

**Ontario Securities Commission**

**Form 81-106F1**

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**FORM 81-106F1**

**CONTENTS OF ANNUAL AND INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE**

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**PART A  
INSTRUCTIONS AND INTERPRETATION**

**Item 1 General**

**(a) The Form**

The Form describes the disclosure required in an annual or interim management report of fund performance (MRFP) of an investment fund. Each item of the Form outlines disclosure or format requirements. Instructions to help you comply with these requirements are printed in italic type.

**(b) Plain Language**

An MRFP must state the required information concisely and in plain language (as defined in National Instrument 81-101 *Mutual Fund Prospectus Disclosure*). Refer to Part 1 of Companion Policy 81-106CP for a discussion concerning plain language and presentation.

When preparing an MRFP, respond as simply and directly as is reasonably possible and include only as much information as is necessary for readers to understand the matters for which you are providing disclosure.

**(c) Format**

Present the MRFP in a format that assists readability and comprehension. The Form generally does not mandate the use of a specific format to achieve these goals, except in the case of disclosure of financial highlights and past performance as required by Items 3 and 4 of each of Parts B and C of the Form; that disclosure must be presented in the format specified in the Form.

An MRFP must use the headings and sub-headings shown in the Form. Within this framework, investment funds are encouraged to use, as appropriate, tables, captions, bullet points or other organizational techniques that assist in presenting the required disclosure clearly and concisely. Disclosure provided in response to any item does not need to be repeated elsewhere. The interim MRFP must use the same headings as used in the annual MRFP.

The Form does not prohibit including information beyond what the Form requires. An investment fund may include artwork and educational material (as defined in National Instrument 81-101 *Mutual Fund Prospectus Disclosure*) in its annual and interim MRFP. However, an investment fund must take reasonable care to ensure that including such material does not obscure the required information and does not lengthen the MRFP excessively.

**(d) Focus on Material Information**

You do not need to disclose information that is not material. You do not need to respond to any item in this Form that is inapplicable and you may omit negative answers.

**(e) What is Material?**

Would a reasonable investor's decision to buy, sell or hold securities of an investment fund likely be influenced or changed if the information in question was omitted or misstated? If so, the information is material. In determining whether information is material, take into account both quantitative and qualitative factors.

**(f) Terminology**

All references to "net assets" or "net assets per security" in this Form are references to total equity or net assets attributable to securityholders determined in accordance with Canadian GAAP as presented in the financial statements of the investment fund. All references to "net asset value" or "net asset value per security" in this Form are references to net asset value determined in accordance with Part 14 of the Instrument.

Investment funds must use net assets as shown on the financial statements in the "*The Fund's Net Assets per [Unit/Share]*" table. All other calculations for the purposes of the MRFP must be made using net asset value.

**Item 2 Management Discussion of Fund Performance**

The management discussion of fund performance is an analysis and explanation that is designed to complement and supplement an investment fund's financial statements. The discussion is the equivalent to the corporate management discussion and analysis (MD&A) with specific modifications for investment funds. It provides the manager of an investment fund with the opportunity to discuss the investment fund's position and financial results for the relevant period. The discussion is intended to give a reader the ability to look at the investment fund through the eyes of management by providing both a historical and prospective analysis of the investment activities and operations of the investment fund. Coupled with the financial highlights, this information should enable readers to better assess the investment fund's performance and future prospects.

Focus the management discussion on material information about the performance of the investment fund, with particular emphasis on known material trends, commitments, events, risks or uncertainties that the manager reasonably expects to have a material effect on the investment fund's future performance or investment activities.

The description of the disclosure requirements is intentionally general. This Form contains a minimum number of specific instructions in order to allow, as well as encourage, investment funds to discuss their activities in the most appropriate manner and to tailor their comments to their individual circumstances.

**PART B**

**CONTENT REQUIREMENTS FOR ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE**

**Item 1 First Page Disclosure**

The first page of an annual MRFP must contain disclosure in substantially the following words:

"This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling [toll-

free/collect call telephone number], by writing to us at [insert address] or by visiting our website at [insert address] or SEDAR at [www.sedar.com](http://www.sedar.com).

Securityholders may also contact us using one of these methods to request a copy of the investment fund's interim financial report, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure."

**INSTRUCTION:**

*If the MRFP is bound with the financial statements of the investment fund, modify the first page wording appropriately.*

**Item 2 Management Discussion of Fund Performance**

**2.1 Investment Objective and Strategies**

Disclose under the heading "Investment Objective and Strategies" a brief summary of the fundamental investment objective and strategies of the investment fund.

**INSTRUCTION:**

*Disclosing the fundamental investment objective provides investors with a reference point for assessing the information contained in the MRFP. It must be a concise summary of the fundamental investment objective and strategies of the investment fund, and not merely copied from the prospectus.*

**2.2 Risk**

Disclose under the heading "Risk" a discussion of how changes to the investment fund over the financial year affected the overall level of risk associated with an investment in the investment fund.

**INSTRUCTION:**

*Ensure that the discussion is not merely a repeat of information contained in the prospectus of the investment fund, but rather a discussion that reflects any changes in risk level of the investment fund over the financial year.*

*Consider how the changes in the risks associated with an investment in the investment fund affect the suitability or investor risk tolerance stated in the prospectus or offering document. All investment funds should refer to Items 9 and 10 of Part B of Form 81-101F1 as if those sections applied to them.*

**2.3 Results of Operations**

- (1) Under the heading "Results of Operations" provide a summary of the results of operations of the investment fund for the financial year to which the MDFP pertains, including a discussion of

- (a) any material changes in investments in specific portfolio assets and overall asset mix from the previous period;
  - (b) how the composition and changes to the composition of the investment portfolio relate to the investment fund's fundamental investment objective and strategies or to changes in the economy, markets or unusual events;
  - (c) unusual trends in redemptions or sales and the effect of these on the investment fund;
  - (d) significant components and changes to the components of revenue and expenses;
  - (e) risks, events, trends and commitments that had a material effect on past performance; and
  - (f) unusual or infrequent events or transactions, economic changes and market conditions that affected performance.
- (2) An investment fund that borrows money, other than immaterial operating overdrafts, must disclose,
- (a) the minimum and maximum amount borrowed during the period;
  - (b) the percentage of net assets of the investment fund that the borrowing represented as of the end of the period;
  - (c) how the borrowed money was used; and
  - (d) the terms of the borrowing arrangements.
- (3) An investment fund that uses leverage must disclose,
- (a) a brief explanation of the sources of leverage including cash borrowing, short selling or use of specified derivatives, used during the reporting period,
  - (b) the lowest and highest levels of aggregate exposure to those sources of leverage in the period, and
  - (c) a brief explanation of the significance of the lowest and highest levels of aggregate exposure to those sources of leverage to the investment fund including the impact of the use of specified derivatives for hedging purposes.

**INSTRUCTION:**

- (1) *Explain the nature of and reasons for changes in the investment fund's performance. Do not only disclose the amount of change in a financial statement item from period to period. Avoid the use of boilerplate wording. Your discussion must be prepared in a manner that will assist a reasonable reader to understand the significant factors that have affected the investment fund's performance.*

- (2) *For the purposes of the disclosure required in Item 2.3(3)(b), an investment fund must calculate its aggregate exposure to sources of leverage in accordance with section 2.9.1 of National Instrument 81-102 Investment Funds.*
- (3) *In discussing the impact of the use of specified derivatives for hedging purposes on the investment fund's calculation of its aggregate exposure to sources of leverage, the fund must discuss by how much the aggregate exposure was reduced by subtracting the notional value of the fund's specified derivatives positions that are hedging transactions as is contemplated in paragraph 2.9.1(2)(c) of National Instrument 81-102 Investment Funds.*

## **2.4 Recent Developments**

Under the heading "Recent Developments" discuss the developments affecting the investment fund, including

- (a) known changes to the strategic position of the investment fund;
- (b) known material trends, commitments, events or uncertainties that might reasonably be expected to affect the investment fund;
- (c) changes to the manager or portfolio adviser, or change of control of the manager, of the investment fund;
- (d) the effects of any actual or planned reorganizations, mergers or similar transactions;
- (e) the estimated effects of changes in accounting policies adopted subsequent to year end; and
- (f) changes to the composition or members of the independent review committee of the investment fund.

### **INSTRUCTION:**

- (1) *Preparing the management discussion necessarily involves some degree of prediction or projection. The discussion must describe anticipated events, decisions, circumstances, opportunities and risks that management considers reasonably likely to materially impact performance. It must also describe management's vision, strategy and targets.*
- (2) *There is no requirement to provide forward-looking information. If any forward-looking information is provided, it must contain a statement that the information is forward-looking, a description of the factors that may cause actual results to differ materially from the forward-looking information, your material assumptions and appropriate risk disclosure and cautionary language. You must also discuss any forward-looking information disclosed for a prior period which, in light of intervening events and absent further explanations, may be misleading.*

## **2.5 Related Party Transactions**

Under the heading "Related Party Transactions" discuss any transactions involving related parties to the investment fund.

**INSTRUCTIONS:**

- (1) *In determining who is a related party, investment funds should look to the Handbook. In addition, related parties include the manager and portfolio adviser (or their affiliates) and a broker or dealer related to any of the investment fund, its manager or portfolio adviser.*
- (2) *When discussing related party transactions, include the identity of the related party, the relationship to the investment fund, the purpose of the transaction, the measurement basis used to determine the recorded amount and any ongoing commitments to the related party.*
- (3) *Related party transactions include portfolio transactions with related parties of the investment fund. When discussing these transactions, include the dollar amount of commission, spread or any other fee that the investment fund paid to any related party in connection with a portfolio transaction.*
- (4) *If the investment fund has an independent review committee, state whether the investment fund has relied on the positive recommendation or approval of the independent review committee to proceed with the transaction, and provide details of any conditions or parameters surrounding the transaction imposed by the independent review committee in its positive recommendation or approval.*

**Item 3 Financial Highlights**

**3.1 Financial Highlights**

- (1) Provide selected financial highlights for the investment fund under the heading "Financial Highlights" in the form of the following tables, appropriately completed, and introduced using the following words:

"The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past [insert number] years.

*The Fund's Net Assets per [Unit/Share]<sup>(1)</sup>*

	<i>[insert year]</i>	<i>[insert year]</i>	<i>[insert year]</i>	<i>[insert year]</i>	<i>[insert year]</i>
Net Assets, beginning of year	\$	\$	\$	\$	\$
<b>Increase (decrease) from operations:</b>					
total revenue	\$	\$	\$	\$	\$
total expenses [excluding distributions]	\$	\$	\$	\$	\$
realized gains (losses) for the period	\$	\$	\$	\$	\$
unrealized gains (losses) for the period	\$	\$	\$	\$	\$
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	\$	\$	\$	\$	\$
<b>Distributions:</b>					
From net investment income (excluding dividends)	\$	\$	\$	\$	\$
From dividends	\$	\$	\$	\$	\$
From capital gains	\$	\$	\$	\$	\$
Return of capital	\$	\$	\$	\$	\$
<b>Total Annual Distributions<sup>(3)</sup></b>	\$	\$	\$	\$	\$
<b>Net assets at [insert last day of financial year] of year shown</b>	\$	\$	\$	\$	\$

(1) *This information is derived from the fund's audited annual financial statements. The net assets per security presented in the financial statements differs from the net asset value calculated for fund pricing purposes. [An explanation of these differences can be found in the notes to the financial statements./This difference is due to [explain].]*

(2) *Net assets and distributions are based on the actual number of [units/shares] outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of [units/shares] outstanding over the financial period.*

(3) *Distributions were [paid in cash/reinvested in additional [units/shares] of the Fund, or both].*

*Ratios and Supplemental Data*

	<i>[insert year]</i>	<i>[insert year]</i>	<i>[insert year]</i>	<i>[insert year]</i>	<i>[insert year]</i>

Total net asset value (000's) <sup>(1)</sup>	\$	\$	\$	\$	\$
Number of [units/shares] outstanding <sup>(1)</sup>					
Management expense ratio <sup>(2)</sup>	%	%	%	%	%
Management expense ratio before waivers or absorptions	%	%	%	%	%
Trading expense ratio <sup>(3)</sup>	%	%	%	%	%
Portfolio turnover rate <sup>(4)</sup>	%	%	%	%	%
Net asset value per [unit/share]	\$	\$	\$	\$	\$
Closing market price [if applicable]	\$	\$	\$	\$	\$

- (1) *This information is provided as at [insert date of end of financial year] of the year shown.*
- (2) *Management expense ratio is based on total expenses (excluding [distributions], commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.*
- (3) *The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.*
- (4) *The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.*
- (2) [repealed]
- (3) Modify the table appropriately for corporate investment funds.
- (4) Show the financial highlights individually for each class or series, if a multi-class fund.
- (5) Provide per unit or per share amounts to the nearest cent, and provide percentage amounts to two decimal places.
- (6) Except for net assets, net asset value and distributions, calculate per unit/share values on the basis of the weighted average number of unit/shares outstanding over the financial period.
- (7) Provide the selected financial information required by this Item in chronological order for each of the five most recently completed financial years of the investment fund for which audited financial statements have been filed, with the information for the most recent financial year in the first column on the left of the table.

- (7.1) (a) For financial years beginning before January 1, 2014, the financial highlights may be derived from the investment fund's financial statements prepared in accordance with subsection 2.6(1) of the Instrument.
  - (b) For financial periods beginning on or after January 1, 2014, derive the financial highlights from the investment fund's financial statements prepared in accordance with subsection 2.6(2) of the Instrument.
  - (c) Despite paragraph (a), in an annual MRFP for a financial year beginning on or after January 1, 2014, derive the financial highlights for the immediately preceding financial year from financial statements prepared in accordance with subsection 2.6(2) of the Instrument.
  - (d) If the financial highlights relate to financial periods beginning both before and on or after January 1, 2014, disclose, in a note to the table, the accounting principles applicable to each period.
- (8) If the investment fund has merged with another investment fund, include in the table only the financial information of the continuing investment fund.
- (9) Calculate the management expense ratio of the investment fund as required by Part 15 of the Instrument. Include a brief description of the method of calculating the management expense ratio in a note to the table.
- (10) If the investment fund,
- (a) changed, or proposes to change, the basis of the calculation of the management fees or of the other fees, charges or expenses that are charged to the investment fund; or
  - (b) introduces or proposes to introduce a new fee,
- and if the change would have had an effect on the management expense ratio for the last completed financial year of the investment fund if the change had been in effect throughout that financial year, disclose the effect of the change on the management expense ratio in a note to the "Ratios and Supplemental Data" table.
- (11) Do not include disclosure concerning portfolio turnover rate for a money market fund.
- (12) (a) Calculate the trading expense ratio by dividing
- (i) the total commissions and other portfolio transaction costs disclosed in the statement of operations, by
  - (ii) the same denominator used to calculate the management expense ratio.
- (b) If an investment fund invests in securities of other investment funds, calculate the trading expense ratio using the methodology required for the

calculation of the management expense ratio in section 15.2 of the Instrument, making reasonable assumptions or estimates when necessary.

- (13) Provide the closing market price only if the investment fund is traded on an exchange.

**INSTRUCTIONS:**

- (1) Calculate the investment fund's portfolio turnover rate by dividing the lesser of the amounts of the cost of purchases and proceeds of sales of portfolio securities for the financial year by the average of the value of the portfolio securities owned by the investment fund in the financial year. Calculate the monthly average by totalling the values of portfolio securities as at the beginning and end of the first month of the financial year and as at the end of each of the succeeding 11 months and dividing the sum by 13. Exclude from both numerator and denominator amounts relating to all portfolio securities having a remaining term to maturity on the date of acquisition by the investment fund of one year or less.
- (2) Further to instruction (1), include:
  - (a) proceeds from a short sale in the value of the portfolio securities sold during the period;
  - (b) the cost of covering a short sale in the value of portfolio securities purchased during the period;
  - (c) premiums paid to purchase options in the value of portfolio securities purchased during the period; and
  - (d) premiums received from the sale of options in the value of the portfolio securities sold during the period.
- (3) If the investment fund acquired the assets of another investment fund in exchange for its own shares during the financial year in a purchase-of-assets transaction, exclude from the calculation of portfolio turnover rate the value of securities acquired and sold to realign the fund's portfolio. Adjust the denominator of the portfolio turnover computation to reflect these excluded purchases and sales and disclose them in a footnote.

**3.2 Scholarship Plans**

An investment fund that is a scholarship plan must comply with Item 3.1, except that the following table must replace "The Fund's Net Assets per [Unit/Share]" table and the "Ratios and Supplemental Data" table.

*Financial & Operating Highlights (with comparative figures)*

	<i>[insert year]</i>	<i>[insert year]</i>	<i>[insert year]</i>	<i>[insert year]</i>	<i>[insert year]</i>
<b>Statement of Financial</b>					

<b>Position</b>					
Total Assets	\$	\$	\$	\$	\$
Net Assets	\$	\$	\$	\$	\$
% change of Net Assets	%	%	%	%	%
<b>Statement of Comprehensive Income</b>					
Scholarship Awards	\$	\$	\$	\$	\$
Canadian Education Savings Grant	\$	\$	\$	\$	\$
Net investment income	\$	\$	\$	\$	\$
<b>Other</b>					
Total number of [agreements/units] in plans					
% change in the total number of agreements	%	%	%	%	%

### 3.3 Management Fees

Disclose the basis for calculating the management fees paid by the investment fund and a breakdown of the services received in consideration of the management fees, as a percentage of management fees.

#### INSTRUCTION:

*The disclosure must list the major services paid for out of the management fees, including portfolio adviser compensation, waived or absorbed expenses, trailing commissions and sales commissions, if applicable. Services may be grouped together so that commercially sensitive information, such as the specific compensation paid to a portfolio adviser or the manager's profit, is not determinable.*

## Item 4 Past Performance

### 4.1 General

- (1) In responding to the requirements of this Item, an investment fund must comply with sections 15.2, 15.3, 15.9, 15.10, 15.11 and 15.14 of National Instrument 81-102 *Investment Funds* as if those sections applied to the annual MRFP.
- (2) Despite the specific requirements of this Item, do not provide performance data for any period if the investment fund was not a reporting issuer at all times during the period.
- (3) Set out in the footnotes to the chart or table required by this Item the assumptions relevant to the calculation of the performance information, including any assumptions

or estimates made in order to calculate the return on the short portfolio, if applicable. Include a statement of the significance of the assumption that distributions are reinvested for taxable investments.

- (4) In a general introduction to the "Past Performance" section, indicate, as applicable, that
  - (a) the performance information shown assumes that all distributions made by the investment fund in the periods shown were reinvested in additional securities of the investment fund;
  - (b) the performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance; and
  - (c) how the investment fund has performed in the past does not necessarily indicate how it will perform in the future.
- (5) Use a linear scale for each axis of the bar chart required by this Item.
- (6) The x-axis must intersect the y-axis at 0 for the "Year-by-Year Returns" bar chart.

#### **4.2 Year-by-Year Returns**

- (1) Provide a bar chart, under the heading "Past Performance" and under the sub-heading "Year-by-Year Returns", that shows, in chronological order with the most recent year on the right of the bar chart, the annual total return of the investment fund for the lesser of
  - (a) each of the ten most recently completed financial years; and
  - (b) each of the completed financial years in which the investment fund has been in existence and which the investment fund was a reporting issuer.
- (2) Provide an introduction to the bar chart that
  - (a) indicates that the bar chart shows the investment fund's annual performance for each of the years shown, and illustrates how the investment fund's performance has changed from year to year; and
  - (b) indicates that the bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.
- (3) If the investment fund holds short portfolio positions, show separately the annual total return for both the long portfolio positions and the short portfolio positions in addition to the overall total return.

#### **4.3 Annual Compound Returns**

- (1) If the investment fund is not a money market fund, disclose, in the form of a table, under the sub-heading "Annual Compound Returns"
  - (a) the investment fund's past performance for the ten, five, three and one year periods ended on the last day of the investment fund's financial year; and
  - (b) if the investment fund was a reporting issuer for more than one and less than ten years, the investment fund's past performance since the inception of the investment fund.
- (2) Include in the table, for the same periods for which the annual compound returns of the investment fund are provided, the historical annual compound total returns or changes of
  - (a) one or more appropriate broad-based securities market indices; and
  - (b) at the option of the investment fund, one or more non-securities indices or narrowly-based market indices that reflect the market sectors in which the investment fund invests.
- (3) Include a brief description of the broad-based securities market index (or indices) and provide a discussion of the relative performance of the investment fund as compared to that index.
- (4) If the investment fund includes in the table an index that is different from the one included in the most recently filed MRFP, explain the reasons for the change and include the disclosure required by this Item for both the new and former indices.
- (5) Calculate the annual compound return in accordance with the requirements of Part 15 of National Instrument 81-102 *Investment Funds*.
- (6) If the investment fund holds short portfolio positions, show separately the annual compound returns for both the long and the short portfolio positions in addition to the overall annual compound returns.

**INSTRUCTIONS:**

- (1) *An "appropriate broad-based securities market index" is one that*
  - (a) *is administered by an organization that is not affiliated with any of the mutual fund, its manager, portfolio adviser or principal distributor, unless the index is widely recognized and used; and*
  - (b) *has been adjusted by its administrator to reflect the reinvestment of dividends on securities in the index or interest on debt.*
- (2) *It may be appropriate for an investment fund that invests in more than one type of security to compare its performance to more than one relevant index. For example, a balanced fund may wish to compare its performance to both a bond index and an equity index.*

- (3) *In addition to the appropriate broad-based securities market index, the investment fund may compare its performance to other financial or narrowly-based securities indices (or a blend of indices) that reflect the market sectors in which the investment fund invests or that provide useful comparatives to the performance of the investment fund. For example, an investment fund could compare its performance to an index that measured the performance of certain sectors of the stock market (e.g. communications companies, financial sector companies, etc.) or to a non-securities index, such as the Consumer Price Index, so long as the comparison is not misleading.*

#### **4.4 Scholarship Plans**

An investment fund that is a scholarship plan must comply with this Item, except that year-by-year returns and annual compound returns must be calculated based on the scholarship plan's total portfolio adjusted for cash flows.

#### **Item 5 Summary of Investment Portfolio**

- (1) Include, under the heading "Summary of Investment Portfolio", a summary of the investment fund's portfolio as at the end of the financial year of the investment fund to which the annual MRFP pertains.
- (2) The summary of investment portfolio
- (a) must break down the entire portfolio of the investment fund into appropriate subgroups, and must show the percentage of the aggregate net asset value of the investment fund constituted by each subgroup;
  - (b) must disclose the top 25 positions held by the investment fund, each expressed as a percentage of net asset value of the investment fund;
  - (c) must disclose long positions separately from short positions; and
  - (d) must disclose separately the total percentage of net asset value represented by the long positions and by the short positions.
- (3) Indicate that the summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund and a quarterly update is available.

#### **INSTRUCTIONS:**

- (1) *The summary of investment portfolio is designed to give the reader an easily accessible snapshot of the portfolio of the investment fund as at the end of the financial year for which the annual MRFP pertains. As with the other components of the annual MRFP, care should be taken to ensure that the information in the summary of investment portfolio is presented in an easily accessible and understandable way.*
- (2) *The Canadian securities regulatory authorities have not prescribed the names of the categories into which the portfolio should be broken down. An investment fund should use the most appropriate categories given the nature of the fund. If appropriate, an*

*investment fund may use more than one breakdown, for instance showing the portfolio of the investment fund broken down according to security type, industry, geographical locations, etc.*

- (3) *Instead of a table, the disclosure required by (2)(a) of this Item may be presented in the form of a pie chart.*
- (4) *If the investment 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.*
- (5) *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.*
- (6) *Treat cash and cash equivalents as one separate discrete category.*
- (7) *In determining its holdings for purposes of the disclosure required by this Item, an investment fund should, for each long position in a derivative that is held by the investment fund for purposes other than hedging and for each index participation unit held by the investment 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.*
- (8) *If an investment fund invests substantially all of its assets directly or indirectly (through the use of derivatives) in securities of one other fund, list only the 25 largest holdings of the other investment fund by percentage of net asset value of the other investment fund, as disclosed by the other investment fund as at the most recent quarter end*
- (9) *If the investment fund invests in other investment funds, include a statement to the effect that the prospectus and other information about the underlying investment funds are available on the internet at [www.sedar.com](http://www.sedar.com).*
- (10) *A labour sponsored or venture capital fund must disclose its top 25 positions, but is not required to express any of its venture investments as a percentage of the fund's net asset value if it complies with the condition in Part 8 of the Instrument to be exempt from disclosing the individual current values of venture investments in its statement of investment portfolio.*

## **Item 6 Other Material Information**

Provide any other material information relating to the investment fund not otherwise required to be disclosed by this Part, including information required to be disclosed pursuant to an order or exemption received by the investment fund.

**PART C**  
**CONTENT REQUIREMENTS FOR INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE**

**Item 1 First Page Disclosure**

The first page of an interim MRFP must contain disclosure in substantially the following words:

"This interim management report of fund performance contains financial highlights but does not contain either the interim financial report or annual financial statements of the investment fund. You can get a copy of the interim financial report or annual financial statements at your request, and at no cost, by calling [toll-free/collect call telephone number], by writing to us at [insert address] or by visiting our website at [insert address] or SEDAR at [www.sedar.com](http://www.sedar.com).

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure."

**INSTRUCTION:**

*If the MRFP is bound with the financial statements of the investment fund, modify the first page wording appropriately.*

**Item 2 Management Discussion of Fund Performance**

**2.1 Results of Operations**

Update the analysis of the investment fund's results of operations provided in the most recent annual MRFP. Discuss any material changes to any of the components listed in Item 2.3 of Part B.

**2.2 Recent Developments**

If there have been any significant developments affecting the investment fund since the most recent annual MRFP, discuss those developments and their impact on the investment fund, in accordance with the requirements of Item 2.4 of Part B.

**2.3 Related Party Transactions**

Provide the disclosure required by Item 2.5 of Part B.

**INSTRUCTIONS:**

- (1) *If the first MRFP you file in this Form is not an annual MRFP, you must provide all the disclosure required by Part B, except for Items 3 and 4, in the first MRFP.*
- (2) *The discussion in an interim MRFP is intended to update the reader on material developments since the date of the most recent annual MRFP. You may assume the reader has access to your annual MRFP, so it is not necessary to restate all of the information contained in the most recent annual discussion.*

- (3) *The discussion in an interim MRFP should deal with the financial period to which the interim MRFP pertains.*

**Item 3 Financial Highlights**

- (1) Provide the disclosure required by Item 3.1 of Part B, with an additional column on the left of the table representing the interim period.
- (2) Provide the disclosure required by Item 3.3 of Part B of the form.

**INSTRUCTION:**

*If the distributions cannot be allocated by type at the end of the interim period, provide only total distributions by unit/share.*

**Item 4 Past Performance**

Provide a bar chart prepared in accordance with Item 4.2 of Part B, and include the total return calculated for the interim period.

**Item 5 Summary of Investment Portfolio**

- (1) Include a summary of investment portfolio as at the end of the financial period to which the interim MRFP pertains.
- (2) The summary of investment portfolio must be prepared in accordance with Item 5 of Part B.

**Item 6 Other Material Information**

Provide any other material information relating to the investment fund not otherwise required to be disclosed by this Part including information required to be disclosed pursuant to an order or exemption received by the investment fund.