

APPENDIX B
Proposed Amendments and Proposed Changes

Schedule 1-D
Proposed Changes to Companion Policy 81-102CP to National Instrument 81-102
Investment Funds

1. *Companion Policy 81-102CP Investment Funds is changed by this Document.*
2. *Subsection 7.5(3) is changed by replacing “, simplified prospectus or annual information form” with “or simplified prospectus”.*
3. *Section 13.1(3) is replaced with the following:*

(3) An advertisement that presents information in a manner that distorts information contained in the preliminary prospectus or prospectus, or preliminary prospectus, preliminary fund facts document or prospectus, and fund facts document, as applicable, of an investment fund or that includes a visual image that provides a misleading impression will be considered to be misleading..
4. These changes become effective on [●].

APPENDIX B
Proposed Amendments and Proposed Changes

Schedule 5-B
Proposed Changes to Companion Policy 81-102CP to National Instrument 81-102
Investment Funds

1. *Companion Policy 81-102CP Investment Funds is changed by this Document.*
2. *Section 3.4 is changed by adding the following subsection:*
 - (3) Section 2.5.1 of the Instrument provides that certain investment restrictions and reporting requirements do not apply to investments by investment funds that are not reporting issuers, including investments in other investment funds that are not reporting issuers, made in accordance with the conditions in section 2.5.1 of the Instrument..
3. *Subsection 3.8(1) is changed by adding the following sentence at the end of the paragraph:*

“For purchases of debt securities made during the 60-day period after distribution, commentary 7 to section 6.1 of NI 81-107 provides guidance to assist in determining if the ask price for a debt security is readily available.”.
4. *Part 10 is changed by adding the following section:*

10.7 In specie Subscriptions and Redemptions - Sections 9.4 and 10.4 of the Instrument permit subscription and redemption payments to be made by making good delivery of securities or portfolio assets. Subsections 9.4(7), 9.4(8), 10.4(6) and 10.4(7) provide exemptions from the conflict of interest investment restrictions and reporting requirements to facilitate these payments between related mutual funds, including mutual funds that are not reporting issuers and related managed accounts that are managed by the same portfolio adviser. IRC approval is a condition in instances involving payments with mutual funds that are reporting issuers. For mutual funds that are not reporting issuers, it is up to the fund’s manager to decide if an IRC should be appointed to approve these transactions or, if it has an IRC already, to tailor the IRC’s mandate to include approval of these transactions. For transactions involving managed accounts, the portfolio adviser must obtain the written consent of the client..
5. These changes become effective on [●].