its Fund Facts publishing solution, FFpublisher™, in 2010 to allow asset managers to cost effectively automate the Fund Facts composition process at a fraction of the time and cost of traditional typesetting methods and has since rolled out other publishing solutions for the Management Report of Fund Performance (MRFP) and other disclosure and marketing documents. In 2011, InvestorPOS™ launched its industry repository of the complete universe of more than 25,000 Fund Facts from more than 150 fund managers. The site is integrated with SEDAR, so that the most recently filed version of each Fund Facts document is automatically uploaded to the InvestorPOS™ repository as the Fund Facts are received by regulators. This is the only repository of its kind and allows advisors to search for all Fund Facts on the site and deliver them in a compliant manner to their clients through the web site, either electronically or in a printed format. These most recent amendments to the Point of Sale regulation will allow dealers to leverage the InvestorPOS™ repository, meeting the Stage 2 requirement.

“From the outset,” said Anthony Boright, President of InvestorPOS™, “we have strived to be responsive to asset managers’ and dealers’ evolving needs with this new POS regulation, offering new solutions as the regulation unfolds. The requirement to deliver Fund Facts to investors at or prior to the point of sale has been integral to our FFdelivery™ solution from the beginning. For Stage 2, our web-based

system will allow dealers to deliver the Fund Facts to their clients after the trade along with the transaction confirmation, and once Stage 3 is implemented dealers will be able to continue delivering Fund Facts and even the summary documents for other investment fund products at or prior to the point of sale. Advisors are already using our Fund Facts repository as part of their sales and marketing process to do just that.”

“Whereas the imposition of the Fund Facts delivery requirement to the mutual fund sales process has been viewed with some consternation by industry, we have approached it as an opportunity to innovate by leveraging technology to offer improved disclosure to investors and cost savings to asset managers and dealers.”

InvestorPOS™ is hosting a webinar on Thursday, June 28th at 2pm EST for dealers to gain a better understanding of the CSA amendments to the POS regulation as well as the FFdelivery™ solution and how it addresses Stage 2 and 3. Interested participants can register at www.investorpos.com/ContactUs/Demo.aspx.

A copy of the CSA’s proposed amendments to NI 81-101 can be found on the OSC’s web site at: http://www.osc.gov.on.ca/en/SecuritiesLaw_csa_20120621_81-101_rfc-stage2-pos.htm

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. To learn more, please email info@investorpos.com, visit www.investorpos.com or contact Anthony Boright, President, InvestorPOS™ (aboright@investorpos.com or 416-543-9944).