

December 13, 2002

British Columbia Securities Commission  
Alberta Securities Commission  
Saskatchewan Securities Commission  
Manitoba Securities Commission  
Securities Administration Branch, New Brunswick  
Office of the Attorney General, Prince Edward Island  
Nova Scotia Securities Commission  
Securities Commission of Newfoundland and Labrador  
Registrar of Securities, Department of Justice, Government of the Northwest Territories  
Registrar of Securities, Government of Yukon  
Registrar of Securities, Legal Registries Division, Department of Justice  
Government of Nunavut

c/o John Stevenson  
Ontario Securities Commission  
20 Queen Street West  
19<sup>th</sup> Floor Box 55  
Toronto Ontario  
M5H 3S8

- and -

Denise Brousseau, Secretary  
Commission des valeurs mobilières du Québec  
800 Victoria Square, Stock Exchange Tower  
P.O. Box 246, 22<sup>nd</sup> Floor  
Montreal Quebec  
H4Z 1G3

**Re: Proposed National Instrument 81-106 – Investment Fund Continuous Disclosure**

Guardian Group of Funds Ltd. (“GGOF”) is pleased to submit a response to the Canadian Securities Administrators (“CSA”) on proposed National Instrument 81-106, Investment Fund Continuous Disclosure (“NI 81-106”).

GGOF generally supports the submission of the Investment Funds Institute of Canada (“IFIC”) to the CSA on NI 81-106. We appreciate IFIC’s effort in preparing a response on behalf of the mutual fund industry.

In particular, we agree with IFIC that the CSA needs to appropriately assess investor demand for more information. We would further suggest that this consideration should be broader in scope than merely a consideration of the information included in NI 81-106. Earlier in the year, the CSA asked for comments on the proposed structure for Mutual Fund Governance. That Concept Paper included recommendations for various reports to be sent to mutual fund investors. In response to those proposals we suggested that some of the proposed reporting would be of little or no interest to most mutual fund investors. Further, the OSC is developing a “Fair Dealing” Concept Paper that will propose a new model for the delivery of financial advice. That Concept Paper may also propose some disclosure/reporting requirements pertaining to the sale of mutual funds through brokers/planners. Finally, we have the British Columbia Securities Commission,

“New Proposals for Mutual Fund Regulation” which proposes moving away from a prescriptive rules regime to a regime of mandated Codes of Conduct based on general principles and guidance. This proposal if adopted by one or more of the provinces has its own unique disclosure requirements to both regulators and investors. The multiplicity of related proposals with contradictory positions reinforces the need to harmonize regulatory initiatives among the provincial regulators.

Most mutual fund investors own units in more than one fund and usually own units in funds offered by more than one fund group. As a result, the proliferation of required reporting to such investors may be overwhelming to the point that most investors immediately discard the plethora of information because it becomes too extensive to deal with meaningfully.

We recommend that the CSA consider the totality of reporting required to be made to mutual fund investors to try and ensure that they are provided with the most relevant and useful information to help them to understand and make buy, hold or sell decisions with respect to their mutual fund investments.

GGOF appreciates the opportunity to comment on proposals that affect our business and we would be pleased to participate in further industry consultation on these and other related matters.

Yours truly,

*“Harold W. Hillier”*

Harold W. Hillier  
President &  
Chief Executive Officer

HH/SR/jt