



IGM Financial Inc. One Canada Centre, 447 Portage Ave., Winnipeg, Manitoba R3C 3B6

Charles R. Sims
Co-President and Chief Executive Officer
July 25, 2011

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Nova Scotia Securities Commission
Registrar of Securities, Prince Edward Island
Superintendent of Securities, Newfoundland and Labrador Securities Commission
Superintendent of Securities, Government of Yukon Territory
Superintendent of Securities, Department of Justice, Government of the Northwest Territories
Superintendent of Securities, Legal Registries Division, Department of Justice, Government of Nunavut

Attention: John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West, Suite 1903, Box 55
Toronto, ON M5H 3S8
Email: jstevenson@osc.gov.on.ca

M^e Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800, square Victoria, 22^e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3
Email: consultation-en-cours@lautorite.qc.ca

Dear Sir/Medame:

RE: CSA STAFF NOTICE 81-322 AND REQUEST FOR COMMENTS: STATUS REPORT ON THE IMPLEMENTATION OF THE MODERNIZATION OF INVESTMENT FUND PRODUCT REGULATION PROJECT (CSA Notice 81-322)

We are writing in connection with the request for comments issued by the Canadian Securities Administrators (CSA) on May 26, 2011 regarding the project to modernize the product regulation of investment funds (the "Modernization Project").

Information about IGM Financial Inc.

IGM Financial Inc ("IGM") is one of Canada's premier personal financial services companies, and one of the country's largest managers and distributors of mutual funds and other managed asset products, with over \$130 billion in total assets under management as at June 30, 2011. Its activities are carried out principally through Investors Group Inc., Mackenzie Financial Corporation and Investment

Planning Counsel Inc. Through these subsidiaries, we are registered in several capacities with the Mutual Fund Dealers Association of Canada ("MFDA") and the Investment Industry Regulatory Organization of Canada ("IIROC"). IGM is a member of the Power Financial Corporation group of Companies. IGM's common shares are publically traded on the TSX, with a current market capitalization of over \$10 billion. In its capacity as an asset manager on behalf of its clients, IGM, through its subsidiaries, is an investor in virtually all major Canadian reporting issuers.

General Comments

Mackenzie Financial has experience with the current non-redeemable investment fund requirements and how they relate to open-end mutual funds, having launched the Mackenzie Universal Canadian Shield Fund which was converted earlier this month from a successful closed-end investment fund originally listed in 2009.

We encourage efforts by the CSA to harmonize, streamline and modernize securities laws and ease the regulatory burden on market participants with particular emphasis on the modernization and harmonization of investment fund rules. In our view this is necessary to reflect today's market realities, providing flexibility to asset managers to modernize their products so they may respond quickly to market or product developments, while ensuring that investor protection is maintained.

Accordingly, we generally support the CSA's intention to extend the 'self dealing' conflict of interest investment restrictions (i.e. Part 4 of NI 81-102) and the requirement to provide securityholders with the opportunity to vote on fundamental changes such as objectives, fee increases and mergers (Part 5 of NI 81-102) to non-redeemable investment funds as no valid policy reasons exist for limiting these protections to 'conventional' open-end funds. Similarly, we urge the CSA to harmonize the investment restrictions among open-end, non-redeemable (closed-end), and exchange traded funds (ETFs) unless there are policy reasons that support the limited application of these protections – such as against the general application of minimum liquidity restrictions to non-redeemable funds and ETFs.

Conclusion

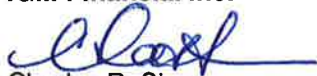
We fully support the CSA's objectives of investor protection, fairness and market efficiency and the efforts taken by regulators to more effectively harmonize the requirements applicable to all investment funds.

The Modernization Project now proposed by the CSA in Notice 81-322 should not be allowed to detract from or delay, however, other ongoing CSA harmonization initiatives, such as the completion of the second phase of the POS disclosure project during which the CSA undertook a complete review of the overall disclosure regime for mutual funds. In our view, these commitments are equally important towards achieving the objective of closing regulatory gaps and achieving a more level playing field for all investment funds and competitive products, and are fundamental elements of investor protection, fairness and market efficiency.

Thank you for the opportunity to comment on the CSA's Modernization Project. Our more detailed responses to the CSA's specific Issues for Comment are attached as Appendix I to this letter. If you have any questions regarding the foregoing, please do not hesitate to contact us. We look forward to working with the CSA as it proceeds with all of these harmonization initiatives.

Yours truly,

IGM Financial Inc.



Charles R. Sims

Co-President and Chief Executive Officer

Copy to: Murray Taylor, Co-President and Chief Executive Officer
IGM Financial

APPENDIX I

Responses to Specific Questions

The following summarizes our comments on specific questions posed in CSA Notice 81-322:

1. ***Do you agree with our view that certain consistent, core investor protection requirements should apply equally to all types of publicly offered investment funds? We particularly seek feedback from investors.***

Yes, but we caution that any discussion on rule harmonization must also involve segregated funds (and other managed products) in order to ensure that all market participants are placed on a level playing field and that all investors benefit from the same protections.

2. ***Do you agree with our approach to develop a stand-alone operational rule for nonredeemable investment funds? If not, what approach would you propose? What are the advantages and disadvantages of this approach?***

For purposes of consistency and ease of administration a single rule for all investment funds is preferable, with exceptions clearly indicated where applicable, should the CSA harmonize the investment restrictions (as well as other requirements such as sales communications rules in Part 15 of NI 81-102). If, on the other hand, the CSA has no intention of rationalizing these broader aspects of NI 81-102 to non-redeemable funds, then a separate rule may be best. In any event, the CSA must clearly disclose their policy as regards when a fund is considered to be a non-redeemable rather than a conventional open-end fund, as indicated in the Notice as follows:

Non-redeemable investment funds listed on stock exchanges may, on an infrequent basis, offer the ability to redeem at a price based on NAV. The CSA generally take the view that where this redemption opportunity arises more frequently than once per year (e.g. monthly or quarterly), the fund provides a regular redemption feature and is therefore considered to be a "mutual fund" subject to the requirements of NI 81-102. Where however this redemption opportunity arises no more frequently than once per year, the fund is not considered a "mutual fund" and escapes the application of NI 81-102.

3. ***We seek feedback on the initial restrictions and operational requirements we have identified for non-redeemable investment funds. If you disagree, what restrictions and operational requirements would be appropriate for non-redeemable investment funds and why? If you think no requirements are needed, please explain why?***

As indicated in our letter, generally, the same operational requirements should apply to both conventional open-end funds and non-redeemable investment funds, unless there exists a valid policy reason for the same rules not to apply – as may be the case with respect to the liquidity requirements given that (by definition) non-redeemable investment funds are not redeemable upon demand.

4. ***Are there other investor protection principles and/or requirements of NI 81-102 which the CSA should consider for non-redeemable investment funds at this time? If so, please explain.***

Yes, please see our letter. Generally, the same disclosure and POS delivery requirements should be made to apply to non-redeemable investment funds as now apply to open-end mutual funds. Also, there is no apparent rationale to explain why the same sales communication rules should not equally apply to both types of funds.

5. ***In addition to the initial requirements the CSA has identified for non-redeemable investment funds, we are considering the possibility of imposing certain investment restrictions, similar to those set out under Part 2 of NI 81-102. Please identify those core investment restrictions that, in your view, should apply to these funds and explain why. If you think no investment restrictions are needed, please explain why.***

Please see our responses above.

- 6. *What do you foresee as the anticipated cost burdens in complying with the initial restrictions and operational requirements we are proposing for non-redeemable investment funds? Specifically, we request data from the investment fund industry and service providers on the anticipated costs of complying with the Phase 2 proposals.***

We are not yet in a position to comment on the cost burdens associated with the initial stage 1 proposal until we have an opportunity to review the extent of the changes under consideration, such as the nature and extent of the matters upon which security holders will be entitled to vote, whether "Notice + Access" rules will apply, flow through of voting rights for fund-of-fund structures, etc.