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

The Secretary
Ontario Securities Commission
20 Queen Street West 22nd Floor
Toronto, Ontario M5H 3S8

Me Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
Autorité des marchés financiers
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Re: CSA Notice and Request for Comment on Proposed Amendments to National Instrument 41-101 *General Prospectus Requirements*, National Instrument 81-101 *Mutual Fund Prospectus Disclosure* and Consultation Paper on a Base Shelf Prospectus Filing Model for Investment Funds in Continuous Distribution (collectively, the “Proposed Amendments”)

On behalf of IGM Financial Inc. (“IGM”) asset management subsidiaries, IG Investment Management Ltd. (“IGIM”), Mackenzie Financial Corporation (“Mackenzie Investments”), and Counsel Portfolio Services Inc. (“Counsel”), we are pleased to provide comments on the Proposed Amendments.

Our Company

IGM, a member of the Power Financial group of companies, is a leading wealth and asset management company supporting financial advisors and the clients they serve in Canada, and institutional investors throughout North America, Europe and Asia. Through its operating companies, IGM provides a broad range of financial planning and investment management services to help Canadians meet their financial goals. Our services are carried out principally through our subsidiaries including; IGIM, Mackenzie Investments, and Counsel. Each company operates distinctly within the asset management segments of the financial services industry.

General Comments

We strongly support the Canadian Securities Administrators' ("CSA") continued efforts to reduce regulatory burden and streamline regulatory requirements. While we generally support the Proposed Amendments, we believe certain aspects should remain as status quo or require further consideration. We also believe that there are additional areas that were not raised in the Proposed Amendments, that would benefit from a reduction of regulatory burden while maintaining investor protection. It is from this viewpoint that we offer the following feedback on specific aspects of the Proposed Amendments.

Specific Comments on the Proposed Amendments and the CSA's Burden Reduction Initiative

Lapse Date Extension

We support the proposal to extend the prospectus lapse date for investment funds and would agree that such an extension would result in reducing unnecessary regulatory burden of the current prospectus filing requirements. Although not necessarily quantifiable in monetary terms, preparing for a renewal is very costly in that it is time consuming and requires extensive internal review and consultation. We also support the CSA's proposal to repeal the 90-day rule requirement for all investment funds.

We do, however, strongly recommend the CSA reconsiders requiring all amendments to be amended and restated as currently proposed. We believe investment fund managers should continue to have the discretion to choose to file either an amended and restated prospectus or to file "slip sheet" amendments. These "slip sheet" amendments can be easier for investors to understand what changes have been made to their specific funds and are more efficient and cost effective for investment funds. Many amendments to investment funds are filed in a short period of time and only apply to a limited number of funds, such as when announcing the results of a special meeting. Requiring this type of material change to be filed by way of amended and restated prospectus could not only add significant internal review time; obligate the board of directors to review more than 300 pages before signing off on the amendment; but also require additional time and expense to make such a large document AODA (Accessibility for Ontarians with Disabilities) compliant before posting to the investment funds designated website. These lengthy steps would also compromise the ability of the investment fund to file the amendment within the regulatory 10 days of the material change requirement.

We also believe that constantly amending and restating the prospectus would make it more difficult for investors to trace the history of their investment funds since a blackline highlighting the change is not made public. In addition, the "slip sheet" amendments include recitals that are useful for investors because they explain the purpose of the specific amendment. Finally, the SEDAR profile for all funds would be updated each time an amended and restated prospectus is filed and would therefore include amendments that do not relate to many funds in the same prospectus. In our view, requiring a prospectus, which is no longer the point-of-sale document, to always be amended and restated would therefore increase regulatory burden for investment funds without clear benefit to investors.

Base Shelf Prospectus

We support the notion of investment funds filing a base shelf prospectus that would have a longer lapse date than the current 24-month proposal, however we believe further guidance from the CSA is required before we could provide any meaningful comments. We further support the concept that the simplified prospectus could be divided as Part A forming the basis for the base shelf prospectus and Part B forming the basis for a prospectus supplement. However, we encourage the CSA to

take a thoughtful approach to considering exactly how the base shelf prospectus and prospectus supplement would work specifically in the investment funds context and not rely on existing formats. With respect to the long form prospectus, we do not believe the current form easily converts into a base shelf and prospectus supplement. We would therefore encourage the CSA to allow ETFs to file the same form for mutual funds once the form for the base shelf and supplement prospectus has been created.

Additional Suggestions

In addition to the forgoing, we believe there are other regulatory filings that can be streamlined or eliminated, including:

Funds Not in Continuous Distribution. For the same reasons the CSA is proposing to adopt a lapse date extension and base shelf prospectus for funds in continuous distribution, we encourage the CSA to also consider at this time extending the same amendments to funds that are not in continuous disclosure but continue to file an annual information form (“Standalone AIF”). The disclosure in the Standalone AIF rarely materially changes during the course of a given year (other than to add additional funds that are no longer in continuous distribution); it is not reviewed by the regulators; and it is not sent to investors who continue to hold the fund(s). The preparation and filing of the Standalone AIF is a costly exercise that requires significant internal and external resources to complete. Providing a longer lapse date or base shelf regime would meaningfully reduce regulatory burden for these funds.

Management Report of Fund Performance (“MRFPs”) and Financial Statements. Given that all investment funds are now required to have a designated website, we continue to believe that “access equals delivery” will reduce effort and costs for investment fund managers while still ensuring that investors have access to all relevant disclosure documents. In this vein, and as previously stated in Mackenzie Investments’ comment letter dated December 11, 2019, on Phase 2, Stage 1 of Reducing Regulatory Burden for Investment Fund Issuers, we strongly urge the CSA to re-examine MRFPs and the mailing of financial statements, in the same way the CSA has currently published proposals for non-investment fund reporting issuers under Consultation Paper 51-405 – *Consideration of an Access Equals Delivery Model for Non-Investment Fund Reporting Issuers*. Currently, Mackenzie Investments and IGIM spend annually approximately \$300,000 and \$350,00 respectively, in printing and mailing MRFPs and financial statements and the opt-in rate by our investors is extremely low. Access equals delivery for continuous disclosure documents, like the MRFPs and financial statements, would not only reduce regulatory burden, but also have a positive environmental impact given the amount of unnecessary printing that is done to produce and mail these documents. We also continue to believe that it is an unnecessary use of resources to require investment fund issuers to send MRFPs to investors twice a year and recommend eliminating the interim MRFP and streamlining the annual MRFP.

Revise and Streamline the Long Form Prospectus or Allow for Simplified Prospectus. There are several sections of the long form prospectus that are duplicative which we believe may cause confusion for investors. Simplifying the long form prospectus and removing the requirement for a prospectus summary would lead to the disclosure for ETF’s to be more streamlined and similar to a simplified prospectus. In the alternative, as stated above, if the CSA is considering allowing ETFs to file a base shelf prospectus, we believe the new simplified prospectus form would be easier to separate into a base shelf prospectus and a prospectus supplement than a long form prospectus and therefore support the consideration of allowing ETFs to file a simplified prospectus rather than a long form prospectus without requiring relief.

Conclusion

We thank you for the opportunity to provide comments on the Proposed Amendments. We would welcome the opportunity to engage with you further on this topic. Please feel free to contact myself or Johanna Di Staulo [REDACTED] if you wish to discuss our feedback further or require additional information.

Yours truly,

IGM FINANCIAL INC.

“Rhonda Goldberg”

Rhonda Goldberg
Executive Vice-President & General Counsel
IGM Financial Inc.