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October 26, 2006

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - National Instrument 81-106 *Continuous Disclosure Requirements for Investment Funds*, s.17.1 - net asset value (NAV) calculation requirements - NAV calculation - An investment fund wants relief from the requirement in s. 14.2(3)(b) of National Instrument 81-106 to calculate its NAV at least once every business day - The fund is a closed-end investment fund that allows redemptions or retractions no more frequently than once per month; units of the fund are listed or to be listed on a stock exchange and unitholders can buy or sell units of the fund through the exchange; the fund calculates its NAV on a regular basis and makes that calculation available to the public on request.

Applicable British Columbia Provisions

National Instrument 81-106, ss. 14.2(3)(b) and 17.1

In the Matter of
the Securities legislation of
British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec,
Nova Scotia, New Brunswick and Newfoundland and Labrador
(the “Jurisdictions”)

and

In the Matter of
the Mutual Reliance Review System for Exemptive Relief Applications

and

In the Matter of
Dividend 15 Split Corp. II
(the “Fund”)

MRRS Decision Document

Background

The local securities regulatory authority or regulator (the “Decision Maker”) in each of the Jurisdictions has received an application from the Fund for a decision under the securities legislation of the Jurisdictions (the “Legislation”) for an exemption from the requirement contained in section 14.2(3)(b) of National

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Instrument 81-106 – Investment Fund Continuous Disclosure (“NI 81-106”) to calculate net asset value at least once every business day (the “Requested Relief”).

Under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”):

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 Definitions have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Fund:

1. The Fund is a mutual fund corporation established under the laws of the Province of Ontario. Quadravest Inc. will be the manager of the Fund (the “Manager”) and Quadravest Capital Management Inc. (the “Portfolio Advisor”) will provide investment advisory and portfolio management services to the Fund.
2. The Fund will make an offering (the “Offering”) to the public, on a best efforts basis, of class A shares (the “Class A Shares”) and of preferred shares (the “Preferred Shares”) in each of the provinces of Canada.
3. The Preferred Shares and the Class A Shares are expected to be listed and posted for trading on the Toronto Stock Exchange (the “TSX”).
4. The Fund will invest the net proceeds of the Offering primarily in a portfolio of common shares or other equity securities (the “Portfolio”) of 15 major publicly traded Canadian dividend-paying issuers (collectively, the “Portfolio Companies”). Up to 15% of the Net Asset Value of the Filer may be invested in equity securities of issuers other than the Portfolio Companies. To supplement the dividends earned on the Portfolio and to reduce risk, the Filer will from time to time write covered call options in respect of all or part of the Portfolio.
5. The Preferred Shares and Class A Shares may be surrendered for retraction at any time and will be retracted on a monthly basis on the last business day of

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each month (a “Retraction Date”), provided such shares are surrendered for retraction not less than 20 business days prior to the Retraction Date. The Filer will make payment for any shares retracted within 15 business days of the Retraction Date.

6. Under clause 14.2(3)(b) of NI 81-106, an investment fund that is a reporting issuer is generally required to calculate the net asset value per security of the fund on at least a weekly basis. Furthermore, an investment fund that uses or holds specified derivatives, such as the Fund intends to do, must calculate its net asset value per security on a daily basis.
7. The Fund proposes to calculate its net asset value per Unit on each Retraction Date and the 15th day of each month, or if the 15th is not a business day, the preceding business day (each a “Valuation Date”). Net asset value will be calculated as at the close of business on each Valuation Date by subtracting the aggregate amount of the Fund’s liabilities from the aggregate value of the Fund’s assets.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met. The Decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided the Prospectus discloses:

- (a) that the net asset value calculation will be provided by the Portfolio Advisor to shareholders on request, and
- (b) a website that the public can access for this purpose;

for so long as:

- (c) the Preferred Shares and the Class A Shares are listed on the TSX; and
- (d) the Fund calculates its net asset value at least twice a month.

Rhonda Goldberg
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Ontario Securities Commission