

2007 BCSECCOM 692

November 13, 2007

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - National Instrument 81-106 *Continuous Disclosure Requirements for Investment Funds*, s.17.1 – requirements to deliver audited annual financial statements and file MRFP

Financial statement delivery requirement - A fund wants relief from the requirement in s. 5.1 of NI 81-106 to deliver audited annual financial statements for a particular year - The filer filed a final prospectus with audited financial statements dated before its year end; the filer had limited operations between the date of the audited financial statements and its year end; the filer's audited annual financial statements will not disclose any material information that is not already disclosed, either in the financial statements included in the prospectus or elsewhere in the prospectus

MRFP requirement - A fund wants relief from the requirement in s. 4.2 of NI 81-106 to prepare and file an annual management report of fund performance (MRFP) for a particular year - The filer filed a final prospectus with audited financial statements dated before its year end; the filer had limited operations between the date of the audited financial statements and its year end; because of its limited operations, the filer cannot discuss changes in risk, the result of operations, or economic trends and market conditions that affect the filer in the annual MRFP for its first financial year

Applicable British Columbia Provisions

National Instrument 81-106, ss. 4.2, 5.1 and 17.1

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

and

In the Matter of
the Mutual Reliance Review System for Exemptive Relief Applications

and

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In the Matter of
CIBC Asset Management Inc.
(the Filer)

and

In the Matter of
Renaissance Optimal Income Portfolio
and Renaissance Global Infrastructure Fund
(the Funds)

MRRS Decision Document

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer, on behalf of the Funds for a decision under the securities legislation (the Legislation) of the Jurisdictions exempting the Funds from the requirement contained in section 4.2 of National Instrument 81-106 - *Investment Funds Continuous Disclosure* (NI 81-106) requiring an investment fund that is a reporting issuer to file a management report of fund performance (MRFP) from the period of its organization to August 31, 2007, as would otherwise be required pursuant to applicable Legislation (the Requested Relief).

Under the Mutual Reliance Review System (MRRS) for Exemption Applications:

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

The decision is based on the following facts represented by the Filer:

1. The Filer is a corporation established under the laws of Ontario and is the manager and trustee of the Funds.

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2. The Funds are open-ended mutual funds trusts established and organized under the laws of the Province of Ontario on August 15, 2007 pursuant to an amended and restated master declaration of trust dated as of June 27, 2006, as amended.
3. The Funds became reporting issuers on August 21, 2007, the date on which a receipt for the final simplified prospectus and annual information form dated August 20, 2007 (the Prospectus) in respect of the Funds was issued by the Decision Makers.
4. The fiscal year end of the Funds is August 31. Pursuant to section 4.2 of NI 81-106, and subject to any relief obtained pursuant to this application, the Funds would be required to prepare and file in the Jurisdictions an annual MRFP for the period ended August 31, 2007.
5. Units of the Funds will only be offered for sale to the public on or about November 8, 2007. Accordingly, no units, other than for seed capital purposes, were issued as of August 31, 2007.
6. The Funds carried on no relevant investment activities from the date of their organization until their fiscal year-end and accordingly would have no meaningful information to report in the financial highlights for the purposes of the preparation of an MRFP.
7. The benefit of preparing and filing an MRFP for each Fund would be minimal in view of (i) the short period from the date of the receipt of the Prospectus, August 21, 2007, to the fiscal year end, August 31, 2007; (ii) the nature of the minimal business carried on by the Fund, and (iii) no units of the Funds, other than for seed capital purposes, were issued as of August 31, 2007.
8. The limited activities of the Funds for the period from August 15, 2007 to August 31, 2007 do not provide meaningful information for the purposes of the preparation of an MRFP.
9. Form 81-106F1 requires a discussion of how changes to the investment fund over the financial year affected the overall level of risk associated with an investment fund, a summary of the results of operations of the investment fund for the financial year-end, and a discussion of the recent developments affecting the investment fund. Given the minimal business carried on by the Funds and the fact that the Funds filed the Prospectus close to their fiscal year

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end, no disclosure on these and other items required to be disclosed by Form 81-106F1 could be meaningfully provided in the MRFP.

10. Each Fund will audit its annual financial statements for the period ended August 31, 2007.
11. The expense to the Funds of preparing and filing MRFPs would not be justified in view of the benefit to be derived from receiving MRFPs.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met.

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

Vera Nunes
Assistant Manager, Investment Funds Branch
Ontario Securities Commission