

By Electronic Mail

July 23, 2004

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Office of the Administrator, New Brunswick
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon Territory
Registrar of Securities, Nunavut

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario M5H 3S8
E-mail: jstevenson@osc.gov.on.ca

AND

Anne-Marie Beaudoin
Directrice je secrétariat
Autorité des marchés financiers
Tour de la Bourse
800, square Victoria
C.P. 246, 22e étage
Montréal, Québec H4Z 1G3
E-mail: consultation-en-cours@lautorite.qc.ca

Dear Sirs:

RE: Proposed National Instrument 81-106 Investment Fund Continuous Disclosure

We are writing in response to your request for comments regarding the Proposed NI 81-106. Leith Wheeler Investment Counsel Ltd. would like to thank the Canadian Securities Administrators (CSA) for the opportunity to respond to your proposal. Leith Wheeler is a registered Investment Counsel and/or Portfolio Manager in BC, Alberta, Saskatchewan,

Manitoba, Yukon, Ontario, Quebec, New Brunswick and Nova Scotia. We are also licensed as Mutual Fund Dealers in BC and Limited Market Dealer in Ontario. Our Firm manages approximately \$4 billion in segregated and mutual/pooled funds for pension, private and institutional clients. Leith Wheeler's Investment Funds have, historically, sent to all unitholders a quarterly as well as an annual report. These reports generally include a review of the performance, market comments of each Fund, the entire statement of portfolio for each of the Funds and applicable financial reports.

General Comments

We believe that giving the unitholder a choice to receive the Funds' Financial Statements and the management report is a good idea. Having standing instructions as to whether they would like to receive Fund information will reduce costs. However, an annual reminder to unitholders indicating how to change their election and reminding them of their current instructions is overkill. It is sufficient to indicate on their statements that they may receive our reports by contacting us.

Having the directors or the manager or the trustee of the Fund approve both the interim and annual financial statements as well as the management report is a good control measure. Providing a notice that the financial statements have not been reviewed by the auditors is redundant if the interim statements already have the word "unaudited" on it.

As a Firm, we have already adopted a proxy voting policy and would not have a problem with providing interested unitholders with a copy of the policy and procedures or the actual proxy voting record upon request.

Specific Comments

Management Discussion of Fund Performance: Having a homogeneous laundry list of items that must go into the interim and annual Management Report of Fund Performance may help standardize information for unitholders, but may not be very useful. The market and the Fund Manager should have the right to determine the amount and the type of information to be included in a Management Report. This information should reflect the manager's investment style rather than be directed by regulators. Our Firm already provides much of the information that is currently required for inclusion. The Manager should have the ultimate responsibility of providing useful information about the Funds they manage. For example, NI 81-106 requires that the Fund provide the best and worst returns for any six month periods. We believe this statistic is not very meaningful as it provides a range of what the Fund did over a short time period. What is the logic of using a six month period and how would an investor use the information to compare to other investment funds and make informed investment decisions using these return figures? The information would not allow for cross comparison amongst funds as different funds will have different measurement time periods of the best and worst six month period. Furthermore, six months is not a very long period of time and it is not a standardized measurement period for a fund. We encourage long term

investors to have a buy and hold strategy and discourage them from market timing. We would recommend that Fund performances should be annualized over one and rolling four year periods. We also recommend that the use of standard deviation be used as a statistical measure of risk.

In our Canadian Equity Fund, we have approximately 40 names in our portfolio. In our opinion, disclosing the top 25 names is not materially different from disclosing the entire portfolio. Leith Wheeler has a family of Funds and currently, we have one booklet that sets out the entire Family of Funds' financial statements. We also have one quarterly booklet that discusses general market comments and a discussion on each Fund. We disagree that binding either the financial statements or the Management Report together would cause our booklet to be voluminous. Unlike large Financial Institutions, which manage 20 to 30 funds, we manage a handful of Funds and our clients tend to own more than one Fund. Perhaps to avoid a bulky telephone book-like financial statements and management report, a Fund manager with more than 10 funds must separately report each Fund. In reality, we think that the market should determine whether funds should be bundled or unbundled. We do not believe that this issue should be one that should be regulated.

Leith Wheeler would like to thank the CSA for allowing us the opportunity to comment on the Proposed NI 81-106. We look forward to further discussions with CSA and if you have any comments, please do not hesitate to contact us at 604-683-3391.

Yours truly,

LEITH WHEELER INVESTMENT COUNSEL LTD.

“Cecilia Wong”, CA, CFA
Chief Financial Officer