



John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario
M5H 3S8

Dear Sir:

Re: Ontario Rule 45-501- Request for Comments

The University of Western Ontario (the “University”) is pleased to provide comments to the Ontario Securities Commission (OSC) on the proposed changes to OSC Rule 45-501, published for comment on February 29, 2008.

The University is the sponsor of two Registered Pension Plans (the “Plans”) and group Retirement Income Funds with over 6,000 investors. The Plans have had a defined contribution design since 1969, among the oldest such plans in Ontario. With over \$1.2 billion in assets held in trust, our members make investment decisions with respect to their own and the University’s contributions among 15 funds. The investment funds are managed by third party investment managers as investment funds (either institutional pooled funds or mutual funds). As a plan sponsor of registered pension plans which are subject to comprehensive investment and disclosure statute under the *Pension Benefits Act* (Ontario) and regulations, the University is, by Rule 45-501 exempt from the prospectus and registration requirements of the *Securities Act* (Ontario) in connection with the distribution of the investments to the members of the plans. The investment funds are not subject to and are not required to comply with National Instrument 81-102 *Mutual Funds*.

The University has concerns relating to the application of the proposed Rule 45-501 changes to our plans and retirement income funds. Section 2.9 of proposed OSC Rule 45-501 provides an exemption from the prospectus requirements for trades in mutual fund securities to corporate sponsored plans. The corresponding registration exemption is contained in section 4.1(1)(c). We have the following comments on the proposed provisions.

1. There appears to be an error in the drafting of proposed sections 2.9 and 4.1(1)(c). In section 2.9(a), paragraphs (i) and (ii) are separated by the conjunctive “and”. By contrast, in section 4.1(1)(c), paragraphs (i) and (ii) are separated by the disjunctive “or”. In our view these two sections should be parallel and in both cases should have the disjunctive “or” such that the plan or intermediary could avail itself of the exemption if either paragraph were satisfied. If the paragraphs are conjunctive, it would remove all exemptions that we currently benefit from as a corporate plan sponsor. We doubt that this was the intent as we presume that such a dramatic policy change would have been accompanied by a specific request for comments.

As is the case with many defined contribution corporate pension plans, the University plan members make investment selections for their own accounts and they deal only with the plan sponsor staff to implement their decisions. They have access to a third party educational service provider, funded by the University, which can provide asset allocation guidance via an internet portal. They are encouraged to consult their own financial advisors for making their investment selections.

2. The word at the end of section 4.1(1)(c)(ii) should be “or”.
3. The lead-in language in section 2.9(a) refers to “pension plan, deferred profit-sharing plan, retirement savings plan *or other similar capital accumulation plan*” (emphasis added). It is unclear what plans are covered by the phrase “other similar capital accumulation plan”. We suggest that this phrase should be clarified and expanded to at least include registered retirement income funds.

Thank you for the opportunity to comment on this important initiative.

Yours truly,

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