

PROVINCE OF BRITISH COLUMBIA

RULE OF THE BRITISH COLUMBIA SECURITIES COMMISSION

Securities Act

The British Columbia Securities Commission orders that, effective January 1, 2011, National Instrument 81-101 Mutual Fund Prospectus Disclosure, B.C. Reg. 1/2000, is amended as set out in the attached Schedule.

DEPOSITED
DEC 30 2010
B.C. REG. 384/2010

Dec. 21, 2010
Date


British Columbia Securities Commission

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: Securities Act, R.S.B.C. 1996, c. 418, s. 184

Other: _____

December 14, 2010

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R/1104/2010/21

Schedule

- 1 **Section 1.1 of National Instrument 81-101 Mutual Fund Prospectus Disclosure, B.C. Reg. 1/2000, is amended**
 - (a) **in paragraph (b) of the definition of “commodity pool” by striking out “National Instrument 81-102” and substituting “that Instrument,**
 - (b) **by adding the following definition:**

“fund facts document” means a completed Form 81-101F3 *Contents of Fund Facts Document*, ,
 - (c) **by repealing the definition of “NI 81-107”,**
 - (d) **in the definition of “precious metals fund” by striking out “National Instrument 81-102” and substituting “National Instrument 81-102 Mutual Funds”.**
- 2 **Section 1.2 is amended by striking out “National Instrument 81-102” and substituting “National Instrument 81-102 Mutual Funds”.**
- 3 **Section 2.1 is repealed and the following substituted:**
 - 2.1 **Filing of Disclosure Documents – (1) A mutual fund**
 - (a) that files a preliminary prospectus must file the preliminary prospectus in the form of a preliminary simplified prospectus prepared in accordance with Form 81-101F1 and concurrently file
 - (i) a preliminary annual information form prepared and certified in accordance with Form 81-101F2; and
 - (ii) a preliminary fund facts document for each class or series of securities of the mutual fund prepared in accordance with Form 81-101F3;
 - (b) that files a *pro forma* prospectus must file the *pro forma* prospectus in the form of a *pro forma* simplified prospectus prepared in accordance with Form 81-101F1 and concurrently file
 - (i) a *pro forma* annual information form prepared in accordance with Form 81-101F2; and
 - (ii) a *pro forma* fund facts document for each class or series of securities of the mutual fund prepared in accordance with Form 81-101F3;

- (c) that files a prospectus must file the prospectus in the form of a simplified prospectus prepared in accordance with Form 81-101F1 and concurrently file
 - (i) an annual information form prepared and certified in accordance with Form 81-101F2; and
 - (ii) a fund facts document for each class or series of securities of the mutual fund prepared in accordance with Form 81-101F3;
 - (d) that files an amendment to a prospectus must
 - (i) file an amendment
 - (A) to the simplified prospectus and concurrently file an amendment to the related annual information form, or
 - (B) to the related annual information form if changes are made only to the annual information form;
 - (ii) if the amendment relates to the information contained in a fund facts document, concurrently file an amendment to the fund facts document; and
 - (iii) if the amendment relates to a new class or series of securities of the mutual fund that is referable to the same portfolio of assets, concurrently file a fund facts document for the new class or series; and
 - (e) must file an amendment to a fund facts document, if a material change occurs that relates to the information contained in the fund facts document, as soon as practicable and, in any event, within 10 days after the day the change occurs.
- (2) A mutual fund must not file a prospectus more than 90 days after the date of the receipt for the preliminary prospectus that relates to the prospectus.

4 Section 2.2 is amended by

- ((a)) striking out “shall” in subsection (2) and substituting “must”;**
- ((b)) striking out “shall” in subsection (3) and substituting “must”;**
- ((c)) adding the following subsection:**

- (4) An amendment to a fund facts document must be prepared in accordance with Form 81-101F3 without any further identification and dated as of the date the fund facts document is being amended. .

5 ***Section 2.3 is amended***

- (a) ***in subsection (1) by striking out “shall” and substituting “must”,***
- (b) ***in subsection (1) (a) by striking out “file with a preliminary simplified prospectus and a preliminary annual information form” and substituting “file with a preliminary simplified prospectus, a preliminary annual information form and a preliminary fund facts document for each class or series of securities of the mutual fund”,***
- (c) ***in subsection (1) (b) by striking out “at the time a preliminary simplified prospectus and preliminary annual information form are filed, deliver or send to the securities regulatory authority” and substituting “at the time a preliminary simplified prospectus, a preliminary annual information form and a preliminary fund facts document for each class or series of securities of the mutual fund are filed, deliver or send to the securities regulatory authority”,***
- (d) ***in subsection (2) by striking out “shall” and substituting “must”,***
- (e) ***in subsection (2) (a) by striking out “file with a pro forma simplified prospectus and a pro forma annual information form” and substituting “file with a pro forma simplified prospectus, a pro forma annual information form and a pro forma fund facts document for each class or series of securities of the mutual fund”,***
- (f) ***in subsection (2) (b) by striking out “at the time a pro forma simplified prospectus and pro forma annual information form are filed, deliver or send to the securities regulatory authority” and substituting “at the time a pro forma simplified prospectus, a pro forma annual information form and a pro forma fund facts document for each class or series of securities of the mutual fund are filed, deliver or send to the securities regulatory authority”,***
- (g) ***in subsection (2) (b) by adding the following subparagraph:***
- (ii.1) a copy of the *pro forma* fund facts document for each class or series of securities of the mutual fund, blacklined to show changes, including the text of deletions, from the latest fund facts document previously filed, ,
- (h) ***in subsection (3) by striking out “shall” and substituting “must”,***
- (i) ***in subsection (3) (a) by striking out “file with a simplified prospectus and an annual information form” and substituting “file with a simplified prospectus, an annual information form and a fund facts document for each class or series of***

securities of the mutual fund”,

(j) in subsection (3) (b) by adding the following subparagraph:

(ii.1) a copy of the fund facts document for each class or series of securities of the mutual fund, blacklined to show changes, including the text of deletions, from the preliminary or *pro forma* fund facts document,”

(k) in subparagraph (3) (b) (iii) by striking out “2.3 (1) (b) (ii) or 2.3 (2) (b) (iv)” and substituting “(1) (b) (ii) or (2) (b) (iv)”,

(l) by striking out “shall” in subsection (4) and substituting “must”,

(m) by striking out “and” at the end of subparagraph (4) (a) (iii),

(n) in paragraph (4) (a) by adding the following subparagraph:

(iii.1) if the amendment relates to the information contained in a fund facts document, an amendment to the fund facts document, and”

(o) in paragraph (4) (b) by adding the following subparagraph:

(ii.1) if an amendment to a fund facts document is filed, a copy of the fund facts document, blacklined to show changes, including the text of deletions, from the latest fund facts document previously filed,”

(p) in subparagraph (4) (b) (iii) by striking out “2.3 (1) (b) (ii), 2.3 (2) (b) (iv) or 2.3 (3) (b) (iii)” and substituting “(1) (b) (ii), (2) (b) (iv) or (3) (b) (iii)”,

(q) by striking out “shall” in subsection (5) and substituting “must”,

(r) by striking out “and” at the end of subparagraph (5) (a) (iii),

(s) in paragraph (5) (a) by adding the following subparagraph:

(iii.1) if the amendment relates to the information contained in a fund facts document, an amendment to the fund facts document, and”

(t) in subparagraph (5) (b) (i) by striking out “2.3 (1) (b) (ii), 2.3 (2) (b) (iv) or 2.3 (3) (b) (iii)” and substituting “(1) (b) (ii), (2) (b) (iv) or (3) (b) (iii)”,

(u) by striking out “; and” and substituting “,” at the end of subparagraph (5) (b) (ii),

(v) in paragraph (5) (b) by adding the following subparagraph:

(ii.1) if an amendment to a fund facts document is filed, a copy of the fund facts

document, blacklined to show changes, including the text of deletions, from the latest fund facts document previously filed, and”, **and**

(w) by adding the following subsection:

(5.1) A mutual fund must

- (a) file the following documents with an amendment to a fund facts document unless subsection (4) or (5) applies:
 - (i) an amendment to the corresponding annual information form, certified in accordance with Part 5.1,
 - (ii) any other supporting documents required to be filed under securities legislation; and
- (b) at the time an amendment to a fund facts document 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 (1) (b) (ii), (2) (b) (iv) or (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) a copy of the amended and restated fund facts document blacklined to show changes, including the text of deletions, from the most recently filed fund facts document; and
 - (iii) any other supporting documents required to be delivered or sent to the securities regulatory authority under securities legislation.

6 The following section is added:

2.3.1 Websites

- (1) If a mutual fund or the mutual fund’s family has a website, the mutual fund must post to at least one of those websites a fund facts document filed under this Part as soon as practicable and, in any event, within 10 days after the date that the document is filed.
- (2) A fund facts document posted to the website referred to in subsection (1) must

- (a) be displayed in a manner that would be considered prominent to a reasonable person; and
 - (b) not be attached to or bound with another fund facts document.
- (3) Subsection (1) does not apply if the fund facts document is posted to a website of the manager of the mutual fund in the manner required under subsection (2).

7 Section 3.1 is amended by

- (a) striking out the first reference to “shall” and substituting “must” and by striking out the second reference to “shall”, and**
- (b) adding the following paragraph:**

- 1.1. The most recently filed fund facts document for each class or series of securities of the mutual fund, filed either concurrently with or after the date of the simplified prospectus.

8 Sections 3.3 and 3.4 are amended by striking out “shall” wherever it occurs and substituting “must”.

9 Section 4.1 is amended

- (a) by repealing subsection (1) and substituting the following:**
 - (1) A simplified prospectus, annual information form and fund facts document must be prepared using plain language and be in a format that assists in readability and comprehension. ,
- (b) in subsection (2) by striking out “shall” wherever it occurs and substituting “must”, and**
- (c) by adding the following subsection:**
 - (3) A fund facts document must
 - (a) be prepared for each class and each series of securities of a mutual fund in accordance with Form 81-101F3;
 - (b) present the items listed in the Part I section of Form 81-101F3 and the items listed in the Part II section of Form 81-101F3 in the order stipulated in those parts;
 - (c) use the headings and sub headings stipulated in Form 81-101F3;

- (d) contain only the information that is specifically required or permitted to be in Form 81-101F3;
- (e) not incorporate any information by reference; and
- (f) not exceed four pages in length.

10 Section 4.2 is repealed and the following substituted:

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

11 Subsections 5.1 (1) and (2) are amended by striking out “shall” and substituting “must”.

12 Section 5.2 is amended by

(a) striking out “shall” and substituting “must” in paragraph (1) (a), and

(b) adding the following subsection:

(1.1) Despite subsection (1), if attached to or bound with a single SP or multiple SP, the fund facts document must be the first document contained in the package.

13 Section 5.3 (2) (a) is amended by striking out “shall” and substituting “must”.

14 Subsections 5.4 (1) and (2) are amended by striking out “shall” and substituting “must”.

15 The following section is added to Part 5:

5.5 Combinations of Fund Facts Documents for Filing Purposes – For the purposes of section 2.1, a fund facts document may be attached to or bound with another fund facts document of a mutual fund in a simplified prospectus or, if a multiple SP, another fund facts document of a mutual fund combined in the multiple SP.

16 Section 5.1.2 is repealed and the following substituted:

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, the amendment to the annual information form or the amendment to the fund facts document, as applicable.

17 Part 6 is repealed and the following substituted:

PART 6 EXEMPTIONS

- 6.1 Grant of Exemption** – (1) The regulator or the securities regulatory authority may grant an exemption from the provisions of 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.
- (3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction.
- 6.2 Evidence of exemption** – (1) Subject to subsection (2) and without limiting the manner in which an exemption may be evidenced, the granting under this Part of an exemption from any form or content requirements relating to a simplified prospectus, annual information form or fund facts document may be evidenced by the issuance of a receipt for a simplified prospectus and annual information form, or an amendment to a simplified prospectus or annual information form.
- (2) The issuance of a receipt for a simplified prospectus and annual information form or an amendment to a simplified prospectus or annual information form is not evidence that the exemption has been granted unless
- (a) the person or company that sought the exemption sent to the regulator or securities regulatory authority a letter or memorandum describing the matters relating to the exemption and indicating why consideration should be given to the granting of the exemption:
- (i) on or before the date of the filing of the preliminary or *pro forma* simplified prospectus and annual information form;
- (ii) at least 10 days before the issuance of the receipt in the case of an amendment to a simplified prospectus or annual information form; or
- (iii) after the date of the filing of the preliminary or *pro forma* simplified prospectus and annual information form and received a written acknowledgement from the regulator or securities regulatory authority that the exemption may be evidenced in the manner set out in subsection (1); and
- (b) the regulator or securities regulatory authority has not before, or concurrently with, the issuance of the receipt sent notice to the person or company that sought the exemption, that the exemption sought may not be

evidenced in the manner set out in subsection (1).

18 Form 81-101F1 Contents of Simplified Prospectus is amended

(a) in Item 3 of Part A by

(i) striking out the third bullet under section 3.1 and substituting the following:

- Additional information about the Fund is available in the following documents:
 - the Annual Information Form;
 - the most recently filed Fund Facts;
 - the most recently filed annual financial statements;
 - any interim financial statements filed after those annual financial statements;
 - the most recently filed annual management report of fund performance;
 - any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document. 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. , **and**

(ii) striking out the third bullet under section 3.2 and substituting the following:

- Additional information about each Fund is available in the following documents:
 - the Annual Information Form;
 - the most recently filed Fund Facts;
 - the most recently filed annual financial statements;
 - any interim financial statements filed after those annual financial statements;
 - the most recently filed annual management report of fund performance;
 - any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were

printed as a part of this document. 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. ,

(b) in Item 14 of Part A by

(i) striking out the first bullet under subsection 14 (2) and substituting the following:

- Additional information about the Fund[s] is available in the Fund[’s/s’] Annual Information Form, Fund Facts, management reports of fund performance and financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document. ,
and

(ii) repealing subsection 14 (3) and substituting the following:

(3) For a multiple SP in which the Part A section is bound separately from the Part B sections, state, in substantially the following words:

A complete simplified prospectus for the mutual funds listed on this cover consists of this document and any additional disclosure document that provides specific information about the mutual funds in which you are investing. This document provides general information applicable to all of the [name of mutual fund family] funds. When you request a simplified prospectus, you must be provided with the additional disclosure document. ,

(c) in Part B by adding the following Item:

Item 9.1: Investment Risk Classification Methodology

(1) Briefly describe the methodology used by the manager for the purpose of identifying the investment risk level of the mutual fund as required by Item 5 (2) in Part I of 81-101F3.

(2) State how frequently the investment risk level of the mutual fund is reviewed.

(3) Disclose that the methodology that the manager uses to identify the investment risk level of the mutual fund is available on request, at no cost, by calling [toll-free/collect call telephone number] or by writing to [address].

INSTRUCTION:

Include a brief description of the formulas, methods or criteria used by the manager of the mutual fund in identifying the investment risk level of the mutual fund. , and

(d) in Item 10 of Part B

(i) by striking out Instruction (1) and substituting the following:

(1) In responding to the disclosure required by this Item, indicate the level of investor risk tolerance that would be appropriate for investment in the mutual fund.; and

(ii) by adding the following after Instruction (1):

(1.1) Briefly describe how the manager has determined the level of investor risk tolerance that would be appropriate for investment in the mutual fund.

19 Form 81-101F2 Contents of Annual Information Form is amended

(a) in Item 19 by striking out subsection 19 (1) and substituting the following:

(1) Include a certificate of the mutual fund that states:

(a) for a simplified prospectus and annual information form,

“This annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of [insert the jurisdictions in which qualified] and do not contain any misrepresentations.”

(b) for an amendment to a simplified prospectus or annual information form that does not restate the simplified prospectus or annual information form,

“This amendment no. [specify amendment number and date], together with the [amended and restated] annual information form dated [specify], [amending and restating the annual information form dated [specify],] [as amended by (specify prior amendments and dates)] and the [amended and restated] simplified prospectus dated [specify], [amending and restating

the simplified prospectus dated [specify],] [as amended by (specify prior amendments and dates)] and the documents incorporated by reference into the [amended and restated] simplified prospectus, [as amended,] constitute full, true and plain disclosure of all material facts relating to the securities offered by the [amended and restated] simplified prospectus, [as amended,] as required by the securities legislation of [insert the jurisdictions in which qualified] and do not contain any misrepresentations.”, and

(c) for an amendment that amends and restates a simplified prospectus or annual information form,

“This amended and restated annual information form dated [specify], amending and restating the annual information form dated [specify] [,as amended by (specify prior amendments and dates)], together with the [amended and restated] simplified prospectus dated [specify] [, amending and restating the simplified prospectus dated [specify]] [,as amended by (specify prior amendments and dates)] and the documents incorporated by reference into the [amended and restated] simplified prospectus, [as amended,] constitute full, true and plain disclosure of all material facts relating to the securities offered by the [amended and restated] simplified prospectus, [as amended,] as required by the securities legislation of [insert the jurisdictions in which qualified] and do not contain any misrepresentations.”,

(b) in Item 22 by repealing subsection (1) and substituting the following:

(1) Include a certificate of the principal distributor of the mutual fund that states:

“To the best of our knowledge, information and belief, this annual information form, the financial statements of the fund [specify] for the financial period ended [specify] and the auditors’ report on those financial statements, together with the simplified prospectus and the fund facts document dated [specify], constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus and do not contain any misrepresentation.”, **and**

(c) in Item 24 by striking out the first bullet under subsection 24 (2) and substituting the following:

- Additional information about the Fund[s] is available in the Fund[’s/s’] Fund Facts, management reports of fund performance and financial statements.

20 The following Form is added:

National Instrument 81-101
Mutual Fund Prospectus Disclosure
Form 81-101F3
Contents of Fund Facts Document

GENERAL INSTRUCTIONS:

General

- (1) This Form describes the disclosure required in a fund facts document for a mutual fund. Each Item of this Form outlines disclosure requirements. Instructions to help you provide this disclosure are in italic type.*
- (2) Terms defined in National Instrument 81-101 Mutual Fund Prospectus Disclosure, National Instrument 81-102 Mutual Funds, National Instrument 81-105 Mutual Fund Sales Practices or National Instrument 81-106 Investment Fund Continuous Disclosure and used in this Form have the meanings that they have in those national instruments.*
- (3) A fund facts document must state the required information concisely and in plain language.*
- (4) Respond as simply and directly as is reasonably possible. Include only the information necessary for a reasonable investor to understand the fundamental and particular characteristics of the mutual fund.*
- (5) National Instrument 81-101 Mutual Fund Prospectus Disclosure requires the fund facts document to be presented in a format that assists in readability and comprehension. This Form does not mandate the use of a specific format or template to achieve these goals. However, mutual funds must use, as appropriate, tables, captions, bullet points or other organizational techniques that assist in presenting the required disclosure clearly and concisely.*
- (6) This Form does not mandate the use of a specific font size or style but the font must be legible. Where the fund facts document is made available online, information must be presented in a way that enables it to be printed in a readable format.*
- (7) A fund facts document can be produced in colour or in black and white, and in portrait or landscape orientation.*
- (8) A fund facts document must contain only the information that is specifically mandated or permitted by this Form. In addition, each Item must be presented in the order and under the heading or sub heading stipulated in this Form.*
- (9) A fund facts document must not contain design elements (e.g., graphics, photos, artwork) that detract from the information disclosed in the document.*

Contents of a Fund Facts Document

(10) *A fund facts document must disclose information about only one class or series of securities of a mutual fund. Mutual funds that have more than one class or series that are referable to the same portfolio of assets must prepare a separate fund facts document for each class or series.*

(11) *The fund facts document must be prepared on letter-size paper and must consist of two Parts: Part I and Part II.*

(12) *The fund facts document must begin with the responses to the Items in Part I of this Form.*

(13) *Part I must be followed by the responses to the Items in Part II of this Form.*

(14) *Each of Part I and Part II must not exceed one page in length, unless the required information in any section causes the disclosure to exceed this limit. Where this is the case, a fund facts document must not exceed a total of four pages in length.*

(15) *A mutual fund must not attach or bind other documents to a fund facts document, except those documents permitted under section 5.4 of National Instrument 81-101 Mutual Fund Prospectus Disclosure.*

Consolidation of Fund Facts Document into a Multiple Fund Facts Document

(16) *Fund facts documents must not be consolidated with each other to form a multiple fund facts document, except as permitted by section 5.4 of National Instrument 81-101 Mutual Fund Prospectus Disclosure. When a multiple fund facts document is permitted under the Instrument, a mutual fund must provide information about each of the mutual funds described in the document on a fund-by-fund or catalogue basis and must set out for each mutual fund separately the information required by this Form. Each fund facts document must start on a new page.*

Multi-Class Mutual Funds

(17) *As provided in National Instrument 81-102 Mutual Funds, a section, part, class or series of a class of securities of a mutual fund that is referable to a separate portfolio of assets is considered to be a separate mutual fund. Those principles apply to National Instrument 81-101 Mutual Fund Prospectus Disclosure and this Form.*

PART I INFORMATION ABOUT THE FUND

Item 1: Introduction

Include at the top of the first page a heading consisting of:

- (a) the title “Fund Facts”;
- (b) the name of the manager of the mutual fund;
- (c) the name of the mutual fund to which the fund facts document pertains and, if the mutual fund has more than one class or series of securities, the name of the class or series described in the fund facts document;
- (d) the date of the document; and
- (e) a brief introduction to the document using wording similar to the following:

This document contains key information you should know about [insert name of the mutual fund]. You can find more detailed information in the fund’s simplified prospectus. Ask your adviser for a copy, contact [insert name of the manager of the mutual fund] at [insert if applicable the toll-free number and e-mail address of the manager of the mutual fund] [if applicable] or visit [insert the website of the mutual fund, the mutual fund’s family or the manager of the mutual fund] [as applicable].

INSTRUCTION:

The date for a fund facts document that is filed with a preliminary simplified prospectus or simplified prospectus must be the date of the certificate contained in the related annual information form. The date for a fund facts document that is filed with a pro forma simplified prospectus must be the date of the anticipated simplified prospectus. The date for an amended fund facts document must be the date of the certificate contained in the related amended annual information form.

Item 2: Quick Facts

Under the heading “Quick Facts”, include disclosure in the form of the following table:

Date fund created: (see instruction 1)	Portfolio manager: (see instruction 4)
Total value on [date]: (see instruction 2)	Distributions: (see instruction 5)
Management expense ratio (MER): (see instruction 3)	Minimum investment: (see instruction 6)

INSTRUCTIONS:

(1) Use the date that the securities of the class or series of the mutual fund described in the fund facts document first became available to the public.

(2) Specify the net asset value of the mutual fund as at a date within 30 days before the date of the fund facts document. The amount disclosed must take into consideration all classes or series that are referable to the same portfolio of assets. For a newly established mutual fund, simply state that this information is not available because it is a new mutual fund.

(3) Use the management expense ratio (MER) disclosed in the most recently filed management report of fund performance (MRFP) for the mutual fund. The MER must be net of fee waivers or absorptions and, despite section 15.1(2) of National Instrument 81-106 Investment Fund Continuous Disclosure, need not include any additional disclosure about the waivers or absorptions. For a newly established mutual fund that has not yet filed a management report of fund performance, state that the MER is not available because it is a new mutual fund.

(4) Specify the name of the company or companies providing portfolio management services to the mutual fund. The mutual fund may also include the name of the specific individual(s) responsible for portfolio selection.

(5) Include disclosure under this element of the "Quick Facts" only if distributions are a fundamental feature of the mutual fund. Disclose the expected frequency and timing of distributions. If there is a targeted amount for distributions, the mutual fund may include this information.

(6) Specify both the minimum amount for an initial investment and for each additional investment. This can include minimum amounts for pre-authorized contribution plans.

Item 3: Investments of the Fund

(1) Briefly set out under the heading "What does the fund invest in?" a description of the fundamental nature of the mutual fund, or the fundamental features of the mutual fund that distinguish it from other mutual funds.

(2) For an index mutual fund,

(a) disclose the name or names of the permitted index or permitted indices on which the investments of the index mutual fund are based, and

(b) briefly describe the nature of that permitted index or those permitted indices.

(3) Include an introduction to the information provided in response to subsection (4) and subsection (5) using wording similar to the following:

The charts below give you a snapshot of the fund's investments on [insert date]. The fund's investments will change.

- (4) Include under the sub heading "Top 10 investments [date]" a table disclosing:
 - (a) the top 10 positions held by the mutual fund;
 - (b) the total number of positions; and
 - (c) the percentage of net asset value of the mutual fund represented by the top 10 positions.
- (5) Under the sub heading "Investment mix [date]" include at least one, and up to two, charts or tables that illustrate the investment mix of the mutual fund's investment portfolio.

INSTRUCTIONS:

- (1) *Include in the information under "What does this fund invest in?" a description of what the mutual fund primarily invests in, or intends to primarily invest in, or that its name implies that it will primarily invest in, such as*
 - (a) *particular types of issuers, such as foreign issuers, small capitalization issuers or issuers located in emerging market countries;*
 - (b) *particular geographic locations or industry segments; or*
 - (c) *portfolio assets other than securities.*
- (2) *Include a particular investment strategy only if it is an essential aspect of the mutual fund, as evidenced by the name of the mutual fund or the manner in which the mutual fund is marketed.*
- (3) *If a mutual fund's stated objective is to invest primarily in Canadian securities, specify the maximum exposure to investments in foreign markets.*
- (4) *The information under "Top 10 investments" and "Investment mix" is intended to give a snapshot of the composition of the mutual fund's investment portfolio. The information required to be disclosed under these sub headings must be as at a date within 30 days before the date of the fund facts document. The date shown must be the same as the one used in Item 2 for the total value of the mutual fund.*
- (5) *If the mutual fund owns more than one class of securities of an issuer, those classes should be aggregated for the purposes of this Item, however, debt and equity securities of an issuer must not be aggregated.*

- (6) *Portfolio assets other than securities should be aggregated if they have substantially similar investment risks and profiles. For instance, gold certificates should be aggregated, even if they are issued by different financial institutions.*
- (7) *Treat cash and cash equivalents as one separate discrete category.*
- (8) *In determining its holdings for purposes of the disclosure required by this Item, a mutual fund must, for each long position in a derivative that is held by the mutual fund for purposes other than hedging and for each index participation unit held by the mutual fund, consider that it holds directly the underlying interest of that derivative or its proportionate share of the securities held by the issuer of the index participation unit.*
- (9) *If a mutual fund invests substantially all of its assets directly or indirectly (through the use of derivatives) in securities of one other mutual fund, list the 10 largest holdings of the other mutual fund and show the percentage of the other mutual fund's net asset value represented by the top 10 positions. If the mutual fund is not able to disclose this information as at a date within 30 days before the date of the fund facts document, the mutual fund must include this information as disclosed by the other mutual fund in the other mutual fund's most recently filed fund facts document, or its most recently filed management report of fund performance, whichever is most recent.*
- (10) *Indicate whether any of the mutual fund's top 10 positions are short positions.*
- (11) *Each investment mix chart or table must show a breakdown of the mutual fund's investment portfolio into appropriate subgroups and the percentage of the aggregate net asset value of the mutual fund constituted by each subgroup. The names of the subgroups are not prescribed and can include security type, industry segment or geographic location. The mutual fund should use the most appropriate categories given the nature of the mutual fund. The choices made must be consistent with disclosure provided under "Summary of Investment Portfolio" in the mutual fund's MRFP.*
- (12) *In presenting the investment mix of the mutual fund, consider the most effective way of conveying the information to investors. All tables or charts must be clear and legible.*
- (13) *For new mutual funds where the information required to be disclosed under "Top 10 investments" and "Investment mix" is not available, include the required sub headings and provide a brief statement explaining why the required information is not available.*

Item 4: Past Performance

- (1) Under the heading "How has the fund performed?" include an introduction using wording similar to the following:

This section tells you how the fund has performed over the past [insert the lesser of 10 years or the number of completed calendar years] years. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

It's important to note that this doesn't tell you how the fund will perform in the future. Also, your actual after-tax return will depend on your personal tax situation.

- (2) Under the sub heading "Average return" show
 - (a) the final value of a hypothetical \$1,000 investment in the mutual fund as at the end of the period that ends within 30 days before the date of the fund facts document and consists of the lesser of
 - (i) 10 years, or
 - (ii) the time since inception of the mutual fund; and
 - (b) the annual compounded rate of return that would equate the initial \$1,000 investment to the final value.
- (3) Under the sub heading "Year-by-year returns" provide a bar chart that shows the annual total return of the mutual fund, in chronological order with the most recent year on the right of the bar chart, for the lesser of
 - (a) each of the 10 most recently completed calendar years; and
 - (b) each of the completed calendar years in which the mutual fund has been in existence and which the mutual fund was a reporting issuer.
- (4) Provide an introduction to the bar chart indicating
 - (a) that the bar chart shows the mutual fund's annual performance for each of the years shown; and
 - (b) for the particular years shown, the number of years in which the value of the mutual fund dropped.

INSTRUCTIONS

- (1) *In responding to the requirements of this Item, a mutual fund must comply with the relevant sections of Part 15 of National Instrument 81-102 Mutual Funds as if those sections applied to a fund facts document.*
- (2) *Use a linear scale for each axis of the bar chart required by this Item.*

- (3) *The x-axis and y-axis for the bar chart required by this Item must intersect at 0.*
- (4) *A mutual fund that distributes different classes or series of securities that are referable to the same portfolio of assets must only show performance data related to the specific class or series of securities being described in the fund facts document.*
- (5) *If the information required to be disclosed under this Item for “Average return” and “Year-by-year returns” is not reasonably available, include the required sub headings and provide a brief statement explaining why the required information is not available. Information under “Average return” will generally not be available for a mutual fund that has been distributing securities under a simplified prospectus for less than 12 consecutive months. Information under “Year-by-year returns” will generally not be available for a mutual fund that has been distributing securities under a simplified prospectus for less than one calendar year.*
- (6) *The dollar amount shown under “Average return” may be rounded up to the nearest dollar.*
- (7) *The percentage amounts shown under “Average return” and “Year-by-year returns” may be rounded up to the nearest decimal place.*

Item 5: Risks

- (1) Under the heading “How risky is it?” provide an introduction using wording similar to the following:

When you invest in a fund, the value of your investment can go down as well as up. [Insert name of the manager of the mutual fund] has rated this fund’s risk as [insert rating on the scale in Item 5 (2)].

For a description of the specific risks of this fund, see the fund’s simplified prospectus.

- (2) Using the investment risk classification methodology adopted by the manager, identify the mutual fund’s investment risk level on the following scale:

Low	Low to Medium	Medium	Medium to High	High
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INSTRUCTIONS:

- (1) *Based upon the investment risk classification methodology adopted by the manager of the mutual fund, identify where the mutual fund fits on the continuum of investment risk levels by showing the full investment risk scale set out in Item 5 (2) and highlighting the applicable category on the scale.*
- (2) *Where the mutual fund is a newly established mutual fund and it is not possible*

for the manager of the mutual fund to apply its investment risk classification methodology to the mutual fund, include a statement explaining that it is a new mutual fund and use the chart to indicate the investment risk level that the manager of the mutual fund would expect for the mutual fund.

Item 6: Guarantee

(1) Under the heading “Are there any guarantees?”, if the mutual fund has an insurance or guarantee feature protecting all or some of the principal amount of an investment in the mutual fund:

- (a) identify the person or company providing the guarantee or insurance; and
- (b) provide a brief description of the material terms of the guarantee or insurance, including the maturity date of the guarantee or insurance.

(2) If the mutual fund does not have any guarantee or insurance, state that in wording similar to the following:

Like most mutual funds, this fund doesn’t have any guarantees. You may not get back the money you invest.

INSTRUCTION:

If applicable, state that the guarantee or insurance does not apply to the amount of any redemptions before the maturity date of the guarantee or before the death of the securityholder and that redemptions before that date would be based on the net asset value of the mutual fund at the time.

Item 7: Suitability

(1) Provide a brief statement of the suitability of the mutual fund for particular investors under the heading “Who is this fund for?”. Describe the characteristics of the investor for whom the mutual fund may or may not be an appropriate investment, and the portfolios for which the mutual fund is and is not suited.

(2) State in bold font in wording similar to the following:

Before you invest in any fund, you should consider how it would work with your other investments and your tolerance for risk.

INSTRUCTION:

If the mutual fund is particularly unsuitable for certain types of investors or for certain types of investment portfolios, emphasize this aspect of the mutual fund. Disclose both the types of investors who should not invest in the mutual fund, with regard to investments on

both a short- and long-term basis, and the types of portfolios that should not invest in the mutual fund. If the mutual fund is particularly suitable for investors who have particular investment objectives, this can also be disclosed.

Item 8: Impact of Income Taxes on Investor Returns

Under the heading “A word about tax” provide a brief explanation of the income tax consequences for investors using wording similar to the following:

In general, you’ll have to pay income tax on any money you make on a fund. How much you pay depends on the tax laws where you live and whether or not you hold the fund in a registered plan such as a Registered Retirement Savings Plan or a Tax-Free Savings Account.

Keep in mind that if you hold your fund in a non-registered account, fund distributions are included in your taxable income, whether you get them in cash or have them reinvested.

PART II COSTS, RIGHTS AND OTHER INFORMATION

Item 1: Costs of Buying, Owning and Selling the Fund

1.1 Introduction

(1) Under the heading “How much does it cost?”, state using wording similar to the following:

The following tables show the fees and expenses you could pay to buy, own and sell [name of the class or series of securities covered in the fund facts document] [units/shares] of the fund.

(2) If applicable, state that

- the mutual fund has other classes or series of securities;
- the fees and expenses for each class or series of securities of the mutual fund are different; and
- the investor should ask about other classes or series of securities that may be suitable for the investor.

1.2 Illustrations of Different Sales Charge Options

(1) For a mutual fund with multiple sales charge options, include an introduction under the sub heading “Sales charges” using wording similar to the following:

You have to choose a sales charge option when you buy the fund. Ask about the pros and cons of each option.

(2) Provide information about the sales charges payable by an investor under the available sales charge options in the form of the following table:

Sales charge option	What you pay		How it works
	in per cent (%)	in dollars (\$)	
(see instruction 1)	(see instruction 2)	(see instruction 3)	(see instruction 4)

(3) If the mutual fund has only one sales charge option, replace the introductory statement required in paragraph (1) above with a statement highlighting the sales charge option applicable to the mutual fund.

(4) If the mutual fund does not have any sales charges, replace the introductory statement and the table required in paragraph (1) and paragraph (2) above with a general statement explaining that no sales charges apply.

INSTRUCTIONS:

(1) *The mutual fund must disclose all sales charge options (e.g., initial sales charge, deferred sales charge) that apply to the class or series being described in the fund facts document. It is not necessary to disclose sales charge options that do not apply to the series or class to which the fund facts document relates.*

(2) *Specify each sales charge option as a percentage. For an initial sales charge, include a range for the amount that can be charged, if applicable. For a deferred sales charge, provide the full sales charge schedule.*

(3) *Specify each sales charge option in dollar terms. For an initial sales charge, include a range for the amount that can be charged on every \$1,000 investment, if applicable. For a deferred sales charge, include a range for the amount that can be charged on every \$1,000 redemption.*

(4) *Provide a brief overview of the key elements of how each sales charge option works, including:*

- *whether the amount payable is negotiable;*
- *whether the amount payable is deducted from the amount paid at the time of purchase or from the amount received at the time of sale;*
- *who pays and who receives the amount payable under each sales charge option.*

In the case of a deferred sales charge, the disclosure must also briefly state:

- *any amount payable as an upfront sales commission;*

- *who pays and who receives the amount payable as the upfront sales commission;*
- *any free redemption amount and key details about how it works;*
- *whether switches can be made without incurring a sales charge; and*
- *how the amount paid by an investor at the time of a redemption of securities is calculated; for example, whether it is based on the net asset value of those securities at the time of redemption or another time.*

1.3 Fund expenses

(1) Under the sub heading “Fund expenses” include an introduction using wording similar to the following:

You don’t pay these expenses directly. They affect you because they reduce the fund’s returns.

(2) Unless the mutual fund has not yet filed a management report of fund performance, provide information about the expenses of the mutual fund in the form of the following table:

	Annual rate (as a % of the fund’s value)
Management expense ratio (MER) This is the total of the fund’s management fee and operating expenses. (see instruction 1)	(see instruction 2)
Trading expense ratio (TER) These are the fund’s trading costs.	(see instruction 3)
Fund expenses	(see instruction 4)

(3) Unless the mutual fund has not yet filed a management report of fund performance, above the table required under subsection (2), include a statement using wording similar to the following:

As of [see instruction 5], the fund’s expenses were [insert amount included in table required under subsection (2)]% of its value. This equals \$[see instruction 6] for every \$1,000 invested.

(4) For a mutual fund that has not yet filed a management report of fund performance, include wording similar to the following:

The fund’s expenses are made up of the management fee, operating expenses and trading costs. The fund’s annual management fee is [see instruction 7]% of the fund’s value. Because this fund is new, its operating expenses and trading costs are not yet available.

(5) If the mutual fund pays an incentive fee that is determined by the performance of

the mutual fund, provide a brief statement disclosing the amount of the fee and the circumstances in which the mutual fund will pay it.

(6) If the manager of the mutual fund or another member of the mutual fund's organization pays trailing commissions, include a brief description of these commissions under the sub heading "Trailing commission".

(7) The description of trailing commissions must include a statement in substantially the following words:

The trailing commission is paid out of the management fee. The trailing commission is paid for as long as you own the fund.

INSTRUCTIONS:

(1) *If any fees or expenses otherwise payable by the mutual fund were waived or otherwise absorbed by a member of the organization of the mutual fund, despite section 15.1(2) of National Instrument 81-106 Investment Fund Continuous Disclosure, only include a statement in substantially the following words:*

[Insert name of the manager of the mutual fund] waived some of the fund's expenses. If it had not done so, the MER would have been higher.

(2) *Use the same MER that is disclosed in Item 2 of Part I of this Form.*

(3) *Use the trading expense ratio disclosed in the most recently filed management report of fund performance (MRFP) for the mutual fund.*

(4) *The amount included for fund expenses is the amount arrived at by adding the MER and the trading expense ratio. Use a bold font or other formatting to indicate that fund expenses is the total of all ongoing expenses set out in the chart and is not a separate expense charged to the fund.*

(5) *Insert the date of the most recently filed management report of fund performance.*

(6) *Insert the equivalent dollar amount of the ongoing expenses of the fund for each \$1,000 investment.*

(7) *The percentage disclosed for the management fee must correspond to the percentage shown in the fee table in the simplified prospectus.*

(8) *The description of trailing commissions must briefly and concisely explain the purpose of the commission, how the commissions are paid and the range of the rates of the commission for each sales charge option. In addition to the percentage amount of the commission, this description must also set out the equivalent dollar amount for each \$1,000 investment.*

1.4 Other Fees

(1) Under the sub heading “Other fees” provide an introduction using wording similar to the following:

You may have to pay other fees when you sell or switch [units/shares] of the fund.

(2) Provide information about the amount of fees, other than sales charges, payable by an investor when they sell or switch units or shares of the mutual fund, substantially in the form of the following table:

Fee	What you pay
(see instruction 1)	(see instruction 2)

INSTRUCTIONS:

(1) *Under this Item, it is necessary only to include fees that apply to the particular series or class of the mutual fund. Examples include short-term trading fee, switch fee and change fee. If there are no other fees associated with selling or switching units or shares of the mutual fund, replace the table with a statement to this effect.*

(2) *Provide a brief description of each fee disclosing the amount to be paid as a percentage (or, if applicable, a fixed dollar amount) and state who charges the fee.*

Item 2: Statement of Rights

Under the heading “What if I change my mind?” state in substantially the following words:

Under securities law in some provinces and territories, you have the right to:

- withdraw from an agreement to buy mutual fund units within two business days after you receive a simplified prospectus, or
- cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, annual information form or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

Item 3: More Information About the Fund

- (1) Under the heading “For more information” state in substantially the following words:

Contact [insert name of the manager of the mutual fund] or your adviser for the fund’s simplified prospectus and other disclosure documents. These documents and the Fund Facts make up the fund’s legal documents.

- (2) State the name, address and toll-free telephone number of the manager of the mutual fund. If applicable, also state the e-mail address and website of the manager of the mutual fund.

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- (1) *A mutual fund must, on or before July 8, 2011, file a fund facts document for each class or series of securities of the mutual fund that, on that date, are the subject of disclosure under a simplified prospectus.*
- (2) *Subsection (1) does not apply in respect of a class or series of securities of a mutual fund for which a fund facts document was, on or before July 8, 2011, filed under section 2.1.*
- (3) *The date of a fund facts document filed under subsection (1) must be the date on which it was filed.*
- (4) *Until April 8, 2011,*
- (a) *the requirement to file a fund facts document under subparagraph 2.1 (1) (a) (ii), (b) (ii), (c) (ii), or (d) (ii) or (iii) of National Instrument 81-101 Mutual Fund Prospectus Disclosure does not apply to a mutual fund, and*
- (b) *section 2.3 applies to a mutual fund except to the extent that section imposes requirements relating to a fund facts document.*