

March 30, 2007

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Re: National Instrument 41-101 – General Prospectus Requirements and related proposed amendments

Dear Co-Chairs,

We would like to provide our comments on some of the proposed changes to National Instrument 41-101 and the related proposed consequential amendment to National Instrument 81-101 that will affect investment funds.

We are concerned about the proposed consequential amendment to Section 2.7 of NI-81-101, which will require any unaudited financial statements included in or incorporated by reference into the prospectus be reviewed in accordance with the relevant standards set out in the CICA handbook.

This amendment will require all unaudited financial statements issued by investment funds to be subject to a review. We do not believe this additional

review will provide value to the unit holders. By contrast, the costs of the required review will ultimately be borne by the unit holder through higher expenses charged to the fund, thus decreasing the return to the unit holders.

By their nature, investment funds must have sound financial controls, not only to ensure that the fund financial statements are accurate, but also to ensure that the daily valuations are accurate as well. The financial controls over daily valuations are often the same controls that help ensure fund financial statements are accurate. We are not aware of a significant problem within the industry relating to inaccurate interim financial information.

Reporting issuers, other than investment funds, provide interim financial statements to the market on a quarterly basis. There is no requirement to have interim financial information reviewed by the reporting issuer's auditors. Thus the proposed amendment will subject investments funds to a different and more costly standard than other reporting issuers.

In light of our concerns raised above, we ask that the CSA reconsider the consequential amendment to 81-101, which requires that unaudited financial statements included or incorporated by reference to the prospectus be subject to a review. We believe that the additional costs associated with this amendment add little value to the unit holders.

Yours truly,

A. Guy Bélanger
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