

ANNEX D

Material Modifications Made to Mock-Up 3 Following Completion of Investor Testing

Material Modifications to Mock-Up 3	Rationale
<i>Portfolio Holdings section</i>	
Delete requirement to provide summary.	The information provided in the increased/decreased exposure table will already be succinct and providing a summary may not be useful.
<i>Costs section</i>	
Only provide one year of information.	Streamline document to reduce amount of information a reader must process.
Add fund expenses information; both percentage figures (i.e. the Fund Expense Ratio) and dollar figures (for a \$1000 investment); bold both.	Reduce cognitive strain on readers by carrying out the addition of MER and TER for them; respond to poor performance of participants in the investor testing in calculating total expenses for a given series; provide cost information in dollars which is easier for readers to understand.
Place MER, TER, Fund Expense Ratio and fund expenses (in dollar figures) in a single table.	Streamline document given reduced number of years of information being presented. Make it easier for investors to understand the individual components of the Fund Expense Ratio and how they translate into dollar amounts.
Only provide MER before absorptions, if necessary, in the Other Material Information section (with a footnote directing the reader there); explain meaning of MER before absorption where it is presented.	Simplify document in such a way that reflects the relatively rare instances where this information is presented.
Modify “Did you know...” disclosure to reflect changes above, including explaining Fund Expense Ratio computation as a formula; have information on different series’ costs in its own box.	Simplify presentation of information in these text boxes.
<i>Performance section</i>	
Delete line graph showing growth of a \$1000 investment.	Streamline document; rely on the two other forms of performance information presented, which we think provide sufficient information on past performance considering the length of the document.
Reference “fund expenses” instead of expenses.	Consistent with terminology used in the Costs section.
Replace past performance warning example with the following: “For example, strong past performance may not be repeated.”	This language is easier to understand and borrows from the language used in subsection 15.4(3) of NI 81-102.
Restructure “Performance Against Benchmark” text box so that it sets out net performance of the investment fund against the benchmark over the last year.	Reduce cognitive strain on readers by carrying out the arithmetic comparison for them; respond to poor performance of participants in the investor testing in calculating performance against a benchmark.
Include percentage on top or bottom of each bar in the annual performance bar chart.	Make it easier to identify precise annual performance figures.

Unless more than one series of information is presented, delete footnote referencing different series' performance being impacted by different expenses.	Reduce any confusion that might arise where only one series' worth of information is presented.
Modify "More Information" note on costs to also reference performance and specifically mention availability of information on each series in, where applicable, the designated website and the Fund Facts.	Provide the location of this information for those who may wish to see it.
<i>Statistics section</i>	
Only provide one year of information.	Streamline document to reduce amount of information a reader must process.
Place Portfolio Turnover Rate into a standalone table.	Streamline document and avoid duplication of Portfolio Turnover Rate figure for each class (since it is a fund-level statistic).
Include disclosure of portion of distributions that are return of capital.	Provide enhanced information regarding this particular type of distribution, which may be especially important for investors to be aware of, if they are receiving it.
<i>Liquidity section</i>	
Only provide bullet point disclosure where necessary (i.e. there is something material to report), otherwise do not include or insert something to indicate there were no material liquidity issues to report on.	Streamline document to reduce amount of information a reader must process.
Consolidate the "Did you know..." information bubble into the "How to read this information" bubble.	Streamline document to reduce amount of information a reader must process.
Add "information is as of a certain date" in the section title; remove present tense language.	Clarify that information is not current to publication date.
<i>Other</i>	
Where no borrowing or leverage is used, implement a form requirement that would, in one sentence with no sub-headings, say that neither is used.	Streamline document to reduce amount of information a reader must process.
Include a QR code (with explanation) next to the designated website address (end of document only) as well as the CSA website address.	Improve accessibility to additional resources for readers who may happen to be in possession of a paper copy of the document.
Include filing date on the line which has the designated website.	Provide the filing date as well as indicate currency of the information (relative to the reporting period end date).
Remove the estimated time needed for review.	There may be challenges in ascertaining a correct estimated reading time.
Add "Other Material Information" section.	Provide opportunity for presentation of information that is important to include but which doesn't have a designated location in the document.
Remove reference to Material Change Reports.	Eliminate given reintroduction of "Other Material Information" section.
Do not require summary boxes where information provided would be substantially the same as that in the section, in terms of length and detail.	Streamline the document while acknowledging the value of this feature from a behavioural science perspective.

