

**BC Instrument 81-801
(Blackline)**

Implementing National Instrument 81-106 *Investment Fund Continuous Disclosure*

Order under Section 91(1) and 171 of the *Securities Act*
and
Section 17.1 of National Instrument 81-106 *Investment Fund Continuous Disclosure*

1. Interpretation - In this Instrument

- (a) “NI 81-106” means National Instrument 81-106 *Investment Fund Continuous Disclosure*;
- (b) “non-redeemable investment fund” has the same meaning as in NI 81-106; and
- (c) “Rules” means the *Securities Rules*.

2. Application

- (1) This instrument implements NI 81-106 by providing relief from the financial statement and interim reporting requirements of the Rules to investment funds that comply with NI 81-106.
- (2) This instrument implements NI 81-106 by permitting investment funds whose financial year ends before June 30, 2005 to continue preparing their financial statements and interim reports in compliance with the Rules that were in force on May 31, 2005 until the investment fund has had its first financial year end after June 30, 2005.

3. Interim financial statement filing exemption

- (1) Section 144(2) of the Rules does not apply to a reporting issuer that is an investment fund for financial statements relating to financial years ending before June 30, 2006 if,
 - (a) in the case of a non-redeemable investment fund that is a reporting issuer, the fund files, on or before the 60th day after the date to which they are made up, interim financial statements,
 - (i) if the non-redeemable investment fund has not completed its first financial year, for the periods commencing with the beginning of that financial year and ending 9, 6 and 3 months respectively before the end of that financial year, or
 - (ii) if the non-redeemable investment fund has completed its first financial year, for the periods commencing at the end of its last completed financial year and ending 3, 6 and 9 months after that financial year end and comparative financial statements to the end of each of the corresponding periods in the immediately preceding financial year,

(b) in the case of a mutual fund that is a reporting issuer, the mutual fund files, on or before the 60th day after the date to which they are made up, interim financial statements,

(i) if the mutual fund has not completed its first financial year, for the period commencing with the beginning of that financial year and ending 6 months before the end of that financial year, and

(ii) if the mutual fund has completed its first financial year, for the 6 month period commencing at the end of its last completed financial year and may include comparative financial statements to the end of the corresponding period in the immediately preceding financial year.

(2) The interim financial statements filed under subsection 5(1)(a) must include

(i) a statement of changes in financial position, and

(ii) an income statement.

(3) The interim financial statements filed under subsection 5(1)(b) must include

(i) an income statement,

(ii) a statement of investment portfolio, and

(iii) a statement of changes in net assets.

(4) The interim financial statements filed under subsection 5(1)(a) or 5(1)(b) need not include an audit report.

(5) A reporting issuer that is an investment fund pays the fees required to be paid as if the investment fund filed its interim financial statements under s.144 of the Rules.

(6) A reporting issuer that is an investment fund is not required to prepare its financial statements on a comparative basis under subsections 5(1)(a) or 5(1)(b) if the ending date of that comparative period precedes the date on which the investment fund became a reporting issuer.

4. Annual financial statement filing exemption

(1) Section 145 (2) of the Rules does not apply to a reporting issuer that is an investment fund for financial statements relating to financial years ending before June 30, 2005 if,

(a) the investment fund files comparative financial statements annually relating separately to

- (i) the period that commenced on the date of incorporation or organization and ended as at the close of the first financial year, or if the investment fund has completed a financial year, the latest financial year, as the case may be, and
 - (ii) the period covered by the financial year immediately preceding the latest financial year, if any.
- (2) The financial statements required to be filed under subsection (1) must
- (a) be filed on or before the 140th day after the end of the latest financial year, and
 - (b) include, if they are to be filed by a non-redeemable investment fund,
 - (i) an income statement,
 - (ii) a statement of retained earnings,
 - (iii) a statement of changes in financial position, and
 - (iv) a balance sheet, and
 - (c) include, if they are to be filed by a mutual fund,
 - (i) a balance sheet,
 - (ii) a statement of investment portfolio,
 - (iii) a statement of changes in net assets, and
 - (iv) an income statement.
- (3) The reporting issuer that is an investment fund pays the fees required to be paid as if the investment fund filed its annual financial statements under s. 145 of the Rules.

~~5. Financial statements in a prospectus – investment fund~~

~~(1) Sections 113 and 113.1 of the Rules do not apply to an investment fund that~~

~~(a) is a reporting issuer on June 1, 2005 and~~

~~(b) as of the date of the prospectus, was not required to file financial statements to which NI 81-106 applies,~~

~~if it includes in its prospectus the financial statements it was required to file for continuous disclosure purposes, including those prepared in reliance on the exemptions in Parts 3 and 4 of this Instrument.~~

~~(2) Despite subsection (1), an investment fund is not required to include a statement of portfolio transactions in its prospectus.~~