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Re. OSC Notice and request for comments regarding the application for recognition of Aequitas Innovations Inc. and Aequitas Neo Exchange Inc. as an exchange

To whom it may concern,

I am writing on behalf of Brookfield Asset Management which is a global alternative asset manager with approximately \$200 billion in assets under management. We have over a 100-year history of owning and operating assets with a focus on property, renewable energy, infrastructure and private equity.

We thank the Ontario Securities Commission for providing us with the opportunity to share our thoughts about the application for recognition of Aequitas Innovations Inc. and Aequitas Neo Exchange Inc. (Aequitas) as an exchange.

We are particularly interested in this application because we are of the opinion that the quality of public markets today can be negatively impacted by the predatory trading strategies deployed by High Frequency Trading (HFT) firms with consequences not only for investors, small or large, but also for corporate issuers who are less and less attracted by the prospect of a public listing.

As a large institutional investor, our fundamental concerns when trading listed securities is the breadth of investment opportunities and reliable liquidity. What we have observed over time, in the Canadian marketplace, is that:

- The number of investment opportunities has and continues to decline: the number of public listed companies with adequate liquidity is shrinking, and we see don't see any meaningful replenishment.
- In the still remaining liquid securities, we are facing the increasing presence of predatory trading strategies that appear to be seeking to identify our intentions and technologically front-running us.

The consequence of this is that the dollar amount we allocate to Canadian publicly listed companies also shrinks.

We also believe that the existing exchange and competing marketplaces all cater to HFT firms, ignoring the needs of investors and issuers, by providing them with a toolset that further enables predatory trading strategies. – the latest being a micro-wave network between Toronto and the US that only a small number of market participants will be able to benefit from to the detriment of all others.

In our opinion, Aequitas offers a different vision aimed at returning the stock exchange business back to its core stakeholders - the investors and the issuers, and a strategy and ownership model that will ensure that this vision will be executed upon. That is why we support their application.

Our thoughts with respect to the questions raised by the OSC Staff in their notice can be summarized as follows:

Market Making

Aequitas is the first exchange in Canada to come with an innovative solution to restore market-making. We believe that market makers can be an important component to the liquidity of public markets and that this solution, inspired by some of the solutions designed in the US, may lead to more reliable liquidity as well as support for newly listed companies. We have no or little concerns about the benefits or tools Aequitas proposes, because they are aimed at generating liquidity, which is what is critical to us. In addition, their ownership model will ensure that any market maker benefits that would be detrimental to investors will be quickly adjusted.

Listings

We believe this is an area in Canada that urgently needs competition. In addition, a marketplace that promotes quality listings through its listing requirements will set a new standard that will promote confidence amongst the investing community.

Order Protection Rule

Aequitas is the first marketplace in Canada that seeks to re-establish a level playing field between market participants with a speed advantage and those who don't have it. Not applying the current OPR rule to Aequitas would go against the original intent of this rule: protecting the "weaker" investors and promoting confidence in the market. We cannot imagine that this would be the intent of the regulators and also respectfully suggest not precipitating any changes to the current rules before understanding all consequences, particularly from a competition perspective.

Regards,



Kelly Marshall
Managing Partner