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December 22, 2016

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

The Secretary  
Ontario Securities Commission  
20 Queen Street West  
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Toronto, Ontario M5H 3S8  
Fax: 416-593-2318  
Email: [comments@osc.gov.on.ca](mailto:comments@osc.gov.on.ca)

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Autorité des marchés financiers  
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Dear Sirs / Mesdames:

**Re: Modernization of Investment Fund Product Regulation – Alternative Funds**

First Asset Investment Management Inc. appreciates the opportunity to comment on the proposed repeal of National Instrument 81-104 *Commodity Pools*, the proposed amendments to National Instrument 81-102 *Investment Funds* and National Instrument 81-101 *Mutual Fund Prospectus Disclosure* and the proposed consequential amendments that were published on September 22, 2016 (the “**Proposed Amendments**”).

Upon review of the Proposed Amendments, we urge the Canadian Securities Administrators (the “**CSA**”) to consider grandfathering existing investment funds from the Proposed Amendments that impose new investment restrictions. Imposing new investment restrictions on existing investment funds will alter, in some cases radically, the commercial bargain entered into by securityholders and the funds at the time of investment, which may have an adverse effect on the performance (and viability) of funds that have otherwise successfully implemented their current investment strategies for the benefit of their securityholders. Further, such changes will impose significant costs on such funds (and indirectly their investors), who must now change their investment strategies to comply with the new regulations. We respectfully submit that

these costs far outweigh any potential benefits that may accrue to investors in existing funds from the Proposed Amendments.

While, in the CSA Notice and Request for Comment accompanying the Proposed Amendments, the CSA have concentrated on the issue of fairness, we do not believe adequate attention has been paid to fairness to existing funds who will be significantly negatively impacted by the Proposed Amendments. We believe grandfathering these funds with respect to the Proposed Amendments is the only way to avoid prejudicing such issuers.

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Thank you for providing us with this opportunity to comment on the Proposed Amendments. We would be pleased to provide further details regarding our comments upon request from the CSA.

Yours truly,

First Asset Investment Management Inc.



Per: \_\_\_\_\_

Z. Edward Akkawi  
Chief Operating Officer & General Counsel