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Murray J. Taylor
Co-President and Chief Executive Officer

August 26, 2014

Market Regulations Branch
Ontario Securities Commission
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20th Floor
Toronto, ON M5H 3S8
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Dear Sirs/Mesdames:

Re: OSC Staff Notice and Request for Comment Regarding Application for Recognition of Aequitas Innovations Inc. and Aequitas Neo Exchange Inc. as an Exchange

We are writing in respect of OSC Staff Notice and Request for Comment published on June 27, 2014 regarding the application for recognition of Aequitas Innovations Inc. and Aequitas Neo Exchange Inc. as an exchange ("the Notice"). We appreciate the Commission's Staff Notice and the opportunity for market participants to provide their views and inputs on this important development within the Canadian marketplace.

IGM Financial Inc. ("IGM") is a founding investor in Aequitas Innovations Inc alongside many other significant market participants, many of which are from the "buy side". IGM is also represented on the Board of Directors of Aequitas Innovations Inc. IGM's involvement is representative of our deep interest in doing what is right for capital markets in addressing current inefficiencies, inequities and imbalances with a competitive and innovative alternative solution.

IGM is a diversified financial services provider which operates through its business units Investors Group Inc., Mackenzie Inc. and Investment Planning Counsel Inc. and their respective subsidiaries. IGM, through its subsidiaries, manages nearly \$140 billion in assets. Through its principal subsidiaries including registered portfolio managers I.G. Investment Management, Ltd. and Mackenzie Financial Corporation, nearly \$38 billion of those assets are in Canadian traded equity securities and in 2013 our combined entities traded over 2 billion shares in Canadian equities. Within the Canadian equity market structure, we represent a significant volume and as such are a dominant and long term participant. Our interest in having effective, fair and efficient marketplaces is clear given our business is to serve millions of Canadian investors as the stewards of their investment plans.

We have observed a significant evolution in capital markets through the years. Some of these developments have been productive and positive in terms of enhancing the efficiencies in the marketplace. Other trends have been disturbing in terms of creating serious challenges to the integrity of the marketplace thereby hampering the image of capital markets and in turn, impacting capital formation and economic growth. What is most unfortunate is that the general public views capital markets with a sense of mistrust and insecurity. The reasons are plentiful and the debate has been going on for too long. We believe that competitive solutions, driven by innovation, are the right approach to addressing these challenges which will take time to be righted in the eyes of the investing public.

The composition of the ownership structure of Aequitas Innovations Inc., which brings together buy-side, issuers, and sell-side shareholders, provides the opportunity for significant, long-term market participants to create, manage and govern a firm which has a broad interest in the marketplace and provides an unprecedented opportunity to do what is right for Canadian capital markets.

We appreciated having the opportunity to provide preliminary comments on September 27, 2013 with respect to the proposal put forth at that time by Aequitas Innovations Inc. We applaud the OSC in offering the opportunity to provide comment on issues where we feel we are able to add value to the process. In this regard we provide comments on three key topics:

1. Market Making
2. Order Protection Rule ("OPR")
3. Definition of Significant Shareholder

Market Making

As a significant market participant in global markets, we are well aware of the efficiencies and effectiveness of those markets that employ market making. We believe that market making will be an important and enduring attribute, that together with other important features of the Aequitas system, will complement the existing Canadian market structure. We believe market makers, when provided with appropriate benefits, will fulfill their obligations of providing orderly market pricing that is less influenced by predatory computer driven strategies that have negatively impacted price discovery and efficient execution. By providing benefits to market makers within the proposed Lit, Dark, and Neo Books, there are appropriate incentives for providing liquidity to long-term investors.

Within the debate on the topic of market makers, we share some of the same questions and appreciate the discussion around market makers' benefits and obligations. Our determination is that the most effective solution is within the benefits of the free market feedback loop. In other words, the market place will determine a fair balance of benefits vs. obligations and will, through order flow, provide very clear feedback and response to the market makers. We are familiar with the design of the market-

making model to ensure that broad objectives of serving long-term investors are achieved. This reinforces a key attribute of the Aequitas ownership structure, the involvement of the buy-side, which will help to ensure that the market-making model achieves its objectives without negatively impacting long-term investors.

Order Protection Rule

Application of OPR to the NEO Book

The NEO Book should be subject to the OPR. We agree with the OSC staff opinion that the application of higher trading fees to Latency Sensitive Traders (“LSTs”) and the randomized speed bump do not unreasonably prohibit, condition or limit access to the Neo Book. This is further reinforced by the fact that LSTs have a speed advantage on all other marketplaces which in turn disadvantages long term investors

Application of OPR to new marketplaces

We do not understand how the proposed OPR, outlined in Proposed Amendments to National Instrument 23-101 *Trading Rules* (“NI 23-101”), issued on May 15, 2014 for comment, could possibly be applied to any aspect of the Aequitas system. Such a development would be counter to due process and would place the Aequitas offering at an unfair disadvantage vs. the competition. We favour due process and, if the proposed changes to NI 23-101 are implemented after the launch of Aequitas, all efforts will be made to ensure continued compliance with applicable regulations, as required for all entities subject to these obligations.

Definition of Significant Shareholders

We fully endorse the need to ensure there are appropriate rules to ensure inherent conflicts are properly managed and monitored. The overriding principle is fulfilling fiduciary obligations of meeting the needs of our clients and this cannot be compromised for any financial advantage. Our organization has no issues in meeting the requirements as a founding shareholder with representation and influence of the governance process of Aequitas.

We would encourage consideration being given to the definition of “significant shareholder” versus a “shareholder” with the former being one who has representation on the board of directors of Aequitas or a subsidiary of Aequitas. We feel the proposed rules will impede the objective of broadening the ownership base beyond the founding shareholders in that smaller organizations may not have the same infrastructure in place, which may be cost prohibitive but are a requirement for compliance, as larger shareholders. At the same time, these smaller shareholders will have limited influence on the day to day governance and operations of the business.

Conclusion

We strongly believe that the current state of the Canadian capital marketplace needs to change. The innovative and competitive alternatives that Aequitas Innovations Inc. offers are exciting and compelling, and will present Canadian investors an attractive alternative for the trading of securities.

We appreciate having this opportunity to share our views regarding this Application Request would be pleased to discuss any of these comments with you at your convenience. If you would like to do so, please contact Jeff Carney or myself.

Yours truly,

IGM FINANCIAL INC.A handwritten signature in black ink, appearing to read 'M. Taylor', with a large, stylized flourish at the end.

Murray J. Taylor
Co-President and Chief Executive Officer

cc: Jeffrey Carney, Co-President and Chief Executive Officer