

APPENDIX B
Proposed Amendments and Proposed Changes

Schedule 1-E
Proposed Amendments to National Instrument 81-106 *Investment Fund*
Continuous Disclosure

1. *National Instrument 81-106 Investment Fund Continuous Disclosure is amended by this Instrument.*
2. *The definition of “material contract” in section 1.1 is amended by replacing*
 - (a) *“an annual information form” with “a simplified prospectus”, and*
 - (b) *“Item 16 of Form 81-101F2” with “Part A, Item 4.19 Material Contracts of Form 81-101F1”.*
3. *Subsection 9.4(2) is replaced with the following:*
 - (2) Subject to subsection (2.1), an annual information form required to be filed must be prepared
 - (a) in accordance with Form 81-101F1 if the prospectus was prepared using that Form, and
 - (b) in accordance with Form 41-101F2 if the prospectus was prepared using that Form..
 - (2.1) For the purposes of completing Form 41-101F2 and Form 81-101F1 under subsection (2),
 - (a) all references in those Forms to “simplified prospectus” or “prospectus” must be replaced with “annual information form”,
 - (b) Items 1.1, 1.4, 1.5, 1.6, 1.7, 1.8, 1.11, 1.13, 3.3(1)(b), 3.5, 14.1, 15.2, 17.1, 24. 25, 26, 28, 29.2, 36, 38 and 39 of Form 41-101F2 must be ignored,
 - (c) Item 1.3 of Form 41-101F2 must be read as follows:

“1.3 – Basic Disclosure about the Distribution

 - (1) State on the front cover that the document is an annual information form for each of the mutual funds to which the document pertains.
 - (2) State on the front cover the names of the mutual funds and, at the option of the mutual funds, the name of the mutual fund family to

which the document pertains. If the mutual fund has more than one class or series of securities, state the name of each of those classes or series covered in the document.

(3) State the date of the document, which is the date of the certificates for the document. This date must be within three business days of the date it is filed with the securities regulatory authority. Write the date of the document in full, writing the name of the month in words.

(4) State, in substantially the following words:

No securities regulatory authority has expressed an opinion about these [units/shares] and it is an offence to claim otherwise.”

(d) references to the term “distribution” in Item 3.2 of Form 41-101F2 must be read as “investment fund”,

(e) Items 19.1(11) to (13) of Form 41-101F2 do not apply to an investment fund that is a corporation, except for the disclosure in connection with the independent review committee,

(f) Item 21 of Form 41-101F2 must be completed in connection with all of the securities of the investment fund,

(g) Item 35.1 of Form 41-101F2 must be completed even though no distribution is taking place,

(h) General Instruction (18), subsections 1.1(4), (5) and (7), Item 3, subsections 7.1(5) to (11) and items 12, 15, 16, 17, 18 of Part A of Form 81-101F1 and item 11 of Part B of that Form must be ignored,

(i) Item 4.18 of Part A of Form 81-101F1 does not apply to an investment fund that is a corporation, except for the disclosure in connection with the independent review committee,

(j) Item 7 of Part B of Form 81-101F1 must be completed in connection with all of the securities of the investment fund, and

(k) subsection 13(2) of Part B of Form 81-101F1 must be read as follows:

(2) State, in substantially the following words:

• Additional information about the Fund[s] is available in the Fund[’s/s’] Fund Facts, management reports of fund performance

and financial statements.

- You can get a copy of these documents, at your request, and at no cost, by calling [toll-free/collect] [insert the toll-free telephone number or telephone number where collect calls are accepted, as required by section 3.4 of the Instrument], or from your dealer or by e-mail at [insert e-mail address].
- These documents and other information about the Fund[s], such as information circulars and material contracts, are also available [on the [insert name of mutual fund] designated website at [insert investment fund designated website address] or] at www.sedar.com.”

4. Subsection 10.2(3) is replaced with the following:

An investment fund must include a summary of the policies and procedures required by this section in its prospectus..

5. This Instrument comes into force on [●].

APPENDIX B
Proposed Amendments and Proposed Changes

Schedule 2-G
Proposed Amendments to National Instrument 81-106 *Investment Fund*
Continuous Disclosure

1. *National Instrument 81-106 Investment Fund Continuous Disclosure is amended by this Instrument.*
2. *Paragraph 5.2(5)(d) is amended by replacing “investment fund's website, if applicable,” with “investment fund’s designated website”.*
3. *Paragraph 5.3(4)(b) is amended by replacing “investment fund's website, if applicable,” with “investment fund’s designated website”.*
4. *Section 5.5 is amended by replacing “An investment fund that is a reporting issuer and that has a website must post to the website” with “An investment fund that is a reporting issuer must post on its designated website”.*
5. *Subsection 6.2(2) is amended by replacing “An investment fund that has a website must post to the website” with “An investment fund must post on its designated website”.*
6. *Subsection 10.4(2) is amended by replacing “An investment fund that has a website must post the proxy voting record to the website” with “An investment fund must post the proxy voting record on its designated website”.*
7. *Paragraph 11.2(1)(b) is amended by replacing “on the website of the investment fund or the investment fund manager” with “on the investment fund’s designated website”.*
8. *Subsection 14.2(7) is replaced with the following:*
 - (7) An investment fund that arranges for the publication of its net asset value or net asset value per security on its designated website or in the financial press must ensure that its current net asset value or net asset value per security is posted on a timely basis on its designated website or provided on a timely basis to the financial press..
9. *The Instrument is amended by adding the following Part:*

PART 16.1 INVESTMENT FUND WEBSITE

16.1.1 Application This Part applies to an investment fund that is a reporting issuer.

16.1.2 Requirement to Have a Designated Website (1) An investment fund must designate a qualifying website of the fund on which the fund intends to post regulatory disclosure required by securities legislation.

(2) For the purposes of subsection (1), a “qualifying website” of an investment fund is a website that is

- (a) publicly accessible, and
- (b) established and maintained by the fund or by one or more of the following persons:
 - (i) its investment fund manager;
 - (ii) an affiliate or an associate of its investment fund manager;
 - (iii) another investment fund that is part of its investment fund family..

10. Form 81-106F1 Contents of Annual and Interim Management Report of Fund Performance is amended

(a) by replacing in Item 1 of Part B “website at [insert address]” with “website at [insert the address of the designated website]”,

(b) by replacing in subsection (9) of the Instructions under Item 5 of Part B “are available on the internet at www.sedar.com.” with “are available on the investment fund’s designated website and at www.sedar.com.”, and

(c) by replacing in Item 1 of Part C “website at [insert address]” with “website at [insert the address of the designated website]”.

11. This Instrument comes into force on [●].

APPENDIX B
Proposed Amendments and Proposed Changes

Schedule 3-A
Proposed Amendments to National Instrument 81-106 *Investment Fund*
Continuous Disclosure

1. *National Instrument 81-106 Investment Fund Continuous Disclosure is amended by this Instrument.*

2. *Section 1.1 is amended by adding the following definitions:*

“information circular” means a completed Form 51-102F5 *Information Circular*;

“intermediary” has the same meaning as in section 1.1 of National Instrument 54-101;

“meeting” when used alone in relation to an investment fund means a meeting of securityholders of the investment fund;

“National Instrument 54-101” means National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

“NOBO” has the same meaning as in section 1.1 of National Instrument 54-101;

“notice-and-access” means the delivery procedures referred to in section 12.2.1;

“notification of meeting and record dates” has the same meaning as in section 1.1 of National Instrument 54-101;

“proximate intermediary” has the same meaning as in section 1.1 of National Instrument 54-101;

“proxy-related materials” means securityholder material relating to a meeting that a person or company that solicits proxies is required under corporate law or securities legislation to send to a registered holder or beneficial owner of the securities of an investment fund;

“securityholder materials” means materials that are sent to registered holders or beneficial owners of securities of an investment fund;

“send” includes to deliver or forward or arrange to deliver or forward, by any means; and

“stratification” means procedures whereby a paper copy of the information circular and, if applicable, the financial statements of the investment fund, are

included with the documents required to be sent to registered holders or beneficial owners under section 12.2.1.;

3. **Subsections 5.1(3) and (4) are amended by replacing** “National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*” **with** “National Instrument 54-101”.

4. **Section 12.1 is replaced with the following:**

12.1 Application and definitions – (1) This Part applies to an investment fund that is a reporting issuer.

(2) In this Part,

“securityholder” has the same meaning as in section 1.1 of National Instrument 54-101..

5. **The Instrument is amended by adding the following sections:**

12.2.1 Notice-and-Access – A person or company that solicits proxies from a registered holder or beneficial owner, as the case may be, of securities of an investment fund under subsection 12.2(2) and section 2.7 of National Instrument 54-101, must not use notice-and-access to send proxy-related materials to the registered holder or beneficial owner unless all of the following apply:

- (a) the registered holder or beneficial owner is sent a notice that contains only the following information:
 - (i) the date, time and location of the meeting;
 - (ii) a description of each matter or group of related matters identified in the form of proxy to be voted on unless that information is already included in the form of proxy, or the Form 54-101F6 or Form 54-101F7, that is being sent to the registered holder or beneficial owner, under paragraph (b);
 - (iii) the website addresses for SEDAR and the non-SEDAR website where the proxy-related materials are posted;
 - (iv) a reminder to review the information circular before voting;
 - (v) an explanation of how to obtain a paper copy of the information circular and, if applicable, the financial statements of the investment fund, from the person or company soliciting proxies;

- (vi) a plain-language explanation of notice-and-access that includes all of the following information:
 - (A) if stratification is used, a list of the types of registered holders or beneficial owners who will receive paper copies of the information circular and, if applicable, the financial statements of the investment fund;
 - (B) the estimated date and time by which a request for a paper copy of the information circular and, if applicable, the financial statements of the investment fund, is to be received in order for the registered holder or beneficial owner to receive the paper copy in advance of any deadline for the submission of the proxy or the voting instructions for the meeting, and the date of the meeting;
 - (C) an explanation of how the registered holder or beneficial owner is to return the proxy or the voting instructions, including any deadline for return of the proxy or the voting instructions;
 - (D) the sections of the information circular where disclosure regarding each matter or group of related matters identified in the notice can be found;
 - (E) a toll-free telephone number the registered holder or beneficial owner can call to get information about notice-and-access;
- (b) by prepaid mail, courier or the equivalent,
 - (i) the registered holder is sent the notice and a form of proxy for use at the meeting at least 30 days before the date of the meeting, and
 - (ii) the beneficial owner is sent the notice and a Form 54-101F6 or Form 54-101F7, using the procedures referred to in section 2.9 or 2.12 of National Instrument 54-101;
- (c) the proxy-related materials are sent at least 30 days and at most 50 days before the meeting;
- (d) if proxy-related materials are sent directly to a NOBO using notice-and-access, the notice and, if applicable, any paper copies

of information circulars and financial statements, are sent at least 30 days before the date of the meeting;

- (e) if proxy-related materials are sent indirectly to a beneficial owner using notice-and-access, the notice and, if applicable, any paper copies of information circulars and financial statements are sent to the proximate intermediary,
 - (i) at least 3 business days before the 30th day before the date of the meeting, in the case of proxy-related materials that are to be sent on by the proximate intermediary by first class mail, courier or the equivalent, and
 - (ii) at least 4 business days before the 30th day before the date of the meeting, in the case of proxy-related materials that are to be sent on by the proximate intermediary using any other type of prepaid mail;
- (f) in the case of a solicitation by or on behalf of management of the investment fund, or where another person or company soliciting proxies has requisitioned a meeting, the notification of meeting and record dates is filed on SEDAR, on the same date that the notification of meeting and record dates is sent pursuant to subsection 2.2(1) of National Instrument 54-101;
- (g) public electronic access to the information circular and the notice, as well as the form of proxy in the case of the registered holder, is provided on or before the date that the notice is sent to the registered holder or beneficial owner, in the following manner:
 - (i) the documents are filed on SEDAR;
 - (ii) the documents are posted for no less than one year on
 - (A) the investment fund's designated website in the case of a solicitation by or on behalf of management of the investment fund, and
 - (B) a website other than the website for SEDAR, in the case of a solicitation by or on behalf of any other person or company;
- (h) a toll-free telephone number is provided for use by the registered holder or beneficial owner to request a paper copy of the information circular and, if applicable, the financial statements of the investment fund, at any time

- (i) from the date that the notice is sent to the registered holder or beneficial owner, and
 - (ii) up to and including the date of the meeting, determined after taking into account any adjournment or postponement of the meeting;
- (i) if a request for a paper copy of the information circular and, if applicable, the financial statements of the investment fund, is received through the toll-free telephone number provided in the notice or by any other means, a paper copy of the document requested is sent free of charge by the person or company soliciting proxies to the registered holder or beneficial owner at the address specified in the request,
 - (i) in the case of a request received prior to the date of the meeting, within 3 business days after receiving the request, by first class mail, courier or the equivalent, and
 - (ii) in the case of a request received on or after the date of the meeting, and within one year of the date the information circular is filed on SEDAR, within 10 calendar days after receiving the request, by prepaid mail, courier or the equivalent;
- (j) the notice is only accompanied by
 - (i) a form of proxy, Form 54-101F6 or Form 54-101F7,
 - (ii) if applicable, the financial statements of the investment fund to be presented at the meeting, and
 - (iii) if the meeting is to approve a reorganization of the investment fund with another investment fund, as contemplated by paragraph 5.1(1)(f) of NI 81-102 *Investment Funds*, the Form 81-101F3 or Form 41-101F4 for the continuing investment fund;
- (k) the notice is only combined, in a single document, with a form of proxy, Form 54-101F6 or Form 54-101F7, or is not combined with any other document;
- (l) the information circular discloses that proxy-related materials are being sent to registered holders or beneficial owners of the investment fund using notice-and-access, and if stratification will

be used, the types of registered holders or beneficial owners who will receive paper copies of the information circular and, if applicable, the financial statements of the investment fund;

- (m) delivery of the information circular and, if applicable, the financial statements of the investment fund, to a registered holder or beneficial owner if a paper copy of such material is requested by the registered holder or beneficial owner following receipt of the notice, is paid by the manager of the investment fund or other person or company soliciting proxies that is not the investment fund.

12.2.2 Restrictions on information gathering

- (1) A person or company using notice-and-access that receives a request for a paper copy of the information circular or, if applicable, the financial statements of the investment fund through the toll-free number provided in the notice or by any other means, must not do any of the following:
 - (a) ask for any information about the requester, other than the name and address to which the information circular and, if applicable, the financial statements are to be sent;
 - (b) disclose or use the name or address of the requester for any purpose other than sending the information circular and the financial statements of the investment fund.
- (2) A person or company that posts proxy-related materials pursuant to subparagraph 12.2.1(1)(g)(ii) must not collect information that can be used to identify a person or company who has accessed the non-SEDAR website address where the proxy-related materials are posted.

12.2.3 Posting materials on non-SEDAR website

- (1) A person or company that posts proxy-related materials pursuant to subparagraph 12.2.1(1)(g)(ii) must also post on the website all of the following:
 - (a) any disclosure material regarding the meeting that the person or company has sent to registered holders or beneficial owners;
 - (b) any written communications the person or company has made available to the public regarding each matter or group of matters to be voted on at the meeting, whether or not they were sent to registered holders or beneficial owners.

- (2) A person or company that posts proxy-related materials pursuant to subparagraph 12.2.1(1)(g)(ii) must do so in a manner and format that would permit an individual with a reasonable level of computer skill and knowledge to easily do any of the following:
 - (a) access, read and search the materials;
 - (b) download and print the materials.

12.2.4 Record date for notice of meeting, abridgement of time and notification of meeting date and record date

A person or company using notice-and-access, in the case of a solicitation by or on behalf of management of the investment fund, or where another person or company has requisitioned a meeting, must do all of the following:

- (a) despite paragraph 2.1(b) of National Instrument 54-101, set or requisition a record date for notice of the meeting that is no fewer than 40 days before the date of the meeting;
- (b) in addition to the requirements of section 2.20 of National Instrument 54-101, not abridge the time prescribed in paragraph 2.1(b), subsection 2.2(1) or subsection 2.5(1) of National Instrument 54-101, unless the person or company
 - (i) sets a record date for notice of the meeting that is no fewer than 40 days before the date of the meeting, and
 - (ii) sends the notification of meeting and record dates provided pursuant to section 2.2 of National Instrument 54-101 at least 3 business days before the record date for notice of the meeting;
- (c) specify in the notification of meeting and record dates provided pursuant to section 2.2 of National Instrument 54-101 that proxy-related materials are being sent to registered holders or beneficial owners using notice-and-access.

12.2.5 Consent to other delivery methods - For greater certainty, section 12.2.1 does not do any of the following:

- (a) prevent a registered holder or beneficial owner from consenting to the use of other delivery methods to send proxy-related materials;

- (b) terminate or modify a consent that a registered holder or beneficial owner previously gave to a person or company regarding the use of other delivery methods to send proxy-related materials;
- (c) prevent a person or company that solicits proxies, an intermediary or another person or company, from sending proxy-related materials using a delivery method to which a registered holder or beneficial owner has consented prior to the coming into effect of this Part.

12.2.6 Instructions to receive paper copies

- (1) Despite section 12.2.1, an investment fund or its manager or management may obtain standing instructions from a registered holder, and an intermediary may obtain standing instructions from its client that is a beneficial owner, of securities of the investment fund, that a paper copy of the information circular and, if applicable, the financial statements of the investment fund, be sent to the registered holder or beneficial owner in all cases when using notice-and-access in respect of a meeting of the investment fund.
- (2) If an investment fund, its manager or management has obtained standing instructions from a registered holder under subsection (1), the investment fund or its manager or management must do all of the following:
 - (a) include with the notice any paper copies of information circulars and, if applicable, financial statements of the investment fund, required to comply with the standing instructions obtained under subsection (1);
 - (b) include with the notice a description, or otherwise inform the registered holder, of the means by which the registered holder may revoke the registered holder's standing instructions.
- (3) If an intermediary has obtained standing instructions from a beneficial owner under subsection (1), the intermediary must do all of the following:
 - (a) if the investment fund or its manager or management is sending proxy-related materials directly under section 2.9 of National Instrument 54-101, indicate in the NOBO list provided to the investment fund or its manager or management, those NOBOs who have provided standing instructions under subsection (1) as at the date the NOBO list is generated;
 - (b) if the intermediary is sending proxy-related materials to a beneficial owner on behalf of an investment fund or its manager or management using notice-and-access, request appropriate

quantities of paper copies of the information circular and, if applicable, the financial statements of the investment fund, from the investment fund or its manager or management, for forwarding to beneficial owners who have provided standing instructions to be sent paper copies;

- (c) include with the notice a description, or otherwise inform the beneficial owner of, the means by which the beneficial owner may revoke the beneficial owner's standing instructions.

12.2.7 Compliance with National Instrument 51-102 and National Instrument 54-101 – A person or company that solicits proxies must comply with all of the following as if the terms notice-and-access and stratification were adopted from this Instrument:

- (a) Items 7.12 and 9.9 of Form 54-101F2 *Request for Beneficial Ownership Information*;
- (b) Form 54-101F5 *Electronic Format for NOBO List*.

6. This Instrument comes into force on [●].