



RT INVESTMENT MANAGEMENT HOLDINGS INC.

K. Michael Edwards
Chairman, President & CEO
Tel: (416) 955-2713
Fax: (416) 955-2711

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Ontario Securities Commission
20 Queen Street West
Suite 800, Box 55
Toronto, Ontario
M5H 3S8

Attention: John Stevenson, Secretary

Dear Sirs/Mesdames:

Re: Notice of Proposed Amendments to OSC Rule 45-501

We have now had an opportunity to review the revised draft of proposed Rule 45-501 *Exempt Distributions* republished by the Ontario Securities Commission on July 13, 2001. On behalf of Royal Bank of Canada's investment counselling subsidiaries, RT Investment Management Holdings Inc. ("RTIM") would like to express its thanks to the Commission for recognizing its concerns regarding the impact that the prior version of Rule 45-501 would have had on the ability of discretionary investment managers to use non-prospectus qualified mutual funds ("pooled funds") to manage client accounts. We are very pleased that the Commission considered the important role played by pooled funds in the discretionary investment management industry in Canada and concluded that the \$150,000 exemption historically relied upon should be added to the proposed amendments in order to maintain the status quo. This exemption will continue to be most beneficial to our clients and other members of the public who invest in pooled funds.

We understand that the \$150,000 exemption will be available until staff determines the best approach in dealing with pooled funds. We look forward to the opportunity of working with the Commission on this important project and of providing our input on the new regulatory regime.

Thank you, again, for giving full consideration to our comments.

Yours truly,

"K.M. Edwards"
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