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May 13, 2007

John Stevenson, Secretary
Ontario Securities Commission
By e-mail: jstevenson@osc.gov.on.ca

Re: Proposed National Instrument 31-103

Dear Mr. Stevenson

I appreciate the opportunity to comment on proposed National Instrument 31-103. I am a retired Ontario resident who depends almost totally on returns from investment funds. Consequently I pay the cost resulting from these instruments that impact investment fund performance.

I can't understand why section 4.18 does not have an exemption for those investment fund managers who use insured third-party custodians for the assets. Needless double insurance increases costs for zero benefit. Likewise section 4.14, should also have an exception for investment fund managers that do not hold assets and use third-party custodians.

There seems to be continuing press coverage of the level of management fees in Canada and that these are disproportionately high as compared to other countries. I am sure you would like to see efficient capital markets with simple regulation and smaller fees. Perhaps you can reconsider 31-103 (coming on top of NI 81-106 and NI 81-107) in this light – is it helping or hurting?

For the small investor, without access to offering memorandum exemptions, economic livelihood depends on avoiding useless costs. Your leadership in the representation of real investor interests would be much appreciated.

Regards

David Thomas