

Correction Notice: There was an error in the video at 42:20. Here's the correct information:

Question: For the requirement to report FER as a percentage in a client's annual cost report, are dealers required to calculate and report a personalized fund expense ratio (FER), which takes into account rebates or fee waivers that are specific to an individual investor (as opposed to reporting the applicable fund level class or series FER)?

Answer: Regulatory guidance has indicated that:

- i. providing clients with a fund series or class fund expense ratio (FER), as disclosed in the fund's relevant fund facts or ETF facts, without taking into account client-specific fee waivers, rebates or absorptions, would be acceptable.
- ii. dealers are expected to provide the following disclosure to clients in order for them to be provided with fulsome and non-misleading disclosure:
 - Disclose through a footnote in the new section on FER information that the FER provided is generic and does not take into account any client-specific fee waivers, rebates or absorptions;
 - Make reference in the footnote to the more detailed information about the client specific fee rebates, which clients can find in their account statements.
 - The account statements should show the specific dollar amounts of FER related rebates to the client. The footnote should reference this information.
 - Provide any additional necessary disclosure to clients.