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April 9, 2009

Headnote

National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* – National Instrument 81-101 s.2.5 - An issuer requires an extension of the lapse date of its funds' simplified prospectus - Issuer intends to terminate certain of its mutual funds by merger into other mutual funds it manages; mergers require regulatory, shareholder, and the funds' IRC approval; all shareholders will be provided with required disclosure documents; issuer has amended or will amend the funds' prospectus and AIF to reflect the proposed mergers; the renewal prospectus and AIF will be filed shortly after completion of the mergers

Applicable British Columbia Provisions

National Instrument 81-101 s.2.5

In the Matter of
the Securities Legislation of
British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova
Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador,
Northwest Territories, Nunavut and Yukon
(the "Jurisdictions")

and

In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of
National Bank Securities Inc. (the "Manager") and
National Bank Mutual Funds set out in Appendix "A" (the "Funds")
(collectively, the "Filers")

Decision

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the "Decision Maker") has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the time limits for the renewal of the simplified prospectus and annual information form of the Funds be extended to those time limits that would be applicable if the lapse

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date of the simplified prospectus and annual information form was June 5, 2009 (the “Exemptive Relief Sought”).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review application):

- (a) the Autorité des marchés financiers is the principal regulator for this application; and
- (b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined below:

“Act” means the *Securities Act* (Ontario);

“NBSI” means National Bank Securities Inc.;

“NI 81-101” means National Instrument 81-101 *Mutual Fund Prospectus Disclosure*; and

“NI 81-102” means National Instrument 81-102 *Mutual Funds*.

Representations

This decision is based on the following facts represented by the Filers:

- a) The Manager is a corporation governed by the *Canada Business Corporations Act*, with its head office in Montreal, Quebec. The Manager is the manager of the Funds.
- b) The Funds are either open-ended mutual fund trusts established under the laws of Ontario or a class of a mutual fund corporation governed under the laws of Canada.
- c) Securities of the Funds are currently qualified for distribution in each of the provinces and territories of Canada under a simplified prospectus and annual information form dated May 16, 2008.
- d) The Funds are reporting issuers under the laws of each of the provinces and territories of Canada. None of the Funds is in default of any of the requirements of the Legislation.

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- e) In each Jurisdiction, provided a pro forma simplified prospectus is filed 30 days prior to May 16, 2009, a final version of the simplified prospectus is filed by May 26, 2009, and a receipt for the simplified prospectus is issued by the securities regulatory authorities by June 5, 2009, securities of the Funds may be distributed without interruption throughout this prospectus renewal period.
- f) The Manager is the manager of both the Funds and the Altamira Funds, as a result of an amalgamation of Altamira Investment Services Inc. (the former manager of the Altamira Funds) and National Bank Securities Inc. (the manager of the Funds) in November 2008.
- g) Securities of the Altamira Funds are currently qualified for distribution in each of the provinces and territories of Canada under a simplified prospectus and annual information form dated November 3, 2008.
- h) As a result of the amalgamation of Altamira Investment Services Inc. and National Bank Securities Inc., the Manager is now in the process of streamlining and integrating the Altamira Funds with the Funds.
- i) The Manager proposes to renew the simplified prospectus and annual information form of the Altamira Funds early to include these mutual funds in the simplified prospectus and annual information form of the Funds.
- j) In addition, the Manager is contemplating fund mergers and mandate changes that may affect the Funds, and which, should they occur, will take effect by June 12, 2009. Any fund mergers and mandate changes that occur will be effected in accordance with the requirements of NI 81-102 including, without limitation, filing appropriate amendments to the simplified prospectus and annual information form of the Funds and Altamira Funds and seeking Independent Review Committee, unitholder and regulatory approval where necessary.
- k) In order to reduce the cost of renewing the simplified prospectus and annual information form of the Funds in May and then subsequently amending and restating the simplified prospectus and annual information form in June following the proposed mergers and mandate changes, the Manager wishes to extend the lapse date for the Funds to June 5, 2009 so that the renewal simplified prospectus and annual information form can be filed on June 15, 2009, following completion of the proposed mergers and mandate changes.
- l) Because the Manager does not know whether it will obtain securityholder approval for all of its proposed changes, the Manager proposes to file a

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proforma simplified prospectus and annual information form in respect of all the Funds and then a final simplified prospectus and annual information form in respect of those Funds which will continue after the mergers.

- m) In the absence of this order, NI 81-101 and section 62(2) of the Act require that the Funds file a final simplified prospectus and annual information form by May 26, 2009 and receive a final receipt by June 5, 2009.
- n) Since May 16, 2008, the date of the simplified prospectus and annual information form, no undisclosed material change has occurred in respect of the Funds. Accordingly, the simplified prospectus and annual information form present up to date information regarding the Funds. The extension requested will not affect the currency or accuracy of the information contained in the simplified prospectus and annual information form and, accordingly, will not be prejudicial to the public interest.
- o) Unless the current lapse date of the Funds is extended, the simplified prospectus and annual information form must be filed 17 days before the date of the proposed mergers and mandate changes. Requiring the Funds to file a simplified prospectus and annual information form and then amend the simplified prospectus and annual information form, within such a short period of time, would lead to increased costs borne by the Funds (and ultimately by investors in the Funds) and potentially lead to investor confusion.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemptive Relief Sought is granted.

Josée Deslauriers
Director
Investment Funds and Continuous Disclosure

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Appendix “A”

National Bank Money Market Fund
National Bank Treasury Bill Plus Fund
National Bank U.S. Money Market Fund
National Bank Corporate Cash Management Fund
National Bank Treasury Management Fund
National Bank Mortgage Fund
National Bank Bond Fund
National Bank Dividend Fund
National Bank Global Bond Fund
National Bank High Yield Bond Fund
National Bank Monthly Secure Income Fund
National Bank Monthly Conservative Income Fund
National Bank Monthly Moderate Income Fund
National Bank Monthly Income Fund
National Bank Monthly High Income Fund
National Bank Monthly Equity Income Fund
National Bank Retirement Balanced Fund
National Bank Secure Diversified Fund
National Bank Conservative Diversified Fund
National Bank Moderate Diversified Fund
National Bank Balanced Diversified Fund
National Bank Growth Diversified Fund
National Bank Canadian Equity Fund
National Bank Canadian Opportunities Fund
National Bank Canadian Index Fund
National Bank Canadian Index Plus Fund
National Bank Small Capitalization Fund
National Bank Global Equity Fund
National Bank International Index Fund
National Bank American Index Fund
National Bank American Index Plus Fund
National Bank European Equity Fund
National Bank European Small Capitalization Fund
National Bank Asia-Pacific Fund
National Bank Emerging Markets Fund
National Bank Quebec Growth Fund
National Bank Natural Resources Fund
National Bank Future Economy Fund
National Bank Global Technologies Fund
National Bank Strategic Yield Class
National Bank/Fidelity Canadian Asset Allocation Fund

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National Bank/Fidelity True North® Fund
National Bank/Fidelity Global Fund
Omega Preferred Equity Fund
Omega High Dividend Fund
Omega Consensus American Equity Fund
Omega Consensus International Equity Fund