



Advancing Standards™

September 27, 2013

Market Regulation Branch
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, ON M5H 3S8
Fax (416) 595-8940
Email: marketregulation@osc.gov.on.ca

Re: OSC Staff Notice and Request for Comment Regarding Proposed Structure of Trading Facilities for a New Exchange Proposed to be Established By Aequitas Innovations Inc.

The Portfolio Management Association of Canada ("PMAC"), through its Industry, Regulation & Tax Committee, is pleased to have the opportunity to submit the following general comments regarding OSC Staff Notice and Request for Comment Regarding Proposed Structure of Trading Facilities for a New Exchange Proposed to be Established By Aequitas Innovations Inc. ("Aequitas" or the "Aequitas Proposal").

As background, PMAC represents investment management firms registered to do business in Canada as portfolio managers. In addition to this primary registration, some firms are dually registered as investment fund managers and/or exempt market dealers or other registration categories but generally 70% of their income is derived from portfolio manager registration to be members of PMAC. PMAC was established in 1952 and currently represents over 170 investment management firms that manage total assets in excess of \$800 billion (excluding mutual funds assets). Our mission is to advocate the highest standards of unbiased portfolio management in the interest of the investors served by Members. For more information about PMAC and our mandate, please visit our website at www.portfoliomanagement.org.

PMAC supports the efforts of Aequitas to build a new stock exchange in Canada. The Canadian capital markets need exchanges that protect the interest of all investors and reflect the fundamental purpose of the markets: the efficient allocation of capital between issuer and investor as a central force driving the Canadian economy.

We believe in the principles of using innovative technology and market structure design to promote liquidity, fairness, cost savings and economic growth. We are also proponents of competition in the marketplace to ensure a robust future for Canada's capital markets.

PMAC agrees that innovation and commercial responses to stakeholders' needs and market structure changes should be enabled but we need to ensure such changes have oversight and are subject to accountability. If the Aequitas Proposal goes forward, it should be subject to reporting, as well as monitoring and oversight by the regulators. This will allow innovation

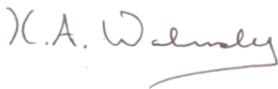
and change, but also manage the potential risks. For example, as indicated in earlier submissions¹, further consideration of how dark pools function in the marketplace and identifying opportunities for abuse should be considered. We also note the risks of high frequency trading to the system and believe regulators should prioritize this issue.

We applaud the OSC's enduring objective that markets remain fair and participants have confidence in market quality and integrity, including order entry, execution and settlement processes. PMAC encourages the Ontario Securities Commission's to bring transparency to these important issues and to evaluate the Aequitas Proposal with a view to strengthening investor confidence and promoting quality Canadian markets.

If you have any questions regarding the comments set out above and/or any of our recommendations, please do not hesitate to contact Katie Walmsley at (416) 504-7018 or Julie Cordeiro at (416) 504-1118.

Yours truly,

PORTFOLIO MANAGEMENT ASSOCIATION OF CANADA



Katie Walmsley
President, PMAC



Scott Mahaffy
Chair, Industry, Regulation & Tax Committee
Vice President Legal, MFS McLean Budden Limited

¹ See PMAC Submission dated December 22, 2009, Response to Joint Canadian Securities Administrators'/Investment Industry Regulatory Organization of Canada – Consultation Paper 23-404 Dark Pools, Dark Orders, and Other Developments in Market Structure in Canada. See also PMAC Submission dated January 10, 2011, Response to Joint CSA/IIROC Consultation Paper 23-405 Dark Liquidity in the Canadian Market.



PORTFOLIO MANAGEMENT ASSOCIATION OF CANADA MEMBERSHIP LIST 2013

Addenda Capital
Adroit Investment Management Ltd.
Aegon Capital Management Inc.
AGF Investments Inc.
Aldersley Securities Inc.
Alitis Investment Counsel Inc.
AMG Canada
ATB Investment Management Inc.
Aurion Capital Management Inc.
Avenue Investment Management Inc.
Aviva Investors Canada Inc.
Barometer Capital Management Inc.
Barrantagh Investment Management Inc.
Baskin Financial Services Inc.
Beaujolais Private Investment Management
Bellwether Investment Management Inc.
Beutel, Goodman & Company Ltd.
BlackRock Asset Management Canada Limited
Bloom Investment Counsel, Inc.
BMO Asset Management Inc.
BMO Harris Investment Management Inc.
BNP Paribas Investment Partners Canada Ltd.
BNY Mellon Wealth Management, Advisory
Services, Inc.
Brandes Investment Partners & Co.
Bull Capital Management Inc.
Burgundy Asset Management Ltd.
Bush Associates Ltd.
C.A. Delaney Capital Management Ltd.
Campbell & Lee Investment Management Inc.
Canoe Financial L.P.
Canso Investment Counsel Ltd.
Cardinal Capital Management, Inc.
Celernus Investment Partners Inc.
CGOV Asset Management
CIBC Global Asset Management Inc.
CIBC Private Investment Counsel
Cockfield Porretti Cunningham Investment
Counsel Inc.
Coerente Capital Management Inc.
Coleford Investment Management Ltd.
Connor, Clark & Lunn Investment
Management Ltd.
Cordiant Capital Inc.
Cougar Global Investments LP
Covenant Capital Management Inc.
Crestridge Asset Management Inc.
Crystal Wealth Management System Ltd.
Cypress Capital Management Ltd.
Davis-Rea Ltd.
De Luca Veale Investment Counsel Inc.
Dixon Mitchell Investment Counsel Inc.
Doherty & Associates Investment Counsel
Dorchester Investment Management
Duncan Ross Associates Ltd.
Echlin Investment Management Ltd.
18 Asset Management Inc.
Empire Life Investments Inc.
ETF Capital Management
Evans Investment Counsel
Excel Investment Counsel Inc.
Exponent Investment Management Inc.
Falcon Asset Management Inc.
Fiera Capital Corporation
Focus Asset Management
Foster Asset Management Inc.
Foyston, Gordon & Payne Inc.
Galibier Capital Management Ltd.
Galileo Global Equity Advisors Inc.
Genova Private Management Inc.
Genus Capital Management Inc.
GFI Investment Counsel Ltd.
GLC Asset Management Group Ltd.
Global Wealth Builders Ltd.
GlobeInvest Capital Management Inc.
Gluskin Sheff + Associates
Greystone Managed Investments Inc.
Groundlayer Capital Inc.
Gryphon Investment Counsel Inc.
Guardian Capital LP
Heathbridge Capital Management
Hélène Dion Investment Management Inc.
Hesperian Capital Management Ltd.

Heward Investment Management Inc.
 Highstreet Asset Management Inc.
 Highview Asset Management Inc.
 Hillsdale Investment Management Inc.
 Horizons Investment Management Inc.
 Howard, Barclay & Associates Ltd.
 HSBC Global Asset Management (Canada) Limited
 IA Clarington Investments Inc.
 Independent Accountant's Investment Counsel Inc.
 Integra Capital Ltd.
 Invesco Canada Ltd.
 J.C. Hood Investment Counsel Inc.
 J. Zechner Associates Inc.
 Jarislowsky, Fraser Limited
 Jones Collombin Investment Counsel Inc.
 Kerr Financial Advisors Inc.
 LDIC Inc.
 Legg Mason Canada Inc.
 Leith Wheeler Investment Counsel Ltd.
 Leon Frazer & Associates Inc.
 Lester Asset Management
 Letko Brosseau & Associates Inc.
 Longview Asset Management Ltd.
 Lorne Steinberg Wealth Management Inc.
 Louisbourg Investments Inc.
 Macdonald, Shymko & Company Ltd.
 MacDougall Investment Counsel Inc. / Les
 Conseillers en Placements MacDougall Inc.
 Mackenzie Investments
 Manitou Investment Management Ltd.
 Manulife Asset Management
 Marquest Asset Management Inc.
 Martin, Lucas & Seagram Ltd.
 Mawer Investment Management Ltd.
 McElvaine Investment Management Ltd.
 MD Physician Services Inc.
 MFS McLean Budden
 Milestone Investment Counsel Inc.
 Mirador Corporation
 Montrusco Bolton Investments Inc.
 Morgan Meighen & Associates Limited
 Morguard Financial Corporation
 Newport Private Wealth Inc.
 Nexus Investment Management Inc.
 Northwood Family Office LP
 NT Global Advisors, Inc.
 Pacific Spirit Investment Management Inc.
 Patient Capital Management Inc.
 Patrimonica Asset Management Inc.
 Perennial Asset Management Corp.
 Picton Mahoney Asset Management
 Pier 21 Asset Management Inc.
 PIMCO Canada Corp.
 Portfolio Management Corporation
 Portland Investment Counsel Inc.
 Rae & Lipskie Investment Counsel Inc.
 RBC Phillips, Hager & North Investment
 Counsel Inc.
 Rempart Asset Management Inc.
 Richmond Equity Management Ltd.
 Ridgewood Capital Asset Management Inc.
 Rogan Investment Management Ltd.
 Rondeau Capital Inc.
 Roundtable Capital Partners Inc.
 RP Investment Advisors
 Russell Investments Canada Ltd.
 Scotia Asset Management L.P.
 Sharp Asset Management Inc.
 Silver Heights Capital Management Inc.
 Sionna Investment Managers
 Sprung Investment Management Inc.
 Standard Life Investments Inc.
 Stanton Asset Management Inc.
 State Street Global Advisors, Ltd.
 Steadyhand Investment Management Ltd.
 Stonegate Private Counsel
 Strathbridge Asset Management Inc.
 Stylus Asset Management Inc.
 Successful Investor Wealth Management Inc.
 Summerhill Capital Management Inc.
 T.E. Investment Counsel Inc.
 Taylor Asset Management Inc.
 TD Asset Management Inc.
 TD Harbour Capital (Division of TD
 Waterhouse Private Investment Counsel Inc.)
 TD Waterhouse Private Investment Counsel
 Inc.
 Tetrem Capital Management Ltd.
 TFP Investment Counsel Corp.
 Thornmark Asset Management Inc.
 Toron AMI International Asset Management
 TriDelta Investment Counsel
 Tulett, Matthews & Associates
 UBS Global Asset Management (Canada) Co.
 University of Toronto Asset Management
 Vancity Investment Management Ltd.
 Venable Park Investment Counsel Inc.
 Vestcap Investment Management Inc.
 Vision Wealth Management Ltd.
 W.A. Robinson & Associates Ltd.

Waterstreet Family Capital Counsel Inc.
Watson Di Primio Steel Investment
Management Ltd.
Watt Carmichael Private Counsel Inc.
West Face Capital Inc.
Wickham Investment Counsel Inc.

