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BY EMAIL

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British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Superintendent of Securities, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Nunavut

Anne-Marie Beaudoin, Corporate Secretary
Autorité des marchés financiers
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The Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario M5H 3S8
comments@osc.gov.on.ca

Subject: Proposed Amendments to National Instrument 62-103 *Early Warning System and Related Take-Over Bid and Insider Reporting Issues* ("NI 62-103")

Dear Sirs / Mesdames:

CIBC Global Asset Management Inc. ("**CGAM**") is one of Canada's leading asset managers managing more than $92 billion worth of assets as of April 30, 2013. CGAM appreciates the opportunity to provide the Canadian Securities Administrators ("**CSA**") with our comments on the proposed amendments to NI 62-103 (the "**Proposal**"). In light of recent proxy battles, we recognize the CSA's efforts to provide greater transparency about significant holdings of issuers' securities. That said we have some concerns about the Proposal, in particular as they relate to passive investors in the alternative monthly reporting ("**AMR**") framework.

AMR

We agree that the AMR regime should be made available only to an eligible institutional investor ("**EII**") with a passive investment intent. Therefore, other than for the below comments, we would suggest that the Proposal apply solely to the early warning system ("**EWS**").

The Proposal broadens the disqualification section (4.2) of NI 62-103 to include an EII "who solicits, or intends to solicit, proxies from security holders or a reporting issuer on matters relating to the election of directors of the reporting issuer … or similar corporate action involving the securities of the reporting issuer". We are concerned that the current wording of the Proposal could impact security holders' from having discussions amongst themselves because the discussions could be viewed as having the intention to solicit proxies. Therefore we would ask that the CSA include some commentary that discussions amongst security holders would not be construed as intending to solicit proxies.

More importantly, the Proposal to broaden the disqualification section of NI 62-103 wouldn't be sufficient to exclude hedge funds and similar entities that have used the AMR regime in the past in order to bypass the EWS requirements. To ensure that the AMR regime is available only to EIIs with passive intent, we recommend that hedge funds and similar entities be excluded from the definition of EII as they are by and large activist shareholders. For example, the CSA could reword paragraph (d) of the definition of EII by inserting the words "with passive intent" so it reads "an investment manager with passive intent in relation to securities over which it exercises discretion…" and include a definition of "passive intent" to NI 62-103. Rather than restrict the language to only the election of directors, a broader description of activist intent such as "investors intending to influence the company, whether by seeking a change of control or engaging in a proxy contest" may be more appropriate. The above recommendations should be sufficient to ensure that only EIIs with passive intent can make use of the AMR regime.

THRESHOLDS

The objective of the Proposal is to provide greater transparency about significant holdings of issuers' securities where the security holder may influence control of the issuer. Taking into consideration the above commentary, it is our opinion that the change in threshold from 10% to 5% not apply to EIIs reporting under the AMR system. AMR eligible EIIs should be allowed to maintain the current threshold because they have no intention of influencing control of a reporting issuer.

The CSA has clearly taken into consideration the thresholds available in several major foreign jurisdictions, including Canada's southern neighbour and most important trading partner. It is a fact that the U.S. market is significantly larger than the Canadian market and it is much easier for an investment manager to gain access to a particular sector or industry by purchasing the securities of several issuers and staying below the 5% threshold in each name. The breadth of the Canadian market is much narrower than the US market, and investment managers do not have the luxury of several choices in many sectors or industries, meaning that investment managers often exceed the 5% threshold, even where they have no intention to influence control. The Canadian market has evolved over the last several years leaving liquidity and market capitalizations outside the TSX 60 somewhat limiting. The ability of EIIs' to effectively trade a security on behalf of clients' is impaired if the marketplace is aware that an investment management firm is a large security holder. To require disclosure at holdings of 5% in

the securities of smaller capitalization companies would impair the ability of an EII to meet the investment objectives of their clients with no apparent benefit.

In our view, if EIIs' were required to disclose holdings at 5% in smaller capitalization companies, EIIs' may be less interested in owning the securities of such companies. This, in turn, could reduce the ability of small capitalization companies to have efficient access to capital.

However, if the CSA does proceed to reduce the reporting threshold from 10% to 5% under the AMR system, it should adopt a disclosure regime similar to the one available in the U.S., whereby EIIs' with passive intent do their filing only 45 days at the end of calendar year when above 5% or 10 days at the end of each month if the holdings exceed 10% (collectively referred to as the 13G filings).

The U.S. also requires any investment manager that exercises investment discretion over assets of $100 million to file within 45 days at the end of each calendar quarter all equity positions ("**13F Filings**"). However, the Securities Exchange Commission ("**SEC**") may grant a confidentiality exemption from 13F Filings for up to a year under the so called Buffet exemption. This exemption tries to balance the benefits of transparency with the need to temporarily protect the legitimate confidentiality interests of investment managers in addition for public interest reasons and/or the protection of investors. For example, it is the SEC's opinion that a confidentiality exemption should be granted if the 13 Filing contains information that would reveal an investment manager's program of acquisition or disposition that is ongoing both at the end of a reporting period and at the time that of the investment manager's 13F Filing.

NI 81-102 MUTUAL FUNDS

National Instrument 81-102 *Mutual Funds* ("**NI 81-102**") are legally required to be passive investors due to the investment restrictions of NI 81-102. Section 2.2 of NI 81-102 prevents mutual funds from holding more than 10% of the votes attaching to the outstanding voting securities or outstanding equity securities of a reporting issuer, and from purchasing a security for the purpose of exercising control over or management of the company. Nonetheless, the definition of EII currently excludes NI 81-102 mutual funds and therefore they do not qualify for the AMR system and under the Proposal would be subject to the EWS once they cross the 5% threshold. We believe that these funds should continue to be subject to a 10% threshold (aligned with their 10% control restriction) and subject to the same rules as EII's under the AMR system.

Thank you for the opportunity to provide our views on this important issue. Please do not hesitate to contact me with any questions or comments regarding the foregoing.

Sincerely,

/s/ André de Maurivez

André de Maurivez

Cc: Suzann Pennington, CGAM's Chief Investment Officer