



Portfolio Management & Financial Counsel

NEXUS INVESTMENT MANAGEMENT INC.
120 Adelaide Street West, Suite 1010
Toronto, Ontario M5H 1T1
Tel: (416) 360-0580
Fax: (416) 360-8289
www.nexusinvestments.com

William W. Berghuis
R. Denys Calvin
Geoffrey J. Gouinlock
Fergus W. Gould
John C.A. Stevenson
Dianne C. White

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

c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1903, Box 55
Toronto, Ontario M5H 3S8

- and -

Madame Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3

Dear Sirs and Madams:

Re: Proposed Amendments to National Instrument 31-103

Nexus Investment Management Inc. (“Nexus”) appreciates the opportunity to provide these comments on the proposed amendments to National Instrument 31-103.

By way of background, Nexus is a Toronto-based investment manager that provides discretionary portfolio management and financial counselling services to private clients, trusts and charitable foundations. We manage investments on both a segregated account basis and through a family of pooled funds. The firm was established in 1988 and is owned by its principals. Nexus is registered as a portfolio manager (“PM”), investment fund manager (“IFM”) and exempt market dealer (“EMD”).

Investment fund managers required to provide trade confirmations

The addition of section 14.12(5) requires an IFM to provide a trade confirmation to a client for redemptions of fund units if the redemption request/order is received directly by the IFM from the client (and not through a dealer). As written, this amendment will have a curious effect on clients of an adviser that invests client managed-account assets in units of pooled funds managed by the adviser: clients would begin receiving trade confirmations for redemptions, but not for purchases. Indeed, the amendment would give rise to a requirement that appears to be inconsistent with section 8.6(1). Section 8.6(1) exempts a PM from the requirement to register as an EMD if the PM acts as adviser and IFM to a fund, and the trades in units of the fund are with managed accounts of the PM. One of the effects of not being registered as an EMD is the elimination of the requirement to provide trade confirmations. In other words, section 8.6(1) does away with trade confirmations and 14.12(5) reinstates them.

This “curious result” could easily be addressed in section 14.12(5) by including the same “carveout” as appears in section 8.6(1) – i.e., that section 14.12(5) does not apply to trades conducted by an IFM that is also a PM when such trades are in units of funds for which the PM is both adviser and IFM, and when such trades are with managed accounts of the PM.

We trust you will find these comments useful and persuasive, and would welcome the opportunity to discuss them with you or respond to any questions you may have.

Yours truly,

A handwritten signature in blue ink, appearing to read 'R. Denys Calvin', with a long horizontal stroke extending to the right.

R. Denys Calvin