

## CSA Notice of Amendments Modernization of Investment Fund Product Regulation – Alternative Mutual Funds

**October 4, 2018**

### **Introduction**

The Canadian Securities Administrators (the **CSA** or **we**) are adopting amendments (the **Amendments**) to the following rules in order to implement the final phase of the CSA's Modernization of Investment Fund Product Regulation Project (the **Modernization Project**) relating to the establishment of a regulatory framework for alternative mutual funds:

- National Instrument 81-102 *Investment Funds* (**NI 81-102**),
- National Instrument 81-104 *Commodity Pools* (**NI 81-104**),
- National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**),
- National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**),
- National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**), and
- National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**)

(collectively, the **Amendments**).

In addition, we are publishing changes (the **Related Changes**) to Companion Policy 81-102CP to National Instrument 81-102 *Investment Funds* and are withdrawing Companion Policy 81-104CP to National Instrument 81-104 *Commodity Pools*.

Subject to Ministerial Approval Requirements, the Amendments and Related Changes will come into force on January 3, 2019.

### **Background**

The mandate of the Modernization Project has been to review the parameters of product regulation that apply to publicly offered investment funds (both mutual funds and non-redeemable investment funds) and to consider whether our current regulatory approach sufficiently addresses product and market developments in the Canadian investment fund industry, and whether it continues to adequately protect investors.

The Modernization Project has been carried out in phases. With Phase 1 and the first stage of Phase 2 now complete, the Amendments represent the second and final stage of Phase 2 of the Modernization Project.

### *Phase 1*

In Phase 1, the CSA focused primarily on publicly offered mutual funds, codifying exemptive relief that had been frequently granted in recognition of market and product developments. As well, we made amendments to keep pace with developing global standards in mutual fund product regulation, notably introducing asset maturity restrictions and liquidity requirements for money market funds. The Phase 1 amendments came into force on April 30, 2012, except for the provisions relating to money market funds, which came into force on October 30, 2012.

### *Phase 2 – First Stage*

In the first stage of Phase 2, the CSA introduced core investment restrictions and fundamental operational requirements for non-redeemable investment funds. We also enhanced disclosure requirements regarding securities lending activities by investment funds to better highlight the costs, benefits and risks, and keep pace with developing global standards in the regulation of these activities. The Phase 2 amendments substantially came into force on September 22, 2014, except for certain transitional provisions that came into force on March 21, 2016.

### *Phase 2 – Second Stage – the Proposed Amendments*

The CSA first published an outline of a proposed regulatory framework for alternative funds (the **Proposed Alternative Funds Framework**), on March 27, 2013 as part of Phase 2 of the Modernization Project. In describing the Proposed Alternative Funds Framework, the CSA did not publish proposed rule amendments. Instead, a series of questions were asked that focused on the broad parameters for such a regulatory framework (the **Framework Consultation Questions**).

The Proposed Alternative Funds Framework dealt with issues such as naming conventions, proficiency standards for dealing representatives, and investment restrictions. We also proposed a number of areas where alternative investment funds could be permitted to use investment strategies or invest in asset classes not specifically permitted under NI 81-102 for mutual funds and non-redeemable investment funds, subject to certain upper limits.

On June 25, 2013, we published CSA Staff Notice 11-324 *Extension of Comment Period*, in which we advised that the CSA had decided to consider the Proposed Alternative Funds Framework at a later date, in conjunction with certain investment restrictions for non-redeemable investment funds that we considered to be interrelated with the Proposed Alternative Funds Framework (the **Interrelated Investment Restrictions**), as part of the second stage of Phase 2 of the Modernization Project.

On February 12, 2015, we published CSA Staff Notice 81-326 *Update on an Alternative Funds Framework for Investment Funds*, where we briefly described some of the feedback we received in connection with the Framework Consultation Questions.

On September 22, 2016, we published for comment draft amendments (the **Proposed Amendments**) to NI 81-102, NI 81-104, NI 41-101, NI 81-101 NI 81-106 and NI 81-107, which sought to codify a number of the parameters and proposals set out in the Proposed Alternative Funds Framework, as well as commentary we received in connection with those proposals. The Proposed Amendments were published for a 90 day comment period, and included a series of consultation questions intended to focus commentary on certain parts of the Proposed Amendments for which we sought specific feedback or commentary. We received 41 comment letters on the Proposed Amendments

## **Substance and Purpose**

Since NI 81-104 first came into force, the range of investment fund products and strategies in the marketplace has expanded significantly, both in Canada and in other jurisdictions. The Amendments reflect the CSA's efforts to modernize the existing commodity pools regime by making the regulatory framework in Canada more effective and relevant to help facilitate more alternative and innovative strategies while at the same time maintaining restrictions that we believe to be appropriate for products that can be sold to retail investors.

The Amendments, while focused on alternative mutual funds, also include provisions that will impact other types of mutual funds, as well as non-redeemable investment funds through the Interrelated Investment Restrictions. The Amendments will move most of the regulatory framework currently applicable to commodity pools under NI 81-104 into NI 81-102 and rename these funds as "alternative mutual funds". They will also codify certain existing exemptive relief frequently granted to mutual funds, and include additional changes arising from the feedback received on the Proposed Alternative Funds Framework and the Proposed Amendments.

The key elements of the Amendments are outlined below.

### **(i) Defined term "Alternative Mutual Fund"**

The CSA is introducing a new category of mutual fund, "alternative mutual funds" which is being defined in NI 81-102. This term effectively replaces the term "commodity pool" that exists in NI 81-104. That term is being repealed to accommodate this change and existing commodity pools will become alternative mutual funds when the Amendments come into force.

The term "alternative mutual fund" refers to the mutual funds that have adopted investment objectives that permit those funds to invest in physical commodities or specified derivatives, or, borrow cash or engage in short selling in a manner not typically permitted for other mutual funds. This definition reflects the additional investment flexibility afforded to these types of funds and is intended to distinguish them from more conventional mutual funds (**conventional mutual funds**). Paragraph (ii) below describes the investment restrictions applicable to alternative mutual funds, the changes to the investment restrictions applicable to other mutual

funds, as well as the investment restrictions applicable to non-redeemable investment funds as part of the Interrelated Investment Restrictions.

## **(ii) Investment Restrictions**

### ***Concentration Restrictions***

Alternative mutual funds will be permitted to invest up to 20% of the fund's net asset value (NAV) at the time of purchase, in securities of a single issuer, under section 2.1 of NI 81-102. This is an increase from the current limit of 10% of NAV applicable to all mutual funds (including commodity pools) under that section. As part of the Interrelated Investment Restrictions, we are setting the same concentration limit for non-redeemable investment funds as will be applicable to alternative mutual funds.

The higher concentration limit for both alternative mutual funds and non-redeemable investment funds ensures consistency in terms of regulatory approach for all investment funds, while also providing flexibility to offer investors access to alternative investment strategies.

### ***Investments in Physical Commodities***

Section 2.3 of NI 81-102 is being amended to permit conventional mutual funds to invest up to 10% of the fund's NAV in silver, platinum and palladium (including certificates representing those precious metals). This is in addition to investing in gold, which is already permitted under this section. This change reflects frequently granted exemptive relief.

Conventional mutual funds will also now be permitted under section 2.3 to obtain indirect exposure to any physical commodity (as that term is defined in NI 81-102) through the use of specified derivatives (as that term is defined in NI 81-102). This will be subject to the same 10% limit as direct investment in the above-referenced precious metals. In other words, conventional mutual funds will be subject to an overall 10% of NAV limit on direct or indirect investment in physical commodities.

We are also introducing subsections (3) and (4) to this section which provide a "look through" test for measuring compliance with this restriction for fund of fund investing.

As part of this change, we are introducing the new defined term "permitted precious metal" in NI 81-102 to refer to gold, silver, platinum or palladium and replacing the current term "permitted gold certificate" with "permitted precious metals certificate".

Under NI 81-104, commodity pools are exempt from the restrictions on investing in physical commodities under section 2.3 of NI 81-102 and this treatment is being maintained for alternative mutual funds under the Amendments. Non-redeemable investment funds are also exempt from these provisions and will remain exempt under the Amendments.

We are also introducing an exemption from the limits on investing in permitted precious metals for mutual funds that are "precious metals funds". This is a term currently defined in NI 81-104

which is being adopted as a definition within NI 81-102. These funds are defined as mutual funds other than alternative mutual funds that can invest substantially all of their assets in one or more permitted precious metals. The exemption from the restrictions on investing in physical commodities for these funds will only apply in respect of direct or indirect investment in permitted precious metals.

### ***Illiquid Assets***

Non-redeemable investment funds will now be subject to a limit on investing in illiquid assets under section 2.4 of NI 81-102. Under the Amendments, these funds will be permitted to invest up to 20% of their NAV at the time of purchase in illiquid assets with a hard cap of 25% of NAV.

The current limits on investing in illiquid assets applicable to mutual funds (including commodity pools) under section 2.4 of NI 81-102 are not being changed for alternative mutual funds.

### ***Fund-of-Fund Investing***

We are amending section 2.5 of NI 81-102 to permit alternative mutual funds to invest up to 100% of their net assets in any other investment fund subject to NI 81-102. Currently, commodity pools are restricted to investing only in conventional mutual funds that file a simplified prospectus.

We are also amending section 2.5 to permit conventional mutual funds to

- Invest up to 100% of their net assets in any other mutual fund (other than an alternative mutual fund) that is subject to NI 81-102, regardless of the form of prospectus they file, and
- Invest up to 10% of their net assets in alternative mutual funds or non-redeemable investment funds that are also subject to NI 81-102.

Currently, mutual funds are restricted to investing only in other mutual funds that file a simplified prospectus.

The fund of fund investing restrictions applicable to non-redeemable investment funds are not changing. The other restrictions on fund of fund investing, including multiple tiers or fee duplication will also remain unchanged.

### ***Cash Borrowing***

We are amending section 2.6 of NI 81-102 to permit alternative mutual funds to borrow cash up to 50% of their NAV, for investment purposes. These provisions will also apply to non-redeemable investment funds as part of the Interrelated Investment Restrictions.

In addition, cash borrowing for both alternative mutual funds and non-redeemable investment funds will be subject to the following requirements:

- funds may only borrow from entities that would qualify as an investment fund custodian or subcustodian under section 6.2 or 6.3 of NI 81-102, which essentially restricts borrowing to banks and trust companies (or their affiliates);
- where the lender is an affiliate or associate of the fund's investment fund manager, approval of the fund's independent review committee would be required under NI 81-107; and
- any borrowing agreements must be made in accordance with normal industry practice and be on standard commercial terms for agreements of this nature.

There will also be specific prospectus disclosure requirements regarding these borrowing arrangements under NI 41-101 and NI 81-101.

The current borrowing restrictions for mutual funds (including commodity pools) under section 2.6 of NI 81-102, which only permit them to borrow cash up to 5% of NAV on a temporary basis to fund redemption requests, will be unchanged for mutual funds that are not alternative mutual funds.

### ***Short Selling***

The short selling restrictions in section 2.6.1 are being amended to permit alternative mutual funds to short sell securities with a market value of up to 50% of the fund's NAV. This is an increase from the current limit of 20% of NAV applicable to all mutual funds including commodity pools.

Alternative mutual funds will be permitted to short sell securities of a single issuer (subject to the overall short-selling limit) up to 10% of NAV which is an increase from the 5% of NAV limit currently applicable to all mutual funds. This issuer concentration limit will not apply to the short sale of securities that are "government securities" as defined in NI 81-102.

Alternative mutual funds will also be exempted from subsections 2.6.1(2) and (3) of NI 81-102, which require funds to hold cash cover and generally prohibit the use of short sale proceeds to purchase other securities, which will allow for more flexibility in the use of this strategy by alternative mutual funds.

The short selling provisions applicable to alternative mutual funds as described above will also apply to non-redeemable investment funds as part of the Interrelated Investment Restrictions.

We are also amending section 6.8.1 of NI 81-102 to allow alternative mutual funds and non-redeemable investment funds to deposit assets up to 25% of NAV with a single borrowing agent (other than the fund's custodian or subcustodian) as security for short selling transactions. This is an increase from the 10% limit currently applicable to mutual funds (including commodity pools).

### ***Combined Limit on Cash Borrowing and Short Selling***

We are introducing section 2.6.2 which will provide an overall combined limit on cash borrowing and short selling by alternative mutual funds and non-redeemable investment funds, of 50% of NAV. This means that such a fund can only borrow cash and short sell concurrently if the combined amount does not exceed 50% of NAV.

### ***Aggregate Exposure to Borrowing, Short Selling and Specified Derivatives***

Under the Amendments, alternative mutual funds will be permitted to use leverage, both directly and indirectly, through cash borrowing, short selling and specified derivatives transactions. Currently, commodity pools are only permitted to create leverage indirectly through the use of specified derivatives.

In addition to restrictions on total short selling and cash borrowing described above, we are also introducing an overall limit on the use of borrowing, short selling and specified derivatives transactions. Under section 2.9.1 of NI 81-102, the aggregate exposure to these types of transactions will be limited to no more than 300% of the fund's NAV. Section 2.9.1 sets out how to calculate this.

To determine the aggregate exposure, the fund must add up the following and divide it by the fund's NAV:

- the value of any outstanding loans,
- the market value of its short positions, and
- the aggregate notional value of its specified derivatives positions, minus the aggregate notional value of those specified derivatives positions that are "hedging" transactions as that term is defined in NI 81-102.

Section 2.9.1 will also require funds to calculate this aggregate exposure as of any day on which the fund calculates a NAV and if the amount of exposure exceeds 300% of the fund's NAV, it must, as quickly as commercially reasonable, take all necessary steps to appropriately reduce that exposure.

As part of the Interrelated Investment Restrictions, this section will also apply to non-redeemable investment funds.

The Amendments include specific disclosure requirements both in an alternative mutual fund's prospectus and Fund Facts/ETF Facts, or a non-redeemable investment fund's prospectus as applicable, as well as in its financial statements regarding its use of leverage through these activities.

### ***Codification of Cleared Swap Exemptive Relief***

The Amendments include changes to certain provisions of NI 81-102 in order to codify existing relief granted to mutual funds regarding the use of cleared derivatives (the **Cleared Swaps Relief**). The Cleared Swaps Relief has been granted to mutual funds in order to facilitate their compliance with certain requirements of the *Dodd-Frank Wall Street Reform and Consumer Protection Act* (and the rules promulgated thereunder) in the United States and similar legislation in Europe (the **Clearing Obligation Rules**), regarding the mandatory use of the facilities of a duly sanctioned clearing corporation for facilitating trade of certain over the counter (**OTC**) derivatives. The Clearing Obligation Rules are part of a global initiative to more tightly regulate the use of OTC derivatives, in response to the 2008 financial crisis. The changes described in this section will apply to all investment funds subject to NI 81-102.

The Cleared Swaps Relief consists of an exemption from the counterparty designated rating requirement in subsection 2.7(1) of NI 81-102, the counterparty exposure limits of subsection 2.7(4) of NI 81-102 and the custody requirements in section 6.8 of NI 81-102 in order to allow investment funds to deal with futures commissions merchants and clearing corporations for clearing OTC derivatives, in accordance with their rules. The applicable sections of NI 81-102 that are referenced in the Cleared Swaps Relief have been amended accordingly.

In connection with these changes, the Amendments also include the new defined term “cleared specified derivatives” which refers to any specified derivative accepted for clearing by a “regulated clearing agency”. The term “regulated clearing agency” is defined in National Instrument 94-101 *Mandatory Central Counterparty Clearing of Derivatives*, (which is part of the CSA’s response to harmonize with the Clearing Obligation Rules) and refers to clearing agencies that are permitted to act as clearing houses under the Clearing Obligation Rules. That term has also been adopted into NI 81-102.

### ***Other derivatives provisions***

We are exempting alternative mutual funds from subsection 2.7(1) of NI 81-102, which will allow these funds to enter into specified derivatives transactions with counterparties that may not have an “approved credit rating”, which will give them access to a wider variety of counterparties for these transactions than is currently available to mutual funds under this section.

We are also amending the counterparty exposure limits in section 2.7(4) of NI 81-102 to limit an investment fund’s total exposure to any one counterparty under a specified derivatives transaction to 10% of the investment fund’s NAV on a mark-to-market basis. This limit already applies to conventional mutual funds, but will now also apply to alternative mutual funds and non-redeemable investment funds. The Amendments include an exemption whereby this limit will not apply in respect of a cleared specified derivative or if the applicable counterparty has a “designated rating”.



### **(iii) New Alternative Mutual Funds – Seed Capital Requirements**

Under the Amendments, all mutual funds will have the same seed capital and start-up requirements. Conventional mutual funds under Part 3 of NI 81-102 are required to have at least \$150,000 in seed capital, provided by either its manager or other related entities, at the time of launch. Furthermore, the manager (or other seed capital provider) is prohibited from withdrawing any portion of that seed capital until the mutual fund has received at least \$500,000 in subscriptions from outside investors. These requirements will also apply to alternative mutual funds.

As part of this change, we are repealing the seed capital requirements that apply to commodity pools under NI 81-104. These provisions had a lower minimum seed capital requirement of only \$50,000 and included a provision mandating that the minimum seed capital remain invested in the fund at all times.

### **(iv) Custody of Investment Fund Assets**

We are making a small technical change to the custody requirements described in subsections 6.2(3)(a) or 6.3(3)(a) to no longer require that an affiliate of a bank or trust company referred to in those provisions have financial statements that “have been made public”. This reflects the fact that in many cases, these affiliates are wholly-owned subsidiaries of an applicable bank or trust company and therefore may not have publicly available financial statements. All of the other requirements in these sections, including the requirement to have audited financial statements confirming that those entities meet the minimum asset threshold will remain unchanged.

### **(v) Amendments to NI 81-104**

#### ***Migration of key provisions into NI 81-102 and other Instruments***

While commodity pools are mutual funds and are subject to NI 81-102, NI 81-104 currently provides certain exemptions for commodity pools from the investment restrictions applicable to mutual funds under NI 81-102. Further to the goal of consolidating the operational framework and investment restrictions applicable to publicly offered investment funds within NI 81-102, the Amendments will migrate these exemptions from NI 81-104 into NI 81-102 and apply them to alternative mutual funds. Specifically, the exemptions from sections 2.3, 2.7, 2.8 and 2.11 of NI 81-102 that currently apply to commodity pools under NI 81-104 are being repealed from that Instrument and adopted within NI 81-102.

NI 81-104 includes other commodity-pool specific provisions that are also migrating to NI 81-102 and elsewhere and being applied to alternative mutual funds. The provisions in part 5, which governs performance fees payable by a commodity pool are being adopted within Part 7 of NI 81-102 and applied to alternative mutual funds. Similarly, Part 6 of NI 81-104, which has provisions that allow commodity pools additional flexibility on redemption obligations, is being adopted within Part 10 of NI 81-102 and applied to alternative mutual funds. The Amendments will also concurrently repeal these provisions from NI 81-104.

Finally, as will be discussed below, the financial statement disclosure provisions for commodity pools in Part 8 of NI 81-104 are being repealed from that Instrument and adopted into NI 81-106 and will apply to both alternative mutual funds and non-redeemable investment funds.

### ***Retention of Mutual Fund Dealer Proficiency Standards***

The only part of NI 81-104 that is being retained under the Amendments are the proficiency standards for mutual fund dealers distributing commodity pools in Part 4 of that Instrument. These are being amended to apply to alternative mutual funds and the Instrument is being renamed as “National Instrument 81-104 *Alternative Mutual Funds*” to reflect this.

These proficiency standards act to prevent a mutual fund restricted dealer representative from distributing alternative mutual funds unless they possess one of the following:

- passing grade on the Canadian Securities Course;
- passing grade on the Derivatives Fundamentals Course;
- successful completion of the Chartered Financial Analyst Program; or
- any applicable proficiency standard mandated by a self-regulatory agency

The decision to retain these proficiency standards is recognition that alternative mutual funds can be more complex than other types of mutual funds and that additional proficiency may be needed for mutual funds dealers selling these products. It is our view that maintaining the more robust dealer proficiency standards applicable to commodity pools will help ensure that mutual fund dealers are better equipped to sell these products. It also recognizes that the CSA is engaged in ongoing work with respect to these types of dealer-focused issues. We believe any significant changes to the dealer proficiency standards are best dealt with on a more holistic basis and retaining the existing proficiency standards is a means of not interfering with that work or causing unnecessary market disruption. When that work is completed, and an appropriate replacement for these standards is in place, we expect to repeal these provisions (and by extension fully repeal NI 81-104).

### **(vi) Disclosure**

#### ***Form of Prospectus/Point of Sale***

The Amendments include changes to NI 41-101 and NI 81-101 to fully bring alternative mutual funds within the prospectus disclosure regime applicable to other mutual funds.

Specifically, NI 81-101 is being amended so that it applies to any mutual fund that is not listed on an exchange. This means that alternative mutual funds that are not listed on an exchange will now prepare and file a simplified prospectus, annual information form and Fund Facts, with the Fund Facts having to be delivered at the point of sale.

Alternative mutual funds that are listed on an exchange will file a long form prospectus and ETF Facts under NI 41-101 and will have to comply with the point of sale delivery requirements applicable to the ETF Facts, as is the case with listed commodity pools today.

In addition, the applicable forms to those Instruments are being amended to require certain additional disclosure specific to alternative mutual funds and non-redeemable investment funds (where applicable).

Alternative mutual funds will have to provide certain prescribed textbox disclosure highlighting how the alternative mutual fund differs from conventional mutual funds, as well as additional disclosure regarding their lenders (if the fund intends to borrow cash) and the use of leverage. The text box disclosure referred to above as well as the disclosure regarding use of leverage will also have to be provided in the Fund Facts/ETF Facts.

Non-redeemable investment funds that file a prospectus will have to provide the disclosure regarding their lenders and the use of leverage referenced above.

### ***Financial Statement Disclosure***

As noted above, Part 8 of NI 81-104 requires commodity pools to include in their interim financial reports and annual financial statements disclosure regarding their actual use of leverage over the period referenced in the financial statements (the **Leverage Disclosure Requirements**).

The Leverage Disclosure Requirements are being repealed from NI 81-104 and adopted into NI 81-106 and will apply to both alternative mutual funds and non-redeemable investment funds. The disclosure will be required for both the fund's financial statements and for the fund's management report on fund performance. Funds will also have to provide disclosure about the impact of hedging transactions on the fund's overall leverage calculations.

### **(vii) Transition/Grandfathering**

The CSA are providing transition periods to grant existing commodity pools additional time after the Amendments come into force to make any necessary operational changes in order to comply with the Amendments. Commodity pools will become alternative mutual funds once the Amendments come into force.

Existing non-redeemable investment funds will also be exempted from certain of the investment restrictions in the Amendments subject to certain conditions.

### **Adoption Procedures**

The Amendments will be incorporated as part of rules in each of British Columbia, Alberta, Manitoba, Ontario, Nova Scotia, Prince Edward Island, New Brunswick, Newfoundland and Labrador, Northwest Territories, Yukon and Nunavut, and incorporated as part of commission regulations in Saskatchewan and regulations in Québec. The 81-102 CP Changes will be adopted as part of policies in each of the CSA jurisdictions.

## **Local Matters**

Annex I is being published in any local jurisdiction that is making changes to local securities laws, including local notices or other policy instruments in that jurisdiction in connection with the Amendments. It also includes any additional information that is relevant to that jurisdiction only.

## **Summary of Comments**

We received submissions from 41 commenters on the Proposed Amendments and we thank each of those commenters for their submissions. A summary of those comments together with our responses is provided in Annex B to this Notice.

## **Summary of Changes to the Proposed Amendments**

After considering the comments received, we have made some revisions to the materials that were initially published for comment under the Proposed Amendments. These revisions are reflected in the Amendments (including the Related Changes) that we are publishing as Annexes C to I of this Notice. We do not consider these changes to be material and accordingly, we are not publishing the Amendments for a further comment period. A summary of the key changes to the Proposed Amendments is provided in Annex A to this Notice.

## **Questions**

Please refer your questions to any of the following CSA staff:

Christopher Bent (Project Lead)  
Senior Legal Counsel  
Investment Funds and Structured Products Branch  
Ontario Securities Commission  
Phone: (416) 204-4958  
Email: [cbent@osc.gov.on.ca](mailto:cbent@osc.gov.on.ca)

Donna Gouthro  
Senior Securities Analyst  
Nova Scotia Securities Commission  
Phone: (902)424-7077  
Email: [donna.gouthro@novascotia.ca](mailto:donna.gouthro@novascotia.ca)

Hugo Lacroix  
Senior Director  
Investment Funds  
Autorité des marchés financiers  
Phone: (514) 395-0337, ext. 4461  
Email: [hugo.lacroix@lautorite.qc.ca](mailto:hugo.lacroix@lautorite.qc.ca)

Bruno Vilone  
Analyst  
Investment Funds  
Autorité des marchés financiers  
Phone: (514) 395-0337, ext. 4473  
Email: [bruno.vilone@lautorite.qc.ca](mailto:bruno.vilone@lautorite.qc.ca)

Darren McKall  
Manager  
Investment Funds and Structured Products Branch  
Ontario Securities Commission  
Phone: (416) 593-8118  
Email: [dmckall@osc.gov.on.ca](mailto:dmckall@osc.gov.on.ca)

Patrick Weeks  
Corporate Finance Analyst  
Manitoba Securities Commission  
Phone: (204) 945-3326  
Email: [patrick.weeks@gov.mb.ca](mailto:patrick.weeks@gov.mb.ca)

Heather Kuchuran  
Senior Securities Analyst  
Financial and Consumer Affairs Authority of Saskatchewan  
Phone: (306) 787-1009  
Email: [heather.kuchuran@gov.sk.ca](mailto:heather.kuchuran@gov.sk.ca)

Chad Conrad  
Legal Counsel  
Corporate Finance  
Alberta Securities Commission  
Phone: (403) 297-4295  
Email: [chad.conrad@asc.ca](mailto:chad.conrad@asc.ca)

Ashlyn D' Aoust  
Senior Legal Counsel,  
Corporate Finance  
Alberta Securities Commission  
Phone: (403) 355-4347  
Email: [Ashlyn.daoust@asc.ca](mailto:Ashlyn.daoust@asc.ca)

Melody Chen  
Senior Legal Counsel  
Corporate Finance  
British Columbia Securities Commission  
Phone: (604) 899-6530  
Email: [mchen@bcsc.bc.ca](mailto:mchen@bcsc.bc.ca)

George Hungerford  
Senior Legal Counsel  
Legal Services, Corporate Finance  
British Columbia Securities Commission  
Phone: (604) 899-6690

Michael Wong  
Securities Analyst  
Corporate Finance  
British Columbia Securities Commission  
Phone: (604) 899-6852

## **Contents of Annexes**

The text of the Amendments is contained in the following annexes to this Notice and is available on the websites of members of the CSA:

**Annex A** – Summary of Changes to the Proposed Amendments

**Annex B** – Summary of Public Comments and CSA Responses on the Proposed Amendments

**Annex C-1** - Amendments to National Instrument 81-102 *Investment Funds*

**Annex C-2** – Changes to Commentary to National Instrument 81-102 *Investment Funds*

**Annex C-3** – Blackline of National Instrument 81-102 *Investment Funds* to highlight the Amendments

**Annex – C4** - Changes to Companion Policy 81-102CP to National Instrument 81-102 *Investment Funds*

**Annex D-1** – Amendments to National Instrument 81-104 *Commodity Pools*

**Annex D-2** - Withdrawal of Companion Policy 81-104CP to National Instrument 81-104 *Commodity Pools*

**Annex E** –Amendments to National Instrument 41-101 *General Prospectus Requirements*

**Annex F** - Amendments to National Instrument 81-101 *Mutual Fund Prospectus Disclosure*

**Annex G** – Amendments to National Instrument 81-106 *Investment Fund Continuous Disclosure*

**Annex H-1** – Amendments to National Instrument 81-107 *Independent Review Committee for Investment Funds*

**Annex H-2** – Changes to Commentary to National Instrument 81-107 *Independent Review Committee for Investment Funds*

**Annex I** – Local Matters