Saskatchewan Securities Commission

Mutual Funds
Basic Information About Mutual Funds

The Saskatchewan Securities Commission regulates how securities are sold. Securities are investments such as shares, bonds, units in mutual funds and units in limited partnerships.

We can't tell you how to invest, but we can tell you if the person selling the investments is following the rules. Contact us for answers to these questions:

- Is the seller registered with the Securities Commission?
- Have you received all the information required by law from the seller?

To Answer Your Questions . . .

The following has been prepared to answer the questions we re most often asked about mutual funds. This is meant to be a starting point. We urge you to consult with a competent, experienced advisor about your investment decisions.

About Mutual Funds . . .

How a mutual fund works

When you invest in a mutual fund, your money is pooled with other investors' money in the fund. You receive units, or shares, in the fund in exchange for the money you invest.

The fund uses the money received from investors to buy investments, which are held in trust on behalf of the investors by a custodian. The custodian must be either a Canadian chartered bank or a large trust company.

Each mutual fund is managed by a professional manager. The fund manager invests the money in a variety of investments, and charges the fund a fee for providing this service.

Different kinds of mutual funds

Mutual funds are classified according to the type of investments they hold. For example:

- equity funds hold shares of companies listed on recognized stock exchanges,

- income funds hold income-producing investments such as bonds, mortgages and preferred shares,
- cash equivalent funds such as money market funds hold short-term investments such as treasury bills and short-term corporate notes, and
- balanced funds and asset allocation funds hold a combination of equity, income and cash equivalent investments.

The section, " Additional Information," provides a more complete description of the various types of mutual funds.

How the value of a mutual fund unit is determined

Each mutual fund is valued on a specific day called the valuation date. Most funds are valued daily, but some are valued weekly. Others, such as real estate funds, are valued monthly or quarterly.

On each valuation date, the fund calculates the market value of all the investments held by the fund, less any liabilities of the fund on that day. The result is divided by the total number of units owned by the fund's investors.

This calculation yields a result called the Net Asset Value per share or unit, often referred to as the NAV or unit value. The unit value is the amount you pay to buy a unit in a mutual fund.

The unit value for individual mutual funds fluctuates with changing market conditions. These fluctuations in unit value occur as the various investments held by the fund rise or fall in value.

An investor is entitled to redeem, or cash in, units in the mutual fund on any valuation date. When an investor decides to sell units in a mutual fund, the fund itself buys the units back from the investor.

When you redeem your units in a mutual fund, the amount you receive is the unit value at the end of the day on the day our units are redeemed, less any applicable fees charged by the fund.

Where to find a mutual fund's unit value

Most mutual funds publish their unit values in the major daily newspapers. You can also get this information from an investment advisor, or directly from the funds.

How to invest in a mutual fund

Almost all funds offer monthly investment plans (often referred to as "PAC" plans). With this type of plan, you invest a specific amount each month. In this way, you make small regular payments which can grow into a sizable investment over time. If you enter into a contractual plan to purchase mutual funds, be sure to check the details of the plan to understand your obligations.

You can also invest a lump sum in a mutual fund. Many mutual funds require a minimum investment – usually $500 – on lump-sum investments.

You can purchase mutual funds from a number of different sources; the most common are listed in the section, "Where to Buy a Mutual Fund" at the end of this document.

How a mutual fund investment can grow

You may make money on a mutual fund investment in one or both of these ways:

- The investments owned by the mutual fund may earn dividends, interest or capital gains. These earnings may either be paid out to you in cash or be invested in the fund, buying you more units in the fund.

- The mutual fund's unit value may increase. This occurs when the total market value of the fund's investments increases relative to the number of units in the fund. However, you should be aware that the unit value may decrease. If that happens, you may lose money if you sell your investment when the unit price is lower than what you paid for the units. You will realize, or trigger, gains or losses only when you sell units. As long as you continue to hold your units, the value of those units will fluctuate, depending on the value of the fund's holdings and overall market conditions.

Mutual funds must follow basic rules

In Saskatchewan, mutual funds must comply with the provisions of *The Securities Act, 1988*.

Mutual funds must be described in a prospectus that has been filed with the Saskatchewan Securities Commission. A copy of the prospectus, which gives investors information about the mutual fund investment, must be provided to the buyer.

Mutual funds may be sold only by salespersons registered by the Commission to sell mutual funds.

More about Mutual Funds . . .

Mutual funds are long term investments

Many factors influence the value of your mutual fund investment – for instance, changes in the economy, the stock markets, interest rates, the rate of inflation and the value of the Canadian dollar relative to other currencies.

Fluctuations in the value and rate of return of your mutual fund investment are known as volatility. A mutual fund with high volatility will have more dramatic and frequent changes in value than a mutual fund with low volatility.

All mutual funds have some degree of volatility, some have more than others. Because of this, when you invest in a mutual fund you should generally be prepared to invest for the longer term, holding the fund for five years or more.

You invest in mutual funds in the hope that they will increase in value. Taking a long-term investment approach will allow you to ride out the inevitable market corrections which may effect the value of your mutual fund investments.

Advantages of investing in mutual funds

Professional management. When you invest in a mutual fund, you are buying the services of a fund manager who is experienced in investing money. However, not all fund managers are created equal, so it pays to compare their track records. And keep in mind that good past performance doesn't guarantee good performance in the future, even good fund managers can make mistakes.

Diversification. Many of the risks associated with investing are reduced when you invest in different companies and industries, and even different markets or countries. Having a wide variety of investments is called diversification. Diversification simply means not putting all your eggs in one basket. When you invest in mutual funds, you can have a diversified portfolio of investments for a modest investment.

Liquidity, or "redeemability". You can usually redeem or cash in your units in a fund quickly and easily. However, when you wish to sell, the fund's unit value may be lower than what you paid to buy the units. If you redeem your units at such a time, you may lose money on your investment.

Time. It takes less time to manage your mutual fund investments because you don't have to do the research required to select individual investments, track their performance or perform many of the administrative tasks associated with managing investments, these functions are performed by the fund manager. However, as an investor, you should monitor the performance of the fund itself to ensure the fund is meeting your expectations.

Disadvantages of investing in mutual funds

There are certain risks involved in investing in mutual funds:

Your investment is not guaranteed. Mutual fund investments are not guaranteed by the federal or provincial government or any other institution. The value of the fund is based strictly on market value at any given time. Therefore, you could find yourself in the position of selling your units at less than you paid for them.

Your investment is not insured. Mutual fund investments are not covered by the Canadian Deposit Insurance Corporation (the CDIC).

Your investment may decrease in value. The value of your investment may decline due to changes in market conditions.

Your rate of return is not fixed. Mutual funds do not pay a fixed rate of return. Their return is based on the market values and performance of the investments held by the fund.

Your Personal Investment Strategy . . .

Before you invest in mutual funds or any other investment, take the time to develop a personal investment strategy to determine:

- your investment objectives,
- your tolerance for risk,
- how much money you plan to invest, and
- the right asset mix.

You can then decide which investments are right for you in the context of your personal investment strategy.

Define your investment objectives

Your reasons for investing may be varied. For example, you may be saving for a down payment on a house or for a child's education, or you may be accumulating funds for your retirement. With such overall goals in mind, you may have the following objectives for any particular investment:

- to earn investment income to supplement your other income;
- to achieve long term growth;
- to ensure the safety of your investment;
- to keep a portion of your investments liquid so that you can easily cash them in, either for emergencies or to take advantage of attractive investment opportunities that may arise; or
- to maximize after-tax returns, which can be accomplished in a variety of ways.

You may find that you have several investment objectives. Decide which are most important to you, and choose your investments accordingly.

Assess your risk tolerance

Three basic factors affect your own tolerance for risk:

Time horizon: the amount of time you have to save for future needs may affect your risk tolerance. For example, since younger people have a longer period to earn back investment losses, they may have more risk tolerance than older people.

Cash requirements: Your cash requirements may affect your risk tolerance. For example, you don't want to be in the position of having to liquidate your investments when prices are low in order to meet financial needs and commitments.

Emotional factors: Your own emotional response to risk and volatility also affects your risk tolerance. Some people are more comfortable than others with the ups and downs of the market. Others will be tempted to sell their investments when they are not performing well, instead of riding things out. Don't take on more risk than you are comfortable with.

Different investments have different degrees of risk. When you are choosing investments, choose those with risk levels that match your own tolerance for risk.

Decide how much money you plan to invest

To achieve your financial goals, decide how much money to allocate to your investments.

Keep in mind that making an investment may not always be the best use of your money. You may decide that your current financial needs would best be met by paying down your mortgage or other debts.

Choose the right asset mix

Investments can be categorized into three basic types: equity, income and cash equivalent investments. The combination of these three types of investments is called *asset mix*.

Though many investors spend time assessing the performance of specific investments, studies show that it is the overall mix of assets in an investor's portfolio which has the biggest impact on long-term results.

Allocating your money among the three types of investments increases the returns earned in your portfolio while reducing the overall risk. This is because different types of investments do well at different times. Holding all three types in your investment portfolio means that at any given time, a portion of your money is earning well.

In choosing your asset mix, select the proportion of equity, income and cash equivalent investments which will help you realize your financial goals. Since this is a critical decision in your personal investment strategy, it is wise to do careful research and perhaps consult with a professional before choosing your asset mix.

Deciding which Mutual Funds to invest in . . .

Once you have developed your personal investment strategy and have considered different investment options, you may decide to invest some of your money in mutual funds. However, with hundreds of funds available, how do you choose which ones to invest in?

Before investing in any particular mutual fund, take the time to go through the steps described below. And remember – if you have unanswered questions, or don't understand something, get professional advice before you invest.

Review the fund's past performance

A fund's past performance is *not* a guarantee of future results. However, comparing a fund's past performance to that of similar funds gives you some idea as to how it has fared in the past relative to other funds.

Newspapers and periodicals such as *The Globe and Mail, The Financial Post* and *Financial Times of Canada* report the performance of most mutual funds available in Canada. Study these reports to determine:

- How has the fund performed in the past? Be sure to look at the fund's three, five and ten-year performance records. Take note how the fund has performed in good years as well as bad. It is generally unwise to invest in a fund based solely on a single year's performance.

- How does the fund's performance compare with that of other funds in the same category? Newspaper reports usually give an average rate of return for each type of fund which you can use as a benchmark. See whether the fund's performance has been better than or worse than average in the various periods. Keep in mind that higher than average returns may indicate higher risk, as there is usually a direct relationship between risk and return.

- How does the fund's volatility compare with that of other funds in the same category? Newspaper reports often give a volatility ranking, which indicates the relative volatility of the fund.

- How does the fund perform against such benchmarks as rates paid on savings accounts and GICs and the performance of the Toronto Stock Exchange 300 Index?

- What is the fund's management expense ratio? This percentage figure measures the cost of running the fund. How does it compare to that of other funds in the same category?

- Is the fund eligible for contribution to a Registered Retirement Savings Plan (RRSP), Registered Education Savings Plan (RESP), or a Registered Retirement Income Fund (RRIF)? This is important if you plan to hold the mutual fund in any of these plans.

Understand the fund manager's approach

Fund managers have different approaches to managing investments in the funds they direct.

Some fund managers have a very aggressive investment approach, taking higher risks in the hopes of earning higher returns. The performance of a fund managed by an aggressive manager may be more volatile, having both good and bad periods. Other fund managers take a more conservative approach perhaps earning lower overall returns, but offering greater safety and less volatility from year to year.

Managers also have different approaches to choosing investments. For example, in the case of two equity funds, one manager may take a *value approach*, purchasing stocks only when they represent a bargain. Another manager may take a *sector approach*, investing in certain industry groups, such as energy or lumber, which are expected to do well.

It is important to understand the approach of the fund manager before you invest in a fund, because the manager's approach may have a great impact on the fund's performance.

To find out about the approaches or styles of different fund managers, you'll need to do a little research. There are many books about mutual funds that discuss the investment approaches of different fund managers. Also, watch for articles in the financial press about fund managers and their investment strategies. You can also ask the fund company for literature.

Many investors diversify within a given type of mutual fund by choosing funds with various fund managers who have different investment approaches.

Find out the costs of investing in, owning and selling a mutual fund investment

There are a number of fees and costs associated with mutual fund investments which reduce the return you will receive on your investment.

Determine what services you will receive for the fees you are charged. You may be willing to pay higher fees if this means you will receive a higher level of service and advice.

Commissions: Commissions, or sales charges which you pay to the salesperson who sells mutual fund units, are often referred to as *loads*. Paying a sales load buys you the salesperson's service and advice; it does not assure you that the fund will achieve superior returns.

Some mutual funds charge a *front-end load*, a commission that is applied at the time you invest in the mutual fund. The amount you invest is reduced by the amount of the commission. For example, if you invest $1000 in a fund which charges a front-end load of $50, the amount which will actually be invested in your mutual fund account is $950.

Some mutual funds charge a *back-end load*, sometimes called a *deferred sales charge* or *redemption fee*. Instead of paying a commission at the time of purchase, you pay a fee if you redeem your units within a stated time period. Redemption fees are reduced – usually to zero – the longer you hold your mutual fund units before selling.

If you are considering buying a fund with a back-end load, there are several things you should watch for:

- you may be charged a higher annual management fee than you would pay on a front-end fund;
- you may be charged an annual distribution fee, calculated on the net asset value of your investment; and

- different mutual funds calculate their back-end loads in different ways. Some funds base their calculation on the market value of the fund at the time of redemption, where others base the calculation on the original price paid for the units.

Some funds are *no-load* – you pay no commission, either at the time of purchase or when you sell your units. You should be aware that no-load funds may not offer the same level of service as funds that charge commissions. When you buy no-load funds, you generally make your own choices, without the assistance of a financial professional. In addition, you should also be aware that some no-load funds charge a higher management fee than funds which charge commissions.

Management fees: All mutual funds charge *management fees*, which are paid to the fund manager for managing the fund. Management fees include payment to the fund manager for services such as portfolio selection and advisory services, and may also include a variety of other expenses paid by the fund. Management fees are deducted from the fund's assets and reduce the return earned by the fund.

The fund may also pay for many *operating expenses*, such as the cost of preparing and distributing financial statements and other information about the fund. Operating expenses may be included in the management fee or charged separately to the fund. The prospectus will contain full details.

In some cases, the fund will pay *trailer fees*, also called *service fees*, to salespersons. Trailer fees are on-going fees paid to the salesperson as an incentive to continue to provide service to the client.

The various expenses paid by the fund are measured by the *management expense ratio*, which is disclosed in the fund's prospectus or financial statement. The management expense ratio, shown as a percentage, is calculated by dividing the total annual expenses of the fund by the fund's average net asset value over the year.

Other fees: There are a variety of other miscellaneous fees which you may be charged. The most common of these are:

Set-up fees: You may be charged a fee to open an account with a mutual fund.

Switching fees: Some mutual fund companies allow you to switch from one to another of their funds, but you may have to pay a fee for this.

RRSP/RRIF trustee fees: You may have to pay an annual trustee fee if the mutual fund is held in an RRSP or an RRIF.

Transfer fees or closing fees on registered accounts: You will often pay a charge to transfer a registered account such as an RRSP to another mutual fund group or another financial institution.

Before you invest in a mutual fund, be sure you understand the commissions and other fees you will be charged and that you know the fund's management expense ratio.

Compare the fee structures and management expense ratios of various funds. When comparing two funds with similar investment objectives and performance records, if one fund charges higher fees than the other, determine what additional service you will receive for the additional fees. Decide whether you are prepared to pay the extra fees to receive these services.

Read the fund's prospectus

The salesperson must provide you with the fund's simplified prospectus when you invest in a mutual fund. This document provides information about the fund, such as:

- who manages the fund;
- the fund's investment objectives (*Do they match your own?*);
- the fund's risks (*Are they within your level of risk tolerance?)*
- the fund's fees and expenses (These are summarized in the beginning of the prospectus.);
- how often the fund is valued (This will affect how quickly you can redeem your fund units.);
- how the fund distributes its income, as well as income tax considerations; and
- your legal rights as an investor.

You should be aware that the simplified prospectus provides only part of the information about the fund. More detailed information can be found in the financial statements, which must accompany the prospectus, and in the fund's annual report.

You can find out even more about the fund by reviewing the fund's annual information form (AIF) and the statement of portfolio transactions. You can request both of these documents from the fund.

Things to keep in mind

Buy a fund you understand. If you don't understand something, get professional advice before you invest.

Different types of mutual funds meet different investment objectives. When choosing a fund, find out what its investment objectives are and choose a fund with objectives that closely match your own.

Different funds have different degrees of risk. When choosing a fund, be sure you understand and are comfortable with the risk level of the fund's investments.

If you are considering borrowing to invest in a mutual fund, you may want to seek professional advice before going ahead. Keep in mind that if the value of your mutual fund investment declines, you will still have to pay back the full amount which you borrowed.

If you are considering investing in mutual funds through a monthly investment plan, make sure you'll be able to make your mutual fund payment and still cover all your other expenses.

Above all, invest calmly and rationally. Don't let anyone pressure you. If you are in doubt or have unanswered questions, wait and get the answers before investing. *Never make investment decisions impulsively.*

Know your rights . . .

The Securities Act, 1988 gives investors the right to reconsider the purchase of mutual funds in certain circumstances. These rights are subject to time limits, and you must act quickly.
If you reconsider, you may be able to:

- cancel your purchase by giving written notice to the dealer or person from whom you bought the mutual fund *within two business days after receiving the prospectus*, or

- redeem units purchased, together with any relevant fees or sales charges, by giving written notice to the dealer from whom you bought the mutual fund *within 48 hours after you receive confirmation of your lump-sum purchase*, or

- redeem units purchased, together with any relevant fees or sales charges under a contractual plan, by giving written notice to the dealer from whom you bought the mutual fund *within 60 days of receiving confirmation of your first payment under the contractual plan.*

After buying a Mutual Fund . . .

After you've invested in a mutual fund, keep track of it.

Follow its performance in the newspapers. Is it performing as well as other funds with similar risk levels in its category? Is it performing as well as comparable market indices?

Fund managers are required to send you regular financial reports. Read this information when you receive it. Review the investments the fund has made. Are you comfortable with what the fund is investing in? Also, keep an eye on the fund's management fees and management expense ratio. Are they increasing, and if so, is there a good reason for the increase?

To ensure you keep getting information from the fund if you move, send a notice of change of address to the fund manager and to your salesperson.

You are entitled to receive notice of a change in the fund's manager or investment objectives. changes in the fund manager may cause the fund's performance to change. If the fund manager changes, decide whether you are prepared to stay with the fund or whether you wish to move your money to another.

Market conditions also change. Different sectors in the market do well at different times. However, most people don't make money switching from fund to fund trying to outguess the market. If you have taken the time to develop your personal investment strategy and have chosen investments to achieve your desired asset mix, it is often wiser to remain invested for the longer term.

Remember that your investment objectives may change over time. You may need to adjust your asset mix from time to time to reflect your changing investment objectives. And periodically review the types of funds you hold. When necessary, readjust your investment portfolio to ensure you maintain your desired asset mix.

In conclusion . . .

The above outlines the basics about mutual funds. We urge you to get as much information as possible before you invest. The more information you have, the more likely you are to make wise investment choices.

Bookstores and libraries have many good books which provide more detailed information about mutual funds. The financial press publishes many helpful articles about mutual funds. In addition, the Investment Funds Institute of Canada produces information about mutual funds.

Additional Information . . .

Types of Mutual Funds

Mutual funds are classified according to the type of investments they hold. The three basic types of mutual funds – *equity funds, income funds* and *cash equivalent funds* – are described below.

Balanced funds and asset *allocation funds* are also described below. Both these types of funds hold a combination of equity, income and cash equivalent investments.

Equity Funds

Equity funds generally try to maximize growth through capital gains. Most invest in common shares of companies with the objective of achieving long-term growth.

Equity funds are often higher risk and suitable for investors who are prepared to give up a degree of safety to achieve potentially higher returns.

There are a wide-range of equity funds available. Some of he more common ones are described below.

Canadian equity funds invest primarily in publicly-traded shares of Canadian companies. The degree of risk depends on the specific fund's objectives. Some emphasize safety of capital by investing in stocks of large, stable companies, while others focus on more junior companies hoping to make large capital gains.

U.S. equity funds are similar to Canadian equity funds, but invest mainly in shares of companies in the United States.

International funds and *global funds* invest in shares of companies in a variety of countries. Some limit themselves to certain geographic areas such as Europe or the Pacific Rim. Others invest all over the world.

Country-specific funds invest in the shares of companies in a specific country.

Sector funds specialize in a particular sector of the economy such as natural resources or energy.

Precious metals funds invest mainly in gold, either in the form of bullion or in shares of gold mining companies. Some funds also invest in other precious metals, usually platinum and silver.

Real estate funds specialize in commercial and industrial real estate and multi-unit apartments. Profits are generated by capital gains and rental income. These funds are sensitive to changes in commercial real estate values.

Income Funds

Income funds hold income-producing investments such as bonds, mortgages and preferred shares.

Income funds generally have a moderate level of risk. They may be suitable for investors who are willing to accept more moderate gains in exchange for greater safety of their invested capital.

Investors should bear in mind that total returns from income funds will be lower when interest rates are rising, and higher when rates are falling.

There are different types of income funds. The most common are described below.

Mortgage funds invest in residential first mortgages. They re relatively low risk and quite conservative. Returns are usually in the form of interest income. Growth potential on mortgage funds is low.

Canadian bond funds invest in bonds issued by federal and provincial governments, crown corporations, municipalities and major companies. The risk on bond funds is somewhat higher than on mortgage funds because rising interest rates tend to have a greater negative effect on bond fund unit values. When interest rates are stable, bond fund returns come from interest payments on the bonds. Bond funds can generate capital gains if interest rates fall.

Divided funds invest in preferred and common shares which pay high dividends. Because of the types of investments they hold, the risk on dividend funds is moderate and they have limited growth potential. Dividend funds may suit an investor who is seeking to maximize after-tax return.

International bond funds and *income funds* invest in international income investments, usually bonds. They offer greater diversification than domestic bond funds. They also carry a somewhat higher risk than Canadian bond funds, largely because of currency fluctuations.

Ca***sh Equivalent Funds***

Cash equivalent funds such as money market funds specialize in short-term investments that are liquid and easily converted to cash.

These are the least risky funds available because they usually invest in high quality, low risk assets such as treasury bills, certificates of deposit, short-term corporate notes and term deposits.

These funds are useful as a temporary place to invest your money. However, the returns on cash equivalent funds are generally lower than the returns on either equity funds or income funds. Therefore, these funds are generally not used as long-term investments.

T-bill funds are similar to money market funds, but invest in only government treasury bills. This gives them added safety.

Balanced Funds and Asset Allocation Funds

Both balanced funds and asset allocation funds hold a combination of equity, income and cash equivalent investments. For example, the fund might be 60% invested in equity investments, 30% in income investments and 10% in cash equivalent investments.

Balanced funds often have a fixed balance between equity, income and cash equivalent investments, whereas asset allocation funds usually have the flexibility to shift between the three types of investments. it is important to read the prospectus carefully to understand how the fund will allocate its portfolio between the various types of investments.

Within the guidelines outlined in the prospectus, the fund manager may choose to adjust the mix the investments held in the fund in response to changes in economic conditions. The fund may be heavily invested in bonds during one period, while in another period stocks may be given more weight.

These types of funds try to achieve the maximum possible growth while minimizing risk exposure. Income investments held by the balanced fund or the asset allocation fund lower the risk of the overall portfolio and act to stabilize the fund's returns.

Where to Buy a Mutual Fund

You can buy mutual funds from a number of sources. Here are some of the most common:

Stockbrokers/Investment Dealers

Stockbrokers sell and advise investors on a wide range of financial products, such as mutual funds, shares and bonds. They generally sell a number of different mutual funds, but generally do not sell no-load funds.

Independent mutual fund salespeople

These salespeople sell only mutual funds. Typically, they offer a number of different funds, but generally do not sell no-load funds.

Mutual fund company salespeople

Some mutual fund companies employ a network of salespeople to promote and sell their funds. These salespeople sell only the product line of the mutual fund company they represent. In most cases, their commission charges are non-negotiable.

Mutual fund companies

Some mutual fund companies sell units directly to investors, usually by telephone and mail. The funds are usually no-load, but the investor may receive limited investment advice from the mutual fund company.

Financial institutions

Most banks, credit unions and trust companies offer their own line of mutual funds through their branches. The funds are usually no-load, but the investor may receive limited investment advice from the financial institution.

Financial planners

Many financial planners, in addition to offering financial planning services, are registered to sell mutual funds. If you buy a mutual fund through a financial planner, you should be aware that the planner may receive a commission from the sale, in addition to any fee you may have paid for the financial planning services.

Mutual Fund Buyer's Checklist

Before you buy a mutual fund:

- understand how mutual funds work
- plan to hold mutual fund investments for the long term
- find out the risks involved in mutual fund investments
- define your investment objectives and tolerance for risk
- decide what types of funds you want to invest in and how much to invest in each type

- choose specific mutual funds within the types you have chosen:

    - read the prospectus to determine the fund's investment objectives and risk
    - compare the fund's performance to that of other similar funds
    - find out about the fund manager's investment approach
    - find out what commissions and other fees you will be paying
    - compare the fund's management expense ratioto that of other similar funds.

This information has been compiled by the Saskatchewan Securities Commission to assist investors. The Securities Commission protects Saskatchewan investors by regulating the sale of investments.

We do this by registering people who sell investments, by requiring sellers to provide written information about investments, and by investigating complaints and holding to account those who break the rules.