

Date: Mon, Jan 27, 2025, 12:43 a.m.

Subject: Comments on OSC retail investor opportunity to invest in long- term funds

I greatly appreciate the opportunity to voice my opinion on the Proposal.

Quite frankly I cannot think of a reason to invest in such a fund.

It is high risk , complicated , invests in illiquid assets and would require a lengthy holding period. In a very real sense the fund itself is quasi liquid.with limitations on withdrawals and the possibility of a redemption suspension.

The withdrawals are limited and I would not know the price I would receive ahead of time.

Given all the well intentioned built in investor protections I expect it will be even more expensive than traditional mutual funds .

We are told valuations will be challenging. I would never want to see my monthly account statement say the price is INDETERMINATE.

Retail investors now have access to ultra low cost ETFs with which to build well diversified portfolios. Many ETFs now are actively managed which gives retail investors access to professional fund managers at a low price.

As I understand the Proposal, a DIY investor would have to engage an advisor to access the fund. That would add at least 1% to the costs of investing.

CIRO is planning to allow the discount brokers to provide access to robust non-personalized advice. That is the kind of access a retail investor appreciates. DIY investing is inexpensive, constantly improving and one doesn't have to deal with advisor conflicts of interest.

Having read recently about some private Canadian real estate funds suspending redemptions for a year , certainly cemented my thoughts on long-term funds. The hold time can be even longer than imagined.

After reading the CARP letter I started thinking about estate planning and realized that the family of a deceased long term fund investor might not be able to access cash by redeeming the fund. There is no provision in the Proposal to prevent the fund Firm increasing fees during the hold period. That would be an opportunity I would prefer to miss.

After googling " illiquidity premium" I found there is an ongoing controversy on this theory . It is mostly promoted by industry but peer reviewed independent research question the theory.

Finally, I would not bet too many ordinary Ontario investors have the willpower or capacity to hold for long periods of time.

I sincerely hope this feedback is of value to decision makers .

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