

**National Instrument 81-101**  
***Mutual Fund Prospectus Disclosure***

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**National Instrument 81-101**  
***Mutual Fund Prospectus Disclosure***

**PART 1      DEFINITIONS, INTERPRETATION AND APPLICATION**

**1.1      Definitions - In this Instrument**

“business day” means any day other than a Saturday, a Sunday or a statutory holiday;

“commodity pool” means a mutual fund, other than a precious metals fund, that has adopted fundamental investment objectives that permit it to use

- (a)      specified derivatives other than as permitted by National Instrument 81-102 Mutual Funds, or
- (b)      physical commodities other than as permitted by National Instrument 81-102;

“educational material” means material containing general information about one or more of investing in general, mutual funds, portfolio management, capital markets, retirement savings, income or education saving plans and financial planning, if the material does not promote a particular mutual fund or mutual fund family or the products or services offered by a particular mutual fund or mutual fund family;

“executive officer” means, for a mutual fund, a manager of a mutual fund or a promoter of a mutual fund, an individual who is

- (a)      a chair, vice-chair or president,
- (b)      a vice-president in charge of a principal business unit, division or function including sales, finance or product development, or
- (c)      performing a policy-making function;

“financial year” includes the first completed financial period of a mutual fund beginning with the inception of the mutual fund and ending on the date of its first financial year end;

“independent review committee” means the independent review committee of the investment fund established under National Instrument 81-107 *Independent Review Committee for Investment Funds*;

“material contract” means, for a mutual fund, a contract listed in the annual information form of the mutual fund in response to Item 16 of Form 81-101F2 Contents of Annual Information Form;

“multiple AIF” means a document containing two or more annual information forms that have been consolidated in accordance with section 5.4;

“multiple SP” means a document containing two or more simplified prospectuses that have been consolidated in accordance with subsection 5.1(1);

“NI 81-107” means National Instrument 81-107 *Independent Review Committee for Investment Funds*;

“Part A section” means the section of a simplified prospectus that contains the disclosure required by Part A of Form 81-101F1 Contents of Simplified Prospectus;

“Part B section” means the section of a simplified prospectus that contains the disclosure required by Part B of Form 81-101F1;

“Personal Information Form and Authorization” means the Personal Information Form and Authorization of Indirect Collection, Use and Disclosure of Personal Information set out in Appendix A to National Instrument 41-101 *General Prospectus Requirements*;

“plain language” means language that can be understood by a reasonable person, applying a reasonable effort;

“precious metals fund” means a mutual fund that has adopted fundamental investment objectives, and received all required regulatory approvals, that permit it to invest in precious metals or in entities that invest in precious metals and that otherwise complies with National Instrument 81-102;

“single AIF” means an annual information form that has not been consolidated with another annual information form under section 5.4; and

“single SP” means a simplified prospectus that has not been consolidated with another simplified prospectus under subsection 5.1(1)

**1.2 Interpretation** - Terms defined in National Instrument 81-102 or National Instrument 81-105 Mutual Fund Sales Practices and used in this Instrument have the respective meanings ascribed to them in those Instruments.

**1.3 Application** - This Instrument does not apply to mutual funds that are

(a) labour-sponsored venture capital corporations;

- (b) commodity pools; or
- (c) listed and posted for trading on a stock exchange or quoted on an over-the-counter market.

## **PART 2 DISCLOSURE DOCUMENTS**

### **2.1 Filing of Disclosure Documents - A mutual fund**

- (a) that files a preliminary prospectus shall file the preliminary prospectus in the form of a preliminary simplified prospectus prepared in accordance with Form 81-101F1, and shall concurrently file a preliminary annual information form prepared and certified in accordance with Form 81-101F2;
- (b) that files a *pro forma* prospectus shall file the *pro forma* prospectus in the form of a *pro forma* simplified prospectus prepared in accordance with Form 81-101F1, and shall concurrently file a *pro forma* annual information form prepared in accordance with Form 81-101F2;
- (c) that files a prospectus shall file the prospectus in the form of a simplified prospectus prepared in accordance with Form 81-101F1, and shall concurrently file an annual information form prepared and certified in accordance with Form 81-101F2;
- (d) that files an amendment to a prospectus
  - (i) shall file an amendment to a simplified prospectus and shall concurrently file an amendment to the related annual information form, or
  - (ii) in circumstances in which changes are made only to an annual information form, shall file an amendment to the annual information form; and;
- (e) must not file a prospectus more than 90 days after the date of the receipt for the preliminary prospectus that relates to the prospectus.

### **2.2 Amendments to Disclosure Documents**

- (1) An amendment to a simplified prospectus or to an annual information form may consist of either

- (a) an amendment that does not fully restate the text of the simplified prospectus or annual information form; or
  - (b) an amended and restated simplified prospectus or annual information form.
- (2) Despite subsection (1), an amendment to the Part B section that is separately bound from the Part A section of a simplified prospectus shall be effected only by way of an amended and restated Part B section.
- (3) An amendment to a simplified prospectus or to an annual information form shall be identified and dated as follows:
- 1. For an amendment that does not restate the text of a simplified prospectus or annual information form:  
  
“Amendment No. [insert amendment number] dated [insert date of amendment] to [identify document] dated [insert date of document being amended].”
  - 2. For an amended and restated simplified prospectus, other than an amendment to which subsection (2) applies, or annual information form:  
  
“Amended and Restated [identify document] dated [insert date of amendment], amending and restating [identify document] dated [insert date of document being amended].”

**2.2.1 Amendment to a Preliminary Simplified Prospectus** – (1) Except in Ontario, if, after a receipt for a preliminary simplified prospectus is issued but before a receipt for the simplified prospectus is issued, a material adverse change occurs, an amendment to the preliminary simplified prospectus must be filed as soon as practicable, but in any event within 10 days after the change occurs.

- (2) The regulator must issue a receipt for an amendment to a preliminary simplified prospectus as soon as practicable after the amendment is filed.

**2.2.2 Delivery of Amendments** -- Except in Ontario, a mutual fund must deliver an amendment to a preliminary simplified prospectus as soon as practicable to each recipient of the preliminary simplified prospectus according to the record of recipients required to be maintained under securities legislation.

**2.2.3 Amendment to a Simplified Prospectus** – (1) Except in Ontario, if, after a receipt for a simplified prospectus is issued but before the completion of the distribution under the simplified prospectus, a material change occurs, a mutual fund must file an amendment to the simplified prospectus as soon as practicable, but in any event within 10 days after the day the change occurs.

- (2) Except in Ontario, if, after a receipt for a simplified prospectus or an amendment to a simplified prospectus is issued but before the completion of the distribution under the simplified prospectus or the amendment to the simplified prospectus, securities in addition to the securities previously disclosed in the simplified prospectus or the amendment to the simplified prospectus are to be distributed, an amendment to the simplified prospectus disclosing the additional securities must be filed, as soon as practicable, but in any event within 10 days after the decision to increase the number of securities offered.
- (3) Except in Ontario, the regulator must issue a receipt for an amendment to a simplified prospectus filed under this section unless the regulator considers that there are grounds set out in securities legislation that would cause the regulator not to issue the receipt for a simplified prospectus.
- (4) Except in Ontario, the regulator must not refuse to issue a receipt under subsection (3) without giving the mutual fund that filed the simplified prospectus an opportunity to be heard.

### **2.3 Supporting Documents**

- (1) A mutual fund shall
  - (a) file with a preliminary simplified prospectus and a preliminary annual information form
    - (i) a copy of the preliminary annual information form certified in accordance with Part 5.1,
    - (ii) a submission to the jurisdiction and appointment of an agent for service of process of the manager of the mutual fund in the form set out in Appendix C to National Instrument 41-101 *General Prospectus Requirements*, if the manager of the mutual fund is incorporated, continued or organized under the laws of a foreign jurisdiction or resides outside of Canada,
    - (iii) a copy of any material contract and a copy of any amendment to a material contract that have not previously been filed, other than a contract entered into in the ordinary course of business,
    - (iv) a copy of the following documents and a copy of any amendment to the following documents that have not previously been filed:
      - (A) by-laws or other corresponding instruments currently in effect,

- (B) any securityholder or voting trust agreement that the mutual fund has access to and that can reasonably be regarded as material to an investor in securities of the mutual fund, and
      - (C) any other contract of the mutual fund that creates or can reasonably be regarded as materially affecting the rights or obligations of the mutual fund's securityholders generally, and
    - (v) any other supporting documents required to be filed under securities legislation; and
  - (b) at the time a preliminary simplified prospectus and preliminary annual information form are filed, deliver or send to the securities regulatory authority
    - (i) for
      - (A) a new mutual fund, a copy of a draft opening balance sheet of the mutual fund, and
      - (B) an existing mutual fund, a copy of the latest audited financial statements of the mutual fund,
    - (ii) personal information in the form of the Personal Information Form and Authorization for:
      - (A) each director and executive officer of the mutual fund,
      - (B) each director and executive officer of the manager of the mutual fund,
      - (C) each promoter of the mutual fund, and
      - (D) if the promoter is not an individual, each director and executive officer of the promoter,
- unless
- (E) a completed Personal Information Form and Authorization,
  - (F) before March 17, 2008, a completed authorization in
    - (I) the form set out in Appendix B of NI 44-101,

- (II) the form set out in Ontario Form 41-501F2 *Authorization of Indirect Collection of Personal Information*, or
- (III) the form set out in Appendix A of Québec Regulation Q-28 *Respecting General Prospectus Requirements*, or
- (G) before March 17, 2008, a completed personal information form or authorization in a form substantially similar to a personal information form or authorization in clause (E) or (F), as permitted under securities legislation,

was previously delivered in connection with the simplified prospectus of another mutual fund managed by the manager of the mutual fund,

- (iii) a signed letter to the regulator from the auditor of the mutual fund prepared in accordance with the form suggested for this circumstance by the Handbook, if a financial statement of the mutual fund incorporated by reference in the preliminary simplified prospectus is accompanied by an unsigned auditor's report, and
- (iv) any other supporting documents required to be delivered or sent to the securities regulatory authority under securities legislation.

(2) A mutual fund shall

- (a) file with a *pro forma* simplified prospectus and a *pro forma* annual information form
  - (i) a copy of any material contract of the mutual fund, and a copy of any amendment to a material contract of the mutual fund, not previously filed,
  - (ii) a submission to the jurisdiction and appointment of an agent for service of process of the manager of the mutual fund in the form set out in Appendix C to National Instrument 41-101 *General Prospectus Requirements*, if the manager of the mutual fund is incorporated, continued or organized under the laws of a foreign jurisdiction or resides outside of Canada and if that document has not already been filed, and
  - (iii) any other supporting documents required to be filed under securities legislation; and

- (b) at the time a *pro forma* simplified prospectus and *pro forma* annual information form are filed, deliver or send to the securities regulatory authority
- (i) a copy of the *pro forma* simplified prospectus, blacklined to show changes and the text of deletions from the latest simplified prospectus previously filed,
  - (ii) a copy of the *pro forma* annual information form, blacklined to show changes and the text of deletions from the latest annual information form previously filed,
  - (iii) a copy of a draft of each material contract of the mutual fund, and a copy of each draft amendment to a material contract of the mutual fund, in either case not yet executed but proposed to be executed by the time of filing of the simplified prospectus,
  - (iv) personal information in the form of the Personal Information Form and Authorization for:
    - (A) each director and executive officer of the mutual fund,
    - (B) each director and executive officer of the manager of the mutual fund,
    - (C) each promoter of the mutual fund, and
    - (D) if the promoter is not an individual, each director and executive officer of the promoter,
- unless
- (E) a completed Personal Information Form and Authorization,
  - (F) before March 17, 2008, a completed authorization in
    - (I) the form set out in Appendix B of NI 44-101,
    - (II) the form set out in Ontario Form 41-501F2 *Authorization of Indirect Collection of Personal Information*, or
    - (III) the form set out in Appendix A of Québec Regulation Q-28 *Respecting General Prospectus Requirements*, or

(G) before March 17, 2008, a completed personal information form or authorization in a form substantially similar to a personal information form or authorization in clause (E) or (F), as permitted under securities legislation,

was previously delivered in connection with a simplified prospectus of the mutual fund or another mutual fund managed by the manager of the mutual fund, and

(v) any other supporting documents required to be delivered or sent to the securities regulatory authority under securities legislation.

(3) A mutual fund shall

(a) file with a simplified prospectus and an annual information form

(i) a copy of any material contract, and a copy of any amendment to a material contract, of the mutual fund and not previously filed,

(ii) for a new mutual fund, a copy of the audited balance sheet of the mutual fund,

(iii) a copy of the annual information form certified in accordance with Part 5.1,

(iv) a submission to the jurisdiction and appointment of an agent for service of process of the manager of the mutual fund in the form set out in Appendix C to National Instrument 41-101 *General Prospectus Requirements*, if the manager of the mutual fund is incorporated, continued or organized under the laws of a foreign jurisdiction or resides outside of Canada and if that document has not already been filed,

(v) any consents required by section 2.6,

(vi) a copy of each report or valuation referred to in the simplified prospectus, for which a consent is required to be filed under section 2.6 and that has not previously been filed, and

(vii) any other supporting documents required to be filed under securities legislation; and

(b) at the time a simplified prospectus is filed, deliver or send to the securities regulatory authority

- (i) a copy of the simplified prospectus, blacklined to show changes and the text of deletions from the preliminary or *pro forma* simplified prospectus,
- (ii) a copy of the annual information form, blacklined to show changes and the text of deletions from the preliminary or *pro forma* annual information form,
- (iii) details of any changes to the personal information required to be delivered under subparagraph 2.3(1)(b)(ii) or 2.3(2)(b)(iv), in the form of the Personal Information Form and Authorization, since the delivery of that information in connection with the filing of the simplified prospectus of the mutual fund or another mutual fund managed by the manager, and
- (iv) any other supporting documents required to be delivered or sent to the securities regulatory authority under securities legislation.

(4) A mutual fund shall

- (a) file with an amendment to a simplified prospectus and an amendment to the annual information form
  - (i) a copy of the amendment to the annual information form certified in accordance with Part 5.1,
  - (ii) any consents required by section 2.6,
  - (iii) a copy of any material contract of the mutual fund, and a copy of any amendment to a material contract of the mutual fund, not previously filed, and
  - (iv) any other supporting documents required to be filed under securities legislation;
- (b) at the time an amendment to a simplified prospectus is filed, deliver or send to the securities regulatory authority
  - (i) if the amendment to the simplified prospectus is in the form of an amended and restated simplified prospectus, a copy of that document blacklined to show changes and the text of deletions from the simplified prospectus,
  - (ii) if the amendment to the annual information form is in the form of an amended and restated annual information form, a copy of the

amended annual information form, blacklined to show changes and the text of deletions from the annual information form,

- (iii) details of any changes to the personal information required to be delivered under subparagraph 2.3(1)(b)(ii), 2.3(2)(b)(iv) or 2.3(3)(b)(iii), in the form of the Personal Information Form and Authorization, since the delivery of that information in connection with the filing of the simplified prospectus of the mutual fund or another mutual fund managed by the manager, and
- (iv) any other supporting documents required to be delivered or sent to the securities regulatory authority under securities legislation.

(5) A mutual fund shall

- (a) file with an amendment to an annual information form in circumstances in which the corresponding simplified prospectus is not amended
  - (i) a copy of the amendment to the annual information form certified in accordance with Part 5.1,
  - (ii) any consents required by section 2.6,
  - (iii) a copy of any material contract of the mutual fund, and a copy of any amendment to a material contract of the mutual fund, not previously filed, and
  - (iv) any other supporting documents required to be filed under securities legislation; and
- (b) at the time an amendment to an annual information form is filed, deliver or send to the securities regulatory authority
  - (i) details of any changes to the personal information required to be delivered under subparagraph 2.3(1)(b)(ii), 2.3(2)(b)(iv) or 2.3(3)(b)(iii), in the form of the Personal Information Form and Authorization, since the delivery of that information in connection with the filing of the simplified prospectus of the mutual fund or another mutual fund managed by the manager,
  - (ii) if the amendment is in the form of an amended and restated annual information form, a copy of the amended and restated annual information form blacklined to show changes and the text of deletions from the annual information form; and

- (iii) any other supporting documents required to be delivered or sent to the securities regulatory authority under securities legislation.
- (6) Despite any other provision of this section, a mutual fund may
  - (a) omit or mark to be unreadable certain provisions of a material contract or an amendment to a material contract filed under this section
    - (i) if the manager of the mutual fund reasonably believes that disclosure of those provisions would be seriously prejudicial to the interests of the mutual fund or would violate confidentiality provisions, and
    - (ii) if a provision is omitted or marked to be unreadable under subparagraph (i), the mutual fund must include a description of the type of information that has been omitted or marked to be unreadable immediately after the provision that is omitted or marked to be unreadable in the copy of the material contract or amendment to the material contract filed by the mutual fund; and
  - (b) delete commercial or financial information from the copy of an agreement of the mutual fund, its manager or trustee with a portfolio adviser or portfolio advisers of the mutual fund filed under this section if the disclosure of that information could reasonably be expected to
    - (i) prejudice significantly the competitive position of a party to the agreement, or
    - (ii) interfere significantly with negotiations in which parties to the agreement are involved.

**2.4 Simplified Prospectus** - A simplified prospectus is a prospectus for the purposes of securities legislation.

## **2.5 Lapse Date**

- (1) This section does not apply in Ontario.
- (2) In this section, “lapse date” means, with reference to the distribution of a security that has been qualified under a simplified prospectus, the date that is 12 months after the date of the most recent simplified prospectus relating to the security.
- (3) A mutual fund must not continue the distribution of a security to which the prospectus requirement applies after the lapse date unless the mutual fund files a new simplified prospectus that complies with securities legislation and a receipt for that new simplified prospectus is issued by the regulator.

- (4) Despite subsection (3), a distribution may be continued for a further 12 months after a lapse date if,
  - (a) the mutual fund delivers a *pro forma* simplified prospectus not less than 30 days before the lapse date of the previous simplified prospectus;
  - (b) the mutual fund files a new final simplified prospectus not later than 10 days after the lapse date of the previous simplified prospectus; and
  - (c) a receipt for the new final simplified prospectus is issued by the regulator within 20 days after the lapse date of the previous simplified prospectus.
- (5) The continued distribution of securities after the lapse date does not contravene subsection (3) unless and until any of the conditions of subsection (4) are not complied with.
- (6) Subject to any extension granted under subsection (7), if a condition in subsection (4) is not complied with, a purchaser may cancel a purchase made in a distribution after the lapse date in reliance on subsection (4) within 90 days after the purchaser first became aware of the failure to comply with the condition.
- (7) The regulator may, on an application of a mutual fund, extend, subject to such terms and conditions as it may impose, the times provided by subsection (4) where in its opinion it would not be prejudicial to the public interest to do so.

## **2.6 Consents of Experts**

- (1) A mutual fund must file the written consent of
  - (a) any solicitor, auditor, accountant, engineer, or appraiser;
  - (b) any notary in Québec; and
  - (c) any person or company whose profession or business gives authority to a statement made by that person or companyif that person or company is named in a simplified prospectus or an amendment to a simplified prospectus, directly or, if applicable, in a document incorporated by reference,
  - (d) as having prepared or certified any part of the simplified prospectus or the amendment;
  - (e) as having opined on financial statements from which selected information included in the simplified prospectus has been derived and which audit

opinion is referred to in the simplified prospectus directly or in a document incorporated by reference; or

- (f) as having prepared or certified a report, valuation, statement or opinion referred to in the simplified prospectus or the amendment, directly or in a document incorporated by reference.
- (2) The consent referred to in subsection (1) must
- (a) be filed no later than the time the simplified prospectus or the amendment to the simplified prospectus is filed or, for the purposes of future financial statements that have been incorporated by reference in a simplified prospectus, no later than the date that those financial statements are filed;
  - (b) state that the person or company being named consents
    - (i) to being named, and
    - (ii) to the use of that person or company's report, valuation, statement or opinion;
  - (c) refer to the report, valuation, statement or opinion stating the date of the report, valuation, statement or opinion; and
  - (d) contain a statement that the person or company being named
    - (i) has read the simplified prospectus, and
    - (ii) has no reason to believe that there are any misrepresentations in the information contained in it that are
      - (A) derived from the report, valuation, statement or opinion, or
      - (B) within the knowledge of the person or company as a result of the services performed by the person or company in connection with the report, financial statements, valuation, statement or opinion.
- (3) In addition to any other requirement of this section, the consent of an auditor or accountant must also state
- (a) the dates of the financial statements on which the report of the auditor or accountant is made; and

- (b) that the auditor or accountant has no reason to believe that there are any misrepresentations in the information contained in the simplified prospectus that are
  - (i) derived from the financial statements on which the auditor or accountant has reported, or
  - (ii) within the knowledge of the auditor or accountant as a result of the audit of the financial statements.
- (4) Subsection (1) does not apply to an approved rating organization that issues a rating to the securities being distributed under the simplified prospectus.

## **2.7 Language of Documents**

- (1) A mutual fund must file a simplified prospectus and any other document required to be filed under this Instrument in French or in English.
- (2) In Québec, a simplified prospectus and any document required to be incorporated by reference into a simplified prospectus must be in French or in French and English.
- (3) Despite subsection (1), if a mutual fund files a document only in French or only in English but delivers to a securityholder or prospective securityholder a version of the document in the other language, the mutual fund must file that other version not later than when it is first delivered to the securityholder or prospective securityholder.

- 2.8 Statement of Rights** – Except in Ontario, a simplified prospectus must contain a statement of the rights given to a purchaser under securities legislation in case of a failure to deliver the simplified prospectus or in case of a misrepresentation in the simplified prospectus.

## **PART 3 DOCUMENTS INCORPORATED BY REFERENCE AND DELIVERY TO SECURITYHOLDERS**

- 3.1 Documents Incorporated by Reference** - The following documents shall, by means of a statement to that effect, be incorporated by reference into, and shall form part of, a simplified prospectus:

- 1. The annual information form that is filed concurrently with the simplified prospectus.

2. The most recently filed comparative annual financial statements of the mutual fund, together with the accompanying report of the auditor, filed either before or after the date of the simplified prospectus.
3. The most recently filed interim financial statements of the mutual fund that were filed before or after the date of the simplified prospectus and that pertain to a period after the period to which the annual financial statements then incorporated by reference in the simplified prospectus pertain.
4. The most recently filed annual management report of fund performance of the mutual fund that was filed before or after the date of the simplified prospectus.
5. The most recently filed interim management report of fund performance of the mutual fund that was filed before or after the date of the simplified prospectus and that pertains to a period after the period to which the annual management report of fund performance then incorporated by reference in the simplified prospectus pertains.

**3.1.1 Audit of Financial Statements** – Any financial statements, other than interim financial statements, incorporated by reference in a simplified prospectus must meet the audit requirements in Part 2 of National Instrument 81-106 *Investment Fund Continuous Disclosure*.

**3.1.2 Review of Unaudited Financial Statements** – Any unaudited financial statements incorporated by reference in a simplified prospectus at the date of filing of the simplified prospectus must have been reviewed in accordance with the relevant standards set out in the Handbook for a review of financial statements by the mutual fund’s auditor or a review of financial statements by a public accountant.

**3.1.3 Approval of Financial Statements and Related Documents** – A mutual fund must not file a simplified prospectus unless each financial statement and each management report of fund performance incorporated by reference in the simplified prospectus has been approved in accordance with the requirements in Part 2 and Part 4 of National Instrument 81-106 *Investment Fund Continuous Disclosure*.

## **3.2 Delivery of Preliminary Simplified Prospectus and Simplified Prospectus**

- (1) The requirement under securities legislation to deliver or send a preliminary prospectus of a mutual fund to a person or company is satisfied by delivering or sending a preliminary simplified prospectus for the mutual fund filed under this Instrument, prepared in accordance with Form 81-101F1, either with or without the documents incorporated by reference.

- (2) The requirement under securities legislation to deliver or send a prospectus of a mutual fund to a person or company is satisfied by delivering or sending a simplified prospectus for the mutual fund filed under this Instrument, prepared in accordance with Form 81-101F1, either with or without the documents incorporated by reference.
- (3) Except in Ontario, any dealer distributing a security during the waiting period must
  - (a) send a copy of the preliminary simplified prospectus to each prospective purchaser who indicates an interest in purchasing the security and requests a copy of such preliminary simplified prospectus; and
  - (b) maintain a record of the names and addresses of all persons and companies to whom the preliminary simplified prospectus has been forwarded.

### **3.3 Documents to be Delivered or Sent upon Request**

- (1) A mutual fund shall deliver or send to any person or company that requests the simplified prospectus of the mutual fund or any of the documents incorporated by reference into the simplified prospectus, a copy of the simplified prospectus or requested document.
- (2) A mutual fund shall deliver or send, to any person or company that requests the annual information form of the mutual fund, the current simplified prospectus of the mutual fund with the annual information form, unless the mutual fund has previously delivered or sent that simplified prospectus to that person or company.
- (3) A mutual fund shall deliver or send all documents requested under this section within three business days of receipt of the request and free of charge.

**3.4 Toll-Free Telephone Number or Collect Telephone Calls** - A mutual fund shall have a toll-free telephone number for, or accept collect telephone calls from, persons or companies that want to receive a copy of the simplified prospectus of the mutual fund and any or all documents incorporated by reference into the simplified prospectus.

**3.5 Soliciting Expressions of Interest Prohibited** - Neither a multiple SP that includes both a *pro forma* simplified prospectus and a preliminary simplified prospectus nor a multiple AIF that includes both a *pro forma* annual information form and a preliminary annual information form shall be used to solicit expressions of interest.

## **PART 4 PLAIN LANGUAGE AND PRESENTATION**

#### **4.1 Plain Language and Presentation**

- (1) A simplified prospectus and annual information form shall be prepared using plain language and in a format that assists in readability and comprehension.
- (2) A simplified prospectus
  - (a) shall present all information briefly and concisely;
  - (b) shall present the items listed in the Part A section of Form 81-101F1 and the items listed in the Part B section of Form 81-101F1 in the order stipulated in those parts;
  - (c) may, unless the Part B section is being bound separately from the Part A section as permitted by subsection 5.3(1), place the Part B section of the simplified prospectus in any location in the simplified prospectus;
  - (d) shall use the headings and sub-headings stipulated in Form 81-101F1, and may use sub-headings in items for which no sub-headings are stipulated;
  - (e) shall contain only educational material or the information that is specifically mandated or permitted by Form 81-101F1; and
  - (f) shall not incorporate by reference into the simplified prospectus, from any other document, information that is required to be included in a simplified prospectus.

**4.2 Preparation in the Required Form** - Despite provisions in securities legislation relating to the presentation of the content of a prospectus, the simplified prospectus and annual information form shall be prepared in accordance with this Instrument.

### **PART 5 PACKAGING**

#### **5.1 Combinations of Documents**

- (1) A simplified prospectus shall not be consolidated with one or more other simplified prospectuses to form a multiple SP unless the Part A sections of each simplified prospectus are substantially similar.
- (2) A multiple SP shall be prepared in accordance with the applicable requirements of Form 81-101F1.
- (3) A simplified prospectus or a multiple SP may only be attached to, or bound with, one or more of the following documents:

1. Documents incorporated by reference.
2. Educational material.
3. Account application documents.
4. Registered tax plan applications and documents.
5. Any point of sale disclosure documents required by securities legislation.

## **5.2 Order of Contents of Bound Documents**

- (1) If the material or documents referred to in paragraphs 1 to 5 of subsection 5.1(3) are attached to, or bound with, a single SP or multiple SP
  - (a) the single SP or multiple SP shall be the first document contained in the package; and
  - (b) no pages shall come before the single SP or multiple SP in the package other than, at the option of the mutual fund, a general front cover and a table of contents pertaining to the entire package.
- (2) The general front cover referred to in paragraph 1(b) may contain only the names of the mutual funds to which the package relates, trademark or tradenames identifying those mutual funds or other members of the organization of those mutual funds, and artwork.

## **5.3 Separate Binding of Part B Sections of a Multiple SP**

- (1) The Part B sections of a multiple SP may be bound separately from the Part A section of that document.
- (2) If a Part B section of a multiple SP is bound separately from the Part A section of the multiple SP
  - (a) all of the Part B sections of the multiple SP shall be bound separately from the Part A section; and
  - (b) all or some of the Part B sections may be bound together with each other or separately.

## **5.4 Annual Information Forms**

- (1) An annual information form shall be consolidated with one or more other annual information forms into a multiple AIF if the related simplified prospectuses are consolidated into a multiple SP.
- (2) A multiple AIF shall be prepared in accordance with the applicable requirements of Form 81-101F2.

## **PART 5.1 CERTIFICATES**

### **5.1.1 Interpretation** – For the purposes of this Part,

“manager certificate form” means a certificate in the form set out in Item 20 of Form 81-101F2 and attached to the annual information form,

“mutual fund certificate form” means a certificate in the form set out in Item 19 of Form 81-101F2 and attached to the annual information form,

“principal distributor certificate form” means a certificate in the form set out in Item 22 of Form 81-101F2 and attached to the annual information form, and

“promoter certificate form” means a certificate in the form set out in Item 21 of Form 81-101F2 and attached to the annual information form.

### **5.1.2 Date of Certificates** – The date of the certificates required by this Instrument must be within 3 business days before the filing of the preliminary simplified prospectus, the simplified prospectus, the amendment to the simplified prospectus or the amendment to the annual information form, as applicable.

### **5.1.3 Certificate of the Mutual Fund**

- (1) Except in Ontario, a simplified prospectus of a mutual fund must be certified by the mutual fund.
- (2) A mutual fund must certify its simplified prospectus in the form of the mutual fund certificate form.

### **5.1.4 Certificate of Principal Distributor** – A simplified prospectus of a mutual fund must be certified by each principal distributor in the form of the principal distributor certificate form.

### **5.1.5 Certificate of the Manager** – A simplified prospectus of a mutual fund must be certified by the manager of the mutual fund in the form of the manager certificate form.

### **5.1.6 Certificate of Promoter**

- (1) Except in Ontario, a simplified prospectus of a mutual fund must be certified by each promoter of the mutual fund.
- (2) A prospectus certificate required under this Instrument or other securities legislation to be signed by a promoter must be in the form of the promoter certificate form.
- (3) Except in Ontario, the regulator may require any person or company who was a promoter of the mutual fund within the two preceding years to sign a certificate in the promoter certificate form.
- (4) Despite subsection (3), in British Columbia, the powers of the regulator with respect to the matters described in subsection (3) are set out in the *Securities Act* (British Columbia).
- (5) Except in Ontario, with the consent of the regulator, a certificate of a promoter for a simplified prospectus may be signed by an agent duly authorized in writing by the person or company required to sign the certificate.

#### **5.1.7 Certificates of Corporate Mutual Funds**

- (1) Except in Ontario, if the mutual fund is a company, the certificate of the mutual fund required under section 5.1.3 must be signed
  - (a) by the chief executive officer and the chief financial officer of the mutual fund; and
  - (b) on behalf of the board of directors of the mutual fund, by
    - (i) any two directors of the mutual fund, other than the persons referred to in paragraph (a) above, or
    - (ii) if the mutual fund has only three directors, two of whom are the persons referred to in paragraph (a) above, all the directors of the mutual fund.
- (2) Except in Ontario, if the regulator is satisfied that either or both of the chief executive officer or chief financial officer cannot sign a certificate in a simplified prospectus, the regulator may accept a certificate signed by another officer.

## **PART 6 EXEMPTION**

### **6.1 Grant of Exemption**

- (1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario only the regulator may grant such an exemption.

**6.2 Evidence of Exemption by Securities Regulatory Authority** - Without limiting the manner in which an exemption under section 6.1 may be evidenced, the issuance by the regulator of a receipt for a simplified prospectus and annual information form, or an amendment to a simplified prospectus and annual information form, is evidence of the granting of the exemption from any form or content requirements relating to a simplified prospectus or annual information form if

- (a) the person or company that sought the exemption sent to the regulator, with the *pro forma* or preliminary simplified prospectus and annual information form, or at least 10 days before the issuance of the receipt in the case of an amendment, a letter or memorandum describing the matters relating to the exemption and indicating why consideration should be given to the granting of the exemption; and
- (b) the regulator has not sent written notice to the contrary to the person or company that sought the exemption before, or concurrent with, the issuance of the receipt.

## **PART 7 EFFECTIVE DATE**

**7.1 Effective Date** - This Instrument comes into force on February 1, 2000.

**7.2 [Repealed]**

**7.3 [Repealed]**

**7.4 [Repealed]**

[Amended March 17, 2008]