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VIA ELECTRONIC MAIL

April 9, 2004

Mr. John Stevenson, Secretary
Ontario Securities Commission
20 Queen St. West, 19th floor
Toronto, On, M5H 3S8
email: jstevenson@osc.gov.on.ca
and

Denise Brousseau, Secretary
Commission des valeurs mobilières du Québec
800 Victoria Square, Stock Exchange Tower
Montreal, Québec H4Z 1G3
e-mail: consultation-en-cours@cvmq.com

Re: PROPOSED NATIONAL INSTRUMENT 81-107

Dear Ms. Brousseau and Mr. Stevenson:

As a director of several Canadian mutual fund organizations over the past ten years and prior to that as a director and chairman of the Ivy Funds in the United States for twenty years, I would like to recommend several revisions to Proposed NI 81-107 that I believe would benefit the shareholders of Canada's mutual funds.

First: If the IRC's of Canadian mutual funds are to have little or no control over management companies as proposed under NI 81-107, I believe the CSA should require mutual funds to call a meeting of shareholders every 12 to 24 months to enable fund shareholders to question management about fees, fund performance, disagreements with the IRC and directors and any other matters they reasonably wish to raise. The Templeton Funds regularly hold such meetings to the benefit of both the manager and shareholders. Without regular shareholder meetings, or significant control by directors and/or IRC's over management companies as in the United States, fund shareholders in Canada are faced with taxation without representation.

Management companies cannot have it both ways. I believe they must either accept meaningful control by a board of directors and/or IRC, or report directly to fund shareholders at regularly scheduled shareholder meetings.

Second: It is customary and desirable for directors to own shares in the organizations of which they are directors. Accordingly I would suggest that all directors AND members of IRC's of Canadian mutual funds be required to own shares equal to a minimum of one year's fees in order to align their interests with those of the shareholders they represent. Provision would have to be made for foreign based directors to own shares.

Finally, I find it somewhat ironic that Canadian mutual fund management companies that constantly demand greater transparency from Canada's public corporations are not prepared to grant similar transparency to investors in their own mutual funds.

Respectfully submitted,

Michael R. Peers
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