



May 2, 2006

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Securities Administration Branch, New Brunswick
Securities Office, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Nunavut
Registrar of Securities, Yukon Territory

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Dear Mr. Stevenson:

Re: Proposed National Instrument 24-101 Institutional Trade Matching and Settlement

Thank you for the opportunity to comment on NI 24-101. We provide these comments on behalf of IGM Financial Inc. which is comprised of three mutual fund managers: IG Investment Management (a wholly-owned subsidiary of Investors Group Inc.), Mackenzie Financial Corporation and Counsel Group of Funds Inc. (a wholly-owned subsidiary of Investment Planning Counsel). Each of these companies is the mutual fund manager and/or trustee of mutual funds, which together comprise approximately \$107 billion in assets.

The following are our views on the questions posed to the industry with additional comments at the end.

Question 1. Should the definition of “institutional investor” be broader or narrower?

We have no issue with the definition of Institutional Investor and feel it is well defined in the Instrument.

Question 2. Does the definition of “trade-matching party” capture all the relevant entities involved in the institutional trade matching process?

We have no issues with the definition of “trade-matching party” and think it clearly captures all participants with one exception. We should like to see it more clearly state that Prime Brokerage accounts are included in this Instrument. We believe it is the intention to capture these trades and it should be clearly stated that these arrangements are included.

Question 3. The scope of the matching requirements of the Instrument is limited to DAP or RAP trades. Should the requirements be expanded to include other trades executed on behalf of an institutional investor? Should the requirements capture trades executed with or on behalf of an institutional investor settled without the involvement of a custodian?

Limiting the scope to DAP and RAP trades is appropriate for this Instrument. We do, however, think that greater clarity on what DAP and RAP trades are included in the statistics is necessary. We think the assumption within the industry is that this applies only to Equity and Bond trades but the Instrument does not clearly define that.

For example, Section 2.1 does not list Money Market securities as an exclusion from the rule. If it were the intention to include Money Market securities we would oppose this. This would artificially inflate the trade statistics and limit the effectiveness of the Instrument on equity and bonds trades. We would like to see the Instrument clarified so as to restrict it to equity and bond trades.

Question 4. Are each of these methods (compliance agreement and signed written statement) equally effective to ensure that the trade-matching parties will match their trades by the end of T? Should trade-matching parties be given a choice of which method to use?

We would be fine with either method with a preference for a blanket signed written statement if given the choice. In any case, we would like to see industry standardization to ensure accountability is fair for all parties. We would likely support a standard document drafted by the IDA or CCMA with input from the industry for use by all parties.

The key component is that we would like to certify at the firm level and not at the account level. Certification at the account level would produce unnecessary paper and costs for both the investment manager and broker dealer.

Question 5. Will exception reports enable practical compliance monitoring and assessment of the trade matching requirements?

We think the concept is sound but cannot comment on the future success of this method.

Question 6. Is it necessary to require custodians to do exception reporting in order to properly monitor compliance with this instrument?

Yes, we think that it is particularly important for custodians to provide reporting. We do not necessarily think this reporting should be required to go to the regulator but we would like to see reporting to the investment manager clients. Custodians already provide most of their investment manager clients with a "Report Card" that details trade timeliness and we think that should be expanded, at no cost, to report trades matched in accordance with this Instrument.

Investment managers not using a matching utility will have no way to know if trades that were sent, on time, to the custodian in fact matched. If, and we will expand on this below, ICPM's are included as "registrants" for reporting in section 4.1 then custodian reporting to the ICPM client would be critical.

Question 7. Is it feasible for trade-matching parties to achieve a 7:30 p.m. on T matching rate of 98% by July 1, 2008, even without the use of a matching service utility in the Canadian Capital Markets?

We think that trade matching without a matching utility is possible by the set timelines. However to reach this we would support a coordinated industry effort, via an organization such as the CCMA, to work with the industry to aggressively publicize and refine best practices. While we feel we are well positioned to meet these timelines the entire industry may not be.

We also think the 7:30pm cut off time from CDS is not sufficient, nor is it in keeping with the US market where the DTCC cut off time is 1:30am.

Question 8. Are the transitional percentages outlined in Part 10 of the Instrument practical? Please, provide reasons for your answer.

For both Investors Group and Mackenzie we feel we are operationally ready to meet all the set timelines and we feel they are fair. Both companies have successfully implemented a new trade order management system and have integrated electronic trading and matching capabilities. We have already, and will continue to, leverage these capabilities to further improve our trading and operational efficiency.

We do think that the second jump from matching 70% on T+1 to 80% on T is very aggressive and will be a test for the industry as a whole. We would support a softening of this if the industry at large thinks it is necessary but it is not necessary for our personal operational readiness.

We do think, as mentioned above, that the 7:30pm deadline for CDS to consider a trade being matched on T should be moved and is unreasonably early. This is not in-line with the US as previously noted. We feel that the industry as a whole has to re-tool the settlement process with no assistance from the depository.

Other Points:

We are concerned that section 4.1, where the term "registrants" is used may be pulling in ICPM's. Within discussions we've had within the industry there is great confusion over this. Regardless of the intention, the reporting expectations of the buy-side need to be clarified. If the intention is the

capture ICPM's we are not sure why this is. First, that does not pull in the entire buy-side so some buy-side firms would be reporting when others are not.

Secondly, as the buy-side firms are not affirming parties with CDS there is no way for them to independently know that trades have matched successfully. This ties into the point we made earlier regarding custodians reporting to their buy-side clients. The best any buy-side firm could independently report would be that all trades were transmitted within the set time frame. There would be no way to report on exceptions to matching without custodian or trade matching utility reporting. Given that neither of these are mandated within the Instrument, we are confused and need clarification on this expectation.

Also in section 4.1 points a) and b) suggest that both the number and dollar value must be matched up to the 98%. We see the use of dollar value adding nothing to the effectiveness of the Instrument. The really important aspect is that all trades, regardless of size, are matched.

We thank you for taking the time to review our comments and the time and interest you have taken to assist in improving institutional trade flow.

Sincerely,

"signed"

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Mackenzie Financial Corp.

"signed"

Alastair Heath
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"signed"

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