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June 13, 2013

Delivered by email: comments@osc.gov.on.ca, consultation-en-cours@lautorite.qc.ca

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon
Superintendent of Securities, Nunavut

Attention:

The Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, ON M5H 3S8

Me Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal (Québec) H4Z 1G3

Dear Sirs and Mesdames:

RE: CSA Notice and Request for Comment re: Proposed Amendments to National Instrument 81-102, Companion Policy 81-202 CP, Related Consequential Amendments and Other Matters Concerning National Instrument 81-104 and Securities Lending Repurchases and Reverse Repurchases by Investment Funds (the "CSA Notice")

We are writing on behalf of the dealers, issuers and other market and industry participants, listed below, who have dedicated considerable effort over the last several months to considering and preparing responses to the CSA Notice. The materials published by the CSA propose fundamental changes to the regulatory

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framework for closed-end investment funds. It requires time to digest the materials and formulate a constructive response. A broad range of market participants share the view that they have not had sufficient time to respond to the detailed nature of the CSA Notice.

We believe that many of the proposals in the CSA Notice which follow up on the specific issues identified in Staff Notice 81-322 (May 2011) have merit. We would welcome the opportunity to work with CSA Staff to develop standards for conflicts of interest, securityholder approval requirements for fundamental changes, custodianship requirements and enhanced disclosure. These (and perhaps others) could be implemented, on a voluntary basis, in short order.

The process adopted in respect of the CSA Notice is in contrast to other recent policy reviews, including those relating to issues of fiduciary duty, mutual fund fees, prospectus exemptions and enforcement reforms. We endorse the recent comment of the Executive Director and Chief Administrative Officer of the OSC with respect to the importance and utility of various public consultations being undertaken by the Commission.

The proposed reforms to NI 81-102 will have a significant impact on investors and market participants throughout Canada. Given (i) the detailed nature of the CSA Notice, (ii) the process in which specific amendments are being advanced while others are to be deferred and yet other proposals are to be elaborated upon and addressed in a subsequent review of the investment restrictions applicable to mutual funds in Part 2 of National Instrument 81-102, (iii) the limited opportunity afforded to key market participants in the development of the CSA's proposals to date and (iv) the fundamental impact such proposals would have, we are writing at this stage to request the following.

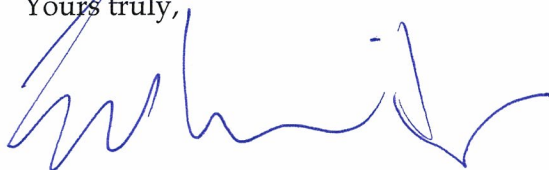
- (a) An extension of the Comment Period from June 25 to August 30, 2013. This will enable market participants to more thoroughly consider the proposals and engage with CSA Staff (as discussed below). The delay should not be prejudicial to the regulatory reform timetable (as it involves the summer vacation period and work can proceed in the interim on the core operational requirements).
- (b) A policy hearing, similar to those being organized by the OSC this month, to be convened as soon as possible (realistically, early in September) to assist the CSA in understanding why positions are being advanced and what informs such positions.
- (c) In the interim (and as soon as possible), an opportunity to present high level concerns (and to elaborate on our first two requests, if required) and seek to clarify any misunderstandings that may have arisen in the course of discussions with and among the investment dealers concerning the CSA's efforts to date. Hopefully, this will help narrow the issues and assist us in advancing constructive comments in response to the CSA Notice. We would be pleased to arrange for

video conferencing, in order to facilitate participation by as many members of the CSA's Modernization Project as are interested in doing so.

The above-noted requests (and proposal to develop voluntary standards on an interim basis) are extraordinary, but not unprecedented. Our objective in advancing them is to assist the CSA and improve the quality of the policy-making process. This will serve the interests of investors and market participants.

For ease of coordinating communications, you may wish to do so through the undersigned.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Edward J. Waitzer', with a stylized flourish at the end.

Edward J. Waitzer

on behalf of the organizations listed on the following page

Fund Managers /
Investment Advisors

Arrow Fund Management Inc.
Artemis Asset Management Limited
Bloom Investment Counsel Inc.
Brompton Funds Limited
Canoe Financial LP
Connor, Clark & Lunn Capital Markets Inc.
Excel Investment Counsel Inc.
Faircourt Asset Management Inc.
First Asset Funds Inc.
Front Street Capital 2004
Goodman & Company, Investment Counsel Ltd.
Highstreet Asset Management Inc.
Harvest Portfolio Group Inc.
Man Investments Canada Corp.
Manulife Asset Management Limited
Marret Asset Management Inc.
Middlefield Group
Propel Capital Corporation
Quadravest Capital Management Inc.
Sprott Asset Management LP
Strathbridge Asset Management Inc.
Taylor Asset Management Inc.

Investment Dealers

BMO Capital Markets
Canaccord Genuity Corp.
CIBC
Desjardins Securities
Dundee Securities Corporation
Mackie Research Capital Corporation
Macquarie Private Wealth Inc.
National Bank Financial
RBC Capital Markets
Scotiabank
TD Securities

Law Firms

Blake Cassels & Graydon LLP
Borden Ladner Gervais LLP
Fasken Martineau
McCarthy Tétrault LLP
McMillan LLP
Osler, Hoskin & Harcourt LLP
Stikeman Elliott LLP
Wildeboer Dellelce LLP

Other

Investment Industry Association of Canada