GCIC

July 26, 2013

Delivered by E-Mail: comments@osc.gov.on.ca

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

c/o The Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario, M5H 3S8

Me Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal, Québec, H4Z 1G3

Dear Sirs/Madames:

Re: Request for Comments: Proposed National Instrument 62-105 – Security Holder Rights Plans, Proposed Companion Policy 62-105CP and Proposed Consequential Amendments ("CSA Proposal")

We are writing in response to your request for comments on the CSA Proposal. We appreciate the opportunity to submit the following comments on behalf of GCIC Ltd. ("GCICL", "we" or "us").

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GCICL, a subsidiary of DundeeWealth Inc. and the manager of the Dynamic Funds and the Marquis Investment Program, is a leading Canadian asset management company tracing its roots back more than fifty years. We offer a range of wealth management solutions through financial advisors. These include the mutual funds and hedge funds of Dynamic Funds, the portfolio solutions of the Marquis Investment Program and the high net worth investment counsel of DundeeWealth Investment Counsel. DundeeWealth Inc. is a wholly-owned subsidiary of Scotiabank.

In our view, the CSA Proposal is not preferable to the status quo. As a large shareholder in many Canadian corporations, we are capable of analyzing the merits of takeover bids and marshalling resources to accept, reject or modify such takeover bids. The CSA Proposal would have a negative effect on large institutional shareholders, such as us, by discouraging bids on public companies, which have the potential to increase the value of our investments. In addition, we are of the view that the CSA Proposal may lead to possible management entrenchment at the expense of shareholders. Shareholders may always vote against a potential takeover transaction and in our view the current rules accord sufficient time for boards of directors to consider and respond to takeover bids.

Currently, boards of directors have the opportunity to demonstrate to an intervening securities commission whether a shareholder rights plan should remain. If a board of directors is able to convince shareholders that a takeover bid is inadequate or not in the best interests of shareholders within the now typical 45 to 60 day period, shareholders are able to decline the takeover bid. The discretion given to a board of directors under the CSA Proposal is inappropriate. We do not agree that the CSA Proposal offers "greater shareholder control" over the use of shareholder rights plans. In contrast, we are of the view that the CSA Proposal would reduce shareholder control. In our opinion, the possibility that a shareholder rights plan can remain in place for 90 days even if a board of directors choose not to hold a meeting is unacceptable. We believe that shareholders should have a voice as soon as practicable in the event of a takeover bid. As a large shareholder in many corporations, we value our ability to sell or retain our interest in such corporations with guidance, but not interference, from their boards of directors.

The CSA Proposal contemplates that a shareholder rights plan that is adopted after a takeover bid is made may remain in effect for a 90 day period pending security holder approval, which is longer than both the minimum 35 day period that a bid is required to be outstanding under applicable securities legislation and the 45 to 55 day period by which securities regulators have historically ceased traded a shareholder rights plan when successfully opposed by a bidder. We believe that this extension of time is not in shareholder interests as it affords boards and management more time to frustrate a bid without the scrutiny of a review by securities regulators or courts. We believe that takeover bids can never be hostile to shareholders, but are unfavourable to management and boards seeking to entrench themselves.

We believe that the only legitimate purpose of a rights plan is to give boards of directors time to consider a response to a hostile bid and to communicate the response to shareholders. In our view, any other use of shareholder rights plans, including the potential effect of the CSA Proposal on irrevocable lock-up agreements, would be oppressive.

The CSA Proposal contemplates that all shareholder rights plans must be re-approved by shareholders by no later than the date of the issuer's annual meeting in each financial after the issuer first obtained security holder approval. We do not think that this timing is appropriate as takeover bids would likely go stale by this time or bidders would be discouraged from bidding if a board of directors decided not to hold a meeting and if an annual meeting was not imminent. Furthermore, shareholder rights plans that were

adopted in the absence of a proposed takeover bid should not be effective for a longer period of time than shareholder rights plans that were adopted in the face of a take-over bid.

The definition of "security holder approval" in the CSA Proposal does not exclude votes cast by management of the issuer and we believe that this is appropriate as to the extent that management are shareholders, they should have the same rights in the face of a bid as other shareholders.

In our opinion, the CSA Proposal should not facilitate the ability of dissident shareholders or a bidder to challenge a pre-approved shareholder rights plan beyond the provisions of applicable corporate law by, for example, setting a minimum time period within which a meeting must be held or by dispensing with minimum ownership requirements. We believe that dissidents and bidders should have the right to make other shareholders aware of their viewpoints, but it would be counter-productive, without ownership limits, for a shareholder with a low level of ownership in a corporation to have the right to force a meeting.

If the CSA Proposal is implemented, we believe that other changes or consequential amendments to applicable securities legislation would be necessary. As it stands now, shareholders have limited ability to impact the corporate governance of companies in which they have invested. Annually, shareholders have the right to vote for, or withhold votes, for a management-friendly board without even having the opportunity to vote against a proposed director. In our view, the only other material right shareholders have is the right to sell their securities. The CSA Proposal would limit the right of shareholders to sell, or not to sell, their securities to the highest bidder and we believe that this would ultimately require new rules, legislation or jurisprudence to restore that right.

For the reasons outlined above, we respectfully submit that the current regime remain unchanged.

We appreciate the opportunity to comment on the CSA Proposal and look forward to future discussions regarding this topic. Please contact Roxana Tavana, Head of Legal, directly with any questions or to further discuss our comments. Ms. Tavana can be reached by telephone at (416) 365-2406 or by email at rtavana@dynamic.ca

Yours truly,

Jordy Chilcott
Chairman, President and Chief Executive Officer
GCIC Ltd. (Dynamic Funds)

cc. Roxana Tavana, Head of Legal, Global Asset Management
Bruno Carchidi, Chief Compliance Officer
John Pereira, Chief Financial Officer