



April 12, 2012

VIA E-MAIL

Ontario Securities Commission
Autorite des marches financiers
New Brunswick Securities Commission
Financial Services Regulation Division, Service NL, Government of Newfoundland and Labrador

John Stevenson
Ontario Securities Commission
20 Queen Street West, Suite 1900,
Toronto, Ontario
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Me Anne-Marie Beaudoin
Corporate Secretary
Autorite des marches financiers
800, square Victoria, 22e etage
Montreal, QC
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Dear Sirs and Mesdames:

RE: Proposed Multilateral Policy 32-102 - Registration Exemptions for Non-Resident Investment Fund Managers and Companion Policy 32-102 Registration Exemptions for Non-Resident Investment Fund Managers

Background

Greystone Managed Investments Inc. (“Greystone”) is writing to provide comments on Proposed Multilateral Policy 32-102 – Registration Exemptions for Non-Resident Investment Fund Managers and Companion Policy 32-102 Registration Exemptions for Non-Resident Investment Fund Managers (the “Exemption Proposal”). We have reviewed the Exemption Proposal in conjunction with Multilateral Proposal 31-202 Registration Requirements for Investment Fund Managers (the “Registration Proposal”) released for comment by the regulators in Saskatchewan, British Columbia, Alberta, Manitoba, Prince Edward Island, Nova Scotia, Northwest Territories, Yukon and Nunavut.

Incorporated in 1988, Greystone provides discretionary investment management services to institutional investors such as pension funds, endowment funds, nonprofit organizations, universities, unions and corporations across Canada. Greystone is registered as a portfolio manager -



adviser and exempt market dealer in all Canadian provinces, as well as an investment fund manager in Saskatchewan.

As at December 31, 2011, Greystone's assets under management were approximately \$34 billion. Greystone's investment management strategies are offered to Canadian institutional clients either as a separately managed account or as a pooled fund depending on the dollar amount invested by the client.

Greystone's institutional-oriented business model can present challenges to regulators attempting to define the business and the risks associated with it. Greystone advises institutional "accredited investors" as defined in National Instrument 45-106 or those defined as "permitted clients" in National Instrument 31-103. Greystone works with Boards of Trustees, pension plan consultants, insurance companies and the like, rather than individual investors. The rules and regulations arising from proposals similar to this one should consider not only the impact to the retail investors but also the implications for institutional investors. Greystone's comments on the Exemption Proposal therefore focusses on the impact to institutional investors.

Greystone is disappointed to see provincial securities regulators release for comment two different and inconsistent proposals relating to investment fund manager registration. The regulators of Ontario, Quebec, New Brunswick and Newfoundland have released for comment the Exemption Proposal which is inconsistent with the Registration Proposal and which does not adopt the practical approach taken by the Registration Proposal. Canadian securities law should be harmonized to the extent possible and two inconsistent regulatory proposals do not contribute to such harmonization. Under the Exemption Proposal investment fund managers would be required to register in a jurisdiction if the investment fund manager has a place of business in the province; has distributed a fund's securities in the province; or an investment fund managed by the investment fund manager has security holders resident in the province who are receiving services from the investment fund manager. What is unfortunate about the Exemption Proposal is that is not reflective of comments and feedback received during the October 2010 Canadian Securities Administrators consultative phase relating to the circumstances in which an investment fund manager would be required to be registered.

The presence of a place of business, the distribution of a fund's securities in a jurisdiction or having securities holders in a province does not mean that investment fund management activities are taking place in the province such that registration for the investment fund manager is required. Such activities are not material elements of investment fund management activity. It is unclear the purpose of registration of an investment fund manager in a province other than that in the province in which the investment fund carries out its investment fund management activities. This more practical requirement for investment fund manager registration is established in the Registration Proposal, which Greystone supports.

We encourage the securities regulators of Ontario, Quebec, Newfoundland and New Brunswick to adopt the more practical Registration Proposal to create one unified Registration proposal.



Thank you for the opportunity to provide these comments. We would be pleased to discuss the comments above.

Respectfully submitted on behalf of Greystone,

Jacqueline Hatherly
Chief Compliance Officer & Legal Counsel