



RBC Global
Asset Management™

RBC Global Asset Management Inc.
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February 24, 2012

Via email

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

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

Dear Mr. Stevenson and Ms. Beaudoin:

Re: Notice and Request for Comment - Proposed Pre-Marketing and Marketing Amendments to Prospectus Rules

We are writing on behalf of RBC Global Asset Management Inc. in response to the Canadian Securities Administrators' ("CSA") request for comment on the proposed pre-marketing and marketing amendments to prospectus rules published on November 25, 2011 ("Proposal"). We appreciate the opportunity to provide comments on this important initiative.

In general, it has been our experience as an institutional investor that the existing regulatory framework surrounding the prospectus pre-marketing and marketing regime does not appear to be sufficiently clear or well understood by investment dealers or prospective investors. Thus the Proposal would be beneficial to the Canadian capital markets as issuers and investment dealers would be provided with further guidance on the appropriate practices and procedures for communicating these matters with prospective investors.

That being said, we caution against any changes to the existing regulatory framework that would impose additional and unduly onerous restrictions on institutional or other investors in order to provide more opportunities for investment dealers to engage in pre-marketing activities. Our specific comments are highlighted below.

1. Testing of the waters exemption for IPO issuers

With respect to CSA's question on the value of the "testing of the waters" exemption for IPO issuers, in our view such an exemption will not likely be widely used by IPO issuers and their investment dealers, since investment dealers generally do not purchase securities from such issuers and are therefore not at market risk prior to selling to investors.

Under the Proposal, before an investment dealer could provide "permitted institutional investors" with confidential information about a proposed IPO, the investor must confirm in writing that it will keep confidential any such information it receives from an investment dealer. In practice, should an investor choose to receive confidential information after being approached by an investment dealer, it may be difficult to ascertain whether inside information has been made available by the investment dealer to the investor. Additional guidance on what the CSA considers material, undisclosed information would be helpful so investors trading activities are not unduly impacted. Further, we recommend that the Proposal should specify, or outline the factors in determining, the time period within which an investor would be expected to continue to treat such information as confidential.

2. Bought deal exemption

The Proposal provides for the enlargement of bought deals up to a specified percentage. As it is highly likely that investment dealers will take full advantage of this accommodation, we believe that any such enlargement should be capped at 15% of the original size of the offering, which corresponds to the existing 15% limit on over-allotment options.

Given that upsizing of a bought deal is a material change, we agree with the proposed prerequisite that the enlargement of the offering cannot be the culmination of a formal or informal plan to offer a larger amount devised before the execution of the original agreement. In addition, we suggest that upon upsizing of a bought deal, the Proposal should require that the order book be reconfirmed in an unambiguous fashion.

3. Road Shows

It is proposed that before attending a road show for permitted institutional investors that may contain comparables, the investment dealer conducting the road show obtain confirmation in writing from the permitted institutional investor that it will keep the comparables confidential. The Canadian capital markets are an efficient and competitive marketplace where there is issuer information available. Accordingly, institutional investors are generally already familiar with this information. Comparables would only be useful in any event if the relative metrics are adequately explained and footnoted. Consequently we submit that the requirement to confirm in writing to keep this information confidential is unnecessary.

Thank you for the opportunity to submit comments. We would be pleased to discuss further the matters that are outlined in this letter.

Sincerely,



Daniel E. Chornous, CFA
Chief Investment Officer
RBC Global Asset Management Inc.