The Ontario Securities Commission

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May 13, 2021

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Securities Act of Ontario (R.S.O. 1990, c. S.5) and the
Commodity Futures Act of Ontario (R.S.O. 1990, c. C.20)

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Chapter 1

Notices

1.1 Notices

1.1.1 Ontario Securities Commission Staff Notice 81-731 – Next Steps on Deferred Sales Charges

ONTARIO SECURITIES COMMISSION STAFF NOTICE 81-731

NEXT STEPS ON DEFERRED SALES CHARGES

May 7, 2021

Introduction

On February 20, 2020, the Ontario Securities Commission published for comment proposed Ontario Securities Commission Rule 81-502 *Restrictions on the Use of the Deferred Sales Charge Option for Mutual Funds* (the **Proposed Rule**) to introduce restrictions on the use of the deferred sales charge (**DSC**) option[1] that are designed to mitigate potential negative investor outcomes. In particular, the restrictions are intended to address the "lock-in"[2] effect associated with the DSC option and reduce the potential for mis-selling, while allowing dealers to offer the DSC option to clients with smaller accounts. The Proposed Rule was a subsequent consultation to the Proposed Amendments to Prohibit Certain Embedded Commissions (as defined below) published by the Canadian Securities Administrators (**CSA**) in 2018.

The purpose of this notice is to provide an update on next steps.

OSC staff (**we** or **staff**) have considered the comments received on the Proposed Rule, which overwhelmingly expressed support for a harmonized DSC ban. We also note that industry innovation over the past few years has opened significant new avenues for investors with smaller accounts at an affordable cost.

Next Steps

Staff will bring forward final amendments to National Instrument 81-105 *Mutual Fund Sales Practices* (**NI 81-105**) for publication in spring 2021. This will allow the OSC to join the Multilateral DSC Ban (as defined below). More specifically, the final amendments will prohibit the payment of upfront sales commissions by fund organizations to dealers, and in so doing, discontinue sales charge options that involve such payments, such as all forms of the DSC option (**DSC ban**).

Transition

We anticipate a ban on the DSC option in Ontario will have an effective date of June 1, 2022, which coincides with the effective date of the Multilateral DSC Ban. Consistent with the Multilateral DSC Ban, on the effective date, no new sales would be permitted using the DSC option in Ontario, and DSC redemption schedules for sales made prior to the effective date of the DSC ban would be allowed to run their course in Ontario.

Comments on the Proposed Rule

We received 34 comment letters on the Proposed Rule.

Approximately 70% of the commenters advocated for a complete ban of DSCs and urged the OSC to harmonize with the CSA. Commenters expressed concern that the Proposed Rule would create a two-tiered regulatory approach, which would create compliance issues, be costly and burdensome to implement and monitor, and cause market inefficiency. Commenters also expressed concern that even with restrictions under the Proposed Rule, there would still be negative investor outcomes with the DSC option.

[1] Under the traditional deferred sales charge option, the investor does not pay an initial sales charge for fund securities purchased but may have to pay a redemption fee to the investment fund manager (i.e., a deferred sales charge) if the securities are sold before a predetermined period of typically 5 to 7 years from the date of purchase. Redemption fees decline according to a redemption fee schedule that is based on the length of time the investor holds the securities. While the investor does not pay a sales charge to the dealer, the investment fund manager pays the dealer an upfront commission (typically equivalent to 5% of the purchase amount). The investment fund manager may finance the payment of the upfront commission and accordingly incur financing costs that are included in the ongoing management fees charged to the fund.

[2] The "lock-in" feature refers to the redemption fee schedule associated with the DSC option which has the potential to deter investors from redeeming an investment or changing their asset allocation, even in the face of consistently poor fund performance, unforeseen liquidity events, or changes in their financial circumstances.

Approximately 25% of the commenters expressed support for the Proposed Rule and provided suggestions on the proposed restrictions.

The Decline of the DSC Option and Industry Innovation

Mutual funds with the DSC option have been in net redemptions since 2016 and had a total net outflow of $3.34 billion in Canada during 2020. During the same time, there was a total net inflow of $23 billion into mutual funds with no-load options.[3]

With advances in industry innovation, Ontario investors have access to affordable investment options, including no-load funds and exchange-traded funds that are available to investors of all account sizes. Ontario investors also have access to investment products and investment advice with more affordable and more transparent compensation models.

Background

Proposed Amendments to Prohibit Certain Embedded Commissions

On September 13, 2018, the CSA published for comment proposed amendments to NI 81-105 that would prohibit:

- the payment of upfront sales commissions by fund organizations to dealers, and in so doing, discontinue sales charge options that involve such payments, such as all forms of the DSC option, and
- trailing commission payments by fund organizations to dealers who do not make a suitability determination, such as order-execution-only (**OEO**) dealers (**OEO trailer fee ban**).

CSA Staff Notice 81-332

On December 19, 2019, the CSA published CSA Staff Notice 81-332 *Next Steps on Proposals to Prohibit Certain Investment Fund Embedded Commissions* to announce that final amendments to implement a DSC ban would be published in early 2020. The OSC stated that, while it would participate in the OEO trailer fee ban, it would not be implementing a DSC ban.

OSC Staff Notice 81-730

Also, on December 19, 2019, the OSC published OSC Staff Notice 81-730 *Consideration of Alternative Approaches to Address Concerns Related to Deferred Sales Charges* to announce that the OSC would explore alternative approaches for addressing the investor protection concerns arising from the use of the DSC option.

Multilateral CSA Notice of Amendments to National Instrument 81-105 Mutual Fund Sales Practices

On February 20, 2020, the CSA, with the exception of Ontario, published *Multilateral CSA Notice of Amendments to National Instrument 81-105 Mutual Fund Sales Practices, Changes to Companion Policy 81-105CP to National Instrument 81-105 Mutual Fund Sales Practices and Changes to Companion Policy 81-101CP to National Instrument 81-101 Mutual Fund Prospectus Disclosure relating to Prohibition of Deferred Sales Charges for Investment Funds* (the **2020 Multilateral CSA Notice**).[4] The amendments published in the 2020 Multilateral CSA Notice prohibit the payment by fund organizations of upfront sales commissions to dealers, which results in the discontinuation of all forms of the DSC option, including low-load options (the **Multilateral DSC Ban**). The Multilateral DSC Ban comes into force on June 1, 2022.

Questions

Please refer your questions to any of the following:

Stephen Paglia
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Ontario Securities Commission
(416) 593-2393
spaglia@osc.gov.on.ca

Irene Lee
Senior Legal Counsel, Investment Funds and Structured Products Branch
Ontario Securities Commission
(416) 593-3668
ilee@osc.gov.on.ca

[3] See page 65 of the Investor Economics Insight Report January 2021.
[4] https://www.bcsc.bc.ca/-/media/PWS/Resources/Securities_Law/Policies/Policy8/81105-CSA-Notice-February-20-2020pdf.

1.1.2 Notice of Coming into Force of Amendments to Ontario Securities Commission Rule 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions (Rule 48-501)

NOTICE OF COMING INTO FORCE OF
AMENDMENTS TO
ONTARIO SECURITIES COMMISSION RULE 48-501
***TRADING DURING DISTRIBUTIONS, FORMAL BIDS AND SHARE EXCHANGE TRANSACTIONS* (RULE 48-501)**

May 13, 2021

Amendments to Rule 48-501 (**Amendments)** will come into force on May 18, 2021, pursuant to section 143.4 of the *Securities Act* (Ontario).

In connection with the Amendments, the Ontario Securities Commission also adopted changes (the **Changes**) to Companion Policy 48-501CP. The Changes will come into effect on May 18, 2021.

The Amendments, along with the Changes, were published in the Bulletin on March 11, 2021 at (**2021), 44 OSCB 1945**. The Amendments are reproduced in Chapter 5 of this Bulletin and at www.osc.ca.

1.2 Notices of Hearing

1.2.1 Bridging Finance Inc. et al. – ss. 127(8), 127(1)

FILE NO.: 2021-15

IN THE MATTER OF
BRIDGING FINANCE INC.,
DAVID SHARPE,
BRIDGING INCOME FUND LP,
BRIDGING MID-MARKET DEBT FUND LP,
BRIDGING INCOME RSP FUND,
BRIDGING MID-MARKET DEBT RSP FUND,
BRIDGING PRIVATE DEBT INSTITUTIONAL LP,
BRIDGING REAL ESTATE LENDING FUND LP,
BRIDGING SMA 1 LP,
BRIDGING INFRASTRUCTURE FUND LP, AND
BRIDGING INDIGENOUS IMPACT FUND

NOTICE OF HEARING
Subsections 127(8) and 127(1) of the *Securities Act,* RSO 1990, c S.5

PROCEEDING TYPE: Application for Extension of Temporary Order

HEARING DATE AND TIME: May 12, 2021 at 10:00 a.m.

LOCATION: By videoconference

PURPOSE

The purpose of this proceeding is to consider whether the Commission should grant the Application filed by Staff of the Commission to extend the temporary order issued by the Commission on April 30, 2021.

REPRESENTATION

Any party to the proceeding may be represented by a representative at the hearing.

FAILURE TO ATTEND

IF A PARTY DOES NOT ATTEND, THE HEARING MAY PROCEED IN THE PARTY'S ABSENCE AND THE PARTY WILL NOT BE ENTITLED TO ANY FURTHER NOTICE IN THE PROCEEDING.

FRENCH HEARING

This Notice of Hearing is also available in French on request of a party. Participation may be in either French or English. Participants must notify the Secretary's Office in writing as soon as possible if the participant is requesting a proceeding be conducted wholly or partly in French.

AVIS EN FRANÇAIS

L'avis d'audience est disponible en français sur demande d'une partie, que la participation à l'audience peut se faire en français ou en anglais et que les participants doivent aviser le Bureau du secrétaire par écrit dès que possible si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

Dated at Toronto this 7th day of May, 2021.

"Grace Knakowski"
Secretary to the Commission

For more information

Please visit www.osc.ca or contact the Registrar at registrar@osc.gov.on.ca.

1.2.2 Calfrac Well Services Ltd. – ss. 8, 21.7

FILE NO.: 2021-12

IN THE MATTER OF
CALFRAC WELL SERVICES LTD.

NOTICE OF HEARING
Sections 8 and 21.7 of the *Securities Act,* RSO 1990, c S.5

PROCEEDING TYPE: Application for Hearing and Review

HEARING DATE AND TIME: May 18, 2021 at 10:00 a.m.

LOCATION: By Videoconference

PURPOSE

The purpose of this proceeding is to consider the Application dated April 22, 2021 made by Wilks Brothers, LLC to review a decision of the Toronto Stock Exchange (TSX) dated March 24, 2021 granting exemptive relief in respect of one of the shareholder approvals required by the TSX for the recapitalization transaction involving Calfrac Well Services Ltd.

The hearing set for the date and time indicated above is the first attendance in this proceeding, as described in subsection 6(1) of the Commission's *Practice Guideline*.

REPRESENTATION

Any party to the proceeding may be represented by a representative at the hearing.

FAILURE TO ATTEND

IF A PARTY DOES NOT ATTEND THE HEARING MAY PROCEED IN THE PARTY'S ABSENCE AND THE PARTY WILL NOT BE ENTITLED TO ANY FURTHER NOTICE IN THE PROCEEDING.

FRENCH HEARING

This Notice of Hearing is also available in French on request of a party. Participation may be in either French or English. Participants must notify the Secretary's Office in writing as soon as possible if the participant is requesting a proceeding be conducted wholly or partly in French.

AVIS EN FRANÇAIS

L'avis d'audience est disponible en français sur demande d'une partie, que la participation à l'audience peut se faire en français ou en anglais et que les participants doivent aviser le Bureau du secrétaire par écrit dès que possible si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

Dated at Toronto this 10th day of May 2021.

"Grace Knakowski"
Secretary to the Commission

For more information

Please visit www.osc.ca or contact the Registrar at registrar@osc.gov.on.ca.

1.4 Notices from the Office of the Secretary

1.4.1 Daniel Sheehan

FOR IMMEDIATE RELEASE
May 6, 2021

DANIEL SHEEHAN,
File No. 2020-38

TORONTO – The Commission issued an Order in the above named matter.

A copy of the Order dated May 5, 2021 is available at www.osc.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

1.4.2 Bridging Finance Inc. et al.

FOR IMMEDIATE RELEASE
May 7, 2021

BRIDGING FINANCE INC.,
DAVID SHARPE,
BRIDGING INCOME FUND LP,
BRIDGING MID-MARKET DEBT FUND LP,
BRIDGING INCOME RSP FUND,
BRIDGING MID-MARKET DEBT RSP FUND,
BRIDGING PRIVATE DEBT INSTITUTIONAL LP,
BRIDGING REAL ESTATE LENDING FUND LP,
BRIDGING SMA 1 LP,
BRIDGING INFRASTRUCTURE FUND LP, AND
BRIDGING INDIGENOUS IMPACT FUND,
File No. 2021-15

TORONTO – The Office of the Secretary issued a Notice of Hearing on May 7, 2021 setting the matter down to be heard on May 12, 2021 at 10:00 a.m. to consider whether the Commission should grant the Application filed by Staff of the Commission to extend the temporary order issued by the Commission on April 30, 2021.

A copy of the Notice of Hearing dated May 7, 2021 and Application dated May 7, 2021 are available at www.osc.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

1.4.3 Calfrac Well Services Ltd.

FOR IMMEDIATE RELEASE
May 10, 2021

CALFRAC WELL SERVICES LTD.,
File No. 2021-12

TORONTO – The Office of the Secretary issued a Notice of Hearing to consider the Application dated April 22, 2021 made by Wilks Brothers, LLC to review a decision of the Toronto Stock Exchange (TSX) dated March 24, 2021 granting exemptive relief in respect of one of the shareholder approvals required by the TSX for the recapitalization transaction involving Calfrac Well Services Ltd.

A preliminary attendance will be held on May 18, 2021 at 10:00 a.m.

A copy of the Notice of Hearing dated May 10, 2021 and the Application dated April 22, 2021 are available at www.osc.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 I.G. Investment Management, Ltd.

Headnote

National Policy 11-203 – Process for Exemptive Relief in Multiple Jurisdictions – relief granted from the control restrictions in section 2.2(1) of NI 81-102 to permit a top fund subject to NI 81-102 to invest and hold more than 10% of the equity in securities of a related underlying pool that is not a fund and that is not a reporting issuer. Relief is subject to conditions.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.2(1) and 19.1.

March 30, 2021

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
MANITOBA AND ONTARIO
(the Jurisdictions)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
I.G. INVESTMENT MANAGEMENT, LTD.
(IGIM)

DECISION

I. BACKGROUND

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application (the **Application**) from IGIM on behalf of the Iprofile Fixed Income Private Pool (the **Fund**) for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for relief from subsection 2.2(1) (the **Control Restriction**) of National Instrument 81-102 *Investment Funds* (**NI 81-102**), referred to as the **Requested Relief**.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

(a) the Manitoba Securities Commission is the principal regulator for this application;

(b) IGIM has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon Territory and Nunavut; and

(c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

II. INTERPRETATION

Terms defined in National Instrument 14-101 Definitions have the same meaning if used in this decision, unless otherwise defined.

III. REPRESENTATIONS

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

IGIM

1. The head office of the Filer is located in Winnipeg, Manitoba.

2. IGIM is registered as a Portfolio Manager and an Investment Fund Manager in Manitoba, Ontario and Quebec and as an Investment Fund Manager in Newfoundland and Labrador.

3. The Filer is not in default of any of the requirements of securities legislation of any of the Jurisdictions.

The Fund

4. The Fund is a mutual fund subject to NI 81-102. The Fund distributes its securities under a simplified prospectus and annual information form dated August 28, 2020 prepared in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure*. The Fund is a reporting issuer in each of the Jurisdictions.

5. The investment objective of the Fund is to provide interest income by investing primarily in bonds and debentures. To achieve its investment objective, the Fund's investments are allocated in a fixed percentage to specific mandates, which include a Canadian bond mandate, a Canadian short-term fixed income mandate, a global bond mandate, a

high yield bond mandate and an Investors Real Property Fund mandate.

6. On August 28, 2020, as part of the renewal of the Fund's simplified prospectus, the Fund's investment strategy was updated to also include an allocation of up to 10% of the Fund's assets to a private credit mandate.

7. As of February 28, 2021, the Fund had over $6.9 billion in assets under management.

8. The Fund is exposed to private credit through investments in Northleaf Private Credit II (**NPC II**), Northleaf Senior Private Credit (**NSPC**) and Northleaf Senior Private Credit-L (**NSPC-L**) (together, the **Northleaf Private Credit Funds** and each, a **Northleaf Private Credit Fund**) and the Fund is seeking to increase its exposure through further investment in these funds.

9. The Fund is not in default of any of the requirements of securities legislation of any of the Jurisdictions.

10. The Fund's total investment across all Northleaf Private Credit Funds will comply with, among other things, section 2.1 and 2.4 of NI 81-102.

11. But for the Control Restriction, the Fund would not need exemptive relief to invest its optimal allocation amount in each Northleaf Private Credit Fund.

12. The Fund will not actively participate in the business or operations of any of the Northleaf Private Credit Funds.

Northleaf and the Northleaf Private Credit Funds

13. Each of the Northleaf Private Credit Funds is managed by Northleaf Capital Partners (Canada) Ltd. (together with its affiliates, **Northleaf**).

14. Northleaf is a global private markets investment firm with more than US$15 billion in private credit, private equity and infrastructure commitments under management on behalf of more than 100 institutional investors. Northleaf is led by an experienced group of professionals, who collectively have significant experience in structuring, investing and managing global private markets investments and in evaluating, negotiating, structuring and executing complex financial transactions.

15. On October 28, 2020, affiliates of IGIM, Mackenzie Financial Corporation (**Mackenzie**) and Great-West Lifeco Inc. (**Lifeco**) entered into a strategic relationship with Northleaf whereby Mackenzie and Lifeco jointly acquired a 49.9% non-controlling voting interest and 70% economic interest in Northleaf.

16. NPC II is a closed-end pooled fund organized using a series of Ontario-resident entities. It was launched by Northleaf in December 2018. NPC II has a global mandate focused on making senior secured (first lien/unitranche), second lien and mezzanine loans to mid-market companies that are diversified by geography and industry, with a focus on loans to private equity-backed companies. NPC II is seeking to build a portfolio of 25 to 40 borrowers with individual borrower concentrations of less than 5% of aggregate commitments to NPC II. The maximum amount NPC II may invest in the debt and/or equity securities of a single portfolio company is 15% of the aggregate capital commitments to NPC II.

17. NSPC is an open-end pooled fund organized using a series of Ontario-resident entities. It was launched by Northleaf in March 2019. NSPC has a global mandate focused on making senior secured loans, primarily to finance private equity-backed companies. Its strategy seeks to mitigate risk while maximizing returns by investing in a portfolio focused on senior secured private credit loans diversified by borrower, industry and geography. NSPC's portfolio is diversified across geographies, industry sectors and individual borrowers. NSPC is seeking to build a portfolio of ~70 borrowers with individual borrower concentrations of less than 3% of NSPC's portfolio. The maximum amount NSPC may invest in debt and/or equity securities of a single portfolio company is 10% of the sum of (i) NSPC's undrawn capital commitments and (ii) NSPC's gross asset value, measured at the time of investment.

18. NSPC-L is an open-end pooled fund organized using a series of Ontario-resident entities. It was launched by Northleaf in October 2018. NSPC-L follows the same strategy as NSPC except that it utilizes leverage to a greater extent than NSPC. NSPC-L is seeking to build a portfolio of ~70 borrowers with individual borrower concentrations of less than 3% of NSPC-L's portfolio. The maximum amount NSPC-L may invest in debt and/or equity securities of a single portfolio company is 10% of the sum of (i) NSPC-L's undrawn capital commitments and (ii) NSPC-L's gross asset value, measured at the time of investment.

19. None of the Northleaf Private Credit Funds is a reporting issuer in any of the Jurisdictions.

20. None of the Northleaf Private Credit Funds is an "investment fund" pursuant to the securities legislation of the Jurisdictions.

21. The Northleaf Private Credit Funds are valued quarterly and, in the case of NSPC and NSPC-L, a third-party valuation agent assists Northleaf in preparing such valuations. For reasons including that NPC II is a closed-end fund with no

redemptions and no new subscriptions permitted after the fundraising period, Northleaf prepares the NPC II valuations without the assistance of a third-party valuation agent. All three Northleaf Private Credit Funds have their valuations reviewed annually by Ernst & Young LLP (Canada) as part of their annual independent audit.

General

22. As of the date of this decision, the Fund has had capital commitments accepted by each of the three Northleaf Private Credit Funds as follows:

- NSPC - US$46,500,000 representing 9.99% of the aggregate capital commitments to NSPC
- NSPC-L - US$52,200,000 representing 9.99% of aggregate capital commitments to NSPC-L
- NPC II - US$49,300,000 representing 9.99% of the aggregate capital commitments to NPC II

23. The Fund is seeking to make additional investments in each of the Northleaf Private Credit Funds but cannot do so without violating the Control Restriction. IGIM believes that an optimal aggregate allocation to the Northleaf Private Credit Funds would be approximately 5% of the Fund's net assets.

24. Absent the Requested Relief, the Fund cannot achieve its optimal allocation to the Northleaf Private Credit Funds of 5% of the Fund's assets, in aggregate. Due to the size disparity between the Fund and each of the Northleaf Private Credit Funds, additional investments by the Fund in each of the Northleaf Private Credit Funds would, at present and may in future, exceed the Control Restriction.

25. Prior to the Fund's initial investments in the Northleaf Private Credit Funds being made, IGIM referred the transactions to the Fund's Independent Review Committee (IRC) pursuant to section 5.1 of National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**) given the potential conflict of interest as affiliates of IGIM (Mackenzie and Lifeco) were in negotiations to become substantial shareholders of Northleaf. The IRC provided a positive recommendation that the Fund's investments in the Northleaf Private Credit Funds would achieve a fair and reasonable result for the Fund.

26. While the securities of the Northleaf Private Credit Funds that the Fund holds are technically considered voting and/or equity securities, the Fund will not invest in any Northleaf Private Credit Fund for the purpose of exercising control over, or management of, the Northleaf Private Credit Fund. The securities of each Northleaf Private Credit Fund held by the Fund do not provide the Fund with any right to (i) appoint directors or observers to any board of the applicable Northleaf Private Credit Fund or its manager, (ii) restrict management of any Northleaf Private Credit Fund or be involved in the decision-making with respect to loans or other investments made by the applicable Northleaf Private Credit Fund or (iii) restrict the transfer of securities of the applicable Northleaf Private Credit Fund by other investors in the Northleaf Private Credit Fund. The voting rights associated with the securities of the Northleaf Private Credit Funds held by the Fund do not provide the Fund with any right to approve, or otherwise participate in the decision-making process associated with, the loans and other investments made by the Northleaf Private Credit Funds.

27. The Fund will not have any look-through rights with respect to the individual loans held by each Northleaf Private Credit Fund. Further, the Fund will not have any rights to, or responsibility for, administering any of the loans held by any of the Northleaf Private Credit Funds.

28. Each Northleaf Private Credit Fund has diversification requirements which limit the indirect exposure of the Fund to any single underlying portfolio company.

29. IGIM believes that a meaningful allocation to private credit provides the Fund's investors with unique diversification opportunities and represents an appropriate investment tool for the Fund that has not been widely available in the past. Private credit investments have historically performed well in down markets; IGIM believes that permitting the Fund to increase its allocation to private credit, a subset of alternative investments, offers the potential to improve the Fund's performance while reducing its risk and volatility. Granting the Requested Relief would allow the Fund's investors to benefit from access to a larger allocation to the private asset class, helping the Fund and its investors meet their investment objectives.

30. IGIM believes that an optimal way to access private credit is through investments in the Northleaf Private Credit Funds.

31. Investments by the Fund in the Northleaf Private Credit Funds do not qualify for the exemption from the Control Restriction in paragraph 2.2(1.1)(a) of NI 81-102 as the Northleaf Private Credit Funds are not "investment funds" subject to NI 81-102.

32. IGIM believes that granting the Requested Relief is in the best interests of the Fund as it would provide the Fund with more flexibility to increase its allocation to the private credit asset class.

IV. DECISION

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted, provided that:

1. The Fund will not hold more than 20% of the outstanding equity or voting securities of any Northleaf Private Credit Fund;

2. Investments in the Northleaf Private Credit Funds are considered illiquid investments under NI 81-102 and therefore are not permitted to exceed, in aggregate, 10% of the net asset value of the Fund;

3. No sales or redemption fees will be paid by the Fund in respect of its investments in the Northleaf Private Credit Funds;

4. No management fees or incentive fees will be payable by the Fund in respect of its investment in a Northleaf Private Credit Fund that, to a reasonable person, would duplicate a fee payable by the Northleaf Private Credit Fund for the same service;

5. Where applicable, the Fund's investment in a Northleaf Private Credit Fund will be disclosed to investors in the Fund's quarterly portfolio holding reports, financial statements and/or fund facts documents;

6. The manager of the Fund complies with section 5.1 of NI 81-107 and the manager and the IRC of the Fund will comply with section 5.4 of NI 81-107 for any possible standing instructions concerning an investment by the Fund in a Northleaf Private Credit Fund;

7. The annual and interim management reports of fund performance for the Fund will disclose the names of the related persons in which investments are made, including the Northleaf Private Credit Funds; and

8. The prospectus of the Fund will disclose in the next renewal or amendment the fact that the Fund is invested in the Northleaf Private Credit Funds, and that Mackenzie holds a significant ownership interest in Northleaf.

“Chris Besko”
Director, General Counsel
The Manitoba Securities Commission

2.1.2 Mackenzie Financial Corporation

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – approval of investment fund reorganization because the reorganization does not meet all the pre-approval criteria – relief granted to new reorganized funds to invest in foreign government securities in line with relief granted to predecessor funds – subject to conditions – relief granted to permit top funds to invest in reorganized and continuing funds that hold securities of a fund established for tax deferral purposes post-reorganization – subject to conditions.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.1(1), 2.5(2)(b), 5.5(1)(b), 5.6(1), 5.7(1)(b) and 19.1(2).

March 22, 2021

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
MACKENZIE FINANCIAL CORPORATION
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for:

(i) on behalf of the Reorganizing Funds (as defined below), approval under clause 5.5(1)(b) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) for the proposed reorganizations (the **Reorganizations**, and each a **Reorganization**) of certain series of the Reorganizing Funds as set out below (the **Affected Series**) with the applicable Canada Life Fund (as defined below) (the **Approval Sought**);

(ii) on behalf of the Mackenzie CL Ivy Foreign Equity LP, Mackenzie CL Ivy Global Balanced (Fixed Income) LP and Mackenzie CL Strategic Income (Fixed Income) LP for an exemption from subsection 2.1(1) of NI 81-102 (the **Concentration Restriction**) to permit them to invest up to:

a. 20% of its net asset value (**NAV**) at the time of the transaction in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or fully guaranteed as to principal and interest, by supranational agencies or governments other than the government of Canada, the government of a jurisdiction in Canada, or the government of the United States of America, and are rated "AA" by Standard & Poor's Rating Services (Canada) (**S&P**) or its DRO affiliate (as defined in NI 81-102), or have an equivalent rating by one or more other designated rating organizations or their DRO affiliates; and

b. 35% of its NAV at the time of the transaction in evidences of indebtedness of any one issuer if those securities are issued, or fully guaranteed as to principal and interest, by supranational agencies or governments other than the government of Canada, the government of a jurisdiction in Canada, or the government of the United States of America, and are rated "AAA" by S&P or its DRO affiliate, or have an equivalent rating by one or more other designated rating organizations or their DRO affiliates (such evidences of indebtedness are collectively referred to as **Foreign Government Securities**) (the **Sovereign Debt Relief**); and

(iii) on behalf of the Filer's current and future mutual funds managed by the Filer or an affiliate of the Filer (the **Top Fund**s), an exemption from the prohibition in paragraph 2.5(2)(b) of NI 81-102 to permit the Top Funds to purchase and hold a security of a Reorganizing Fund or a Canada Life Fund that holds more than 10% of its NAV in securities of its corresponding LP Fund(s) and other investment funds in the aggregate (the **Three-Tier Relief**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the provinces and territories of Canada, other than Ontario (together with Ontario, the **Canadian Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 Definitions and MI 11-102 have the same meaning if used in this decision, unless otherwise defined. The following additional terms shall have the following meanings:

Canada Life Funds means Canada Life Foreign Equity Fund, Canada Life US All Cap Growth Fund, Canada Life Canadian Dividend Fund, Canada Life Canadian Focused Growth Fund, Canada Life Global Balanced Fund, Canada Life Strategic Income Fund and Canada Life Floating Rate Income Fund;

CLIML means Canada Life Investment Management Ltd., an affiliate of the Filer, subsidiary of The Canada Life Assurance Company and manager and trustee and manager of the Canada Life Funds;

LP Funds means Mackenzie CL Ivy Foreign Equity LP, Mackenzie CL US All Cap Growth LP, Mackenzie CL Canadian Dividend LP, Mackenzie CL Canadian Growth LP, Mackenzie CL Ivy Global Balanced LP, Mackenzie CL Ivy Global Balanced (Fixed Income) LP, Mackenzie CL Strategic Income LP and Mackenzie CL Strategic Income (Fixed Income) LP;

Meeting Materials means the notice of meeting and management information circular in respect of the Meetings dated February 19, 2021;

Reorganizing Funds means the Mackenzie Ivy Foreign Equity Fund, Mackenzie US All Cap Growth Fund, Mackenzie Canadian Dividend Fund, Mackenzie Canadian Growth Fund, Mackenzie Ivy Global Balanced Fund, Mackenzie Strategic Income Fund and Mackenzie Floating Rate Income Fund;

Tax Act means the *Income Tax Act* (Canada); and

Tax Deferred Reorganizing Fund means each of Mackenzie Ivy Foreign Equity Fund, Mackenzie US All Cap Growth Fund, Mackenzie Canadian Dividend Fund, Mackenzie Canadian Growth Fund, Mackenzie Ivy Global Balanced Fund and Mackenzie Strategic Income Fund.

Representations

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

The Filer

1. The Filer is a corporation governed by the laws of Ontario and is registered as follows: as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador; as a portfolio manager and exempt market dealer in the Canadian Jurisdictions; as an adviser in Manitoba; and as a commodity trading manager in Ontario.

2. The Filer, with its head office in Toronto, Ontario, is or will be the trustee and manager of the Reorganizing Funds, the LP Funds and the Top Funds.

3. Neither the Filer, the Reorganizing Funds, the LP Funds nor the Top Funds are in default of securities legislation in any of the Canadian Jurisdictions.

CLIML

4. CLIML is a corporation governed under the laws of Canada.

5. CLIML is registered as a portfolio manager in each province and territory of Canada, as an investment fund manager in each of Ontario, Quebec and Newfoundland and Labrador, and as a commodity trading manager in Ontario.

6. CLIML will act as manager and trustee for the Canada Life Funds.

The Reorganizing Funds, Canada Life Funds and the LP Funds

7. The Reorganizing Funds are, and the Canada Life Funds are expected to be, mutual funds established under the laws of Ontario. Each of the Reorganizing Funds are, and the Canada Life Funds are expected to be, reporting issuers under the securities legislation of the Canadian Jurisdictions.

8. Units of the Affected Series of the Reorganizing Funds and Canada Life Funds generally are, or will be, qualified for sale under one or more simplified prospectuses, annual information forms and fund facts documents (collectively, the **Offering Documents**).

9. Series S units of each of the Reorganizing Funds and the corresponding Canada Life Funds will be offered only on an exempt distribution basis, as is the case with Series CL of each of Mackenzie Ivy Foreign Equity Fund, Mackenzie US All Cap Growth Fund, Mackenzie Canadian Dividend Fund and Mackenzie Floating Rate Income Fund and series R of the corresponding Canada Life Funds.

10. Each of the other series of units of each of the Canada Life Funds that correspond to the Affected Series will be newly created and will be qualified for distribution under a prospectus.

11. Each of the LP Funds will be a reporting issuer under the applicable securities legislation of the Province of Ontario.

12. Other than circumstances in which the securities regulatory authority of a province or territory of Canada has expressly exempted a Reorganizing Fund therefrom, each of the Reorganizing Funds follows the standard investment restrictions and practices established under NI 81-102.

13. The NAV for each series of the Funds and the LP Funds is, or will be, calculated on a daily basis in accordance with that fund's valuation policy and as described in the applicable Offering Documents.

The Top Funds

14. Each Top Fund is, or will be, a mutual fund established under the laws of Ontario. Each Top Fund is, or will be, a reporting issuer under the securities legislation of the Canadian Jurisdictions.

15. Each Top Fund distributes, or will distribute, some or all of its securities pursuant to a prospectus, annual information form and fund facts or ETF facts documents (as applicable).

16. Other than circumstances in which the securities regulatory authority of a province or territory of Canada has expressly exempted a Reorganizing Fund therefrom, each Top Fund follows, or will follow the standard investment restrictions and practices established under NI 81-102.

17. Each Top Fund is, or will be, subject to National Instrument 81-107 Independent Review Committee for Investment Funds (**NI 81-107**).

The Proposed Reorganizations and the Approval Sought

18. Pursuant to the Reorganizations, unitholders of each of the Reorganizing Funds would become unitholders of the applicable Canada Life Fund, as follows:

	Reorganizing Fund	**Canada Life Fund**	**Affected Series**	**Nature of Reorganization**	**Expected Reorganization Date**
1.	Mackenzie Floating Rate Income Fund	Canada Life Floating Rate Income Fund	Q, L, N, QF, H, QFW, HW, S, CL	Taxable	April 16, 2021

2.	Mackenzie Ivy Foreign Equity Fund	Canada Life Foreign Equity Fund	Q, D5, L, L5, N, N5, QF, QF5, H, H5, QFW, QFW5, HW, HW5, S, CL	Tax Deferred	April 16, 2021
3.	Mackenzie US All Cap Growth Fund	Canada Life US All Cap Growth Fund	Q, L, N, QF, H, QFW, HW, I, S, CL	Tax Deferred	March 26, 2021
4.	Mackenzie Canadian Dividend Fund	Canada Life Canadian Dividend Fund	Q, D5, D8, L, L5, L8, N, N5, QF, QF5, H, H5, QFW, QFW5, HW, HW5, S, CL	Tax Deferred	April 16, 2021
5.	Mackenzie Canadian Growth Fund	Canada Life Canadian Focused Growth Fund	Q, D5, D8, L, L5, L8, N, N5, QF, QF5, H, H5, QFW, QFW5, HW, HW5, S	Tax Deferred	April 16, 2021
6.	Mackenzie Ivy Global Balanced Fund	Canada Life Global Balanced Fund	Q, D5, L, L5, N, N5, QF, QF5, H, H5, QFW, QFW5, HW, HW5, S	Tax Deferred	April 16, 2021
7.	Mackenzie Strategic Income Fund	Canada Life Strategic Income Fund	Q, D5, D8, L, L5, L8, N, N5, N8, QF, QF5, H, H5, H8, QFW, QFW5, HW, HW5, HW8, S	Tax Deferred	April 16, 2021

19. In the opinion of the Filer, the Qualifying Dispositions (as defined below) and the proposed Taxable Reorganization (as defined below) satisfy all of the criteria for pre-approved reorganizations and transfers set forth in section 5.6 of NI 81-102 except that:

    (i) The Qualifying Dispositions and the Taxable Reorganization are not "qualifying exchanges" within the meaning of section 132.2 of the Tax Act or tax deferred transactions under subsection 85(1), 85.1(1), 86(1) or 87(1) of the Tax Act;

    (ii) None of the Reorganizations contemplate the wind-up of the Reorganizing Fund as soon as reasonably possible following the Reorganizations; and

    (iii) Unitholders of the Reorganizing Funds will not be provided with a fund facts document prior to the time they are asked to approve the Reorganizations for the reasons described below.

The Qualifying Dispositions and Taxable Reorganization

20. The proposed Reorganizations are in connection with a larger set of transactions that were announced on December 31, 2020. Although the Affected Series of the Reorganizing Funds are presently offered under the Filer's Mackenzie Canada Life Mutual Funds simplified prospectus and set out below, except those offered on an exempt distribution basis as described above, the Reorganizing Funds also offer series of units under the Filer's Mackenzie Investments simplified prospectus.

21. In the case of the Tax Deferred Reorganizing Funds, causing the Affected Series unitholders to redeem their units of the Tax Deferred Reorganizing Funds (in cash or in kind) in which they are invested and using the redemption proceeds to subscribe for units of the corresponding Canada Life Funds (each, a **Redemption Transaction**) would trigger the realization of significant capital gains by the Affected Series unitholders. In addition, such Redemption Transactions in

cash or in kind have the potential to result in material net capital gains in the Tax Deferred Reorganizing Funds themselves.

22. The Filer intends to carry out "qualifying dispositions" with respect to the transfer of property from each Tax Deferred Reorganizing Fund to a newly created Canada Life Fund under section 107.4 of the Tax Act. That provision exempts transfers of property from one trust to another (each a **Qualifying Disposition**) from being a taxable event for the transferring trust (i.e., a Tax Deferred Reorganizing Fund) and its unitholders (essentially allowing for a pro-rata partition of the Tax Deferred Reorganizing Fund on a tax deferred basis).

23. Each Canada Life Fund will have the same investment objectives as the corresponding Reorganizing Fund and LP Fund (if applicable). In the case of Mackenzie Ivy Global Balanced Fund and Mackenzie Strategic Income Fund and the corresponding Canada Life Funds, Canada Life Global Balanced Fund and Canada Life Strategic Income Fund, which have two underlying LP Funds with investment objectives that will achieve the same or substantially similar investment objectives as their respective Tax Deferred Reorganizing Funds and corresponding Canada Life Funds.

24. Each Canada Life Fund and corresponding LP Fund or LP Funds, as the case may be (if applicable), will have substantially the same investment strategies and valuation procedures and, in the case of each Canada Life Fund, the same fee structure as its corresponding Reorganizing Fund. No fees or expenses will be charged at the LP Fund level other than expenses that otherwise would have been borne at the Reorganizing Fund level had the Reorganizations not occurred.

25. The Reorganization of Mackenzie Floating Rate Income Fund will be effected on a taxable basis (the **Taxable Reorganization**) in order for the corresponding Canada Life Floating Rating Income Fund to become a unitholder of Mackenzie Floating Rate Income Fund following the Reorganization.

26. The chart immediately below paragraph 18 sets out the Canada Life Funds and the Affected Series that correspond to each Reorganizing Fund.

Details of the Proposed Reorganizations

27. On completion of the Reorganizations, the Filer will become sub-advisor of all the Canada Life Funds (except Canada Life US All Cap Growth Fund and Canada Life Floating Rate Income Fund) in accordance with the terms of a sub-advisory agreement between the Filer and CLIML.

28. No sales charges will be payable in connection with the transfer to a Canada Life Fund or LP Fund of the investment portfolio by its applicable Reorganizing Fund.

29. Unitholders of each Affected Series of each Reorganizing Fund will continue to have the right to redeem their units or exchange such units for units of any other mutual fund offered under the applicable Offering Documents at any time up to close of business on the day of the Reorganizations.

30. In accordance with National Instrument 81-106 - *Investment Fund Continuous Disclosure* (**NI 81-106**), a press release announcing the proposed Reorganizations was issued and filed via SEDAR on August 4, 2020. A material change report and amendments to the Offering Documents with respect to the proposed Reorganizations were filed in accordance with NI 81-106.

31. By way of order dated October 21, 2016, the Filer was granted relief (the **Notice-and-Access Relief**) from the requirement set out in paragraph 12.2(2)(a) of NI 81-106 to send a printed management information circular to unitholders while proxies are being solicited, and, subject to certain conditions, instead allows a notice-and-access document (as described in the Notice-and-Access Relief) to be sent to such unitholders. Pursuant to the requirements of the Notice-and-Access Relief, the notice-and-access document and a form of proxy in connection with each special meeting of unitholders of the Affected Series of the Reorganizing Funds will be mailed to unitholders of the Affected Series of the Reorganizing Funds commencing on or about February 19, 2021 and will be concurrently filed on SEDAR. The Meeting Materials will also appear on the SEDAR website at www.sedar.com. If approved, unitholders of Affected Series of the Reorganizing Funds will receive fund facts document(s) for the corresponding Canada Life Fund in their first confirmation statement following the Reorganization.

32. The Meeting Materials describe all relevant facts concerning the Reorganizations, including the Qualifying Dispositions applicable to the Tax Deferred Reorganizing Funds, the tax implications and other consequences of the Reorganizations, as well as the view of the Reorganizing Funds' Independent Review Committee (the **IRC**) that the Reorganizations achieve a fair and reasonable result for the Reorganizing Funds, so that unitholders of the Affected Series of the Reorganizing Funds may consider this information before voting on the Reorganization.

33. All of the series of the Canada Life Funds (other than Series S of all of the Canada Life Funds and Series R of Canada Life Foreign Equity Fund, Canada Life US All Cap Growth Fund, Canada Life Canadian Dividend Fund and Canada Life Floating Income Fund) and the single series of the LP Funds will be newly created and will be qualified for distribution under a prospectus.

34. In order to effect the Reorganizations, Series S units of the Canada Life Funds and Series CL of Canada Life Foreign Equity Fund, Canada Life US All Cap Growth Fund, Canada Life Canadian Dividend Fund and Canada Life Floating Income Fund will be distributed to the Canada Life Unitholders currently in the corresponding Reorganizing Fund in reliance on the prospectus exemption contained in section 2.11 of National Instrument 45-106 - Prospectus Exemptions.

35. A current simplified prospectus and fund facts documents are not available in respect of the Canada Life Funds and the LP Funds as those funds are new. Instead of delivering these documents, the Filer has included information in respect of the Canada Life Funds and the LP Funds in the Meeting Materials. This will include the fact that the investment objective of each Canada Life Fund and, if applicable, each corresponding LP Fund(s), will be the same as that of the Reorganizing Fund. The management fees and administration fees of the Canada Life Fund will be the same as those of the Reorganizing Funds. It will also disclose that the investment strategies and valuation procedures of the Canada Life Funds and the LP Funds will be substantially the same as those of the Reorganizing Funds. The fact that the LP Funds will not charge management fees, administration fees or other expenses (other than expenses that otherwise would have been borne at the Reorganizing Fund level had the Reorganization not occurred) will also be disclosed. The Filer believes that with this information, together with the information contained in the fund facts of the relevant series of the Reorganizing Fund that each unitholder of the Affected Series of the Reorganizing Fund received when their initial investment was made, unitholders in the Reorganizing Fund have access to prospectus-level disclosure with respect to the applicable Canada Life Fund.

36. Unitholders of the Affected Series of the Reorganizing Funds approved the Reorganizations at special meetings held on March 22, 2021.

37. If the necessary unitholder approval is obtained and the Filer decides to proceed with the Reorganizations, they will occur at or about the close of business on or about March 26, 2021 or April 16, 2021.

38. The Filer and CLIML will pay for the costs of the proposed Reorganizations. No management fees, administration fees or other expenses (other than expenses that would have been borne at the Reorganizing Fund level had the Reorganization not occurred) will be charged at the LP Fund level. There are no charges payable by unitholders in the Reorganizing Funds who acquire units of the corresponding Canada Life Funds as a result of the Reorganizations.

39. The LP Funds will dispose of their assets as expeditiously as is consistent with prudent portfolio management and it is not anticipated that they will accept new money or assets by way of subscription after the completion of the Reorganization. With the exception of the Reorganizing Funds and Canada Life Funds no other unitholders will be allowed to invest in the LP Funds.

40. As required by NI 81-107, the IRC has been appointed for the Reorganizing Funds. The Canada Life Funds established their own independent review committees and appointed. their initial members on December 22, 2020. The IRC of the LP Funds will be comprised of the same members as the IRC of the Reorganizing Funds.

41. The Filer presented the potential conflict of interest matters related to the proposed Reorganizations to the IRC for a recommendation. On January 22, 2020, the IRC reviewed the potential conflict of interest matters related to the proposed Reorganizations and provided its positive recommendation for each of the Reorganizations, after determining that each proposed Reorganization, if implemented, would achieve a fair and reasonable result for each applicable Reorganizing Fund.

Reasons for the Approval Sought

42. It has been determined that for the Reorganization involving Mackenzie Floating Rate Income Fund it is in the best interests of the Fund and its unitholders to effect the Reorganization on a taxable basis to permit the Affected Series unitholders to continue to indirectly benefit from the significant capital losses of the Mackenzie Floating Rate Income Fund. In addition, the vast majority of unitholders in this Fund are in Registered Plans or in a loss position. A Taxable Reorganization is neither beneficial nor detrimental to a Registered Plan. With respect to taxable unitholders, the tax consequences of the Taxable Reorganization will vary depending on each unitholder’s individual circumstances. The Meeting Materials will provide taxable unitholders of each Reorganizing Fund with sufficient information to permit them to make an informed decision as to whether or not to approve the Reorganization, including a discussion regarding the tax implications of the Reorganization and the potential benefits of the Reorganization.

43. The purpose of the Qualifying Dispositions in respect of each of the Tax Deferred Reorganizing Funds is to allow the Affected Series unitholders in the Tax Deferred Reorganizing Funds to be moved to the corresponding Canada Life Fund in the most cost and/or tax-efficient manner.

44. Proceeding by way of Redemption Transactions would cause the realization of significant capital gains by the taxable investors in the Tax Deferred Reorganizing Funds. In addition, such Redemption Transactions in cash or in kind have the potential to result in material net capital gains in the Tax Deferred Reorganizing Funds themselves.

45. The Reorganizations are not expected to have any material impact on the unitholders in the Tax Deferred Reorganizing Funds or Mackenzie Floating Rate Income Fund in respect of the Taxable Reorganization other than Affected Series unitholders. The Reorganizations will not negatively affect any unitholder's interest in the assets and liabilities of the relevant Reorganizing Fund and each Reorganizing Fund's investment objectives will be the same as its corresponding Canada Life Fund and, where applicable, its corresponding LP Fund (or substantially the same in the case of the two Funds with two underlying LP Funds). The Qualifying Dispositions are being structured to be a non-taxable event to the Affected Series unitholders and the remaining unitholders of the Tax Deferred Reorganizing Funds. The Taxable Reorganization will only impact the unitholders in the Affected Series.

46. Affected Series unitholders will continue to have the right to redeem units of the Reorganizing Funds for cash at any time up to the close of business on the last business day before the Reorganizations. Units so redeemed will be redeemed at a price equal to their NAV per unit on the redemption date.

Required Relief for the LP Funds

47. One of the requirements to effecting the Tax Deferred Reorganizations as Qualifying Dispositions is that each asset (or group of identical assets) of each Tax Deferred Reorganizing Fund must be capable of being divided into a precise percentage allocable to each unitholder or class of unitholders (the **Transfer Percentage**). In recognition of the fact that it may not always be practicable to effect such a division, the Tax Act contains a "safe harbour" exception to this requirement. The "safe harbour" provides that the Canada Life Funds may receive as part of the Qualifying Dispositions, in lieu of a fractional interest in a share that would otherwise be required, a disproportionate amount of money or interest in the share, provided that its value does not exceed the lesser of $200 and the fair market value of the fractional interest. This "safe harbour" only applies in respect of equity securities (and specifically equity securities that do not exceed the specified value threshold) and does not adequately address the difficulties that the precise Transfer Percentage requirement poses more generally.

48. In addition, certain assets (or group of identical assets) may not be readily divisible for other reasons. In order to meet this condition, certain assets (or groups of identical assets) will be transferred on a tax deferred basis by the Tax Deferred Reorganizing Funds to the LP Funds in exchange for units of the LP Funds. The units of each of the LP Funds will then become an asset (or group of identical assets) of the corresponding Tax Deferred Reorganizing Fund and a portion of those units will be transferred to the corresponding Canada Life Fund based on the Transfer Percentage.

49. In summary, where it would otherwise be difficult or impossible to effect a transfer in the required precise Transfer Percentages of certain assets of the Tax Deferred Reorganizing Funds, those assets will be transferred to LP Funds, whose units are readily capable of being transferred in the required Transfer Percentages.

50. Given that the LP Funds are intended to largely mirror their corresponding Reorganizing Funds and have the same investment objectives and substantially the same investment strategies, the LP Funds require the same relief from the investment restrictions and practices in Part 2 of NI 81-102 that the Reorganizing Funds have already obtained, where the existing relief does not cover the Filer's future funds.

The Sovereign Debt Relief

51. The Sovereign Debt Relief was granted to the Mackenzie Ivy Foreign Equity Fund and Mackenzie Ivy Global Balanced Fund pursuant to a decision dated September 10, 2007 and to Mackenzie Strategic Income Fund pursuant to a decision dated August 5, 2011

52. The investment objectives and investment strategies of Mackenzie CL Ivy Foreign Equity LP, Mackenzie CL Ivy Global Balanced (Fixed Income) LP and Mackenzie CL Strategic Income (Fixed Income) LP permit portfolio investments in fixed-income and/or equity securities of issuers anywhere in the world. To achieve its investment objectives, the fixed-income portion of these three funds may invest in all types of fixed-income securities from around the world and the Fund's portfolio managers seek the discretion to gain exposure to any one issuer of Foreign Government Securities in excess of the Concentration Restriction.

53. Subsection 3.1(4) of the Companion Policy 81-102CP indicates that relief from paragraph 2.04(1)(a) of National Policy 39, which was replaced by the Concentration Restriction, has been provided to mutual funds generally under parameters of the Sovereign Debt Relief.

The Three-Tier Relief

54. As the LP Funds are being qualified by prospectus, a Reorganizing Fund or a Canada Life Fund may invest up to 100% of their NAV in a LP Fund under section 2.5 of NI 81-102.

55. However, if any of the Reorganizing Funds or Canada Life Funds invest more than 10% of their NAV in other investment funds and the LP Funds in aggregate, it would preclude other investment funds managed by the Filer or its affiliates from investing in that Reorganizing Fund or Canada Life Fund under paragraph 2.5(2)(b) of NI 81-102.

56. Prior to the Reorganizations, the Top Funds would have been permitted to invest in the Reorganizing Funds in accordance with section 2.5 of NI 81-102.

57. The Reorganizations will result in certain of the Reorganizing Funds and the Canada Life Funds holding more than 10% of its NAV in other investment funds due to these funds holding securities of the corresponding LP Fund(s).

58. The Three-Tier Relief is required for the Top Funds to continue investing in one or more of the Reorganizing Funds or the Canada Life Funds that invest more than 10% of its NAV in other investment funds, which includes holdings of its corresponding LP Funds that were received as a result of the Reorganization, in order for the Top Funds to further their investment objectives and investment strategies (the **Three-Tier Structure**).

59. Except for paragraph 2.5(2)(b) of NI 81-102, a Fund's use of the Three-Tier Relief will be made in accordance with the provisions of section 2.5 of NI 81-102.

60. Each Reorganizing Fund and Canada Life Fund that is part of a Three-Tier Structure will not invest more than 10% of its NAV in other investment funds, excluding investments in (i) one or more money market funds, (ii) one or more index participation units as defined in NI 81-102 (**IPUs**) and (iii) corresponding LP Fund(s).

61. The LP Funds are being introduced into the structure to further the best interests of unitholders in the Reorganizing Funds.

62. The LP Funds will dispose of their assets as expeditiously as is consistent with prudent portfolio management and it is not anticipated that they will accept new money or assets by way of subscription after the completion of the Reorganization.

63. There will be no duplication of fees between each tier of the Three-Tier Structure. The prospectus of each Top Fund, Reorganizing Fund and Canada Life Fund will disclose that fees and expenses will not be duplicated as a result of investments in underlying funds.

64. To ensure investors continue to have transparency into the portfolio securities attributable to the Reorganizing Fund and/or Canada Life Fund mandates, the Filer and CLIML intend to disclose the individual LP Fund positions within the quarterly portfolio disclosures, MRFP holdings disclosure and manager website holdings disclosure at the Reorganizing Fund level.

65. Each Top Fund will comply with the requirement under NI 81-106 relating to the top 25 positions portfolio holdings disclosure in its management report of fund performance and the requirements of Form 81-101F3 *Contents of Fund Facts Document* relating to top 10 position portfolio holdings disclosure in its fund facts documents as if the Top Fund were investing directly in the LP Fund held by the corresponding Reorganizing Fund or Canada Life Fund.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision. The decision of the principal regulator under the Legislation is that:

1. the Approval Sought is granted, provided that the Filer obtains the prior approval of the applicable unitholders of the Funds for the Reorganizations at a special meeting held for that purpose;

2. the Sovereign Debt Relief is granted, provided that:

    a. paragraphs (a) and (b) of the Sovereign Debt Relief cannot be combined for any one issuer;

    b. any security that may be purchased under the Sovereign Debt Relief is traded on a mature and liquid market;

    c. the acquisition of the securities by each of Mackenzie CL Ivy Foreign Equity LP, Mackenzie CL Ivy Global Balanced (Fixed Income) LP and Mackenzie CL Strategic Income (Fixed Income) LP pursuant to the Sovereign Debt Relief is consistent with the fundamental investment objectives of the fund;

    d. the simplified prospectus of each of Mackenzie CL Ivy Foreign Equity LP, Mackenzie CL Ivy Global Balanced (Fixed Income) LP and Mackenzie CL Strategic Income (Fixed Income) LP discloses the additional risks associated with the concentration of net asset value of the Fund in securities of fewer issuers, such as the potential additional exposure to the risk of default of the issuer in which the Fund has so invested and the risks, including foreign exchange risks, of investing in the country in which the issuer is located; and

    e. the simplified prospectus of each of each of Mackenzie CL Ivy Foreign Equity LP, Mackenzie CL Ivy Global Balanced (Fixed Income) LP and Mackenzie CL Strategic Income (Fixed Income) LP will include a summary of the nature and terms of the Sovereign Debt Relief under the investment strategies section along with the conditions imposed and the type of securities covered by the Sovereign Debt Relief.

3. the Three-Tier Relief is granted, provided that:

    a. an investment by a Top Fund in securities of a Reorganizing Fund or Canada Life Fund is in accordance with the investment objectives of the Top Fund;

    b. each Reorganizing Fund and Canada Life Fund part of a Three-Tier Structure do not invest more than 10% of NAV in other investment funds, excluding investments in (i) one or more money market funds; (ii) one or more IPUs; and (ii) in its corresponding LP Fund(s);

    c. each Reorganizing Fund and Canada Life Fund will not make additional investments in its corresponding LP Fund(s) after the Reorganization is completed;

    d. the investment of each Top Fund in securities of a Reorganizing Fund or Canada Life Fund is otherwise made in compliance with all other requirements of section 2.5 of NI 81-102, except to the extent that discretionary relief has been granted from any such requirement;

    e. each Top Fund complies with the requirements under NI 81-106 relating to top 25 positions portfolio holdings disclosure in its management reports of fund performance and the requirements of Form 81-101F3 Contents of Fund Facts Document relating to top 10 position portfolio holdings disclosure in its fund facts documents as if the Fund was investing directly in the LP Funds; and

    f. the prospectus of each Top Fund discloses, or will disclose in the next renewal of its prospectus following the date of this decision, the fact that the Top Fund has obtained the Exemption Sought.

“Darren McKall”
Investment Funds and Structured Products
Ontario Securities Commission

2.1.3 MDC Partners Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions – application for relief from the requirement to obtain separate minority approval for each of filer's subordinate voting shares and multiple voting share – multiple voting shares represent less than 1% of the aggregate voting rights – classes intended to be identical, but for voting rights – no difference of interest between holders of each class of shares in connection with the proposed transaction, different class are not affected in a differing manner – safeguards include fairness opinion – applicable corporate statute and filer's constating documents provide that shareholders will vote as a single class other than in certain circumstances which are not present in connection with the proposed transaction.

Applicable Legislative Provisions

National Instrument 61-101 Protection of Minority Security Holders in Special Transaction, ss. 8.1(1) and 9.1(2).

April 29, 2021

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the "Jurisdiction")

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
MDC PARTNERS INC.
(the "Filer")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") exempting the Filer, pursuant to section 9.1 of Multilateral Instrument 61-101 — *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), from the requirement in subsection 8.1(1) of MI 61-101 to obtain minority approval for the Transaction (as defined below) from the holders of every class of affected securities of the Filer, in each case voting separately as a class (the "**Exemption Sought**").

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision unless otherwise defined.

Representations

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

1. The Filer is a corporation validly existing under the *Canada Business Corporations Act* and is in good standing.

2. The Filer's head office is located at One World Trade Center, 65th Floor, New York, New York 10007, and its registered and records office is 33 Draper Street, Toronto, Ontario, M5V 2M3.

3. The Filer is a reporting issuer in each of the provinces of Canada, and its Class A Subordinate Voting Shares are listed for trading on the NASDAQ National Market (the "**Nasdaq**") under the symbol "MDCA". The Filer is not in default of any requirement of the securities legislation in any of the jurisdictions in which it is a reporting issuer.

4. The authorized share capital of the Filer consists of:

   (a) an unlimited number of class A shares, carrying one vote per share (the "**Subordinate Voting Shares**");

   (b) an unlimited number of class B shares, carrying twenty votes per share (the "**Multiple Voting Shares**"); and

   (c) an unlimited number of preference shares, issuable in series, including (i) 5,000 Series 1 preference shares, (ii) 700,000 Series 2 preference shares, (iii) an unlimited number of Series 3 preference shares, (iv) 95,000 Series 4 preference shares, (v) an unlimited number of Series 5 preference shares, (vi) 50,000 Series 6 preference shares, and

(vii) an unlimited number of Series 7 preference shares.

Except as required by law, the preferred shares of the Filer are not entitled to receive notice of or to attend any meetings of shareholders of the Filer or to vote at any such meeting but are entitled to receive notice of meetings of shareholders of the Filer called to authorize the dissolution of the Filer or the sale of its undertaking or a substantial part thereof. The preferred shares of the Filer are not listed or posted for trading on any stock exchange and are convertible in certain instances into Subordinate Voting Shares.

5. As of March 23, 2021, the issued and outstanding share capital of the Filer (the "**Filer Shares**") consists of:

   (a) 73,309,337 Subordinate Voting Shares;

   (b) 3,743 Multiple Voting Shares;

   (c) 95,000 Series 4 preference shares; and

   (d) 50,000 Series 6 preference shares.

6. As of March 23, 2021, the issued and outstanding Subordinate Voting Shares and Multiple Voting Shares represent approximately 99.898% and 0.001%, respectively, of the aggregate voting rights attached to the outstanding Filer Shares.

7. The Multiple Voting Shares were created as part of the Filer's go-public transaction in 1986 to give the Filer's founder and then current Chairman and Chief Executive Officer, Miles Nadal, an ability to control the voting direction of the Filer while retaining a significantly lower proportion of the Filer's equity. On February 26, 2004, Miles Nadal converted 444,968 Multiple Voting Shares (being all of his Multiple Voting Shares and representing 99% of the issued and outstanding Multiple Voting Shares) into Subordinate Voting Shares on a one-for-one basis. On July 21, 2015, Miles Nadal resigned as Chairman and Chief Executive Officer of the Filer. By November 25, 2015, Miles Nadal had sold all of his Subordinate Voting Shares. The Filer has no contact with the 87 registered holders (including those whose shares are held in nominee name) who own the remaining 3,743 Multiple Voting Shares, and most of the Multiple Voting Shares are not regularly represented or voted at shareholder meetings.

8. The holders of the Subordinate Voting Shares and Multiple Voting Shares have the same rights and obligations, and no holder of Filer Shares is entitled to any privilege, priority, or preference in relation to any other such holder, subject to the following:

   (a) The Subordinate Voting Shares are listed on the NASDAQ under the symbol "MDCA". The Multiple Voting Shares are not listed or posted for trading on any stock exchange.

   (b) Each Multiple Voting Share is convertible at any time at the option of the holder into one Subordinate Voting Share. Each Subordinate Voting Share is convertible at the option of the holder into one Multiple Voting Share after the occurrence of certain events related to an offer to purchase all of the Multiple Voting Shares.

   (c) In the event of the liquidation, dissolution, or winding-up of the Filer, whether voluntary or involuntary or in the event of any other distribution of assets of the Filer among its shareholders for the purpose of winding up its affairs, subject to the preferential payment of the amounts required to be paid under and respect of any preferred shares ranking in priority, the holders of Multiple Voting Shares are entitled to participate *pari passu* with the holders of Subordinate Voting Shares in an amount equal to the amount of such distribution per Subordinate Voting Share.

   (d) Any dividend declared on the Subordinate Voting Shares shall be declared and paid at the same time in an equal or greater amount per Subordinate Voting Share than dividends declared and paid in respect of the Multiple Voting Shares.

   (e) Pursuant to the articles of the Filer, for purposes of the take-over bid and issuer bid provisions under National Instrument 62-104 – *Take-Over Bids and Issuer Bids*, the Subordinate Voting Shares and the Multiple Voting Shares shall be treated as and are deemed to constitute one class of voting securities and the published market for the Multiple Voting Shares shall be deemed to be the published market for the Subordinate Voting Shares.

9. By their terms, the Multiple Voting Shares and Subordinate Voting Shares were intended to be identical, but for their voting rights outlined in Paragraph 4. No holder of Multiple Voting Shares has any reasonable expectation to the contrary.

10. Stagwell Media LP ("**Stagwell**") is a Delaware limited partnership and an affiliate of The Stagwell Group LLC, ("**The Stagwell Group**") a private equity firm focused on investments in marketing, which holds 19.9% of the issued and outstanding Subordinate Voting Shares and 100% of the Series 6 preferred shares. Mark Penn serves as the president and managing partner of The Stagwell Group as well as the Chairman and Chief Executive

Officer of the Filer. The Stagwell Group is the general partner of Stagwell.

Exemption Sought

11. On December 21, 2020, the Filer entered into a transaction agreement (the "**Transaction Agreement**") with Stagwell providing for the combination of the Filer with the subsidiaries of Stagwell that own and operate a portfolio of marketing services companies (the "**Stagwell Entities**"). The combination between the Filer and the Stagwell Entities will be effected using an "Up-C" partnership structure. Through a series of steps and transactions (collectively, the "**Transactions**"), including the domestication of the Filer to a Delaware corporation (from and after the domestication, "**MDC Delaware**") and the merger of MDC Delaware with one of its indirect wholly-owned subsidiaries (the "**MDC Merger**"), MDC Delaware will become a direct subsidiary (from and after the merger, "**OpCo**") of a newly-formed, Delaware-organized, Nasdaq-listed corporation ("**New MDC**"). Following the MDC Merger, (i) OpCo will convert into a limited liability company that will hold MDC's operating assets and to which Stagwell will contribute the equity interests of the Stagwell Entities (the "**Stagwell Contribution**") in exchange for 216,250,000 common membership interests of OpCo (the "**Stagwell OpCo Units**"), and (ii) Stagwell will contribute to New MDC an aggregate amount of cash equal to $100 in exchange for shares of a new class C series of voting-only common stock (the "**New MDC Class C Stock**") equal in number to the Stagwell OpCo Units. On a pro forma basis, without giving effect to any outstanding preference shares of the Filer, the existing holders of the Filer's Subordinate Voting Shares and Multiple Voting Shares would receive interests equal to approximately 26% of the combined company (with holders of Multiple Voting Shares receiving shares entitled to twenty votes per share), and Stagwell would be issued New MDC Class C Stock equivalent to approximately 74% of the voting rights of the combined company and exchangeable, together with Stagwell OpCo Units, into Subordinate Voting Shares of New MDC on a one-for-one basis at Stagwell's election. Broad Street Principal Investments, L.L.C., an affiliate of Goldman Sachs & Co. L.L.C. ("**Broad Street**"), holds 95,000 (100%) of the Series 4 preferred shares of the Filer and consented to the Transactions subject to certain amendments to the terms of the Series 4 preference shares.

12. The Transaction is a "business combination" as such term is defined in MI 61-101 and is therefore subject to the applicable requirements of MI 61-101. Such requirements include, among other things, obtaining approval for the Transaction by a majority of votes cast by the holders of each class of Filer Shares, excluding the votes attached to Filer Shares beneficially owned, or over which control or direction is exercised, by any party specified in subsection 8.1(2) of MI 61-101 (the "**Disinterested Shareholders**"), at a shareholder meeting held by the Filer. The Disinterested Shareholders include a majority of the holders of Subordinate Voting Shares and Multiple Voting Shares. Mark Penn, Stagwell, Broad Street, Bradley Gross, a director of the Filer and Managing Director of Goldman Sachs & Co L.L.C. and each of their affiliates are considered interested parties, as such term is defined in MI 61-101. Mark Penn, Stagwell, and their affiliates hold 14,922,359 (19.9%) of the Subordinate Voting Shares and 50,000 (100%) of the Series 6 preferred shares. Bradley Gross, Broad Street, and their affiliates hold 95,000 (100%) of the Series 4 preferred shares. No holders of the Multiple Voting Shares will be excluded from the vote of the Disinterested Shareholders, as none of the holders of the Multiple Voting Shares constitute an interested party in accordance with MI 61-101.

13. The approval of the Transaction is subject to several mechanisms to ensure that the collective interests of the holders of Filer Shares are protected, including the following:

    (a) the creation of a special committee composed of independent directors (the "**Special Committee**") whose mandate included reviewing the terms and conditions of the Transaction. In fulfilling its mandate, the Special Committee retained the services of independent legal and financial advisors. The Special Committee unanimously recommended to the Filer's board of directors that the Transaction be approved;

    (b) the Filer will prepare and deliver to its shareholders an information circular (the "**Information Circular**") in accordance with applicable securities law requirements that provide shareholders with detailed information to enable them to make an informed decision in respect of the Transaction;

    (c) the Special Committee obtained a fairness opinion from each of Moelis & Company and Canaccord Genuity Corp. (the "**Fairness Opinions**"), respectively, stating that, as of the date of the respective opinions and subject to the assumptions, limitations, and qualifications on which such opinions are based, the consideration to be paid by the Filer for the Stagwell Entities pursuant to the Transaction Agreement is fair, from a financial point of view to the holders of the Subordinate Voting Shares and such Fairness Opinions will be included in the Information Circular;

(d) the board of directors of the Filer has obtained a formal valuation prepared by Canaccord Genuity Corp., an independent and qualified valuator in accordance with MI 61-101 that will be included in the Information Circular;

(e) the approval of the Transaction by the majority of votes cast by the Disinterested Shareholders voting together as a single class (each Subordinate Voting Share carrying one vote and each Multiple Voting Share carrying twenty votes); and

(f) a right of dissent to the benefit of Disinterested Shareholders;

(together, the "**Safeguard Measures**").

14. The Board and the Special Committee are of the view that the Safeguard Measures are the optimal mechanisms to ensure that the public interest is well protected and that holders of the Filer Shares are treated fairly and in accordance with their voting and economic entitlements under the Filer's constating documents.

15. There is no requirement under the CBCA for separate class votes with respect to the approval of the Transaction.

16. The Filer has determined that pursuant to sections 4.05 and 5.05 under its certificate of amalgamation dated July 1, 2013, there is no requirement to hold separate class votes with respect to the approval of the Transaction.

17. Absent the granting of the Exemption Sought, the holders of Multiple Voting Shares would be in a position to veto the Transaction pursuant to section 8.1(1) of MI 61-101 while only holding 0.001% of the voting rights (and even less of an economic interest) attaching to the outstanding Filer Shares, which would provide disproportionate importance to one class of Filer Shares over another and frustrate the reasonable expectations of the holders of the Filer Shares. Allowing the holders of Multiple Voting Shares to have a minority vote on a class basis under MI 61-101 would be prejudicial to the Filer's interests and could result in unfairness to the Disinterested Shareholders.

18. The Filer will comply with all the requirements of MI 61-101, other than the requirement to hold a separate vote by class with regards to the Multiple Voting Shares and the Subordinate Voting Shares. Instead, the Filer proposes that the holders of the Multiple Voting Shares and the Subordinate Voting Shares vote as if they were a single class, subject to ensuring that each Multiple Voting Share provides the holder thereof with twenty votes, and each Subordinate Voting Share provides the holder thereof with one vote.

19. The Filer is of the view that granting the Exemption Sought will not be detrimental or otherwise affect the protection afforded to holders of Filer Shares.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

a) a special meeting of the holders of Filer Shares is held for the Disinterested Shareholders of the Filer to consider and, if deemed advisable, approve the Transaction, such approval to be obtained with the Disinterested Shareholders of the Filer voting together as a single class of the Filer; and

b) the Information Circular is prepared and delivered by the Filer to its shareholders in accordance with applicable securities law requirements and discloses that the Filer has obtained the Exemption Sought.

"Jason Koskela"
Director, Office of Mergers & Acquisitions
Ontario Securities Commission

2.1.4 Horizons ETFS Management (Canada) Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – technical relief from National Instrument 62-104 Take-Over Bids and Issuer Bids issuer bid requirements for corporate class ETFs to acquire securities of the same mutual fund corporation from a public marketplace in accordance with fund-of-fund rules – subject to conditions.

Applicable Legislative Provisions

National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2 and s. 6.1.

April 20, 2021

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
HORIZONS ETFS MANAGEMENT (CANADA) INC.
(the Filer)

AND

THE EXCHANGE TRADED FUNDS
LISTED IN SCHEDULE A
(the Existing Horizons Corporate Class ETFs)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer, on behalf of Horizons ETF Corp. (**Horizons MFC**), the Existing Horizons Corporate Class ETFs and any such other exchange traded funds represented by a separate class of shares of Horizons MFC that may be created in the future (the **Future Horizons Corporate Class ETFs**, and together with the Existing Horizons Corporate Class ETFs, the **Horizons Corporate Class ETFs**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the acquisition, through the facilities of the Toronto Stock Exchange (**TSX**) or other Marketplace (as defined below), by Horizons MFC (or by the Filer on behalf of Horizons MFC) of shares of Horizons MFC representing one Horizons Corporate Class ETF for purposes of adding such acquired shares to the investment portfolio of a different Horizons Corporate Class ETF is exempt from the requirements of Part 2 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* (**NI 62-104**) (the **Formal Issuer Bid Requirements**, and such exemption, the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) the Filer has provided notice that section 4.7(1)(c) of Multilateral Instrument 11 102 *Passport System* (**MI 11-102**) is intended to be relied upon in all of the provinces and territories of Canada other than the Jurisdiction (together with the Jurisdiction, the **Canadian Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* (NI 14-101), MI 11-102 and NI 62-104 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer is a corporation existing under the laws of Canada, with its head office located in Toronto, Ontario.

1. The Filer is a wholly-owned subsidiary of Mirae Asset Global Investments Co., Ltd.

2. The Filer is registered as (a) an investment fund manager in Newfoundland and Labrador, Ontario and Québec, (b) a portfolio manager in Alberta, British Columbia, Ontario and Québec (c) a dealer in the category of exempt market dealer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec and Saskatchewan, (d) a commodity trading adviser in Ontario and (e) a commodity trading manager in Ontario.

3. Horizons MFC is a mutual fund corporation established under the laws of Canada, with its head office located in Toronto, Ontario.

4. The authorized capital of Horizons MFC includes an unlimited number of non-cumulative, redeemable, non-voting classes of shares (each, a **Corporate Class**) issuable in an unlimited number of series, and one class of voting shares.

5. Each Existing Horizons Corporate Class ETF is, and each Future Horizons Corporate Class ETF will be, represented by a separate Corporate Class of shares consisting of one or more series of shares.

6. Securities of the Existing Horizons Corporate Class ETFs are, and each Future Horizons Corporate Class ETFs are expected to be, distributed in each of the Canadian Jurisdictions under long form prospectuses and ETF facts documents prepared in accordance with the requirements of National Instrument 41-101 *General Prospectus Requirements* and National Instrument 81-102 *Investment Funds* (**NI 81-102**), as applicable.

7. Each Existing Horizons Corporate Class ETF is, and each Future Horizons Corporate Class ETF is expected to be, considered under subsection 1.3(1) of NI 81-102 to be a separate investment fund for the purposes of NI 81-102 in the Canadian Jurisdictions, each being referable to a separate portfolio of assets with its own investment objectives and strategies to achieve such objectives.

8. Each Existing Horizons Corporate Class ETF is, and each Future Horizons Corporate Class ETF is expected to be, a separate reporting issuer under the applicable securities legislation of each of the Canadian Jurisdictions.

9. Each Existing Horizons Corporate Class ETF is currently listed separately on the TSX.

10. Each Future Horizons Corporate Class ETF is expected to be listed separately on the TSX or another "marketplace", as defined in National Instrument 21-101 *Marketplace Operations*, that is located in Canada (a **Marketplace**).

11. The Existing Horizons Corporate Class ETFs are, and the Future Horizons Corporate Class ETFs will be, subject to, among other laws and regulations governing exchange traded mutual funds, NI 81-102, National Instrument 81-106 *Investment Fund Continuous Disclosure* and National Instrument 81-107 I*ndependent Review Committee for Investment Funds* (**NI 81-107**).

12. The Filer and the Existing Horizons Corporate Class ETFs are not in default of applicable securities legislation in any of the Canadian Jurisdictions.

13. As part of seeking to achieve a particular Horizons Corporate Class ETF's investment objectives and strategies, it may be prudent, more efficient, less costly or otherwise in the best interests of the securityholders of the Horizons Corporate Class ETF, for that Horizons Corporate Class ETF to purchase shares of Horizons MFC representing one or more other distinct Horizons Corporate Class ETFs for its investment portfolio from third parties in the normal course through the facilities of the TSX or another Marketplace.

14. As a result of each Horizons Corporate Class ETF being structured as a separate class of shares of Horizons MFC, an offer by Horizons MFC (or by the Filer on behalf of Horizons MFC) over the TSX or other Marketplace on behalf of one Horizons Corporate Class ETF to acquire outstanding shares of a Corporate Class representing a different Horizons Corporate Class ETF from a third party to include in the investment portfolio of the first Horizons Corporate Class ETF could trigger the Formal Issuer Bid Requirements because Horizons MFC could technically be acquiring its own equity securities from a third party located in Canada for valuable consideration in a transaction that does not require approval of Horizons MFC's securityholders.

15. Section 2.5 of NI 81-102 and section 6.2 of NI 81-107 (collectively, the **Fund of Funds Rules**) allow for one investment fund to acquire and own securities in another investment fund managed by the same investment fund manager, subject to certain restrictions.

16. Certain of the Existing Horizons Corporate Class ETFs were previously structured as separate trusts prior to being reorganized into their current corporate class structure. When such Existing Horizons Corporate Class ETFs were structured as separate trusts, they were permitted to invest in each other's securities without triggering the Issuer Bid Requirements, so long as they complied with the established Fund of Funds Rules, because they were separate legal entities. The Exemption Sought would permit the Horizons Corporate Class ETFs to do what they were otherwise already permitted to do prior to the above-mentioned reorganization.

17. The Filer and Horizons MFC acknowledge and agree that any acquisition of shares of a Corporate Class by or on behalf of Horizons MFC will be made only in accordance with the Fund of Funds Rules.

18. Horizons MFC acquiring shares of one Horizons Corporate Class ETF for investment purposes on behalf of another Horizons Corporate Class ETF will not affect control of Horizons MFC or any of the Horizons Corporate Class ETFs, since the Corporate Class shares of Horizons MFC representing each Horizons Corporate Class ETF are non-voting shares.

19. All applicable acquisitions will be made in the secondary market through the facilities of the TSX or other applicable Marketplace at prevailing market prices. The pricing for each Horizons Corporate Class ETF will generally reflect its net asset value. No premium will be paid.

20. Any shares of a Corporate Class acquired for the investment portfolio of a Horizons Corporate Class ETF will not be cancelled upon acquisition, and will remain as outstanding securities of Horizons MFC

held on behalf of the investing Horizons Corporate Class ETF's investors.

21. By allowing a Horizons Corporate Class ETF to acquire Corporate Class shares of one or more other Horizons Corporate Class ETFs for its investment portfolio, it may permit the Filer to manage the Horizons Corporate Class ETFs in a manner that is more cost effective, operationally efficient and in the best interests of the securityholders of the Horizons Corporate Class ETF.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted, provided that:

(a) any acquisition of shares of a Corporate Class by or on behalf of Horizons MFC will be made in accordance with the Fund of Funds Rules;

(b) any acquisition of shares of a Corporate Class by or on behalf of Horizons MFC will be made in the secondary market through the facilities of the TSX or other applicable Marketplace at prevailing market prices; and

(c) any shares of a Corporate Class acquired for the investment portfolio of a Horizons Corporate Class ETF will not be cancelled upon acquisition, and will remain as outstanding securities of Horizons MFC held on behalf of the investing Horizons Corporate Class ETF's investors.

"Darren McKall"
Investment Funds and Structured Products
Ontario Securities Commission

SCHEDULE A

Existing Horizons Corporate Class ETFs

Horizons S&P/TSX 60™ Index ETF
Horizons S&P 500® Index ETF
Horizons S&P 500 CAD Hedged Index ETF
Horizons S&P/TSX Capped Energy Index ETF
Horizons S&P/TSX Capped Financials Index ETF
Horizons Cdn Select Universe Bond ETF
Horizons NASDAQ-100® Index ETF
Horizons Europe 50 Index ETF
Horizons Cdn High Dividend Index ETF
Horizons US 7-10 Year Treasury Bond ETF
Horizons Laddered Canadian Preferred Share Index ETF
Horizons Intl Developed Markets Equity Index ETF
Horizons Equal Weight Canada REIT Index ETF
Horizons Equal Weight Canada Banks Index ETF
Horizons Gold ETF
Horizons Silver ETF
Horizons Crude Oil ETF
Horizons Natural Gas ETF
Horizons US Large Cap Index ETF
Horizons S&P/TSX Capped Composite Index ETF
Horizons Cash Maximizer ETF
Horizons Morningstar Hedge Fund Index ETF
Horizons Absolute Return Global Currency ETF
Horizons USD Cash Maximizer ETF
Horizons Emerging Markets Equity Index ETF
Horizons ReSolve Adaptive Asset Allocation ETF
Horizons Tactical Absolute Return Bond ETF
BetaPro Gold Bullion 2x Daily Bull ETF
BetaPro Gold Bullion -2x Daily Bear ETF
BetaPro Crude Oil Leveraged Daily Bull ETF
BetaPro Crude Oil Inverse Leveraged Daily Bear ETF
BetaPro Natural Gas Leveraged Daily Bull ETF
BetaPro Natural Gas Inverse Leveraged Daily Bear ETF
BetaPro Silver 2x Daily Bull ETF
BetaPro Silver -2x Daily Bear ETF
BetaPro S&P/TSX 60™ 2x Daily Bull ETF
BetaPro S&P/TSX 60™ -2x Daily Bear ETF
BetaPro S&P/TSX Capped Financials™ 2x Daily Bull ETF
BetaPro S&P/TSX Capped Financials™ -2x Daily Bear ETF
BetaPro S&P/TSX Capped Energy™ 2x Daily Bull ETF
BetaPro S&P/TSX Capped Energy™ -2x Daily Bear ETF
BetaPro NASDAQ-100® 2x Daily Bull ETF
BetaPro NASDAQ-100® -2x Daily Bear ETF
BetaPro S&P 500® 2x Daily Bull ETF
BetaPro S&P 500® -2x Daily Bear ETF
BetaPro Canadian Gold Miners 2x Daily Bull ETF
BetaPro Canadian Gold Miners -2x Daily Bear ETF
BetaPro Marijuana Companies 2x Daily Bull ETF
BetaPro Marijuana Companies Inverse ETF
BetaPro S&P/TSX 60™ Daily Inverse ETF
BetaPro S&P 500® Daily Inverse ETF
BetaPro S&P 500 VIX Short-Term Futures™ ETF

2.1.5 Purpose Investments Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted from National Instrument 81-101 Mutual Fund Prospectus Disclosure to combine the simplified prospectus of an alternative mutual fund with the simplified prospectus of a conventional mutual fund.

Applicable Legislative Provisions

National Instrument 81-101 Mutual Fund Prospectus Disclosure, ss. 5.1(4) and 6.1(1).

April 27, 2021

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
PURPOSE INVESTMENTS INC.
(the Filer)

AND

BLACK DIAMOND GLOBAL EQUITY FUND
BLACK DIAMOND DISTRESSED OPPORTUNITIES FUND
(the Existing Alternative Funds)

AND

THE ALTERNATIVE MUTUAL FUNDS
ESTABLISHED IN THE FUTURE AND MANAGED BY
THE FILER OR AN AFFILIATE OF THE FILER
(the Future Alternative Funds, and together with the Existing Alternative Funds, the Alternative Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Alternative Funds for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that grants relief to the Alternative Funds from the requirement in subsection 5.1(4) of National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**) which states that a simplified prospectus (**SP**) for an alternative mutual fund must not be consolidated with a SP of another mutual fund if the other mutual fund is not an alternative mutual fund in order to permit SP(s) for one or more Alternative Funds to be consolidated with the SP(s) of one or more mutual funds existing today or created in the future (i) that are reporting issuers to which NI 81-101 and National Instrument 81-102 *Investment Funds* (**NI 81-102**) apply, (ii) that are not alternative mutual funds, and (iii) for which the Filer, or an affiliate of the Filer, acts as the investment fund manager (the **Conventional Funds**, and together with the Alternative Funds, the **Funds**) (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada (together with Ontario, the **Canadian Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 81-102.

Representations

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

1. The Filer is a corporation amalgamated under the laws of the Province of Ontario with its head office located in Toronto, Ontario.

2. The Filer currently is registered under the securities legislation in:

   (a) Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec and Saskatchewan in the categories of investment fund manager and exempt market dealer;

   (b) British Columbia, Ontario and Québec in the category of portfolio manager; and

   (c) Ontario as a commodity trading manager.

3. The Filer, or an affiliate of the Filer, is, or will be, the investment fund manager of each Fund.

4. The Filer is not in default of the securities legislation in any of the Canadian Jurisdictions.

5. Each Alternative Fund is, or will be, established under the laws of Ontario or Canada as a mutual

fund that is a trust or a class of shares of a mutual fund corporation and is, or will be, a reporting issuer in one or more of the Canadian Jurisdictions.

6. Each Conventional Mutual Fund is not, or will not be, an alternative mutual fund.

7. The Existing Alternative Funds are not in default of the securities legislation in any of the Canadian Jurisdictions.

8. The securities of each Fund are, or will be, qualified for distribution in one or more of the Canadian Jurisdictions using a SP, annual information form (**AIF**), fund facts and/or ETF facts document(s) prepared and filed in accordance with the securities legislation of such Canadian Jurisdictions.

9. If an Alternative Fund offers both securities which are listed on a stock exchange and securities which are not listed on a stock exchange, the Alternative Fund will have received permission to distribute such securities using a SP rather than a long form prospectus pursuant to National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**).

10. The Filer wishes to combine the SP(s) for one or more Alternative Funds with the SP(s) of one or more Conventional Funds in order to reduce renewal, printing and related costs. Offering the Alternative Funds using the same SP and AIF as the Conventional Funds would facilitate the distribution of the Alternative Funds in the Canadian Jurisdictions under the same prospectus disclosure and enable the Filer to streamline disclosure across the Filer's fund platform.

11. Even though the Alternative Funds are, or will be, alternative mutual funds, they share, or will share, many common operational and administrative features with the Conventional Funds and combining them in the same SP will allow investors to more easily compare the features of the Alternative Funds and the Conventional Funds.

12. Investors will continue to receive the fund facts and/or ETF facts document(s), as applicable, when purchasing securities of the Alternative Funds or Conventional Funds as required by applicable securities legislation. The form and content of the fund facts and ETF facts document(s) of the Alternative Funds and Conventional Funds will not change as a result of the Exemption Sought. The SP and/or AIF of the Alternative Funds and Conventional Funds will continue to be provided to investors, upon request, as required by applicable securities legislation.

13. NI 41-101 does not contain a provision equivalent to subsection 5.1(4) of NI 81-101. Accordingly, an investment fund manager that manages exchange-traded funds (**ETFs**) is permitted to consolidate a prospectus under NI 41-101 for its ETFs that are alternative mutual funds with a prospectus for its ETFs that are conventional mutual funds. There is no reason why mutual funds filing a prospectus under NI 81-101 should be treated differently from ETFs filing a prospectus under NI 41-101.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator is that the Exemption Sought is granted.

"Darren McKall"
Investment Funds and Structured Products
Ontario Securities Commission

2.1.6 Canada Life Investment Management Ltd. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from NI 81-102 seed capital requirements for new continuing funds following reorganizations – relief from NI 81-101 and NI 81-106 to allow new continuing funds to use performance data from existing funds in its offering documents and continuous disclosure – subject to conditions.

Applicable Legislative Provisions

National Instrument 81-101 – Mutual Fund Prospectus Disclosure, ss. 2.1 and 6.1(1).
National Instrument 81-102 – Investment Funds, ss. 3.1, 15.1.1 and 15.3(2), 15.6(1)(a)(i)(A), 15.6(1)(b), 15.6(1)(d)(i), 15.8(2)(a), 15.8(3)(a) and 15.9(2) 19.1(1).
National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 4.1 and 17.1(1).

March 17, 2021

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
CANADA LIFE INVESTMENT MANAGEMENT LTD.
MACKENZIE FINANCIAL CORPORATION
(collectively, the Filers)

AND

CANADA LIFE FLOATING RATE INCOME FUND
CANADA LIFE STRATEGIC INCOME FUND
CANADA LIFE GLOBAL BALANCED FUND
CANADA LIFE CANADIAN DIVIDEND FUND
CANADA LIFE CANADIAN FOCUSED GROWTH FUND
CANADA LIFE US ALL CAP GROWTH FUND
CANADA LIFE FOREIGN EQUITY FUND
(collectively, the Continuing Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers, on behalf of the Continuing Funds, for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) granting an exemption from:

(a) section 3.1 of National Instrument 81-102 – *Investment Funds* (**NI 81-102**) to permit the filing of a simplified prospectus for the Continuing Funds (the **Simplified Prospectus**), notwithstanding that the initial investment required in respect of each of the Continuing Funds (the **Seed Capital Requirement**) will not be provided (the **Seed Capital Relief**);

(b) section 2.1 of National Instrument 81-101 – *Mutual Fund Prospectus Disclosure* (**NI 81-101**) for the purposes of the following exemptions sought from Form 81-101F1 *Contents of Simplified Prospectus* (**Form 81-101F1**) and Form 81-101F3 *Contents of Fund Facts Document* (**Form 81-101F3**);

(i) Item 5(b) of Part B of Form 81-101F1 to permit the Continuing Funds to disclose the series start dates of the Existing Funds as its series start dates in the simplified prospectus;

(ii) Item 9.1(b) of Part B of Form 81-101F1 to permit the Continuing Funds to use the performance history of the Existing Funds to calculate its investment risk rating in the simplified prospectus;

(iii) Item 13.2 of Part B of Form 81-101F1 to permit the Continuing Funds to use the financial data of the Existing Funds in making the calculation required under the subheading "Fund Expenses Indirectly Borne by Investors" in the simplified prospectus;

(iv) Item 2 of Part I of Form 81-101F3 to permit the Continuing Funds to use the management expense ratio (the **MER**) and the start date of each series of the Existing Funds in the "Management expense ratio (MER)" and "Date series started" boxes, respectively, of the Quick Facts table in the fund facts documents of each series of the Continuing Funds (the **Fund Facts Documents**);

(v) Item 3 of Part I of Form 81-101F3 to permit the Continuing Funds to show the investments of the Existing Funds in the "Top 10 investments" and "Investment mix" tables in the Continuing Funds' initial fund facts documents;

(vi) Item 4 of Part I of Form 81-101F3 to permit the Continuing Funds to use the performance history of the Existing Funds to calculate its investment risk rating in its fund facts documents;

(vii) Item 5 of Part I of Form 81-101F3 to permit the Continuing Funds to use the performance data of the Existing Funds in the "Average return", "Year-by-year returns" and "Best and worst 3-month returns" sections in its fund facts documents; and

(viii) Item 1.3 of Part II of Form 81-101F3 to permit the Continuing Funds to use the MER, trading expense ratio (the **TER**) and fund expenses of the Existing Funds in the "Fund expenses" section of its fund facts documents;

(c) subsections 15.3(2), 15.6(1)(a)(i)(A), 15.6(1)(b), 15.6(1)(d)(i), 15.8(2)(a), 15.8(3)(a) and 15.9(2) of NI 81-102 to permit the Continuing Funds to use the performance data of the Existing Funds in sales communications and reports to securityholders of the Continuing Fund (collectively, the **Fund Communications**);

(d) section 15.1.1 of NI 81-102 to permit the Continuing Funds to calculate its investment risk level using the performance history of the Existing Funds (together with paragraphs (b) and (c) above, the Past Performance Relief); and

(e) section 4.4 of National Instrument 81-106 *Investment Fund Continuous Disclosure* for relief from the requirements of Form 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance* (**Form 81-106F1**) set out below, to permit each Continuing Fund to include in its annual and interim management reports of fund performance (**MRFPs**) the performance data and information derived from the financial statements and other financial information (collectively, the **Financial Data**) of the Existing Fund as follows:

(i) Items 3.1(1), 3.1(7), 3.1(7.1) and 3.1(8) of Part B of Form 81-106F1 to permit each Continuing Fund to use the financial highlights of the corresponding Existing Fund in its Form 81-106F1;

(ii) Items 4.1(1), 4.1(2), 4.2(1), 4.2(2), 4.3(1)(a) and 4.3(1)(b) of Part B of Form 81-106F1 to permit each Continuing Fund to use the past performance data of the corresponding Existing Fund in its Form 81-106F1; and

(iii) Items 3(1) and 4 of Part C of Form 81-106F1 to permit each Continuing Fund to use the financial highlights and past performance data of the corresponding Existing Fund in its Form 81-106F1 (the **Continuous Disclosure Relief**, and together with the **Seed Capital Relief** and **Past Performance Relief**, the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application;

(b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick,

Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Northwest Territories, Nunavut and Yukon (together with Ontario, the **Canadian Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

In addition, the following terms have the meanings set out below:

"**CLIML**" means Canada Life Investment Management Ltd.

"**Existing Funds**" means Mackenzie Floating Rate Income Fund, Mackenzie Strategic Income Fund, Mackenzie Ivy Global Balanced Fund, Mackenzie Canadian Dividend Fund, Mackenzie Canadian Growth Fund, Mackenzie US All Cap Growth Fund and Mackenzie Ivy Foreign Equity Fund.

"**Funds**" means the Continuing Funds and the Existing Funds.

"**MFC**" means Mackenzie Financial Corporation.

Representations

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

The Filers, the Funds and the Reorganizations

1. The head office of MFC is located in Toronto, Ontario. MFC is a corporation governed under the laws of the Ontario.

2. MFC is registered as a portfolio manager and exempt market dealer in each province and territory of Canada and as an investment fund manager in each of Ontario, Québec and Newfoundland and Labrador. MFC is also registered as a commodity trading manager in Ontario.

3. The head office of CLIML is located in is located in London, Ontario. CLIML is a corporation governed under the laws of Canada. CLIML is a wholly-owned investment management subsidiary of The Canada Life Assurance Company (**Canada Life**), and an affiliate of MFC.

4. CLIML is registered as a portfolio manager in each province and territory of Canada and as an investment fund manager in each of Ontario, Québec and Newfoundland and Labrador. CLIML is registered as a commodity trading manager in Ontario.

5. The Existing Funds are open-ended mutual fund trusts governed under a declaration of trust under the laws of Ontario. MFC is the investment fund manager and trustee of each Existing Fund.

6. Each Existing Fund is a reporting issuer under the applicable securities legislation in each of the Canadian Jurisdictions, is subject to NI 81-102 and has been a reporting issuer for more than 12 months.

7. Each Continuing Fund is, or is expected on its creation to be, an open-ended trust established under the laws of Ontario. CLIML will be the investment fund manager and trustee of each of Continuing Fund.

8. Each Continuing Fund is being created for the purpose of implementing the applicable Reorganization. The Continuing Funds will be managed in a manner which is substantially similar in all material respects to the manner in which the Existing Funds have been managed. As the Continuing Funds are new, they will not have their own past performance data on the date the Reorganization is implemented.

9. MFC is the manager of certain mutual funds known as the "Canada Life Mutual Funds (formerly Quadrus Group of Funds)", which include the Existing Funds. Units of each Existing Fund are currently qualified for sale in the Canadian Jurisdictions under a simplified prospectus, annual information form and fund facts documents each dated January 4, 2021 (collectively, the **Offering Documents**), each of which has been prepared in accordance with NI 81-101.

10. Each Fund offers Q series, H series, L series, N series, QF series, QFW series and HW series of units. Mackenzie Strategic Income Fund, Mackenzie Ivy Global Balanced Fund, Mackenzie Canadian Dividend Fund, Mackenzie Canadian Growth Fund and Mackenzie Ivy Foreign Equity Fund also offer D5 series, H5 series, L5 series, N5 series, QF5 series, HW5 series and QFW5 series units under the Offering Documents. Mackenzie Strategic Income Fund also offers D8

series, H8 series, L8 series, N8 series and HW8 series units under the Offering Documents. Mackenzie Canadian Dividend Fund and Mackenzie Canadian Growth Fund also offers D8 series and L8 series securities under the Offering Documents. Mackenzie US All Cap Growth Fund also offers I series units under the Offering Documents. Each of the Existing Funds also offers Series S units, and each of Mackenzie Floating Rate Income Fund, Mackenzie Canadian Dividend Fund, Mackenzie US All Cap Growth Fund and Mackenzie Ivy Foreign Equity Fund offer Series CL units, on a prospectus-exempt basis and not under the Offering Documents. The foregoing series of units are referred to herein as the **Subject Series**. Additional series of units of the Existing Funds are offered under a simplified prospectus, annual information form and fund facts documents (the **MFC Offering Documents**, and will not be subject to the Reorganizations (as defined below) or the Exemption Sought contemplated hereby.

11. CLIML and MFC entered into a Purchase and Sale Agreement dated August 4, 2020 (the **PSA**) pursuant to which MFC agreed to transfer, and CLIML agreed to acquire, MFC's rights to act as a trustee and/or manager and/or portfolio manager of certain mutual funds, including the portions of the assets of the Existing Funds attributable to the Subject Series.

12. To give effect the transactions contemplated by the PSA and the satisfaction of certain other conditions, the Filers have proposed to reorganize the Subject Series of each Existing Fund into the equivalent Subject Series of the corresponding Continuing Fund (each, a **Reorganization**) on or about April 16, 2021 (or, in the case of the Canada Life US All Cap Growth Fund, on or about March 26, 2021) (the **Reorganization Date**), as follows:

Existing Fund Name	Continuing Fund Name
Mackenzie Floating Rate Income Fund	Canada Life Floating Rate Income Fund
Mackenzie Strategic Income Fund	Canada Life Strategic Income Fund
Mackenzie Ivy Global Balanced Fund	Canada Life Global Balanced Fund
Mackenzie Canadian Dividend Fund	Canada Life Canadian Dividend Fund
Mackenzie Canadian Growth Fund	Canada Life Canadian Focused Growth Fund
Mackenzie US All Cap Growth Fund	Canada Life US All Cap Growth Fund
Mackenzie Ivy Foreign Equity Fund	Canada Life Foreign Equity Fund

13. The Subject Series of the Existing Funds are offered exclusively through Quadrus Investment Services Ltd. (**Quadrus**), the principal distributor for the Subject Series of the Existing Funds and Canada Life's proprietary distribution channel.

14. CLIML intends to file a final simplified prospectus, annual information form and fund facts documents in each of the Canadian Jurisdictions on or about March 17, 2021 with respect to the Continuing Funds. CLIML will not begin distributing securities of the Continuing Funds prior to the applicable Reorganization.

15. Each Continuing Fund is expected to be a reporting issuer under the applicable securities legislation in each of the Canadian Jurisdictions and is expected to be subject to NI 81-102.

16. Each Continuing Fund will offer the Subject Series of units.

17. Neither the Filers, nor any of the Existing Funds, are in default of securities legislation in any of the Canadian Jurisdictions.

18. Each Existing Fund follows, and each Continuing Fund will follow, the standard investment restrictions and practices established under NI 81-102, except pursuant to the terms of any exemption that has been previously obtained.

Seed Capital Relief

19. The Filer does not intend to subscribe for $150,000 of units of each Continuing Fund as required by the Seed Capital Requirement because the assets of the corresponding Existing Fund (which will become the assets of that Continuing Fund in connection with the implementation of the applicable Reorganization) are significantly in excess of the $150,000 Seed Capital Requirement. Accordingly, the Filers are of the view that any seed capital injected into a Continuing Fund prior to a Reorganization will not provide any additional benefit to unitholders.

20. On the relevant Reorganization Date, unitholders of a Continuing Fund will hold units of that Continuing Fund equal to the same net asset value as they did before as securityholders of the corresponding Existing Fund, and therefore, the Continuing Funds will each have already received subscriptions in excess of $150,000.

Past Performance Relief and Continuous Disclosure Relief

21. Subject to receipt of the Seed Capital Relief, the Continuing Funds will not have any assets (other than a nominal amount to establish it) or liabilities at the time of the applicable Reorganization.

22. The assets of the Subject Series of the Existing Funds will be transferred to the equivalent Subject Series of the Continuing Funds in connection with the implementation of the Reorganizations.

23. As the Filer intends to cease distribution of Subject Series of the Existing Funds at the close of business on the business day prior to the Reorganization Date, it does not intend to renew the Existing Fund's simplified prospectus and annual information form in respect of the Subject Series after the lapse date.

24. Each Continuing Fund will be a new fund. While each Continuing Fund will have the same assets and liabilities as the corresponding Existing Fund in respect of the Subject Series, as a new fund, it will not have its own Financial Data as at the Reorganization Date.

25. The Financial Data of the Existing Funds are significant information which can assist investors in determining whether to purchase securities of the Continuing Funds. In the absence of the Past Performance Relief and Continuous Disclosure Relief, investors will have no historical financial or performance information (such as past performance) on which to base such an investment decision.

26. Without the Past Performance Relief and Continuous Disclosure Relief, the sales communications pertaining to, and MRFPs of, the Continuing Funds cannot include Financial Data of the Existing Funds that relate to a period prior to the applicable Reorganization and the Continuing Funds cannot provide performance data in its sales communications until it has distributed securities under a simplified prospectus for at least 12 months.

27. The Filer proposes to:

    (a) disclose the series start dates of the Existing Funds as the series start dates of the Continuing Funds:

        (i) in the "Fund Details" table in Part B of the simplified prospectus; and

        (ii) under the subheading "Date series started" under the heading "Quick Facts" in the fund facts documents;

    (b) use the performance data of the Existing Funds to calculate the risk rating of the Continuing Funds in:

        (i) the simplified prospectus; and

        (ii) the fund facts documents;

    (c) use the performance data of the Existing Funds in:

        (i) the Fund Communications of the Continuing Funds; and

        (ii) the "Average return", "Year-by-year returns" and "Best and worst 3-month returns" subsections of the fund facts documents for the Continuing Funds;

    (d) use the MER of the Existing Funds for the purposes of calculating the information required under the subheading "Fund Expenses Indirectly Borne by Investors" in Part B of the simplified prospectus for the Continuing Funds;

    (e) show the investments of the Existing Funds in the "Top 10 investments" and "Investment mix" tables in the initial fund facts documents for the Continuing Funds;

    (f) use the MER, TER and fund expenses of the Existing Funds in the "Fund expenses" section of the fund facts documents for the Continuing Funds;

(g) prepare annual MRFPs for the Canada Life US All Cap Growth Fund commencing with the year ending March 31, 2021 and interim MRFPs for the Canada Life US All Cap Growth Fund commencing with the period ending September 30, 2021 using the Mackenzie US All Cap Growth Fund's financial highlights and past performance;

(h) prepare annual MRFPs for the Continuing Funds (other than the Canada Life US All Cap Growth Fund) commencing with the year ending March 31, 2022 and interim MRFPs for the Continuing Funds (other than the Canada Life US All Cap Growth Fund) commencing with the period ending September 30, 2021 using the Existing Funds' (other than the Mackenzie US All Cap Growth Fund) financial highlights and past performance;

(i) prepare comparative annual financial statements for the Canada Life US All Cap Growth Fund commencing with the year ending March 31, 2021 and interim financial statements for the Canada Life US All Cap Growth Fund commencing with the period ending September 30, 2021 using the Mackenzie US All Cap Growth Fund's financial highlights and past performance in respect to the Subject Series for that portion of the financial reporting period preceding the Reorganization Date; and

(j) prepare comparative annual financial statements for the Continuing Funds (other than the Canada Life US All Cap Growth Fund) commencing with the year ending March 31, 2022 and interim financial statements for the Continuing Funds (other than the Canada Life US All Cap Growth Fund) commencing with the period ending September 30, 2021 using the Existing Funds' (other than the Mackenzie US All Cap Growth Fund) financial highlights and past performance in respect to the Subject Series for that portion of the financial reporting period preceding the Reorganization Date.

28. The Filer is seeking to make the Reorganizations as seamless as possible for investors of the Existing Funds. Accordingly, the Filer submits that treating a Continuing Fund as fungible with the corresponding Existing Fund for purposes of the starting dates, investment holdings and Financial Data would be beneficial to investors and that to do otherwise would cause unnecessary confusion among investors concerning the difference between the Existing Funds and the Continuing Funds.

29. The Filer submits that investors will not be misled if the starting dates, investment holdings and Financial Data of a Continuing Fund reflects the starting dates, investment holdings and Financial Data of the corresponding Existing Fund.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision. The decision of the principal regulator under the Legislation is that:

1. the Seed Capital Relief is granted;

2. the Past Performance Relief is granted, provided that:

(a) the Fund Communications include the applicable performance data of the Existing Funds prepared in accordance with Part 15 of NI 81-102;

(b) the simplified prospectus:

(i) states that the start date for each series of the Continuing Fund is the start date of the corresponding series of the Existing Fund; and

(ii) discloses the Reorganization where the start date for each series of the Continuing Fund is stated;

(c) the fund facts document of each series of the Continuing Fund:

(i) states that the "Date series started" date is the "Date series started" date of the corresponding series of the Existing Fund;

(ii) includes the performance data of the Existing Fund prepared in accordance with Part 15 of NI 81-102; and

(iii) discloses the Reorganization where the "Date series started" date is stated; and

(d) the Continuing Fund prepares its MRFPs in accordance with the Continuous Disclosure Relief; and

3. the Continuous Disclosure Relief is granted, provided that:

   (a) the MRFPs for the Continuing Funds include the Financial Data of the Existing Funds pertaining to the corresponding series of the Existing Funds and disclose the Reorganization for the relevant time periods; and

   (b) the Continuing Funds prepare their simplified prospectus, fund facts documents and other Fund Communications in accordance with the Seed Capital Relief and Past Performance Relief.

"Darren McKall"
Investment Funds and Structured Products
Ontario Securities Commission

2.1.7 Mackenzie Financial Corporation and Mackenzie Global Credit Opportunities Fund

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from NI 81-102 seed capital requirements for new continuing funds following reorganizations – relief from NI 81-101 and NI 81-106 to allow new continuing funds to use performance data from existing funds in its offering documents and continuous disclosure – subject to conditions.

Applicable Legislative Provisions

National Instrument 81-101 – Mutual Fund Prospectus Disclosure, ss. 2.1 and 6.1(1).
National Instrument 81-102 – Investment Funds, ss. 3.1, 15.1.1 and 15.3(2), 15.6(1)(a)(i)(A), 15.6(1)(b), 15.6(1)(d)(i), 15.8(2)(a), 15.8(3)(a) and 15.9(2) 19.1(1).
National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 4.1 and 17.1(1).

April 6, 2021

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
MACKENZIE FINANCIAL CORPORATION
(the Filer)

AND

MACKENZIE GLOBAL CREDIT OPPORTUNITIES FUND
(the Terminating Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Terminating Fund, for a decision under the securities legislation of the Jurisdiction (the **Legislation**) approving the proposed merger (the **Merger**) of the Terminating Fund with the Mackenzie North American Corporate Bond Fund (the **Continuing Fund**), pursuant to paragraph 5.5(l)(b) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) (the **Approval Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the provinces and territories of Canada, other than Ontario (together with Ontario, the **Canadian Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined. The following additional terms shall have the following meanings:

Closed and Exempt Merger means the Merger where the Series F8 units of the Continuing Fund and the Terminating Fund are not currently offered for purchase and are not currently qualified for distribution under a prospectus;

Effective Date means on or about June 4, 2021, the anticipated date of the Merger;

Exempt Mergers means the Merger where the Series R and IG, and CL units of the Continuing Fund will be offered only on an exempt distribution basis;

Funds means collectively, the Terminating Fund and the Continuing Fund;

Grandfathering Mergers means the Merger where the Series T8 and PWT8 units of the Continuing Fund will be created solely to facilitate the Merger, will not be qualified for distribution under a prospectus and will not be available for sale subsequent to the Merger; and

New Series Mergers means the Merger where the Series AR and PWR units of the Continuing Fund will be created to facilitate the Merger.

Representations

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

The Filer

1. The Filer is a corporation governed by the laws of Ontario and is registered as: (a) a investment fund manager in Ontario, Quebec and Newfoundland and Labrador; (b) a portfolio manager and exempt market dealer in the Canadian Jurisdictions; (c) an adviser in Manitoba; and (d) a commodity trading manager in Ontario.

2. The Filer, with its head office in Toronto, Ontario, is the trustee and manager of the Funds.

The Funds

3. The Funds are unit trusts established under the laws of Ontario. Each of the Funds are reporting issuers under the securities legislation of the Canadian Jurisdictions. Neither the Filer nor the Funds are in default of securities legislation in any of the Canadian Jurisdictions.

4. Other than circumstances in which the securities regulatory authority of a Canadian Jurisdiction has expressly exempted a Fund therefrom, the Funds follow the standard investment restrictions and practices established under NI 81-102.

5. Units of the Funds are generally qualified for sale under the simplified prospectus, annual information form and fund facts documents dated September 25, 2020, as amended (collectively, the **Offering Documents**).

   Series R and CL of the Continuing Fund are, and Series IG units of the Continuing Fund will only be, offered on an exempt distribution basis.

   Series T8 and PWT8 units of the Terminating Fund are no longer qualified for distribution under a prospectus. Further, Series T8 and PWT8 units of the Continuing Fund which will be created solely to facilitate the Merger, will not be qualified for distribution under a prospectus and will not be available for sale subsequent to the Merger.

   Series F8 units of the Terminating Fund are no longer offered for sale and no longer qualified for distribution under a prospectus, as is the case for Series F8 units of the Continuing Fund.

   Series AR and PWR units of the Continuing Fund will be newly created to facilitate the Merger and will be qualified for distribution under a prospectus.

6. The net asset value for each series of the Funds is calculated on a daily basis in accordance with the Funds' valuation policy and as described in the applicable Offering Documents.

Reasons for the Approval Sought

7. Approval of the Merger is required because the Merger does not satisfy all of the criteria for pre-approved reorganizations and transfers set out in section 5.1 of NI 81-102. The preapproval criteria are not satisfied in the following ways:

   (i) the fundamental investment objective of the Continuing Fund is not, or may be considered not to be, "substantially similar" to the investment objective of the Terminating Fund;

(ii) the Merger will not be completed as a tax-deferred transaction under the *Income Tax Act* (Canada) (the **Tax Act**); and

(iii) the materials sent to applicable unitholders of the Terminating Fund in respect of the Exempt Mergers, the Grandfathering Mergers, the Closed and Exempt Merger, and the New Series Mergers did not include the most recently filed fund facts document(s) for the corresponding series of the Continuing Fund.

8. Except as noted above, the Merger will otherwise comply with all other criteria for preapproved reorganizations and transfers set out in section 5.6 of NI 81-102.

The Proposed Merger

9. Pursuant to the Merger, unitholders of the Terminating Fund would become unitholders of the Continuing Fund.

10. The Merger does not require approval of unitholders of the Continuing Fund as the Filer has determined that the Merger does not constitute material changes for the Continuing Fund.

11. As required by National Instrument 81-107 *Independent Review Committee for Investment Funds*, the Independent Review Committee (**IRC**) has been appointed for the Funds. The Filer presented the terms of the Merger to the IRC for a recommendation. The IRC reviewed the Merger and provided a positive recommendation having determined that the Merger, if implemented, would achieve a fair and reasonable result for the Funds and their respective unitholders.

12. In accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**), a press release announcing the Merger was issued and filed via SEDAR on March 5, 2021. A material change report and amendments to the Offering Documents with respect to the Merger were filed in accordance with NI 81-106.

13. By way of order dated October 21, 2016, the Filer was granted relief (the **Notice-and Access Relief**) from the requirement set out in paragraph 12.2(2)(a) of NI 81-106 to send a printed management information circular to unitholders while proxies are being solicited. Subject to certain conditions, the Notice-and-Access Relief instead allows a notice-and access document to be sent to such unitholders. Pursuant to the requirements of the Notice and-Access Relief, the notice-and-access document, a form of proxy in connection with each special meeting of unitholders of the Funds, as well as the most recent fund facts document(s) for the applicable series of the Continuing Fund (other than in respect of the Exempt Mergers, the Grandfathering Mergers, the Closed and Exempt Merger, and the New Series Mergers) will be mailed to unitholders of the Terminating Fund commencing on or about April 5, 2021. The management information circular and forms of proxy (collectively, the **Meeting Materials**) in connection with special meetings of unitholders of the Fund will be posted on the Filer's website at www.mackenzieinvestments.com as well as on the SEDAR website at www.sedar.com.

14. The Meeting Materials describe all of the relevant facts concerning the Merger relevant to each unitholder, including the differences between investment objective, strategies and fee structures of the Terminating Fund and the Continuing Fund, the IRC's recommendations regarding the Merger, and income tax considerations so that unitholders of the Terminating Fund may consider this information before voting on the Merger. The Meeting Materials also describe the various ways in which unitholders can obtain a copy of the simplified prospectus and annual information form of the Continuing Fund, as well as the most recent interim and annual financial statements and management reports of fund performance for the Continuing Fund, at no cost.

15. In order to effect the Merger relating to Series IG, R, CL, T8, PWT8, and F8 of the Terminating Fund, securities of the applicable series of the Continuing Fund will be distributed to unitholders of the Terminating Fund in reliance on the prospectus exemption contained in section 2.11 of National Instrument 45-106 *Prospectus Exemptions*.

16. In respect of the Exempt Mergers, the Grandfathering Mergers, the Closed and Exempt Merger, and the New Series Mergers because a current simplified prospectus and fund facts documents are not available for the applicable series of the Continuing Fund, unitholders of each of the corresponding series of the Terminating Fund were sent a fund facts document relating the following series of the Continuing Fund:

Terminating Fund Series	**Continuing Fund Series Fund Facts**
Series AR	Series A
Series F8	Series F5
Series T8	Series T5
Series PWR	Series PW

Terminating Fund Series	Continuing Fund Series Fund Facts
Series PWT8	Series PWT5
Series IG	Series A
Series CL	Series A
Series R	Series A

17. The Filer will pay for the costs of the Merger. These costs consist mainly of brokerage charges associated with the trades that occur both before and after the date of the Merger and legal, proxy solicitation, printing, mailing and regulatory fees. There are no charges payable by unitholders of the Terminating Fund who acquire units of the Continuing Fund as a result of the Merger.

18. Unitholders of the Terminating Fund will be asked to approve the Merger at a special meeting of unitholders scheduled to be held on or about May 10, 2021.

19. Following the implementation of the Merger, all systematic plans that are established with respect to the Terminating Fund will be re-established in the Continuing Fund, on a series-for-series basis with substantially similar fees, unless unitholders advise the Filer otherwise or unless otherwise noted in the information circular.

20. Unitholders may change or cancel any systematic plan at any time and unitholders of the Terminating Fund who wish to establish one or more systematic plans in respect of their holdings in the Continuing Fund may do so following the implementation of the Merger.

21. The Merger will be effected on a taxable basis, which the Manager has determined will be in the overall best interests of the investors of the Funds. Effecting the Merger on a taxable basis will preserve, where applicable, any unused tax losses of the Continuing Fund, which would otherwise expire upon implementation of the Merger on a tax deferred basis and therefore would not be available to shelter income and capital gains realized by the Continuing Fund in future years.

22. Unitholders in the Terminating Fund will continue to have the right to redeem their units or exchange their units for units of any other mutual fund of the Filer at any time up to the close of business on the business day before the Effective Date. Unitholders of the Terminating Fund that switch their units for units of other mutual funds of the Filer will not incur any charges other than switch fees, if applicable, as described in the Terminating Fund's simplified prospectus. Unitholders who redeem units may be subject to redemption charges.

23. Following the implementation of the Merger, the Continuing Fund will continue as a publicly offered open-ended mutual fund offering units in the Canadian Jurisdictions.

24. Following the implementation of the Merger, a press release and material change report announcing the results of the unitholder meeting in respect of the Merger of the Terminating Fund will be issued and filed.

25. No sales charges will be charged by the Filer to investors or to the Terminating Fund or Continuing Fund in connection with the acquisition by the Continuing Fund of the investment portfolio of the Terminating Fund.

26. The assets of the Terminating Fund to be acquired by the Continuing Fund in order to effect the Merger is currently, or will be, acceptable, on or prior to the effective date of the Merger, to the portfolio managers of the Continuing Fund and are, or will be, consistent with the investment objective of the Continuing Fund.

27. If the Merger is approved, the reorganization will be implemented after the close of business on the Effective Date. If the Merger are not approved, the Terminating Fund will continue to be offered for distribution.

Merger Benefits

28. The Filer believes that the Merger is beneficial to unitholders of the Terminating Fund for the following reasons:

    (i) Efficient use of investment managers: The Merger is being proposed to reflect the Filer’s desire to deploy its portfolio managers as efficiently as possible, in order to maximize return potential for fund investors.

    (ii) Streamlining similar mandates: Since managing the Continuing Fund, it has been run substantially similar to the Terminating Fund with approximately 70% overlap of the holdings on an asset weighted basis. The Merger will also allow the Filer to make its product offering smaller and simpler, and therefore easier for investors to navigate.

(iii) Continued access to the same investment management team: The Merger is being proposed to reflect the Filer's belief that investors will continue to benefit from the Filer's Fixed Income Team's portfolio management capabilities and similar long-term risk adjusted returns.

(iv) Same or Lower Fees: In each case, management fees and/or fixed administration fees will be the same or lower for the Continuing Fund.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the Principal Regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Approval Sought is granted, provided that the Filer obtains the prior approval of the unitholders of the Terminating Fund for the Merger at a special meeting held for that purpose.

"Darren McKall"
Investment Funds and Structured Products
Ontario Securities Commission

2.1.8 Bloombergsen Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted from section 13.5(2)(b) of NI 31-103 to permit inter-fund trading between certain pooled funds and managed accounts managed by the same manager subject to conditions, including IRC approval and pricing requirements – certain trades involving exchange-traded securities permitted to occur at last sale price as defined in the Universal Market Integrity Rules.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements and Exemptions, ss. 13.5 and 15.1.

March 24, 2020

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the "Jurisdiction")

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
BLOOMBERGSEN INC.
("Bloombergsen")

DECISION

Background

1. The principal regulator in the Jurisdiction has received an application (the "**Application**") from Bloombergsen, on behalf of Bloombergsen and any future affiliates of Bloombergsen (collectively, the "**Filer**") for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") for a decision pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**"), exempting the Filer from the prohibitions in paragraph 13.5(2)(b) of NI 31-103 (the "**Trading Prohibition**") which prohibit a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase or sell a security from or to the investment portfolio of an associate of a responsible person, or from or to the investment portfolio of an investment fund for which a responsible person acts as an adviser, in order to permit,

   (i) a Pooled Fund (as defined below) to purchase securities from or sell securities to a Pooled Fund;

   (ii) a Managed Account (as defined below) to purchase securities from or sell securities to a Pooled Fund; and

   (iii) the transactions listed in (i) to (ii) (each an "**Inter-Fund Trade**") to be executed at the last sale price, as defined in the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada, prior to the execution of the trade (the "**Last Sale Price**") in lieu of the closing sale price (the "**Closing Sale Price**") contemplated by the definition of "*current market price of the security*" in subsection 6.1(1)(a)(i) of National Instrument 81-107 *Independent Review Committee for Investment Funds* ("**NI 81-107**") on that trading day, where the securities involved in the Inter-Fund Trade are exchange-traded securities (which term shall include Canadian and foreign exchange-traded securities)

   (the "**Exemption Sought**").

2. Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

   (i) the Ontario Securities Commission is the principal regulator for the Application; and

   (ii) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in respect of the Exemption Sought in all provinces and territories of Canada other than the Jurisdiction (together with the Jurisdiction, the **Jurisdictions**).

Interpretation

3. Terms defined in the Legislation, MI 11-102, National Instrument 14-101 *Definitions*, NI 31-103 and NI 81-107 have the same meanings in this decision, unless otherwise defined. In addition:

   (a) "**Closing Sale Price**" means the closing sale price contemplated by the definition of "current market price of the security" in subparagraph 6.1(1)(a)(i) of NI 81-107 on that trading day;

   (b) "**Last Sale Price**" means the last sale price, as defined in the Market Integrity

Rules of the Investment Industry Regulatory Organization of Canada, prior to the execution of the trade on that trading day where the securities involved in the Inter-Fund Trade are exchange-traded securities (which term shall include Canadian and foreign exchange-traded securities);

(c) "**Managed Account**" means an account over which the Filer has discretionary authority for a client; and

(d) "**Pooled Fund**" means an existing or future investment fund of which the Filer acts or will act as investment fund manager and to which neither National Instrument 81-102 *Investment Funds* nor NI 81-107 apply.

Representations

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

The Filer

4. Bloombergsen is a corporation incorporated under the laws of the Province of Ontario, with its registered head office located in Toronto, Ontario.

5. Bloombergsen is currently registered as:

(a) an exempt market dealer, a portfolio manager and investment fund manager under the securities legislation of Ontario and Newfoundland and Labrador;

(b) an investment fund manager and exempt market dealer under the securities legislation of Quebec; and

(c) an exempt market dealer under the securities legislation of Alberta, British Columbia, Manitoba and New Brunswick.

6. The Filer has or will have complete discretion to invest and reinvest the assets of the Pooled Funds and Managed Accounts and is or will be responsible for executing all portfolio transactions. Furthermore, the Filer, subject to compliance with applicable securities laws, may act as a distributor of securities of the Pooled Funds not otherwise sold through another registered dealer.

7. The Filer:

(a) acts, or may act, as the trustee of each Pooled Fund formed as a trust;

(b) acts, or will act, as the investment fund manager of each Pooled Fund;

(c) acts, or will act, as the portfolio adviser to each Pooled Fund; and

(d) will act as the adviser to each Managed Account.

8. The Filer is not in default of the securities legislation of any Jurisdiction.

Pooled Funds

9. Each Pooled Fund is, or will be, an investment fund that is either a trust established or limited partnership formed under the laws of Ontario or another Jurisdiction.

10. Each Pooled Fund's reliance on the Exemption Sought will be compatible with its investment objective and strategies.

11. The securities of each Pooled Fund are, or will be, distributed on a private placement basis pursuant to the securities legislation of the Jurisdictions and no Pooled Fund is, or will be, a reporting issuer under the securities legislation of any Jurisdiction.

12. Each existing Pooled Fund is not in default of the securities legislation of any of the Jurisdictions.

Managed Accounts

13. The Filer will be the adviser of each Managed Account.

14. Each Managed Account will be managed pursuant to an investment management agreement or other documentation which will be executed by each client who wishes to receive the portfolio management services of the Filer and which provides the Filer full discretionary authority to trade in securities for the Managed Account without obtaining the specific consent of the client to execute the trade.

15. The investment management agreement or other documentation in respect of each Managed Account will contain authorization from the client for the Filer to make Inter-Fund Trades.

Independent Review Committee

16. Though the Pooled Funds are not, and will not be, subject to the requirements of NI 81-107, each Pooled Fund will have an IRC at the time the Pooled Fund makes an Inter-Fund Trade. The mandate of the IRC of each Pooled Fund will be limited to approving Inter-Fund Trades. It is expected that the IRC of each Pooled Fund will be comprised of the same three individuals.

17. If the IRC of a Pooled Fund becomes aware of an instance where the Filer did not comply with the terms of this decision or a condition imposed by

securities legislation or the IRC in its approval with respect to an Inter-Fund Trade, the IRC of the Pooled Fund will, as soon as practicable, notify in writing the securities regulatory authority or regulator in the Jurisdiction under which the Pooled Fund is organized.

Inter-Fund Trades

18. The Filer wishes to be able to permit Inter-Fund Trades of portfolio securities between:

    (a) a Pooled Fund and another Pooled Fund or a Managed Account; and

    (b) a Managed Account and a Pooled Fund.

19. The Filer has submitted that because of the various investment objectives and investment strategies utilized by the Pooled Funds and Managed Accounts, it may be appropriate for different investment portfolios to acquire or dispose of the same securities directly, rather than with a third party. Authorizing the Inter-Fund Trades may result in such benefits as lower trading costs, reduced market disruption and quicker execution. In addition, certain Pooled Funds maintain a mirror portfolio of one another, and as such, the Filer has submitted that it requires the ability to transfer such Pooled Funds' holdings between the Pooled Funds efficiently using Inter-Fund Trades.

20. The Filer has determined that it would be in the best interests of the Pooled Funds and Managed Accounts to receive the Exemption Sought because administering the Pooled Funds and Managed Accounts subject to the same set of rules governing the execution of Inter-Fund Trades will result in:

    (a) a consistent and fair result for all of the Filer's clients;

    (b) cost and timing efficiencies in respect of the execution of Inter-Fund Trades; and

    (c) simplified and more efficient monitoring thereof, for the Filer in connection with the execution of Inter-Fund Trades.

21. Each Inter-Fund Trade will be consistent with the investment objectives of the relevant Pooled Fund or Managed Account, as applicable.

22. At the time of an Inter-Fund Trade, the Filer will have policies and procedures in place to enable the applicable Pooled Funds and Managed Accounts to engage in Inter-Fund Trades.

23. The Filer, as manager of each Pooled Fund, will establish an IRC in respect of each Pooled Fund to review and provide its approval for any proposed Inter-Fund Trades between a Pooled Fund and another Pooled Fund or a Managed Account.

24. The IRC of the Pooled Funds will be composed by the manager of the Pooled Funds in accordance with section 3.7 of NI 81-107 and the IRC will be expected to comply with the standard of care set out in section 3.9 of NI 81-107. The IRC of the Pooled Funds will not approve an Inter-Fund Trade involving a Pooled Fund unless it has made the determination set out in subsection 5.2(2) of NI 81-107.

25. The Filer cannot rely on the exemption codified under subsection 6.1(4) of NI 81-107 unless each party to the transaction is a reporting issuer and the Inter-Fund Trade occurs at the "*current market price of the security*" which, in the case of exchange-traded securities, includes the Closing Sale Price but not the Last Sale Price.

26. The Filer considers that it would be in the best interests of the Pooled Funds and Managed Accounts, as applicable, if an Inter-Fund Trade could be made at the Last Sale Price prior to the execution of the trade, in lieu of the Closing Sale Price, as this will result in the trade being done at the price which is closest to the price at the time the decision to make the trade is made.

27. An Inter-Fund Trade to be effected at the Last Sale Price will be implemented by the Filer as follows:

    (a) the Filer, as the portfolio manager, will deliver the trade instruction in respect of a purchase or sale of a portfolio security by a Pooled Fund or a Managed Account, as applicable ("**Party A**"), to a trader on the Filer's trading desk;

    (b) the Filer, as the portfolio manager, will deliver the trade instruction in respect of a purchase or sale of a portfolio security by another Pooled Fund or Managed Account, as applicable ("**Party B**"), to a trader on the Filer's trading desk;

    (c) the trader on the Filer's trading desk will have the discretion to execute the trade as an Inter-Fund Trade between Party A and Party B at the Last Sale Price of the portfolio security, prior to the execution of the trade;

    (d) the policies applicable to the Filer's trading desk will require that all orders are to be executed on a timely basis; and

    (e) the trader on the Filer's trading desk will advise of the Last Sale Price.

Reasons for Exemption Sought

28. Each Pooled Fund for which the Filer acts or will act as trustee is, or will be, an associate of the Filer. As the Filer is the adviser to a Pooled Fund, the Filer is a responsible person of the Pooled Fund. The Filer is a responsible person of each Managed Account. Accordingly, each Pooled Fund is, or may be, an "associate" of a "responsible person" of another Pooled Fund or Managed Account as such terms are defined in the Legislation.

29. Pursuant to the Trading Prohibition, a Pooled Fund or a Managed Account, as applicable, may be restricted from making Inter-Fund Trades with another Pooled Fund if:

    (a) the second Pooled Fund is an associate of a responsible person of the first Pooled Fund or of the Managed Account, as applicable, which will be the case; or

    (b) a responsible person of the first Pooled Fund or the Managed Account, as applicable, is an adviser to the second Pooled Fund, which may be the case for each Pooled Fund.

30. The Filer, as the adviser to a Pooled Fund or Managed Account, cannot rely upon the exemption from paragraph 13.5(2)(b) of NI 31-103 codified in subsection 6.1(4) of NI 81-107 because such codified relief is not available in the context of the Pooled Funds and Managed Accounts.

31. Absent the granting of the Exemption Sought, the Filer may be prohibited from engaging in Inter-Fund Trades due to the Trading Prohibitions.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision. The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

    (a) the Inter-Fund Trade is consistent with the investment objective of the Pooled Fund or the Managed Account, as applicable;

    (b) the Filer refers the Inter-Fund Trade to the IRC of the Pooled Fund involved in the manner contemplated by section 5.1 of NI 81-107, and each of the Filer and the IRC of the Pooled Fund comply with section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with the Inter-Fund Trade;

    (c) the IRC of each Pooled Fund has approved the Inter-Fund Trade in respect of that Pooled Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;

    (d) if the transaction is with a Managed Account, the investment management agreement or other documentation in respect of the Managed Account contains or will contain the authorization of the client to engage in Inter-Fund Trades and such authorization has not been revoked; and

    (e) the Inter-Fund Trade complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107, except that for purposes of paragraph (e) of subsection 6.1(2) in respect of exchange-traded securities, the trade may be executed at the Last Sale Price.

"Darren McKall"
Manager,
Investment Funds and Structured Products Branch
Ontario Securities Commission

2.1.9 CI Investments Inc. and CI Galaxy Bitcoin Fund

Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – approval of mutual fund merger – approval required because merger does not meet the criteria for pre-approved reorganizations and transfers in National Instrument 81-102 Investment Funds – merger will occur on a taxable basis – merger otherwise comply with pre-approval criteria, including securityholder vote, IRC approval – securityholders provided with timely and adequate disclosure regarding the mergers.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 5.5(1)(b) and 19.1(2).

May 4, 2021

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
CI INVESTMENTS INC.
(the Manager)

AND

CI GALAXY BITCOIN FUND
(the Terminating Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Manager on behalf of the Terminating Fund for a decision under the securities legislation of the Jurisdiction (the **Legislation**) approving the proposed merger (the **Merger**) of the Terminating Fund into CI Galaxy Bitcoin ETF (the **Continuing Fund**, and collectively with the Terminating Fund, the **Funds**) pursuant to paragraph 5.5(1)(b) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) (the **Merger Approval**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

1. the Ontario Securities Commission is the principal regulator for this application; and
2. the Manager has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut (together with Ontario, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

The Manager and the Funds

1. The Manager is a corporation amalgamated under the laws of Ontario with its head office located in Ontario. The Manager is registered as follows:
   (a) under the securities legislation of all provinces and territories as a portfolio manager and an exempt market dealer;
   (b) under the securities legislation of Ontario, Quebec and Newfoundland and Labrador as an investment fund manager; and
   (c) under the *Commodity Futures Act* (Ontario) as a commodity trading counsel and a commodity trading manager.
2. The Manager is the manager of the Funds.
3. The Terminating Fund is a closed-end fund governed by a declaration of trust under the laws of Ontario.
4. The Continuing Fund is an open-end mutual fund governed by a declaration of trust under the laws of Ontario.
5. The units of the Funds are listed on the Toronto Stock Exchange (the **TSX**).
6. Neither the Manager nor the Funds are in default of securities legislation in any province or territory of Canada, as applicable.
7. Each Fund is a reporting issuer under the securities legislation of each province and territory of Canada and is subject to the requirements of NI 81-102 and National Instrument 41-101 *General Prospectus Requirements*.

8. The Continuing Fund is an alternative mutual fund within the meaning of National Instrument 81-102 *Investment Funds* (**NI 81-102**) and has the ability to invest in asset classes and use investment strategies that are not permitted for conventional mutual funds. The Continuing Fund is subject to restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102, and is managed in accordance with these restrictions, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities.

9. The Terminating Fund offers its units in all Jurisdictions pursuant to a prospectus dated December 4, 2020. The Continuing Fund currently distributes its units in all Jurisdictions pursuant to a prospectus dated March 4, 2021, as amended.

10. The Manager has determined that the proposed Merger would not constitute a "material change", as that term is defined in National Instrument 81-106 *Investment Fund Continuous Disclosure* ("**NI 81-106**"), for the Continuing Fund.

11. The Manager will effect the proposed Merger on a taxable basis. There should be no tax impact to unitholders of the Terminating Fund who hold the fund in a registered plan. Furthermore, unitholders who did not wish to participate in the Merger were able to exercise the Merger Redemption Right (as defined herein) prior to the Meeting (as defined herein). Effecting the Merger on a taxable basis will appropriately allocate capital gains to the Terminating Fund's unitholders, who took part in the appreciation of bitcoin since the launch of the Terminating Fund and had the opportunity to consider and vote on the Merger.

Reason for Merger Approval

12. Regulatory approval of the Merger is required because the Merger complies with all of the criteria for pre-approved reorganizations and transfers as set out in section 5.6 of NI 81-102, except that the Merger will not be a "qualifying exchange" within the meaning of section 132.2 of the *Income Tax Act* (Canada) (the **Income Tax Act**) or a tax-deferred transaction under subsection 85(1), 85.1(1), 86(1) or 87(1) of the Income Tax Act.

The Proposed Merger

13. The proposed Merger was announced in the following documents, each of which has been filed on SEDAR:

    (a) a press release dated March 8, 2021; and

    (b) a material change report dated March 9, 2021.

14. As required by National Instrument 81-107 *Independent Review Committee for Investment Funds*, the Manager presented the terms of the Merger to the independent review committee of the Terminating Fund (the **IRC**) for its review. The IRC determined that the Merger, if implemented, will achieve a fair and reasonable result for the Terminating Fund.

15. The Manager convened a special meeting of the unitholders of the Terminating Fund in order to seek the approval of the unitholders of the Terminating Fund to complete the Merger (the **Meeting**), as required by paragraph 5.1(1)(f) of NI 81-102. The Meeting was held on April 26, 2021 and a majority of the unitholders of the Terminating Fund approved the Merger.

16. The Manager has concluded that the Merger is not a material change to the Continuing Fund, and accordingly, there is no intention to convene a meeting of unitholders of the Continuing Fund to approve the Merger pursuant to paragraph 5.1(1)(g) of NI 81-102.

17. By way of order dated July 28, 2017, the Manager was granted relief (the **Notice-and-Access Relief**) from the requirement set out in paragraph 12.2(2)(a) of NI 81-106 to send a printed management information circular to unitholders while proxies are being solicited, and, subject to certain conditions, instead allows a notice-and-access document (as described in the Notice-and-Access Relief) to be sent to such unitholders. In accordance with the Manager's standard of care owed to the Terminating Fund pursuant to securities legislation, the Manager will only use the notice-and-access procedure for a particular meeting where it has concluded it is appropriate and consistent with the purposes of notice-and-access (as described in the Companion Policy to NI 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*) to do so, also taking into account the purpose of the Meeting and whether the Terminating Fund would obtain a better participation rate by sending the management information circular with the other proxy-related materials.

18. Pursuant to requirements of the Notice-and-Access Relief, a notice-and-access document and applicable proxies in connection with the Meeting, along with the ETF facts of the Continuing Fund, were mailed to unitholders on or about March 24, 2021 and, concurrently, were filed via SEDAR. The management information circular (the **Circular**), which the notice-and-access document provides a link to, were filed via SEDAR at the same time.

19. It is intended that the Merger will occur after the close of business on or about May 7, 2021 (the **Effective Date**). The Manager therefore anticipates that each unitholder of the Terminating

Fund will become a unitholder of the Continuing Fund after the close of business on the Effective Date. The Terminating Fund will be wound-up as soon as reasonably possible following the Merger.

20. The tax implications of the Merger as well as the differences between the Terminating Fund and the Continuing Fund and the IRC's recommendation of the Merger are described in the Circular, so that unitholders may make an informed decision before voting on whether to approve the Merger. The Circular also describes the various ways in which unitholders can obtain a copy of the prospectus of the Continuing Fund.

21. Any unitholder of the Terminating Fund who does not wish to participate in the Merger had the opportunity to surrender his or her units for redemption prior to the Effective Date, such right being subject to the approval of the Merger (the **Merger Redemption Right**). The redemption price will be paid in U.S. dollars and redeeming unitholders will receive a redemption price per Class A unit equal to 100% of the net asset value per Class A unit as determined on the Effective Date, less any costs and expenses incurred by the Terminating Fund in order to fund such redemption. This Merger Redemption Right was described in the Circular.

22. The costs of effecting the Merger (consisting primarily of legal and regulatory fees, and proxy solicitation, printing and mailing costs) will be borne by the Manager.

23. No sales charges will be payable by unitholders of the Terminating Fund in connection with the Merger.

24. The investment portfolio and other assets of the Terminating Fund to be acquired by the Continuing Fund in order to effect the Merger are currently, or will be, acceptable, on or prior to the Effective Date, to the portfolio manager of the Continuing Fund and are, or will be, consistent with the investment objective of the Continuing Fund.

Merger Steps

25. The specific steps to implement the Merger are as follows:

    (a) The value of the Terminating Fund's investment portfolio and other assets will be determined at the close of business on the effective date of the Merger in accordance with the constating documents of the Terminating Fund.

    (b) The Manager does not expect any income or capital gains distributions to be made to unitholders of the Terminating Fund or the Continuing Fund.

    (c) The Terminating Fund will transfer substantially all of its assets to the Continuing Fund. In return, the Continuing Fund will issue to the Terminating Fund U.S. dollar-denominated unhedged units of the Continuing Fund (TSX: BTCX.U) (the **ETF US$ Series Units**) having an aggregate net asset value equal to the value of the assets transferred to the Continuing Fund.

    (d) The Continuing Fund will not assume liabilities of the Terminating Fund and the Terminating Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the effective date of the Merger.

    (e) Immediately thereafter, the ETF US$ Series Units received by the Terminating Fund will be distributed to unitholders of the Terminating Fund in exchange for their units in the Terminating Fund on a dollar-for-dollar basis.

    (f) The Terminating Fund's units will be de-listed from the TSX and the Terminating Fund will cease to be a reporting issuer in each of the provinces and territories of Canada.

    (g) The Terminating Fund will be wound-up promptly following its Merger.

26. The result of the Merger will be that investors in the Terminating Fund will cease to be unitholders of the Terminating Fund and will become unitholders of the Continuing Fund, and the Continuing Fund will continue as an exchange-traded mutual fund listed on the TSX.

Benefits of the Merger

27. In the opinion of the Manager, the Merger will be beneficial to unitholders of the Terminating Fund for the following reasons:

    (a) the Continuing Fund has the benefit of posted two-way markets due to market-making activities by designated brokers and dealers. Accordingly, units of the Continuing Fund can be expected to trade at a market price approximately equal to their intrinsic net asset value. In comparison, the Terminating Fund's trading price per unit typically differs from its net asset value per unit, at times materially, without the redemption / creation feature of an exchange-traded fund or ETF.

    (b) the Continuing Fund will have continuous opportunities to increase its asset base

(as compared to a closed-end fund), thereby providing it with the potential to achieve the benefits of economies of scale by spreading its operating costs over more units; and

(c) the Terminating Fund and the Continuing Fund are subject to the same annual management fee of 0.40%. Pursuant to a press release dated February 26, 2021, CI announced that the Terminating Fund's management fee would be reduced to match the management fee of the Continuing Fund when the Continuing Fund was launched (which occurred on March 9, 2021).

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Merger Approval is granted.

"Darren McKall"
Manager, Investment Funds and Structured Products Branch
Ontario Securities Commission

2.1.10 Northwest & Ethical Investments L.P.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from sections 2.5(2)(a) and 2.5(2)(c) of National Instrument 81-102 Investment Funds to permit mutual funds to invest up to 10% of net asset value in commodity ETFs traded on U.S. stock exchanges.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.5(2)(a), 2.5(2)(c) and 19.1.

March 30, 2020

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
NORTHWEST & ETHICAL INVESTMENTS L.P.
(NEI)

AND

IN THE MATTER OF
THE FUNDS
(as defined below)

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filer (as defined below) in respect of any Existing and Future Funds (as defined below) managed and advised by NEI or an affiliate thereof (together, the **Filer**) and to which National Instrument 81-102 Investment Funds (**NI 81-102**) applies, for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) pursuant to section 19.1 of NI 81-102 exempting each Fund (as defined below) from sections 2.5(2)(a) and 2.5(2)(c) of NI 81-102 to permit each Fund to invest in exchange traded funds (**ETFs**) traded on a stock exchange in the United States that do not qualify as "index participation units" (**IPUs**) (as defined in NI 81-102) (each referred to as an **Underlying ETF**) and that seek to provide daily results that replicate the daily performance of one or more Permitted Precious Metals (as defined below) on an unlevered basis, and/or the value of a specified

derivative the underlying interest of which is a Permitted Precious Metal on an unlevered basis.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(A) the Ontario Securities Commission is the principal regulator for the Application: and

(B) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 Passport System (**MI 11-102**) is intended to be relied upon in each of the provinces and territories of Canada other than the Jurisdiction (together with the Jurisdiction, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

The term **Future Funds** when used herein means investment funds that will be reporting issuers to which NI 81-102 applies and of which the Filer will act as manager and portfolio adviser in the future.

The term **Existing Funds** when used herein means investment funds that currently exist and of which the Filer currently acts as manager and portfolio adviser.

The term **Funds** when used herein means collectively the Future Funds and the Existing Funds (each, a **Fund**).

The term **Permitted Precious Metal** when used herein has the same meaning as defined in NI 81-102.

Representations

The decision is based on the following facts represented by the Filer:

Northwest & Ethical Investments L.P. and the Funds

1. The Filer is a limited partnership formed under the laws of Ontario with its head office in Toronto, Ontario. Northwest & Ethical Investments Inc., which is the general partner of the Filer, is a corporation formed under the laws of Ontario with its head office in Toronto, Ontario.

2. The Filer is registered as a portfolio manager and commodity trading manager in Ontario, an exempt market dealer in British Columbia, Ontario, Québec and Saskatchewan, and as an investment fund manager in British Columbia, Newfoundland and Labrador, Ontario and Québec.

3. The Filer is, or will be, the manager and portfolio manager of the Funds. The Filer may appoint one or more sub-advisors to provide the Filer with investment advice in respect of a Fund's investments in securities.

4. Each Existing Fund is, and each Future Fund will be: (a) an open-ended mutual fund established under the laws of the province of Ontario, (b) a reporting issuer under the laws of some or all of the provinces and territories of Canada, and (c) governed by the provisions of NI 81-102, subject to any relief therefrom granted by the securities regulatory authorities.

5. Securities of each Existing Fund are, and securities of each Future Fund will be, qualified for distribution in some or all of the provinces and territories of Canada under a simplified prospectus, annual information form and fund facts prepared in accordance with National Instrument 81-101 Mutual Fund Prospectus Disclosure ("NI 81-101") and filed with and receipted by the securities regulators in the applicable Jurisdiction(s).

6. None of the Filer or the Funds are in default of securities legislation in any Jurisdiction of Canada.

7. The investment objective and investment strategies of each Fund are, or will be, set out in the Fund's simplified prospectus and do, or will, permit the making of investments in the Underlying ETFs.

The Underlying ETFs

8. The Underlying ETFs are not subject to NI 81-102.

9. The securities of each Underlying ETF trade, or will trade, on a stock exchange in the United States.

10. The assets of Underlying ETFs consist primarily of one or more physical commodities, or derivatives that have an underlying interest in such physical commodity or commodities, the primary objective of which is to replicate the performance of the applicable commodity or commodities on an unlevered basis. These physical commodities will be Permitted Precious Metals.

Investment in the Underlying ETFs

11. The Funds propose to have the ability to invest in the Underlying ETFs, the securities of which are not IPUs.

12. An investment by a Fund in securities of an Underlying ETF will represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Fund.

13. Any regulatory concerns, such as undue risk, liquidity concerns or lack of transparency, in connection with investing in the Underlying ETFs are mitigated by the following facts:

    (a) The Underlying ETFs trade on a U.S. exchange and are generally relatively liquid. The Underlying ETFs will be

"registered" investment companies in the United States, which means that there will be clear disclosure about the Underlying ETFs readily available in the marketplace.

(b) The amount of loss that can result from an investment by a Fund in an Underlying ETF will be limited to the amount invested by the Fund in securities of the Underlying ETF.

(c) Investments by the Funds in Commodity ETFs will be very limited. In accordance with the investment strategies of the Funds, no more than 10% of the net asset value of the Fund will be invested in Underlying ETFs taken at market value at the time of purchase.

(d) The simplified prospectus of the Funds will disclose: (i) in the investment strategy section: (I) that the Funds have obtained relief to invest in securities of the Underlying ETFs; (II) an explanation of what this type of Underlying ETFs is; (III) that the Funds may indirectly invest in Permitted Precious Metals; and (ii) the risks associated with such investments.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision. The decision of the principal regulator under the Legislation is that:

The relief is granted, provided that:

(a) the investment by a Fund in securities of an Underlying ETF is in accordance with the fundamental investment objectives of the Fund:

(b) the securities of the Underlying ETFs are traded on a stock exchange in the United States:

(c) each Fund does not purchase securities of an Underlying ETF if, immediately after the transaction, more than 10% of the net asset value of the Fund, taken at market value at the time of the transaction, would consist of securities of Underlying ETFs:

(d) a Fund's market value exposure (whether direct or indirect, including through Underlying ETFs or any investment permitted under NI 81-102) to all physical commodities (including gold) does not exceed 10% of the net asset value of the Fund, taken at market value at the time of the transaction:

(e) the simplified prospectus of the Funds discloses, and the simplified prospectus of each Future Fund will disclose:

a. in the investment strategy section:

i. that the Fund has obtained relief to invest in securities of the Underlying ETFs;

ii. an explanation of what this type of Underlying ETF is; and

iii. that the Fund may indirectly invest in Permitted Precious Metals; and

b. the risks associated with such investments and strategies.

"Darren McKall"
Investment Funds and Structured Products Branch
Ontario Securities Commission

2.1.11 Caldwell Investment Management Ltd. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – One-time transfer of portfolio securities between two pooled funds, both advised by the same portfolio adviser, to implement a merger between the funds – Funds have substantially similar investment objectives and strategies and valuation policies – Costs of the merger borne by manager – Sale of securities exempt from the self-dealing prohibition in paragraph s. 13.5(2)(b)(iii), National Instrument 31–103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations.

Applicable Legislative Provisions

National Instrument 31–103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.5(2)(b)(iii) and 15.1.

November 20, 2020

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
CALDWELL INVESTMENT MANAGEMENT LTD.
(the Filer)

AND

CALDWELL ICM MARKET STRATEGY TRUST
(the Terminating Fund)

AND

CALDWELL GROWTH OPPORTUNITIES FUND
(the Continuing Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer, on behalf of the Filer, the Terminating Fund and the Continuing Fund (together with the Terminating Fund, the **Funds**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting the Filer and the Funds from subparagraph 13.5(2)(b)(iii) of National Instrument 31-103 *Registration Requirements Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) in connection with the transfer of the investment portfolio of the Terminating Fund to the Continuing Fund in order to implement the Merger (the **Merger**) of the Terminating Fund into the Continuing Fund (the **Exemption Sought**)

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) the Filer has provided notice that section 4.7 of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec and Newfoundland and Labrador.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning in this decision, unless otherwise defined.

Representations

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

The Filer

1. The Filer is a corporation incorporated under the laws of Ontario with its head office located in Toronto, Ontario.

2. The Filer acts as manager and portfolio manager of the Funds.

3. The Filer is registered as an investment fund manager and portfolio manager in Alberta, British Columbia, Manitoba, Ontario, Quebec, and Saskatchewan, and as an investment fund manager in Newfoundland and Labrador

4. The Filer is not a reporting issuer in any jurisdiction of Canada and is not in default of securities legislation in any jurisdiction.

The Funds

5. Each of the Terminating Fund and Continuing Fund is an open-end mutual fund trust established under the laws of Ontario. On November 21, 2018, the Manager gave notice to unitholders of the Terminating Fund of its intention to terminate the fund on November 21, 2019. On November 6, 2019, the Manager gave further notice that the termination date would be extended as a number of investments remained unsold. The Funds are not reporting issuers in any jurisdiction and are not subject to National Instrument 81-102 *Investment Funds*.

6. As notice has been provided to unitholders of the Terminating Fund, the Terminating Fund is neither redeeming nor offering units of the Fund. The Continuing Fund offers its units in all provinces and territories of Canada pursuant to available prospectus exemptions in accordance with National Instrument 45-106 *Prospectus and Registration Exemptions*.

7. The Funds are not in default of securities legislation in any jurisdiction.

8. The Continuing Fund is a "mutual fund trust" as defined in the *Income Tax Act* (Canada) (the **Tax Act**). The Terminating Fund is a "registered investment" as defined in the Tax Act.

The Merger

9. The Filer wishes to merge the Terminating Fund into the Continuing Fund on or about November 30, 2020 (the **Effective Date**), subject to receipt of all regulatory, and other, approvals. The Filer has decided to effect the Merger because of the similarities in the Funds' investment portfolios. More than half of the Terminating Fund's portfolio is invested in the same private companies as the Continuing Fund. The Merger will increase the overall size of the Continuing Fund generating cost efficiencies for unitholders, particularly in respect of costs associated with the private equity component of the portfolio. The combined larger portfolio will continue to provide unitholders a (larger) traditional and liquid portion of the portfolio and will increase the potential opportunities to acquire, for long-term investment, mid-stage private companies within the alternative portion of the portfolio. Following the Merger the Continuing Fund will continue to qualify as a "mutual fund trust" under the Tax Act.

10. Unitholders of the Terminating Fund were provided written notice on November 21, 2018, of the intention to terminate the Terminating Fund, after which the Filer, in its capacity as trustee of the Terminating Fund, commenced the orderly disposition of portfolio assets and made two cash distributions to unitholders in 2019.

11. Unitholders of the Funds have approved the Merger at a special meeting of unitholders held on September 29, 2020 (the **Meeting**). In connection with the Meeting, the Filer sent the unitholders of each Fund a notice of meeting, management information circular and a related form of proxy (collectively, the **Meeting Materials**).

12. The Meeting Materials included all relevant facts concerning the Merger and described ways in which the securityholders could obtain the most recent interim and annual financial statements.

13. There will be no change in management fees or performance fees paid by unitholders of the Terminating Fund as a result of the Merger.

14. No redemption fees, other fees or commissions will be payable by the Funds' unitholders in connection with the Merger. No sales charges will be payable in connection with the acquisition by the Continuing Fund of the Terminating Fund's investment portfolio.

15. The costs associated with the Merger will be paid by the Filer.

16. The Merger will be implemented on a taxable basis. The Filer anticipates that the transfer of the assets of the Terminating Fund to the Continuing Fund at their current market value will not give rise to material adverse income tax consequences due to loss carry-forwards of the Terminating Fund. The exchange of units of the Terminating Fund for units of the Continuing Fund will be a taxable disposition for purposes of the Tax Act, and, accordingly, a taxable unitholder who holds units of the Terminating Fund will generally realize a capital gain or capital loss in connection with the Merger. Approximately one-half of the accounts in which Terminating Fund units are held are tax-deferred or tax-sheltered 'registered' accounts.

17. The investment objectives and portfolios of the Continuing Fund and the Terminating Fund are similar and both Funds primarily invest in publicly traded and private company securities. The portfolio of assets of the Terminating Fund to be acquired by the Continuing Fund arising from the Merger will be consistent with the investment objectives of the Continuing Fund.

18. The NAV of each of the Funds is determined using the same valuation principles and the Funds have the same redemption policies.

19. The following steps will be carried out to effect the Merger:

    (a) the value of the Terminating Fund's investment portfolio and other assets will be determined at the close of business on the Effective Date of the Merger in accordance with its declaration of trust;

    (b) the Continuing Fund will acquire the portfolio assets and other assets of the Terminating Fund in exchange for units of the Continuing Fund;

    (c) the Continuing Fund will not assume the liabilities of the Terminating Fund and the Terminating Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the date of the Merger;

    (d) the units of the Continuing Fund received by the Terminating Fund will have an aggregate NAV equal to the value of the

Terminating Fund's portfolio assets and other assets that the Continuing Fund is acquiring, which units will be issued at the applicable NAV per security as of the close of business on the effective date of the Merger;

(e) if necessary, the Terminating Fund will distribute a sufficient amount of its income and capital gains, if any, to ensure that the Terminating Fund will not be liable for income tax under Part I of the Tax Act, other than alternative minimum tax, for its current taxation year. Currently, it is expected that there will not be any distributions by the Terminating Fund;

(f) immediately thereafter, the units of the Continuing Fund received by the Terminating Fund will be distributed to unitholders of the Terminating Fund on a dollar-for-dollar basis in exchange for their units in the Terminating Fund; and

(g) as soon as reasonably possible following the Merger, the Terminating Fund will be wound up.

20. Although the Funds are not subject to National Instrument 81-107 *Independent Review Committee for Investment Funds*, the Filer presented the Merger to the independent review committee (**IRC**). The IRC concluded the Merger would achieve a fair and reasonable result for unitholders.

21. The board of directors of the Filer has determined that the Merger is in the best interests of the Funds and has approved the Merger, subject to obtaining the Exemption Sought.

22. The Merger is not considered a material change for the Continuing Fund.

23. The assets of the Funds will be valued in accordance with the valuation policies and procedures outlined in the declaration of trust of each Fund, and, at this value, the assets of the Terminating Fund will subsequently be exchanged for units of the Continuing Fund as described above.

24. An independent external valuator was engaged to provide valuation support in respect of management's determination of the fair value of the Terminating Fund's illiquid assets that are priced manually by the Filer and are not also held by the Continuing Fund, but are being purchased by the Continuing Fund and are being purchased by conducting a review in accordance with the Practice Standards of the Canadian Institute of Chartered Business Valuators (the **Independent Valuation Report**). An Independent Valuation Report concluded that, based on the scope of the review and subject to assumptions, restrictions, restrictions and qualifications set out therein, the Filer's valuation conclusions regarding the illiquid assets covered by the Independent Valuation Report were reasonable and suitable for their stated purpose.

25. The transfer of the assets of the Terminating Fund to the Continuing Fund will not adversely impact the liquidity of the Continuing Fund.

26. The Filer believes that the Merger is in the best interests of unitholders of the Funds for the following reasons:

(a) the Continuing Fund is a "mutual fund trust" as defined in the Tax Act;

(b) units of the Terminating Fund are held by registered accounts. Units of the Continuing Fund which will be received on the Merger are "qualified investments" for such registered accounts. Certain assets held by the Terminating Fund are not qualified investments. If the Merger did not take place and these assets were distributed in specie, there would be adverse tax consequences to registered accounts on acquiring such assets;

(c) following the Merger, the Continuing Fund will have more assets, thereby allowing for increased portfolio diversification opportunities and operational cost efficiencies; and

(d) the Continuing Fund will benefit from its larger profile in the marketplace.

27. The portfolio securities and other assets of the Terminating Fund will be transferred from the Terminating Fund to the Continuing Fund in accordance with the steps described above. Because the transfer of portfolio securities and assets will take place at a value determined by common valuation procedures and the issue of units will be based upon the relative net asset value of the portfolio securities and other assets received by the Continuing Fund and notice has been provided to unitholders and the Merger has been reviewed by the IRC to opine on its achieving a fair and reasonable result for unitholders, it is the Filer's submission that any potential conflict of interest has been adequately addressed and as a result, there is no conflict of interest for the Filer in effecting the Merger.

28. The sale of the assets of the Terminating Fund to the Continuing Fund, and the corresponding purchase of such assets by the Continuing Fund, as a step in the Merger may be considered a purchase or sale of securities, knowingly caused by a registered adviser that manages the investment

portfolios of both Funds, from the Terminating Fund to, or by the Continuing Fund from, an investment fund for which a "responsible person" acts as an adviser, contrary to subparagraph 13.5(2)(b)(iii) of NI 31-103.

29. Unless the Exemption Sought is granted, the Filer would be prohibited from knowingly causing the units of the Terminating Fund to be transferred to the Continuing Fund in connection with the Merger.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted.

"Darren McKall"
Manager, Investment Funds and Structured Products Branch
Ontario Securities Commission

2.1.12 Algonquin Capital Corporation

Headnote

National Policy 11-203 Process for Exemptive Relief Application in Multiple Jurisdictions – Relief granted from the self-dealing provision in subsection 4.2(1) of National Instrument 81-102 Investment Funds to permit inter-fund trades in debt securities between investment funds subject to NI 81-102 and pooled funds managed by the same manager or its affiliates – Inter-fund trades will comply with the conditions in subsection 6.1(2) of NI 81-107 Independent Review Committee for Investment Funds, including the requirement for independent review committee approval.

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from paragraph 13.5(2)(b) of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations to permit inter-fund trading between public funds, pooled funds and managed accounts managed by the same manager or its affiliate – Relief subject to conditions, including independent review committee approval and pricing requirements – Exemption also granted from conflict of interest trading prohibition in paragraph 13.5(2)(b) to permit in-specie subscriptions and redemptions by separately managed accounts and pooled funds – Relief subject to conditions.

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from section 6.1 of National Instrument 81-102 Investment Funds that all portfolio assets of an investment fund must be held under the custodianship of one custodian – Relief needed because plain reading of exemption in section 6.8.1 of NI 81-102 from the requirement in section 6.1 of NI 81-102 results in unintended consequences – Relief subject to conditions – Relief also granted from the single custodian requirement to permit the use of more than one custodian for securities lending purposes – Relief is required to appoint a securities lending agent that is not a custodian or sub-custodian of the funds – Additional custodians will meet all the Part 6 (except Part 6.1(1)) requirements of National Instrument 81-102 Investment Funds – Additional custodians will only act as custodian and securities lending agent for securities of the funds transferred to them.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements and Exemptions, ss. 13.5 and 15.1.
National Instrument 81-102 Investment Funds – ss. 4.2(1), 6.1, 6.8.1, and 19.1.
National Instrument 81-107 Independent Review Committee for Investment Funds, s. 6.1(2).

January 19, 2021

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
ALGONQUIN CAPITAL CORPORATION
(the Filer)

AND

IN THE MATTER OF
THE FUNDS
(as defined below)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer, on behalf of each of the Filer, the NI 81-102 Funds (as defined below), and Pooled Funds (as defined below) for a decision under the securities legislation of the Jurisdiction (the **Legislation**):

(1) exempting the Filer and NI 81-102 Funds from the requirement set out in subsection 6.1(1) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) in order to permit the Filer and the NI 81-102 Funds to appoint more than one custodian, each of which is qualified to be a custodian under section 6.2 of NI 81-102 and each of which is subject to all of the other requirements in Part 6 of NI 81-102 other than the prohibition against the Funds appointing more than one custodian in subsection 6.1(1) of NI 81-102 (the **Custodian Relief**);

(2) exempting the Filer and the NI 81-102 Funds from the prohibition in section 4.2(1) of NI 81-102 in order to permit the NI 81-102 Funds to purchase debt securities from, or sell debt securities to the Pooled Funds (the **Section 4.2(1) Relief**);

(3) exempting the Filer and the Funds from prohibitions in section 13.5(2)(b)(ii) and (iii) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) in order to permit:

a. a Pooled Fund to purchase securities from or sell securities to a Fund;

b. a Managed Account (as defined below) to purchase securities from or sell securities to a Fund; and

c. a NI 81-102 Fund to purchase securities from or sell securities to a Fund;

((a), (b), and (c) are collectively the **InterFund Trading Relief**); and

d. *In-specie* subscriptions and redemptions (each subscription or redemption an *In-specie Transfer*) by a:

i. Managed Account in relation to a NI 81-102 Fund or a Pooled Fund; and

ii. a Pooled Fund in relation to another Pooled Fund or a NI 81-102 Fund

(collectively, the ***In-specie* Transfer Relief**)

(4) exempting the Filer and the NI 81-102 Funds from the requirement in subsection 6.1(1) of NI 81-102 in order to permit the Filer and the NI 81-102 Funds to deposit portfolio assets with a borrowing agent that is not an NI 81-102 Fund's custodian or sub-custodian in connection with a short sale of securities whereby the aggregate market value of the portfolio assets held by the borrowing agent after such deposit, excluding the aggregate market value of the proceeds from outstanding short sales of securities held by the borrowing agent exceeds: (i) 10% of the net asset value of a mutual fund that is not an Alternative Mutual Fund and (ii) 25% of the net asset value of an Alternative Mutual Fund (the **Short Sale Collateral Limit**) at the time of the deposit (the **Short Sale Collateral Relief**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* is intended to be relied upon in each of the other provinces and territories of Canada.

Interpretation

Unless otherwise defined herein, terms in this decision have the respective meanings given to them in National Instrument 14-101 *Definitions*. The following additional terms shall have the following meanings:

Alternative Mutual Fund means an alternative mutual fund as defined in NI 81-102.

Clients means pension plans, endowments, trusts, insurance companies, corporation, mutual funds, individuals, and other entities to whom the Filer offers, or may offer, discretionary portfolio management services through a Managed Account (as defined below).

Discretionary Management Agreement means a written agreement between the Filer and a Client seeking wealth management or related service.

Funds means, collectively, the NI 81-102 Funds and the Pooled Funds.

***In-specie* Transfer** means causing a Managed Account or a Pooled Fund to deliver portfolio securities to a Fund, in respect of the purchase of securities of the Fund by the Managed Account or Pooled Fund, or to receive portfolio securities from the investment portfolio of a Fund in respect of a redemption of securities of the Fund by the Managed Account or Pooled Fund.

Managed Account means an account managed by the Filer for a Client that is not a responsible person and over which the Filer has discretionary authority.

NI 81-102 Funds means Algonquin Fixed Income 2.0 Fund, and any investment fund to be established in the future, that is a reporting issuer and subject to NI 81-102, for which the Filer acts as manager and/or portfolio adviser.

Pooled Funds means Algonquin Debt Strategies Fund LP, and any investment fund to be established in the future, that is not a reporting issuer, to which NI 81-102 does not apply, for which the Filer acts as manager and or portfolio/adviser.

Prime Broker means any entity that acts as a lender or borrowing agent, as the case may be, to a NI 81-102 Fund.

Securities Lending Agreements means agreements which effect securities lending, repurchase or reverse repurchase transactions between a NI 81-102 Fund, as lender of the securities, third party borrowers and the NI 81-102 Fund's securities lending agent.

Representations

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

The Filer

1. The Filer is a corporation existing under the *Business Corporations Act* (Ontario), with its head office in Toronto, Ontario.

2. The Filer is registered with the Ontario Securities Commission in the categories of investment fund manager, portfolio manager and exempt market dealer. The Filer is also registered as an exempt market dealer in Alberta, British Columbia, Manitoba and Nova Scotia and an exempt market dealer and investment fund manager in Québec and Newfoundland and Labrador.

3. The Filer is not a reporting issuer in any jurisdiction and is not in default of securities legislation of any jurisdiction of Canada.

4. The Filer acts, or will act, as manager and/or portfolio adviser of each of the Funds.

The Funds

5. Each of the NI 81-102 Funds is, or will be, organized as a trust established under the laws of the Province of Ontario or another jurisdiction, and a reporting issuer under the laws of one or more provinces and territories of Canada.

6. Each of the Pooled Funds is, or will be, organized as a limited partnership or a trust established under the laws of the Province of Ontario or another jurisdiction.

7. The securities of the Pooled Funds are and will be distributed on a private placement basis pursuant to available prospectus exemptions. Each Pooled Fund will not be a reporting issuer under the laws of any provinces or territories of Canada.

8. Algonquin Fixed Income 2.0 Fund and Algonquin Debt Strategies Fund LP are not in default of securities legislation in any jurisdiction of Canada.

The Managed Accounts

9. The Filer will offer discretionary portfolio management services to Clients seeking wealth management or related services under Discretionary Management Agreements between the Clients and the Filer.

10. Pursuant to the Discretionary Management Agreement entered into with each Client, the Client will appoint the Filer to act as portfolio manager in connection with an investment portfolio of the Client with full discretionary authority to trade in securities for the Managed Account without obtaining the specific consent or instructions of the Client to execute the trade.

11. Investments in individual securities may not be appropriate in certain circumstances for a Client. Consequently, the Filer may, where authorized under the Discretionary Management Agreement, from time to time, invest the assets in a Client's Managed Account in securities of any one or more of the Funds in order to give such Client the benefit of asset diversification and economies of scale regarding minimum commission charges on portfolio trades and generally to facilitate portfolio management.

The Custodian Relief

12. The Filer would like the flexibility for each NI 81-102 Fund to engage Prime Brokers as additional custodians provided that such Prime Brokers are qualified to act as custodian under subsection 6.2(3) of NI 81-102 (each, an **Additional Custodian**). The Filer and any Additional Custodians would be subject to all requirements applicable to custodians under Part 6 of NI 81-102, other than the requirement in subsection 6.1(1) of NI 81-102 that there only be one custodian. The Filer is requesting the Custodian Relief in order to provide additional flexibility for the NI 81-102 Funds to engage in the short selling of securities under Section 6.8.1 of NI 81-102, as portfolio assets deposited with a borrowing agent that is the custodian or a sub-custodian of the Fund are not subject to the 10% and 25% of the net asset value limitations in subparagraph 6.8.1(1)(a) and 6.8.1(1)(b), respectively.

13. An Additional Custodian may also be appointed as a securities lending agent of the NI 81-102 Funds and, in such circumstances, would provide the NI 81-102 Funds with the opportunity to enter into a greater number of Securities Lending Agreements than would be the case with a single custodian and would therefore have the potential to increase revenues of the NI 81-102 Funds from securities lending activities.

14. Prime Brokers are not widely appointed as sub-custodians by custodians under NI 81-102 as it can be operationally challenging for the custodian and the Filer to appoint them to act in such capacity. This is especially true in circumstances where the custodian of a Fund is a Prime Broker.

15. If the Custodian Relief is granted, an Additional Custodian's responsibility for custody of the NI 81-102 Funds' assets will apply only to the assets held by the Additional Custodian on behalf of the NI 81-102 Funds (the **Relevant Assets**). The custodial arrangements between the NI 81-102 Funds and each Additional Custodian will comply with the requirements of Part 6 of NI 81-102 other than subsection 6.1(1).

16. Any Additional Custodian will meet the requirements of NI 81-102 to act as a custodian for an investment fund and will have experience acting as custodian of the assets of public investment funds governed by NI 81-102. As custodian of the Relevant Assets, an Additional Custodian will comply with the standard of care applicable to qualified custodians under Section 6.6 of NI 81-102, will hold the Relevant Assets in the name of the applicable Fund in accordance with Section 6.5 of NI 81-102 and will include the provisions prescribed in Section 6.4 of NI 81-102 in its custodial agreement with the Filer and the NI 81-102 Funds. Each Additional Custodian will complete the review and provide compliance reports to the Filer as contemplated in Section 6.7 of NI 81-102.

17. The ability to terminate an Additional Custodian as custodian of the Relevant Assets of an NI 81-102 Fund at any time without cause on written notice will ensure that the Filer maintains ultimate control over all of the portfolio assets of the NI 81-102 Funds and can restore all assets to the custody of the Custodian at any time if the Filer considers it to be in the best interests of the NI 81-102 Funds and their respective unitholders to do so.

18. The appointment of an Additional Custodian should not have an impact on the safety of the portfolio assets of the NI 81-102 Funds because any Additional Custodian will meet the requirements of NI 81-102 to act as a custodian for an investment fund and will have experience acting as custodian of the assets of public investment funds governed by NI 81-102.

19. Upon receipt of the Custodian Relief and appointment of an Additional Custodian, the Filer will provide notice of the appointment of any Additional Custodian to unitholders and amend the Prospectus and AIF of the applicable NI 81-102 Funds to include disclosure regarding the Custodial Relief and particulars of the appointment of an Additional Custodian of the NI 81-102 Funds with respect to the Relevant Assets.

The InterFund Trading Relief

20. The Filer wishes to effect purchases and sales of debt securities between:

(a) a NI 81-102 Fund and another NI 81-102 Fund, a Pooled Fund or a Managed Account;

(b) a Pooled Fund and another Pooled Fund, a NI 81-102 Fund or a Managed Account; and

(c) a Managed Account and a Pooled Fund or a NI 81-102 Fund;

(each an **InterFund Trade**).

21. Different sections of NI 31-103, NI 81-102, and NI 81-107 impose different prohibitions and exceptions on different types of Funds with respect to InterFund Trades.

22. The Funds trade debt securities that are typically not subject to public quotations therefore the Filer is unable to rely on the exception in section 4.3(1) of NI 81-102. The Pooled Funds are not subject to National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**) and therefore the Filer cannot rely on Section 4.3(2) of NI 81-102 that permits an NI 81-102 Fund to purchase debt securities from or sell debt securities to an entity that would otherwise be prohibited by Section 4.2 of NI 81-102 where certain conditions are met, including a condition that the NI 81-102 Fund is purchasing from, or selling to, another investment fund to which NI 81-107 applies.

23. The Filer has submitted that because of the various investment objectives and investment strategies utilized by the Funds and Managed Accounts, it may be appropriate for different investment portfolios to acquire or dispose of the same securities directly, rather than with a third party. Authorizing the Inter-Fund Trades may result in such benefits as lower trading costs, reduced market disruption and quicker execution.

24. The Filer has determined that it would be in the best interests of the Funds and Managed Accounts to receive the InterFund Trading Relief because making the Funds and Managed Accounts subject to the same set of rules governing the execution of InterFund Trades will result in:

(a) cost and timing efficiencies in respect of the execution of InterFund Trades; and

(b) simplified and more efficient monitoring thereof, for the Filer in connection with the execution of InterFund Trades.

25. At the time of an InterFund Trade, the Filer will have policies and procedures in place to enable the applicable Funds and Managed Accounts to engage in InterFund Trades.

26. The Filer has established, or will establish, an independent review committee (**IRC**) in respect of a NI 81-102 Fund in accordance with the requirement of NI 81-107.

27. The Filer, as manager of each Pooled Fund, will establish an IRC in respect of each Pooled Fund to review and provide its approval for any proposed InterFund Trades between a Pooled Fund and another Fund or a Managed Account.

28. The IRC of the Pooled Funds will be composed by the manager of the Pooled Funds in accordance with section 3.7 of NI 81-107 and the IRC will be subject to, and have the protections of, each of the provisions set out in section 3.9 of NI 81-107, as if the Pooled Funds were subject to NI 81-107. The mandate of the IRC will be to review transactions contemplated in the Section 4.2(1) Relief, the InterFund Trading Relief, and the *In-Specie* Transfer Relief. The IRC of the Pooled Funds will not approve an Inter-Fund Trade or an *In-Specie* Transfer unless it has made the determination set out in subsection 5.2(2) of NI 81-107.

29. InterFund Trades by the NI 81-102 Funds will be referred to the IRC of the NI 81-102 Funds as contemplated by section 5.2(1) of NI 81-107. The Filer, as manager of an NI 81-102 Fund, and the IRC of the NI 81-102 Fund, will comply with section 5.4 of NI 81-107 in respect to any standing instructions the IRC has provided in connection with the InterFund Trades. The IRC of the NI 81-102 Funds will not approve such purchase or sale transactions unless it has made the determinations set out in subsection 5.2(2) of NI 81-107.

30. Each InterFund Trade will be consistent with the fundamental investment objectives and in compliance with the investment restrictions of the relevant Funds or Managed Account engaged in the trade.

31. Prior to engaging in InterFund Trades on behalf of a Managed Account, each Discretionary Management Agreement or other documentation will contain the authorization of the Client for the portfolio manager of the Managed Account to engage in InterFund trades.

32. InterFund trades will be engaged in accordance with the following procedures:

    (a) the Filer, as the portfolio manager, will deliver the trade instruction in respect of a purchase or sale of a debt security by a Fund or Managed Account, as applicable (**Party A**), to a trader on the Filer's trading desk;

    (b) the Filer, as the portfolio manager, will deliver the trade instruction in respect of a purchase or sale of a debt security by another Fund or Managed Account, as applicable (**Party B**), to a trader on the Filer's trading desk;

    (c) the trader on the Filer's trading desk will have the discretion to execute the trade as an InterFund Trade between Party A and Party B, prior to the execution of the trade;

    (d) the policies applicable to the Filer's trading desk will require that all orders are to be executed in a timely manner and orders will remain open only for 30 days unless the Filer, as portfolio manager, cancels the order sooner; and

    (e) upon execution of the trade, the trader on the Filer's trading desk will advise the portfolio manager of the price at which the Inter-Fund Trade occurred.

33. If the IRC of an NI 81-102 Fund becomes aware of an instance where the Filer as the manager of the Fund, did not comply with the terms of this decision, or a condition imposed by the securities legislation or the IRC in its approval, the IRC of such NI 81-102 Fund will, as soon as practicable, notify in writing the securities regulatory authority or regulator in the jurisdiction under which the Fund is organized.

In-specie Transfer Relief

34. The Filer may wish to, or otherwise be required to, deliver portfolio securities held in a Managed Account or Pooled Fund to a Fund in respect of a purchase of units or shares of the Fund (**Fund Securities**), and may wish to, or otherwise be required to, receive portfolio securities from a Fund in respect of a redemption of Fund Securities by a Managed Account or Pooled Fund. As the Filer is, or may be, the portfolio manager of the Funds and is, or may be, the portfolio manager of the Managed Accounts, the Filer would be considered a 'responsible person' within the meaning of NI 31-103.

35. As the Filer is, or may be in the future, the trustee of a Fund which is organized as a trust, each such Fund may be an 'associate' of the Filer, and accordingly, absent the grant of the *In-specie* Transfer Relief, the Filer would be precluded by the provisions of section 13.5(2)(b)(ii) of NI 31-103 from effecting the *In-specie* Transfers in such circumstances. As the Filer is, or will be, a registered adviser, and is or will be the manager and/or portfolio manager of the Funds and is, or will be, the portfolio manager of the Managed Accounts, absent the grant of the *In-specie* Transfer Relief, the Filer would be precluded by section 13.5(2)(b)(iii) of NI 31-103 from effecting the *In-specie* Transfers.

36. Each Discretionary Management Agreement or other documentation will contain the authorization of the Client for the Filer to engage in *In-specie* Transfers on behalf of the Managed Account.

37. The only cost which will be incurred by a Managed Account or a Fund for an *In-specie* Transfer is a nominal administrative charge levied by the custodian of the relevant Fund in recording the trades.

38. The Filer, as manager of the Funds, will value the securities transferred under an *In-specie* Transfer on the same valuation day on which the purchase price or redemption price of the Fund Securities of a Fund is determined. With respect to the purchase of Fund Securities of a Fund, the securities transferred to a Fund under an *In-specie* Transfer in satisfaction of the purchase price of those Fund Securities will be valued as if the securities were portfolio assets of the Fund, as contemplated by section 9.4(2)(b)(iii) of NI 81-102. With respect to the redemption of Fund Securities of a Fund, the securities transferred to a Managed Account or Pooled Fund in satisfaction of the redemption price of those Fund Securities will have a value equal to the amount at which those securities were valued in calculating the net asset value per security used to establish the redemption price of the Fund Securities of the Fund, as contemplated by section 10.4(3)(b) of NI 81-102.

39. Should any *In-specie* Transfer contemplated specifically by the *In-specie* Transfer Relief, involve the transfer of an "illiquid asset" (as defined in NI 81-102), the Filer will obtain at least one quote for the asset from an independent arm's length purchaser or seller, immediately before effecting the *In-specie* Transfer.

40. *In-specie* Transfers will be subject to (i) compliance with the written policies and procedures of the Filer respecting *In-specie* Transfers that are consistent with applicable securities legislation, and (ii) the oversight of the Chief Compliance Officer of the Filer to ensure that the transaction represents the business judgment of the Filer acting in its discretionary capacity with respect to the Fund and the Managed Account, uninfluenced by considerations other than the best interests of the Fund and Managed Account.

The Short Sale Collateral Relief

41. As part of its investment strategy, each NI 81-102 Fund that engages in short sales of securities is permitted to grant a security interest in favour of and to deposit pledged portfolio assets with its Prime Broker. If a Fund engages as its Prime Broker an entity that is not its custodian or sub-custodian, then a NI 81-102 Fund may only deliver to its Prime Broker portfolio assets having a market value, in the aggregate, of not more than (i) 10% of the net asset value of a mutual fund that is not an Alternative Mutual Fund and (ii) 25% of the net asset value of an Alternative Mutual Fund at the time of deposit.

42. A Prime Broker may not wish to act as the borrowing agent for a mutual fund that is not an Alternative Mutual Fund that wants to sell securities short that have an aggregate market value of up to 20% of that fund's net asset value, if the Prime Broker is only permitted to hold, as security for such transactions, portfolio assets having an aggregate market value that is not in excess of 10% of the net asset value of the mutual fund that is not an Alternative Mutual Fund. This issue is even greater in the context of an Alternative Mutual Fund, as a counterparty may not wish to act as the Prime Broker for an Alternative Mutual Fund that wants to sell securities short that have an aggregate market value of up to 50% of the Alternative Mutual Fund's net asset value if the Prime Broker is only permitted to hold, as security for such transactions, portfolio assets having an aggregate market value that is not in excess of 25% of the net asset value of the Alternative Mutual Fund.

43. As a result of the Short Sale Collateral Limit, the NI 81-102 Funds are required to engage numerous Prime Brokers in order to fully utilize the ability of the NI 81-102 Funds to engage in short selling of securities. Managing and overseeing relationships with multiple Prime Brokers introduces unnecessary operational and administrative complexities and additional potential costs to a Fund.

44. Prime Brokers that are qualified to act as a custodian or sub-custodian under NI 81-102 are not widely appointed as custodians or sub-custodians under NI 81-102 as it can be operationally challenging and costly to appoint them to act in such capacity.

45. Given the typical collateral requirements that Prime Brokers impose on their customers who engage in the short sale of securities, if the Short Sale Collateral Limit is applied, the NI 81-102 Funds would need to retain multiple Prime Brokers in order to sell short securities to the extent permitted under Section 2.6.1 of NI 81-102. This would result in inefficiencies for the NI 81-102 Funds and would increase their costs of operations.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that:

1. The Custodian Relief is granted provided that the following conditions are met:

    (a) a single entity reconciles all the portfolio assets of the NI 81-102 Fund and provides the NI 81-102 Fund with valuation and unitholder recordkeeping services and will complete daily reconciliations amongst the custodians before calculating a daily net asset value;

    (b) the Filer maintains such operational systems and processes, as between two or more custodians and the single entity referred to in part (a) above, in order to keep a proper reconciliation of all the portfolio assets that will move amongst the custodians, as appropriate; and

    (c) each Additional Custodian will act as custodian and securities lending agent only for the portion of portfolio assets of the NI 81-102 Fund transferred to it.

2. The Section 4.2(1) Relief is granted provided that the following conditions are satisfied:

    (a) the transaction is consistent with the investment objectives of each of the Funds involved in the trade;

    (b) the IRC of each Fund involved in the trade has approved the transaction in respect of that Fund in accordance with the terms of subsection 5.2(2) of NI 81-107; and

    (c) the transaction complies with paragraph (c) to (g) of subsection 6.1(2) of NI 81-107.

3. The InterFund Trading Relief is granted provided that the following conditions are met:

   (a) the InterFund Trade is consistent with the investment objectives of the Fund or Managed Account, as applicable;

   (b) the Filer, as manager of a Fund, refers the InterFund Trade involving a Fund to the IRC of that Fund in the manner contemplated by section 5.1 of NI 81-107 and the Filer and the IRC of the Fund comply with section 5.4 of NI 81-107 in respect of any standing instructions an IRC provides in connection with the Inter-Fund Trade;

   (c) in the case of an InterFund Trade between Funds:

      (i) the IRC of each Fund has approved the InterFund Trade in respect of the Fund in accordance with the terms of subsection 5.2(2) of NI 81-107; and

      (ii) the InterFund trade complies with paragraphs (c) to (g) of section 6.1(2) of NI 81-107.

   (d) in the case of an InterFund Trade between a Managed Account and a Fund:

      (i) the IRC of the Fund has approved the InterFund Trade in respect of such Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;

      (ii) the Discretionary Management Agreement or other documentation in respect of the Managed Account authorizes the InterFund Trade; and

      (iii) the InterFund trade complies with paragraphs (c) to (g) of section 6.1(2) of NI 81-107.

4. The *In-specie* Transfer Relief is granted provided that the following conditions are met:

   (a) If the transaction is the purchase of Fund Securities of a Fund by a Managed Account:

      (i) in respect of the *In-specie* Transfer Relief as it applies to purchases of Fund Securities of an NI 81-102 Fund by a Managed Account:

         I. the Filer as manager of the NI 81-102 Fund, obtains the approval of the IRC of the NI 81-102 Fund in respect of an *In-specie* Transfer in accordance with the terms of subsection 5.2(2) of NI 81-107; and

         II. the Filer as manager of the NI 81-102 Fund, and the IRC, comply with the requirements of section 5.4 of NI 81-107 for any standing instructions the IRC provides in respect of an *In-specie* Transfer;

      (ii) the Filer obtains the prior written consent of the Client of the Managed Account before it engages in any *In-specie* Transfer in connection with the purchase of Fund Securities of the Fund;

      (iii) the Fund would, at the time of payment, be permitted to purchase the portfolio securities held by the Managed Account;

      (iv) the portfolio securities are acceptable to the Filer, as portfolio manager of the Fund and consistent with the Fund's investment objectives;

      (v) the value of the portfolio securities sold to the Fund by the Managed Account is equal to the issue price of the Fund Securities of the Fund for which they are used as payment, valued as if the securities were portfolio assets of that Fund;

      (vi) the account statement next prepared for the Managed Account will include a note describing the portfolio securities delivered to the Fund and the value assigned to such securities; and

      (vii) the Fund keeps written records of all *In-specie* Transfers during the financial year of the Fund, reflecting details of the portfolio securities delivered to the Fund and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;

(b) If the transaction is the redemption of Fund Securities of a Fund by a Managed Account:

(i) in respect of the *In-specie* Transfer Relief as it applies to redemptions of Fund Securities of an NI 81-102 Fund by a Managed Account:

I. the Filer, as manager of the NI 81-102 Fund, obtains the approval of the IRC of the NI 81-102 Fund in respect of an *In-specie* Transfer in accordance with the terms of subsection 5.2(2) of NI 81-107; and

II. the Filer, as manager of the NI 81-102 Fund, and the IRC of the NI 81-102 Fund, comply with the requirements of section 5.4 of NI 81-107 for any standing instructions the IRC provides in respect of an *In-specie* Transfer;

(ii) the Filer obtains the prior written consent of the Client of the Managed Account to the payment of redemption proceeds in the form of an *In-specie* Transfer;

(iii) the portfolio securities are acceptable to the Filer, as portfolio manager of the Managed Account and consistent with the Managed Account's investment objectives;

(iv) the value of the portfolio securities is equal to the amount at which those securities were valued in calculating the net asset value per Fund Security used to establish the redemption price;

(v) the holder of the Managed Account has not provided notice to terminate its Discretionary Management Agreement with the Filer;

(vi) the account statement next prepared for the Managed Account will include a note describing the portfolio securities delivered to the Managed Account and the value assigned to such securities;

(vii) the Fund keeps written records of all *In-specie* Transfers during the financial year of the Fund, reflecting details of the portfolio securities delivered to the Fund and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place; and

(viii) the Filer does not receive any compensation in respect of any sale or redemption of Fund Securities of a Fund, and in respect of any delivery of securities further to an *In-specie* Transfer, the only charge paid by the Managed Account, if any, is a nominal administrative charge levied by the custodian in recording the trade and any commission charged by the dealer executing the trade;

(c) If the transaction is the purchase of Fund Securities of a NI 81-102 Fund by a Pooled Fund:

(i) the Filer, as manager of the NI 81-102 Fund, obtains the approval of the IRC of the NI 81-102 Fund in respect of an *In-specie* Transfer in accordance with the terms of subsection 5.2(2) of NI 81-107;

(ii) the Filer, as manager of the NI 81-102 Fund, and the IRC of the NI 81-102 Fund, comply with the requirements of section 5.4 of NI 81-107 for any standing instructions the IRC provides in respect of an *In-specie* Transfer;

(iii) the Fund would, at the time of payment, be permitted to purchase the portfolio securities;

(iv) the portfolio securities are acceptable to the Filer, as portfolio manager of the Fund and consistent with the Fund's investment objectives;

(v) the value of the portfolio securities is equal to the issue price of the Fund Securities of the NI 81-102 Fund for which they are used as payment, valued as if the securities were portfolio assets of that NI 81-102 Fund; and

(vi) each of the Funds keeps written records of all *In-specie* Transfers in a financial year of the Fund, reflecting details of the portfolio securities delivered by the Pooled Fund to the NI 81-102 Fund, and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;

(d) If the transaction is the redemption of Fund Securities of an NI 81-102 Fund by a Pooled Fund:

(i) the Filer, as manager of the NI 81-102 Fund, obtains the approval of the IRC of the NI 81-102 Fund in respect of an *In-specie* Transfer in accordance with the terms of subsection 5.2(2) of NI 81-107; and

(ii) the Filer, as manager of the NI 81-102 Fund, and the IRC of the NI 81-102 Fund, comply with the requirements of section 5.4 of NI 81-107 for any standing instructions the IRC provides in respect of an *In-specie* Transfer;

(iii) the portfolio securities are acceptable to the Filer, as portfolio manager of the Pooled Fund and consistent with the Pooled Fund's investment objectives;

(iv) the value of the portfolio securities is equal to the amount at which those securities were valued in calculating the net asset value per Fund Security used to establish the redemption price of the NI 81-102 Fund; and

(v) each of the Funds keeps written records of all *In-specie* Transfers in a financial year of the Fund, reflecting details of the portfolio securities delivered to the Pooled Fund and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;

(e) If the transaction is the purchase of Fund Securities of a Pooled Fund by a Pooled Fund:

(i) the Pooled Fund would, at the time of payment, be permitted to purchase the portfolio securities;

(ii) the portfolio securities are acceptable to the Filer, as portfolio manager of the Pooled Fund and consistent with the Pooled Fund's investment objectives;

(iii) the value of the portfolio securities is equal to the issue price of the Fund Securities of the Pooled Fund for which they are used as payment, valued as if the securities were portfolio assets of that Pooled Fund; and

(iv) each Pooled Fund keeps written records of all *In-specie* Transfers in a financial year of the Pooled Fund, reflecting details of the portfolio securities delivered to the Pooled Fund, and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;

(f) If the transaction is the redemption of Fund Securities of a Pooled Fund by a Pooled Fund:

(i) the portfolio securities are acceptable to the Filer, as portfolio manager of the Pooled Fund and consistent with the Pooled Fund's investment objectives;

(ii) the value of the portfolio securities is equal to the amount at which those securities were valued in calculating the net asset value per Fund Security used to establish the redemption price of the Pooled Fund; and

(iii) each Pooled Fund keeps written records of all *In-specie* Transfers in a financial year of the Pooled Fund, reflecting details of the portfolio securities delivered by the Pooled Fund and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;

(g) the Filer does not receive any compensation in respect of any sale or redemption of Fund Securities of a Fund and, in respect of any delivery of portfolio securities further to an *In-specie* Transfer, the only charge paid by the Fund, if any, is a nominal administrative charge levied by the custodian in recording the trade and any commission charged by the dealer executing the trade.

5. The Short Sale Collateral Relief is granted provided that each NI 81-102 Fund otherwise complies with subsections 6.8.1(2) and (3) of NI 81-102.

“Darren McKall”
Manager, Investment Funds & Structured Products Branch
Ontario Securities Commission

2.1.13 Fiera Investments LP et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to funds for extension of the lapse date of prospectus – Funds subject to a proposed merger into continuing funds shortly after current lapse date of prospectus – Extension of lapse date will not affect the currency or accuracy of the information contained in the current prospectus.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 62(5).

May 15, 2020

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
FIERA INVESTMENTS LP
(the Filer)

AND

FIERA CANADIAN BOND FUND
LOOMIS SAYLES GLOBAL DIVERSIFIED CORPORATE BOND FUND
LOOMIS SAYLES STRATEGIC MONTHLY INCOME FUND
FIERA STRATEGIC BALANCED REGISTERED FUND
FIERA INTRINSIC BALANCED REGISTERED FUND
FIERA CANADIAN DIVIDEND REGISTERED FUND
FIERA U.S. DIVIDEND REGISTERED FUND
FIERA CORE GLOBAL EQUITY REGISTERED FUND
FIERA CANADIAN PREFERRED SHARE REGISTERED FUND
OAKMARK U.S. EQUITY REGISTERED FUND AND
OAKMARK INTERNATIONAL EQUITY REGISTERED FUND
(the Trust Funds)

AND

FIERA CANADIAN BOND CLASS
LOOMIS SAYLES GLOBAL DIVERSIFIED CORPORATE BOND CLASS
FIERA STRATEGIC BALANCED CLASS
FIERA INTRINSIC BALANCED CLASS
FIERA CANADIAN DIVIDEND CLASS
FIERA U.S. DIVIDEND CLASS
FIERA CORE GLOBAL EQUITY CLASS
FIERA CANADIAN PREFERRED SHARE CLASS
OAKMARK U.S. EQUITY CLASS; AND
OAKMARK INTERNATIONAL EQUITY CLASS
(the Class Funds)
(the Trust Funds and the Class Funds collectively referred to as the Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the time limits for the renewal of the simplified prospectus of the Funds be extended to the time limits that would be applicable as if the lapse date of the simplified prospectus of the Funds was August 31, 2020, in order for the lapse date of the simplified prospectus of the Funds to fall after July 3, 2020, date on which the Funds will be merged into continuing funds (the **Exemptive Relief Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application).

1. the Ontario Securities Commission is the principal regulator for this application; and

2. the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada (collectively, with Ontario, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer is the manager of the Funds. The Filer is a limited partnership formed under the laws of Ontario. The general partner of the Filer is Fiera Investments Limited, a corporation incorporated under the laws of Ontario. The Filer's head office is located in Toronto, Ontario.

2. The Filer is currently registered in all provinces and territories in the category of exempt market dealer. The Filer is also registered in Quebec, Ontario and Newfoundland and Labrador in the category of investment fund manager, and in Ontario in the category of mutual fund dealer and portfolio manager.

3. The Filer and the Funds are not in default of any of the requirements of the Legislation.

4. The Funds are reporting issuers under the Legislation. Securities of the Funds are currently qualified for distribution in all Jurisdictions under a simplified prospectus, fund facts and annual information form dated June 14, 2019, as amended (the **Prospectus**).

5. Pursuant to the Legislation, the lapse date for the distribution of securities under the Prospectus is June 14, 2020.

6. Pursuant to the Legislation, in order to renew the Prospectus, the following matters (among others) are required in order for the Funds to be eligible to rely on the provisions deeming continuous prospectus qualification contained in section 2.5(4) of National Instrument 81-101 Mutual Fund Prospectus Disclosure and section 62(2) of the Securities Act (Ontario):

   a) pro forma simplified prospectus and annual information form is required to be filed 30 days prior to the Lapse Date of the Prospectus;

   b) the final version of the simplified prospectus is required to be filed not later than 10 days following the Lapse Date of the Prospectus; and

   c) a receipt for such final prospectus must be issued within 20 days following the Lapse Date of the Prospectus.

7. On April 9, 2020, the Filer announced by press release, in connection with which a material change report and amendments to the Prospectus were filed on SEDAR, that it has entered into an agreement with Canoe Financial LP, pursuant to which Canoe has agreed to purchase the rights to manage the Funds from the Filer (the **Proposed Transaction**).

8. The Proposed Transaction is expected to close on June 26, 2020, following which the Funds will be merged into corresponding funds from Canoe Financial LP on or about July 3, 2020 (the **Mergers**).

9. Amendments dated April 17, 2020 to the simplified prospectus, annual information form and fund facts of the Funds have been filed on SEDAR, disclosing the Proposed Transaction and the Mergers.

10. In order to reduce the cost of renewing the simplified prospectus and annual information form for the Funds on June 14, 2020, and subsequently amending and restating the simplified prospectuses and annual information forms following the Mergers, the Filer wishes to extend the lapse date to after the completion of the Mergers.

11. There have been no material changes in the affairs of any of the Funds since April 17, 2020, the date on which the prospectus and annual information form were amended to disclose the Proposed Transaction and the Merger. Accordingly, the current prospectus, annual information form and fund facts of the Funds represent current information regarding the Funds.

12. As well, the Exemptive Relief Sought will not affect the accuracy of the information contained in the prospectus and annual information form or the fund facts of the Funds.

13. Given the disclosure obligations of the Filer and the Funds, should any material changes occur, the Prospectus will be amended as required under the Legislation.

14. Unless the current lapse date is extended, the simplified prospectus and annual information form must be filed within 21 days of the date of the Mergers. Requiring the Funds to file a simplified prospectus and an annual information form and then amend the simplified prospectus and annual information form within such a short period of time, would lead to increased costs borne by the Funds (and ultimately by investors in the Funds) and potentially lead to investor confusion.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted.

"Darren McKall"
Manager, Investment Funds & Structured Products Branch
Ontario Securities Commission

2.1.14 Ponderous Panda Capital Corp. and Wildpack Beverage Alberta Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions, section 3.3 – National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, section 3.3(1)(a) – National Instrument 51-102 Continuous Disclosure Obligations, section 4.10(2).

April 5, 2021

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA AND ONTARIO
(the Jurisdictions)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
PONDEROUS PANDA CAPITAL CORP.
(the Filer and post-Transaction, the Resulting Issuer)

AND

WILDPACK BEVERAGE ALBERTA INC.
(the Target)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) exempting the Filer from the requirement in section 3.3 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (NI 52-107) that financial statements, other than acquisition statements, that are required to be audited must be accompanied by an auditor's report that expresses an unmodified opinion, does not apply to the auditor's report that accompanies the financial statements of the Acquired Business for the financial year ended December 31, 2019 (the Exemption Sought).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

(a) the British Columbia Securities Commission is the principal regulator for this application;

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta; and

(c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. the Filer was incorporated in the province of British Columbia pursuant to the Business Corporations Act (British Columbia) on March 22, 2017;

2. the Filer's head office is located in British Columbia;

3. the Filer is a capital pool company and reporting issuer in the provinces of British Columbia, Alberta and Ontario; the common shares of the Filer are listed for trading on the TSX Venture Exchange (the TSXV) under the symbol "PPCC.P";

4. the Target is a non-reporting issuer formed upon amalgamation pursuant to the provisions of the Business Corporation Act (Alberta) on July 29, 2019;

5. the Target's registered office is located at 3400, 350 – 7th Avenue SW, Calgary, Alberta, T2P 3N9;

6. the Target and the Filer are not in default of any securities legislation of any jurisdiction of Canada;

7. the principal business of the Target is beverage manufacturing and packaging, providing filling, decorating and aluminum can brokering services to brands throughout the United States;

8. the Target's financial year end was previously March 31 up to and including March 31, 2020 and was then changed to December 31;

9. the Target has never been a reporting issuer and its common shares are not listed or quoted for trading on any stock exchange or public quotation system;

10. the Filer and Target intend to complete a business combination pursuant to a non-binding letter of intent dated January 22, 2021 upon completion of which the Target will become a subsidiary of the Filer (then the Resulting Issuer) and the Resulting Issuer will continue to carry on its business through the Target;

11. the Transaction is intended to constitute the "Qualifying Transaction" of the Filer within the meaning of the TSXV Policies;

12. the completion of the Transaction is subject to, among other things, approval of the TSXV;

13. over the preceding three years, the Target was a holding company with minimal operations;

14. on June 25, 2020, the Target acquired significantly all assets and select liabilities of two operating entities under common ownership and operated by common management (the Acquisition), resulting in the Target acquiring all voting and participating units in Wild Leaf Holdings U.S. LLC (the Acquired Business);

15. the Acquired Business is engaged in the business of beverage filling and packaging for third parties and co-manufacturing;

16. the Acquired Business' financial year end was December 31;

17. the Acquisition under applicable securities laws and the policies of the TSXV forms the underlying continuing business of the Target;

18. the Acquisition was treated, for accounting purposes, as a business combination with the Target treated as the acquirer;

19. the Transaction will be accounted for as a "reverse takeover" with the Target identified as the "reverse takeover acquirer" as defined in National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102);

20. in connection with the Transaction, the Filer must file a Filing Statement (as defined in TSXV policies) with the TSXV and with the securities regulatory authorities in British Columbia, Ontario and Alberta once the TSXV approves the Filing Statement in its final form;

21. the Filing Statement to be filed in connection with the Transaction will include audited financial statements of:

    (a) the Target for the financial years ended March 31, 2020 and March 31, 2019 and the transition year from April 1, 2020 to December 31, 2020;

    (b) the Acquired Business, on the basis that the Acquired Business is the predecessor business of the Target, for the financial year ended December 31, 2019 and for the period from January 1, 2020 to June 25, 2020; and

    (c) the Filer for the financial years ended December 31, 2020 and December 31, 2019;

(collectively, the Financial Statements);

22. PricewaterhouseCoopers LLP (the Auditors) were appointed as auditors of the Target on or about January 15, 2021; in connection with the audited financial statements of the Acquired Business for the financial year ended December 31, 2019, the Auditors were not able to observe the counting of physical inventories of the Acquired Business at January 1, 2019 and the Auditors were unable to satisfy themselves by alternative means concerning inventory quantities held January 1, 2019; however, by applying alternative procedures, the Auditors were able to obtain sufficient audit evidence regarding inventory balances for the Target at December 31, 2019;

23. Since opening inventories enter into the determination of the results of financial performance and cash flows; the Auditors were not able to determine whether adjustments to the results of combined financial performance and combined cash flows for the year ended December 31, 2019 or whether adjustments to opening deficit as reported at January 1, 2019 for the Acquired Business might have been necessary;

24. as a result, the Auditors expressed a modified opinion relating to opening inventory on the Acquired Business' financial statements for the financial year ended December 31, 2019 (the Inventory Modification);

25. the audited financial statements of the Acquired Business for the period from January 1, 2020 to June 25, 2020 and the financial statements for the Target for the nine month period ended December 31, 2020 each contain auditor's reports expressing unmodified opinions;

26. due to the Inventory Modification, the Filer will not be able to obtain TSXV approval of the Transaction or comply with the requirements of section 4.10(2) of NI 51-102 unless the Exemption Sought is granted; and

27. paragraph 5.8(2) of Companion Policy 41-101CP to National Instrument 41-101 *General Prospectus Requirements* contemplates that relief may be granted to non-reporting issuers in appropriate circumstances to permit the auditor's report on financial statements to contain a qualified opinion relating to opening inventory if there is a subsequent audited period of at least six months on which the auditor's report expresses an unmodified opinion and the business is not seasonal.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that:

(a) the Filer files the Financial Statements with the Filing Statement;

(b) the Resulting Issuer files the Financial Statements within the period prescribed under section 4.10(2) of NI 51-102; and

(c) the only modification in the Auditors' report on the financial statements of the Acquired Business for the year ended December 31, 2019 is the Inventory Modification.

"John Hinze"
Director, Corporate Finance
British Columbia Securities Commission

2.1.15 Horizons ETFs Management (Canada) Inc. et al.

Headnote

National Policy 11-203 – Process for Exemptive Relief applications in Multiple Jurisdictions – passive mutual funds granted relief from the securities lending restriction in National Instrument 81-102 Mutual Funds to engage in securities lending transactions up to 100% of their net asset value – subject to conditions.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.12(1)12 and 19.1(1).

April 20, 2021

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
HORIZONS ETFS MANAGEMENT (CANADA) INC.
(the Filer)

AND

HORIZONS US MARIJUANA INDEX ETF
(HMUS)

HORIZONS PSYCHEDELIC STOCK INDEX ETF
(PSYK, and together with HMUS,
the Funds and each, a Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Funds for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**), granting an exemption from section 2.12(1)12 of National Instrument 81-102 *Investment Funds* (**NI 81-102**) to permit the Funds to enter into securities lending transactions in which the aggregate market value of all securities loaned by a Fund exceeds 50% of the net asset value of the Fund (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(i) the Ontario Securities Commission is the principal regulator for this application; and

(ii) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada (together with Ontario, the **Canadian Jurisdictions**).

Interpretation

Terms defined in NI 81-102, National Instrument 14-101 *Definitions*, and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

1. The Filer is the trustee, investment fund manager and portfolio manager of the Funds. The Filer is registered as an investment fund manager, portfolio manager, exempt market dealer, commodity trading manager and commodity trading adviser in Ontario. The head office of the Filer is in Toronto, Ontario.

2. The Funds are open-end exchange traded mutual funds established under the laws of the Province of Ontario, pursuant to a declaration of trust. The Funds are governed by the provisions of NI 81-102, subject to any relief therefrom granted by the securities regulatory authorities.

3. The Filer and the Funds are not in default of securities legislation in any of the Canadian Jurisdictions.

4. Units of the Funds are listed on the Neo Exchange Inc.

5. The investment objective of HMUS is to seek to replicate, to the extent possible, the performance of the US Marijuana Companies Index, net of expenses. The US Marijuana Companies Index is designed to provide exposure to the performance of a basket of North American publicly-listed life sciences companies having significant business activities in, or significant exposure to, the United States marijuana or hemp industries.

6. To achieve HMUS's investment objectives, HMUS invests and holds the equity securities of the constituent issuers of its underlying index in substantially the same proportion as its underlying index. HMUS employs a passive investment strategy that is not actively managed, and the equity holdings in the portfolio are designed to maintain their same relative portfolio weightings between rebalancing dates. The US Marijuana Companies Index is rebalanced on a quarterly basis only.

7. The investment objective of PSYK is to seek to replicate, to the extent possible and net of expenses, the performance of a market index that is designed to provide exposure to the performance of a basket of North American publicly-listed life sciences companies having significant business activities in, or significant exposure to, the psychedelics industry. PSYK currently seeks to replicate the performance of the North American Psychedelics Index.

8. To achieve PSYK's investment objectives, PSYK invests and holds the equity securities of the constituent issuers of its underlying index in substantially the same proportion as its underlying index. PSYK employs a passive investment strategy that is not actively managed, and the equity holdings in the portfolio are designed to maintain their same relative portfolio weightings between rebalancing dates. The North American Psychedelics Index is rebalanced on a quarterly basis only.

9. In order to earn additional returns for the Funds, the Filer proposes to enter into securities lending transactions on behalf of each Fund for which the aggregate market value of securities loaned by a Fund may represent up to 100% of the net asset value of the Fund to be lent to one or more borrowers through an agent, which agent is not the Fund's custodian or sub-custodian.

10. The securities lending agent of each Fund maintains appropriate internal controls, procedures, and records for securities lending transactions in compliance with the requirements of subsection 2.16(3) of NI 81-102.

11. The Filer believes that the equity securities held by each Fund are well suited for securities lending above the 50% of net asset value limitation set out in NI 81-102 because each Fund employs a passive investment strategy and the equity securities held in each Fund's portfolio are considered to be liquid by the Filer.

12. The Filer has ensured that the agent through which each Fund lends securities maintains appropriate internal controls, procedures and records for securities lending transactions as prescribed in subsection 2.16(2) of NI 81-102.

13. Securities in each Fund's portfolio have been loaned only to borrowers that have been considered acceptable to each Fund as contemplated by subsection 2.16(2) of NI 81-102.

14. Each Fund has the rights set forth in subsections 2.12(1)8, 2.12(1)9 and 2.12(1)11 of NI 81- 102, including the right to keep any collateral on deposit in the event of default by a borrower.

15. The collateral received by each Fund in respect of a securities lending transaction is in the form of cash, Government of Canada bonds and close equivalents, and provincial bonds and close equivalents subject to minimum credit rating criteria and/or other collateral permitted by NI 81- 102.

16. On a daily mark-to-market basis, each Fund receives collateral worth at least 102% of the value of the loaned securities, as required under NI 81-102. In respect of securities lending transactions in which the aggregate market value of securities loaned by a Fund represents in excess of 50% of net asset value, the Fund will only enter such securities lending transactions if it receive securities lending collateral with a market value equal to at least 110% of the market value of any securities that are to be loaned at or prior to the term of the loan.

17. The collateral received by each Fund in respect of a securities lending transaction is not reinvested in any other types of investment products.

18. The prospectus of each Fund will contain disclosure specifying that the Fund may, pursuant to exemptive relief granted by Canadian securities regulatory authorities, enter into securities lending transactions for which the aggregate market value of securities loaned by the Fund may represent up to 100% of the net asset value of the Fund.

19. Other than as set forth herein, any securities lending transactions entered into by each Fund are and will be conducted in accordance with the provisions of NI 81-102.

20. The Filer submits that it is in the best interests of each Fund to be permitted to enter into securities lending transactions in which the aggregate market value of securities loaned by the Fund represents up to 100% of the net asset value of the Fund, and that it would not be prejudicial to the public interest to grant the Exemption Sought.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that each Fund, in connection with a securities lending transaction:

1. receives the collateral that:

   a) is prescribed by paragraphs 2.12(1)3 to 6 of NI 81-102, other than collateral described in subsection 2.12(1)6(d) or in paragraph (b) of the definition of "qualified security"; and

   b) is marked to market on each business day in accordance with paragraph 2.12(1)7 of NI 81-102;

2. has the rights set forth in paragraphs 2.12(1)8, 2.12(1)9 and 2.12(1)11 of NI 81-102;

3. complies with paragraph 2.12(1)10 of NI 81-102; and

4. lends its securities only to borrowers that are acceptable to the Fund.

"Darren McKall"
Investment Funds and Structured Products
Ontario Securities Commission

2.1.16 Portland Investment Counsel Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – One-time transfer of portfolio securities between two pooled funds and one-time transfers of portfolio securities between two future pooled mutual funds, both advised by the same portfolio adviser, to implement a merger between the funds – Funds have substantially similar investment objectives and strategies, fees and valuation policies – Costs of the merger borne by manager – Sale of securities exempt from the self-dealing prohibition in paragraph s. 13.5(2)(b)(iii), National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations.

Applicable Legislative Provisions

National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.5(2)(b)(iii) and s. 15.1.

July 3, 2020

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
PORTLAND INVESTMENT COUNSEL INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Funds (defined below) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) from subparagraph 13.5(2)(b)(iii) of National Instrument 31-103 Registration Requirements Exemptions and Ongoing Registrant Obligations (**NI 31-103**) to permit the Filer to effect the Current Merger of the Current Terminating Fund into the Current Continuing Fund, and any other merger of a Terminating Fund into a Continuing Fund (the **Exemption Sought)**.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

1. The Ontario Securities Commission is the principal regulator for this application; and
2. The Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut (together with Ontario, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined. The following additional terms shall have the following meanings:

Continuing Fund means the Current Continuing Fund or any pooled mutual fund managed by the Filer into which a Terminating Fund is merging as part of a Merger;

Current Continuing Fund means the Portland Special Opportunities Fund;

Current Funds means the Current Continuing Fund and the Current Terminating Fund;

Current Merger means the merger of the Current Terminating Fund into the Current Continuing Fund;

Current Terminating Fund means the Portland Value Plus Fund;

Final Redemption Date means the last date on which unitholders of a Terminating Fund will be able to redeem their units prior to a Merger;

Fund or **Funds** means, individually or collectively, a Terminating Fund and/or a Continuing Fund;

IRC means the independent review committee for a Fund;

Merger means the merger of a Terminating Fund into a Continuing Fund;

Terminating Fund means the Current Terminating Fund or any pooled mutual fund managed by the Filer that is merging into a Continuing Fund as part of a Merger.

Representations

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

The Filer and the Funds

1. The Filer is a corporation incorporated under the laws of Ontario. The Filer is registered as:

a. in the provinces of Alberta, Newfoundland and Labrador, Ontario and Quebec in the category of investment fund manager;

b. in each of the provinces and territories of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Ontario, Prince Edward Island, Quebec and Saskatchewan as an adviser in the category of portfolio manager;

c. in each of the provinces and territories of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Quebec and Saskatchewan as a dealer in the category of exempt market dealer; and

d. in Ontario as a dealer in the category of mutual fund dealer.

2. The Filer is the manager of each Fund.

3. The Funds are not reporting issuers in any jurisdiction and are not subject to National Instrument 81-102 *Investment Funds*.

4. Each Fund offers its units pursuant to available prospectus exemptions in accordance with National Instrument 45-106 *Prospectus and Registration Exemptions*.

5. Neither the Filer nor either of the Funds are in default of the securities legislation (the **Legislation**) in any of the Jurisdictions.

Reason for Requested Approval

6. The sale of the assets of a Terminating Fund to a Continuing Fund (and the corresponding purchase of such assets by the Continuing Fund) as a step in the Merger may be considered a purchase or sale of securities, knowingly caused by a registered adviser that manages the investment portfolios of both Funds, from the Terminating Fund to, or by the Continuing Fund from, an investment fund for which a "responsible person" acts as an adviser, contrary to subparagraph 13.5(2)(b)(iii) of NI 31-103.

7. Unless the Exemption Sought is granted, the Filer would be prohibited from knowingly causing the portfolio securities and other assets of the Terminating Fund to be transferred to the Continuing Fund in connection with the Merger.

8. The portfolio securities and other assets of the Terminating Fund will be transferred from the Terminating Fund to the Continuing Fund in accordance with the steps described below. Since the transfer of portfolio securities and other assets will take place at a value determined by common valuation procedures and the issue of units will be based upon the relative net asset value of the portfolio securities and other assets received by the Continuing Fund, and notice and redemption rights will be provided to unitholders, it is the Filer's submission that any potential conflict of interest has been adequately addressed.

The Proposed Mergers

9. The Filer intends to merge a Terminating Fund into a Continuing Fund.

10. Although the Funds are not subject to the requirements of National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**), the Filer presented, or will present, the terms of the Merger to the independent review committee of the Funds (the **IRC**) for its review. The IRC determined, or will determine, that the Merger, if implemented, will achieve a fair and reasonable result for each of the Funds.

11. Unitholders of the Current Terminating Fund will be provided at least 25 days' written notice of the Current Merger prior to the Final Redemption Date after which the Filer, in its capacity as manager of the Current Terminating Fund, may effect the Current Merger. Other than in the case of the Current Merger, unitholders of a Terminating Fund will be provided at least 30 days' written notice of the Merger prior to the Final Redemption Date. The notice for each Merger will include a description of the Continuing Fund and outline any material differences between the Terminating Fund and the Continuing Fund.

12. If the Exemption Sought is granted, the Current Merger is currently scheduled to occur after the close of business on or about July 31, 2020 (the **Effective Date**). The Filer, therefore, anticipates that each unitholder of the Current Terminating Fund will become a unitholder of the Current Continuing Fund after the close of business on the Effective Date. The Current Terminating Fund will be wound-up as soon as reasonably possible following the Merger.

13. The costs of effecting each Merger (consisting primarily of legal and regulatory fees, charges by the administrator and printing and mailing costs) will be borne by the Filer.

14. No redemption fees, other fees or commissions will be payable by the Funds' unitholders in connection with each Merger. No sales charges will be payable in connection with the acquisition by the Continuing Fund of the Terminating Fund's investment portfolio.

15. Securities of the Continuing Fund received by unitholders of the Terminating Fund as a result of the Merger will have the same sales charge option as their securities in the Terminating Fund.

16. Unitholders of the Current Terminating Fund will have the right to redeem their securities of the

Current Terminating Fund at NAV on the Effective Date. Unitholders of a Terminating Fund, other than the Current Terminating Fund, will have the right to redeem their securities of the Terminating Fund at NAV on the Final Redemption Date.

17. The portfolio of assets of the Terminating Fund to be acquired by the Continuing Fund arising from each Merger will be consistent with the investment objectives of the Continuing Fund.

18. The NAV of each of the Funds is determined using substantially similar valuation principles.

19. The assets of the Funds will be valued in accordance with the valuation policies and procedures outlined in the declaration of trust of each Fund, and, at this value, the assets of the Terminating Fund will subsequently be exchanged for units of the Continuing Fund as described above.

20. The transfer of the assets of the Terminating Fund to the Continuing Fund will not materially adversely impact the liquidity of the Continuing Fund.

21. Unitholders of the Terminating Fund will not be subject to the redemption fee applicable to unitholders of the Continuing Fund.

Merger Steps

22. The steps to implement each Merger are as follows:

    a. Prior to the Merger, if required, the Terminating Fund will sell any securities in its portfolio that do not meet the investment objective and investment strategies of the Continuing Fund. As a result, the Terminating Fund may temporarily hold cash or money market instruments and may not be fully invested for a brief period of time prior to the Merger being effected.

    b. The value of the Terminating Fund's investment portfolio and other assets will be determined at the close of business on the Effective Date in accordance with the constating documents of the Terminating Fund.

    c. It is expected that the Merger will occur on a taxable basis. Unitholders in cash accounts may be subject to taxable gains or losses.

    d. The Terminating Fund will transfer substantially all of its assets to the Continuing Fund which will consist of cash and portfolio securities, less an amount required to satisfy the liabilities of the Terminating Fund. In return, the Continuing Fund will issue to the Terminating Fund units of the Continuing Fund having an aggregate net asset value equal to the value of the assets transferred to the Continuing Fund.

    e. The Continuing Fund will not assume liabilities of the Terminating Fund and the Terminating Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the Effective Date.

    f. Immediately thereafter, units of the Continuing Fund received by the Terminating Fund will be distributed to unitholders of the Terminating Fund in exchange for their securities in the Terminating Fund on a dollar-for-dollar and series-by-series basis.

    g. The Terminating Fund will be wound-up as soon as practicable following the Merger.

23. The result of the Merger will be that investors in the Terminating Fund will cease to be unitholders of the Terminating Fund and will become unitholders of the Continuing Fund.

Benefits of the Current Merger

24. In the opinion of the Filer, the Current Merger will be in the best interests of unitholders of the Current Funds for the following reasons:

    a. The Current Terminating Fund and Current Continuing Fund have activist investment strategies at their core with both holding EPSO4, a private activist fund;

    b. The Current Merger has the potential to lower costs for unitholders as the operating costs of the Current Continuing Fund will be spread over a greater pool of assets after the Current Merger;

    c. The Current Merger will result in unitholders of the Current Terminating Fund holding a series of units of the Current Continuing Fund that has lower management fees; and

    d. The Filer will assume all costs of the Current Merger, and it is not expected that operating costs will change on the Current Continuing Fund because of the Current Merger.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

a) the board of directors of the Filer determined that the Merger is in the best interests of the Funds and approved the Merger;

b) although the Funds will not be subject to the requirements of NI 81-107, the Filer presented the terms of the Merger to the IRC of the Funds for its review and the IRC determined that the Merger, if implemented, will achieve a fair and reasonable result for the Continuing Fund and Terminating Fund;

c) Other than in the case of the Current Merger in which unitholders of the Current Terminating Fund are provided with at least 25 days' written notice of the Merger prior to the Final Redemption Date, unitholders of a Terminating Fund are provided at least 30 days' written notice of the Merger prior to the Final Redemption Date. The notice for each Merger included a description of the Continuing Fund and outlined any material differences between the Terminating Fund and the Continuing Fund;

d) The costs of effecting the Merger are borne by the Filer;

e) No redemption fees, other fees or commissions are payable by a Fund's unitholders in connection with each Merger. No sales charges are payable in connection with the acquisition by the Continuing Fund of the Terminating Fund's investment portfolio;

f) Other than in the case of the Current Merger in which unitholders of the Current Terminating Fund have the right to redeem their securities at NAV on the Effective Date, unitholders of a Terminating Fund have a right to redeem their securities of the Terminating Fund at NAV on the Final Redemption Date;

g) The NAV of each of the Terminating Fund and the Continuing Fund is determined using substantially similar valuation principles; and

h) The assets of the Funds are valued in accordance with the valuation policies and procedures outlined in the declaration of trust of each Fund, and, at this value, the assets of the Terminating Fund are subsequently exchanged for units of the Continuing Fund.

"Darren McKall"
Manager, Investment Funds and Structured Products
Ontario Securities Commission

2.1.17 AGF Investments Inc. et al.

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from sections 9.4 and 10.4 of NI 81-102 to permit exchange-traded funds to settle primary trades three days after the date of a trade when their underlying portfolio assets trade in a jurisdiction with a settlement cycle of three days – subject to conditions.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 9.4(1), 9.4(2), 9.4(4), 10.4(1) and 19.1.

January 30, 2019

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
AGF INVESTMENTS INC.
BLACKROCK ASSET MANAGEMENT CANADA LIMITED
BMO ASSET MANAGEMENT INC.
FRANKLIN TEMPLETON INVESTMENTS CORP.
HORIZONS ETFS MANAGEMENT (CANADA) INC.
MACKENZIE FINANCIAL CORPORATION
MANULIFE ASSET MANAGEMENT LIMITED
RBC GLOBAL ASSET MANAGEMENT INC.
VANGUARD INVESTMENTS CANADA INC.
(each a Filer, and collectively, the Filers)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from each Filer, requesting a decision, pursuant to section 19.1 of National Instrument 81-102 – *Investment Funds* (**NI 81-102**), exempting all current mutual funds (the **Existing Funds**) and future mutual funds that (i) are, or will be, reporting issuers with exchange-traded securities and (ii) are, or will be, managed by the Filers or by affiliates or successors of the Filers (collectively with the Existing Funds, the **Funds**), in each case, that invest currently or may subsequently invest a portion of their portfolio assets in T+3 Securities (as defined below) from:

(a) the requirement for a purchaser to forward any cash or securities received for payment of the issue price of Units (as defined below) of a Fund to an order receipt office of the Fund so that the cash or securities arrive at the order receipt office as soon as practicable and in any event no later than the second business day after the Pricing Date (as defined below);

(b) the requirement for a purchaser to deliver the payment of the issue price of Units of a Fund to the Fund on or before the second business day after the Pricing Date;

(c) the requirement that if payment of the issue price of the Units of a Fund to which a purchase order pertains is not made on or before the second business day after the Pricing Date, the Fund must redeem the Units to which the purchase order pertains as if it had received an order for the redemption of the Units on the third business day after the Pricing Date; and

(d) the requirement for a Fund to pay the redemption proceeds for Units that are the subject of a redemption order within two business days after the Pricing Date,

in each case to allow such Funds to settle primary market trades in Units (as defined below) in three business days after a trade (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) in accordance with Part 4 of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) and section 3.6 of National Policy 11-203 – *Process for Exemptive Relief Applications in Multiple Jurisdictions* (**NP 11-203**), the Ontario Securities Commission (the **OSC**) has been selected as the principal regulator for each Filer, as the head office of each Filer is located in Ontario; and

(b) in accordance with subsection 4.7(2) of MI 11-102, each Filer gives notice to the OSC, pursuant to paragraph 4.7(1)(c) of MI 11-102, that the requested relief is to be relied upon by each Filer in each province and territory of Canada (the provinces and territories of Canada are collectively defined as the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Authorized Dealer means a registered dealer that has entered into an agreement with a Filer authorizing such dealer to subscribe for and, as applicable, redeem Units from a Fund on a continuous basis from time to time.

Basket of Securities means a group of securities selected by the Filer from time to time to be delivered by (i) a purchaser to the Fund on a subscription of Units; or (ii) the Fund upon a redemption of Units.

NEO Exchange means Aequitas NEO Exchange Inc.

Marketplace means the TSX, the NEO Exchange or another "marketplace" as defined in National Instrument 21-101 *Marketplace Operations* that is located in Canada.

Prescribed Number of Units means the number of Units of a Fund determined by a Filer from time to time for the purpose of subscription orders, redemptions or for other purposes.

Pricing Date means the date on which the net asset value per Unit of a Fund is calculated for the purpose of determining the price at which the Unit is to be issued or redeemed, as applicable.

T+3 Securities means securities, the trades in respect of which, customarily settle on the third business day after a Trade Date.

Trade Date means the date upon which pricing for a trade in a security is determined.

TSX means the Toronto Stock Exchange.

UCITS means Undertakings for Collective Investment in Transferable Securities.

Units means the shares or units of a Fund that are, or will be, traded over a Marketplace.

Representations

This decision is based on the following facts represented by each Filer:

The Filers and the Funds

1. The head office location of each Filer is in Ontario.

2. The Jurisdictions in which each Filer is registered and the specific categories of registration for each Filer are provided in Schedule "A".

3. Each Fund is, or will be, managed by a Filer or by an affiliate or successor of the Filer.

4. The Funds are, or will be, mutual funds subject to NI 81-102 and are, or will be, reporting issuers in one or more of the Jurisdictions.

5. Each Fund has issued, or will issue, at least one series of Units that are or will be listed on a Marketplace.

6. Other than where an Existing Fund was unable to settle a trade in Units within two business days after the Trade Date

since November 14, 2017, none of the Filers nor any of the Existing Funds are in default of any of the requirements of securities legislation of the Jurisdictions.

Subscriptions and Redemptions of Securities of the Funds

7. Units of a Fund may generally only be subscribed for directly from the Fund (**Creation Units**) by Authorized Dealers that have entered into an agreement with the applicable Filer. Generally, subscriptions may only be placed for a Prescribed Number of Units (or a multiple thereof) on any day when there is a trading session on the Marketplace on which the Units are listed.

8. Each Authorized Dealer that subscribes for Creation Units must deliver, in respect of each Prescribed Number of Units to be issued, either (i) a Basket of Securities and/or cash, or (ii) in the discretion of each Filer, cash only. In each case, the value of the subscription proceeds delivered to the Fund must be equal to the net asset value (**NAV**) of the Units subscribed for as determined on the Pricing Date. A Filer may charge a fee to a purchaser for purchases of Creation Units in cash in accordance with the terms of the agreement between the purchaser and the Filer.

9. In order to satisfy a redemption of a Prescribed Number of Units of a Fund, the Fund must deliver either (i) a Basket of Securities and/or cash, or (ii) in the discretion of each Filer, cash only. In each case, the value of the redemption proceeds delivered must equal the NAV of the Units redeemed as determined on the Pricing Date. A Filer may charge a fee for a cash redemption in accordance with the terms disclosed in a Fund's prospectus or the terms of the agreement with the Authorized Dealer.

10. Generally, a Filer decides whether in-kind or cash subscriptions and redemptions are appropriate depending on the characteristics of each Fund.

Settlement Requirements

11. Prior to November 14, 2017, NI 81-102 required a purchaser to deliver payment of the issue price of a Fund on the third business day after the Pricing Date of the Units. If the payment of the issue price was not received by the Fund on or before the third business day after the Pricing Date of the Units, the Fund was required to redeem the Units to which the purchase order pertained as if it had received an order for the redemption of the Units on the fourth business day after the Pricing Date.

12. Additionally, NI 81-102 required a Fund to pay the redemption proceeds with respect to a redemption order within three business days after the Pricing Date.

13. Effective November 14, 2017, amendments to NI 81-102 now require a purchaser to deliver payment of the issue price of Units of a Fund on the second business day after the Pricing Date of the Units. If the payment of the issue price is not received by the Fund on or before the second business day after the Pricing Date of the Units, the Fund will be required to redeem the Units to which the purchase order pertains as if it had received an order for the redemption of the Units on the third business day after the Pricing Date.

14. Additionally, NI 81-102 requires a Fund to pay the redemption proceeds with respect to a redemption order within two business days after the Pricing Date.

15. NI 81-102 was amended to align the requirements in NI 81-102 with the adoption of a shortened settlement cycle for equity and long-term debt markets in Canada, the U.S. and certain international markets from three business days after a Trade Date (**T+3**) to two business days after a Trade Date (**T+2**).

16. While a T+2 settlement cycle has been adopted in most global markets, a number of countries have maintained a standard T+3 or greater settlement cycle, including, but not limited to Japan, Brazil, China, Qatar, Colombia, Indonesia, Malaysia, Philippines, Thailand and South Africa.

Reasons Supporting the Exemption Sought

17. Each of the Funds has, or will have, a portion of its portfolio assets invested in T+3 Securities and such T+3 Securities will comprise a portion of the Basket of Securities to be delivered by a purchaser when subscribing in-kind for Creation Units of a Fund or to be delivered by the Fund when satisfying a redemption order in-kind.

18. A purchaser subscribing for Units in-kind will generally be unable to deliver to a Fund that portion of the Basket of Securities comprised of T+3 Securities on the second business day following the Pricing Date.

19. An Authorized Dealer redeeming a Prescribed Number of Units of a Fund will generally receive as redemption proceeds a Basket of Securities and/or cash only, at the discretion of a Filer. Where there are T+3 Securities in a Basket of Securities, a Fund may not be able to deliver that component by T+2. A Fund satisfying a redemption order in cash will generally need to sell a Basket of Securities in the open market in order to raise sufficient cash to meet the redemption order. A Fund will not receive cash proceeds from the sale of that portion of the Basket of Securities comprised of T+3

Securities until the third business day following the Pricing Date, and such cash proceeds are therefore unavailable to be paid on the second business day following the Pricing Date.

20. Each Fund may borrow up to 5 percent of its NAV in order to accommodate redemption requests. This may facilitate a Fund's delivery of cash redemption proceeds depending on the size of the redemption order relative to the size of the Fund. However, there is a cost associated with this borrowing that may be indirectly borne by investors in the Fund. Additionally, a large redemption request may require a Fund to borrow in excess of 5 percent of its NAV to fund the redemption, contrary to NI 81-102.

21. While it is possible for a Fund to maintain a portion of its assets in cash to fulfill redemption requests, maintaining such a cash position impacts the Fund's performance, results in a deviation from the index being tracked (in the case of a Fund that is an index mutual fund) and results in a portion of the NAV of the Fund not being invested in accordance with its investment objective.

22. While it is possible for a Fund to dispose of securities that settle on a T+2 basis in order to obtain any cash necessary to fund the portion of the redemption that would otherwise be funded by the delivery of T+3 Securities, making such a disposition (which would generally be followed by an acquisition of the same securities) impacts the Fund's performance, results in a deviation from the index being tracked (in the case of a Fund that is an index mutual fund) and results in a portion of the NAV of the Fund not being invested in accordance with its investment objective. This type of portfolio reshuffling and rebalancing also increases transaction costs that are indirectly borne by investors.

23. Because ETFs trade in the secondary market, unlike conventional mutual funds, ETFs are generally required to maintain consistent relative market exposures within their portfolios, regardless of any subscription or redemption activity. This consistency of market exposure enables market participants to effectively make markets on the ETF. As a result, an ETF is more constrained than a conventional mutual fund in its ability to fund cash redemptions by disproportionately liquidating T+2 securities in lieu of T+3 Securities.

24. Absent the Exemption Sought, the Filers will be required to change their primary market practices for the Funds in a manner that may be detrimental to investors. For example, the Funds may be precluded from accepting in-kind subscriptions, or may be forced to rely on costly borrowing and/or cash buffers to ensure settlement of redemptions in cash on a T+2 basis. Each of these alternatives has associated costs or inefficiencies that will be indirectly borne by investors.

25. Additionally, absent the Exemption Sought, offering Funds that invest in T+3 markets may become costly and administratively burdensome for the Filers and/or may result in a reduction or absence of market makers for the strategy, which may cause the ETF industry to shift away from offering investment products that provide exposure to these markets. This may have the effect of reducing the availability of lower cost investment options that provide Canadian investors with exposure to T+3 markets as a means to diversify their portfolios.

26. The Filers are of the view that it is in the best interest of the Funds and their investors to have the flexibility to settle subscriptions and redemptions of Units of the Funds in greater than two business days after a Pricing Date.

27. The Exemption Sought only applies to primary market trades in Units. Secondary market trades in Units would continue to be subject to the settlement rules and procedures that apply to exchange-traded securities in Canada, including T+2 settlement.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted, provided that:

1. At the time a Fund relies on the relief, the Fund must have a portion of its portfolio invested in T+3 Securities; and

2. At the time a Fund's prospectus is next renewed, it shall:

   (a) describe this Decision, including that the settlement cycle for a purchase or redemption of primary market trades in Units of the Fund is within T+3, and

   (b) disclose that the settlement cycle for primary market trades in Units of the Fund differs from the standard settlement cycle of T+2 for secondary market trades in Units of the Fund.

"Darren McKall"
Manager
Investment Funds & Structured Products
Ontario Securities Commission

Schedule "A"
Funds

	Name of Fund Manager (Filers)	Category of Registration	Jurisdiction of Registration
1.	AGF Investments Inc.	Exempt Marker Dealer	Ontario
		Investment Fund Manager	Alberta, British Columbia, Newfoundland and Labrador, Ontario, and Quebec
		Portfolio Manager	Each province and territory of Canada
		Mutual Fund Dealer	British Columbia, Ontario, and Quebec
		Commodity Trading Manager	Ontario
2.	BlackRock Asset Management Canada Limited	Exempt Market Dealer	Each province and territory of Canada
		Investment Fund Manager	Each province and territory of Canada
		Portfolio Manager	Each province and territory of Canada
		Commodity Trading Manager	Ontario
3.	BMO Asset Management Inc.	Exempt Market Dealer	Each province and territory of Canada
		Investment Fund Manager	Ontario, Quebec and Newfoundland and Labrador
		Portfolio Manager	Each province and territory of Canada
		Commodity Trading Manager	Ontario
4.	Franklin Templeton Investments Corp.	Exempt Market Dealer	Each province of Canada and the Yukon territory
		Investment Fund Manager	Alberta, British Columbia, Manitoba, Newfoundland and Labrador, Nova Scotia, Ontario, and Quebec
		Mutual Fund Dealer	Each province of Canada and the Yukon territory
		Portfolio Manager	Each province of Canada and the Yukon territory
		Commodity Trading Manager	Ontario
5.	Horizons ETFs Management (Canada) Inc.	Exempt Market Dealer	Each province of Canada
		Investment Fund Manager	Newfoundland and Labrador, Ontario and Quebec
		Portfolio Manager	Alberta, British Columbia, Ontario and Quebec
		Commodity Trading Adviser	Ontario
		Commodity Trading Manager	Ontario
6.	Mackenzie Financial Corporation	Exempt Marker Dealer	Each province and territory of Canada
		Portfolio Manager	Each province and territory of Canada
		Investment Fund Manager	Newfoundland and Labrador, Ontario, and Quebec
		Commodity Trading Manager	Ontario
7.		Portfolio Manager	Each province and territory of Canada

	Name of Fund Manager (Filers)	Category of Registration	Jurisdiction of Registration
	Manulife Asset Management Limited	Investment Fund Manager	Newfoundland and Labrador, Ontario, and Quebec
		Commodity Trading Manager	Ontario
		Derivatives Portfolio Manager	Quebec
8.	RBC Global Asset Management Inc.	Exempt Market Dealer	Each province and territory of Canada
		Investment Fund Manager	British Columbia, Newfoundland and Labrador, Ontario, and Quebec
		Portfolio Manager	Each province and territory of Canada
		Commodity Trading Manager	Ontario
9.	Vanguard Investments Canada Inc.	Exempt Market Dealer	Each province of Canada
		Investment Fund Manager	Newfoundland and Labrador, Ontario, and Quebec
		Portfolio Manager	Ontario
		Commodity Trading Manager	Ontario

2.1.18 Mercer Park Brand Acquisition Corp.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from section 3.2 and 3.3 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards – filer is an SEC issuer and is acquiring a private US issuer to complete its qualifying transaction under the special purpose acquisition corporation program – filer will include the financial statements of the US target in a non-offering prospectus filed under National Instrument 41-101 General Prospectus Requirements and information circular issued pursuant to NI 51-102 Continuous Disclosure Obligations .

Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, ss. 3.2 and 3.3.

May 5, 2021

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the "Jurisdiction")

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
MERCER PARK BRAND ACQUISITION CORP.
(the "Filer")

DECISION

Background

The principal regulator in the Jurisdiction (the "**Decision Maker**") has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the "**Legislation**") under:

(a) Section 19.1 of National Instrument 41-101 — *General Prospectus Requirements* ("**NI 41-101**") and Section 5.1 of National Instrument 52-107— *Acceptable Accounting Principles and Auditing Standards* ("**NI 52-107**") exempting the Filer from the requirements under Sections 3.2 and 3.3 of NI 52-107 requiring that the financial statements of each of GH Group, Inc. ("**GH Group**"), Element 7, LLC ("**Element 7**"), iCANN, LLC ("**Farmacy Berkley**") and Bud and Bloom ("**Bud and Bloom**") and applicable pro forma financial statements required to be included in a prospectus to be filed by the Filer pursuant to Item 32 of Form 41-101F1 – *Information Required in a Prospectus*, and

(b) Section 13.1 of NI 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**") exempting the Filer from the requirements under Item 14.2 of Form 51-102F5 – *Information Circular* that financial statements of GH Group, Element 7, Farmacy Berkeley, and Bud and Bloom, and applicable pro forma financial statements, required to be included in an information circular relating to a restructuring transaction (as defined in NI 51-102) to be filed by the Filer,

in each case, be prepared in accordance with accounting principles and audited in accordance with auditing standards prescribed under Sections 3.2 and 3.3 of NI 52-107, respectively, namely International Financial Reporting Standards ("**IFRS**") and Canadian GAAS (the "**Accounting Standards Relief**"), respectively in connection with a preliminary and final prospectus, and any amendments thereto (the "**Prospectuses**"), which Prospectuses the Filer is filing as non-offering Prospectuses with each of the provincial and territorial securities regulatory authorities in Canada, other than Quebec, as contemplated in Section 10.16 (as defined below), and a management information circular (the "**Circular**", and together with the Prospectuses, the "**Filings**"), which Circular is being prepared in connection with an upcoming meeting of the Filer's shareholders to consider an agreement and plan of merger involving, inter alia, the Filer and GH Group, all in connection with the Qualifying Transaction (as defined below) (together, the "**Exemption Sought**").

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application, and

(b) the Filer has provided notice that Section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island, the Yukon Territory, Nunavut and the Northwest Territories (the "**Passport Jurisdictions**"), which, pursuant to Section 8.2(2) of National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions* ("**NP 11-202**") and Section 5.2(6) of National Policy 11-203 – *Process for Exemptive Relief Applications in Multiple Jurisdictions* ("**NP 11-203**"), also satisfies the notice requirement of Section 4.7(1)(c) of MI 11-102.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, NP 11-202, NI 41-101, NI 52-107, NP 11-203 and NI 51-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer is a corporation incorporated under the *Business Corporations Act* (British Columbia).

2. The Filer is a reporting issuer in all of the provinces and territories of Canada, other than Quebec, and is not in default in any material respect under applicable securities legislation in such jurisdictions.

3. The Filer is a "special purpose acquisition corporation", or "SPAC", under Section 10.16 of the NEO Exchange ("**NEO**") Listing Manual ("**Section 10.16**"), as varied by exemptive relief, having completed its SPAC initial public offering ("**IPO**") on May 13, 2019 pursuant to a final prospectus that was filed in each of the provinces and territories of Canada other than Quebec dated May 7, 2019.

4. The Filer's authorized share capital consists of shares of two classes: Class A Restricted Voting Shares, issued to investors in the Filer's initial public offering, and Class B Shares held by the Filer's founding shareholders (some of which were also qualified under the IPO prospectus). In addition, the Filer's authorized capital also currently includes an unlimited number each of subordinate voting shares and multiple voting shares, none of such are currently issued and outstanding and the terms of which are expected to be amended in connection with the Qualifying Transaction. In addition, the Filer issued Share Purchase Warrants as part of the IPO, each such Warrant being exercisable, beginning 65 days after completion of a "qualifying acquisition" by the Filer, to acquire one Class A Restricted Voting Share at a price of US $11.50 per share.

5. The Class A Restricted Voting Shares and Share Purchase Warrants of the Filer are listed on the NEO under the symbols "BRND.A.U" and "BRND.WT", respectively. The Class B Shares of the Filer are not listed on the NEO or any other marketplace as defined in National Instrument 21-101 *Marketplace Operation*.

6. The Filer has entered into an agreement and plan of merger dated April 8, 2021 in respect of a proposed business combination transaction which would constitute the Filer's "qualifying acquisition" under Section 10.16, involving, among other things, the direct or indirect acquisition by the Filer of all of common equity interests in GH Group (the "**Qualifying Transaction**").

7. The Qualifying Transaction would constitute the Filer's "qualifying acquisition" under Section 10.16.

8. The Filer is filing the Prospectuses as non-offering Prospectuses with each of the provincial and territorial securities regulatory authorities in Canada other than Quebec as contemplated in Section 10.16.

9. GH Group is a limited liability company formed under Delaware state law with its principal executive offices located at 3645 Long Beach Blvd., Long Beach, California, USA, 90807. GH Group is one of the largest privately-held, vertically integrated cannabis companies in California with operations currently including cultivation, manufacturing, distribution and retail facilities. Additionally, GH Group has:

   (a) On August 31, 2019, completed an acquisition of 100% of the equity interests of Bud and Bloom, a licenced California corporation carrying out the business of procurement and sale of cannabis retail products in the city of Santa Ana, California.

   (b) On January 1, 2021, completed an acquisition of 100% of the equity interests of Farmacy Berkeley, a licensed retail cannabis company located in Berkeley, California.

   (c) On February 23, 2021, entered into a merger and exchange agreement with Element 7, whereby GH Group has the right, subject to satisfactory completion of due diligence, to merge with up to 17 subsidiary entities of Element 7 which are in the process of applying for state and local retail cannabis licenses in California, by way of a separate merger for each entity.

10. The Prospectuses will include consolidated/combined, as applicable, financial statements for each of GH Group, Farmacy Berkley, Bud and Bloom, and the Element 7 entities (collectively, the "**GH Group Acquisition Financial Statements**"), each of which will have been prepared in accordance with United States Generally Accepted Accounting Principles ("**U.S. GAAP**") and audited in accordance with United States Public Company Accounting Oversight Board Generally Accepted Accounting Standards ("**U.S. PCAOB GAAS**"). The consolidated financial statements of GH Group and Farmacy Berkeley will be for the financial years ended December 31, 2020, 2019 and 2018. The combined financial statements for Bud and Bloom will be for the eight (8)-month period ended August 31, 2019 and the financial year ended December 31, 2018. The consolidated financial statements of the Element 7 entities will be for the financial years ended

December 31, 2020 and 2019, as those businesses did not exist until after 2018.

11. Each of GH Group, the Element 7 entities, Farmacy Berkeley, and Bud and Bloom is not an "SEC Issuer" or an "SEC foreign issuer" as such terms are defined in NI 52-107.

12. If completed, the acquisition by the Filer of interests in GH Group is expected to be accounted for as a reverse merger or non-acquisition equity transaction by GH Group and, accordingly, GH Group may be viewed as the "accounting acquirer" for accounting purposes (and the "reverse takeover acquirer" for purposes of Canadian financial statement disclosure requirements for the Filings, pursuant to section 36.1 of Form 41-101F1 and/or Ontario Securities Commission practice).

13. The Filer has filed a Form 40-F registration statement (the "**Registration Statement**") with the U.S. Securities and Exchange Commission (the "**SEC**") under the Canada/U.S. multi-jurisdictional disclosure system, which has been declared effective by the SEC. Accordingly, the Filer qualifies as an "SEC issuer" pursuant to NI 52-107. As an SEC issuer, the Filer is entitled to file its financial statements prepared in accordance with U.S. GAAP under Section 3.7 of NI 52-107 and they would be able to be audited as required in accordance with U.S. PCAOB GAAS under Section 3.8 of NI 52-107.

14. After the closing of the Qualifying Transaction, the Filer intends to file its financial statements required by Canadian securities laws prepared in accordance with U.S. GAAP and audited as required in accordance with U.S. PCAOB GAAS as permitted under Sections 3.7 and 3.8 of NI 52-107.

15. Consistent with this contemplated approach, the Filer has included or will include its own financial statements as well as the GH Group Acquisition Financial Statements in the Filings prepared in accordance with U.S. GAAP and audited as required in accordance with U.S. PCAOB GAAS under Sections 3.7 and 3.8 of NI 52-107.

16. If GH Group is viewed as the "accounting acquirer" as described above for accounting purposes and the "reverse takeover acquirer" under NI 41-101 with respect to the Qualifying Transaction, Section 3.2 of NI 52-107 would require its financial statements to be prepared in accordance with IFRS and GH Group would not be able to prepare its financial statements in accordance with U.S. GAAP or have them audited in accordance with U.S. PCAOB GAAS under any of Sections 3.7, 3.8, 3.9 or 3.10 of NI 52-107 since GH Group is not an "SEC issuer", an "SEC foreign issuer" or a "designated foreign issuer" as defined in NI 52-107.

Decision

The Decision Maker is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Maker under the Legislation is that:

(a) the Exemption Sought is granted to the Filer in respect of the GH Group Acquisition Financial Statements and applicable pro forma financial statements to be included in the Filings, provided that those financial statements are prepared in accordance with U.S. GAAP and they are, where applicable, audited in accordance with U.S. PCAOB GAAS; and

(b) the Exemption Sought will terminate in respect of the Filer if the Filer does not complete the Qualifying Transaction in the manner contemplated in this decision.

"Cameron McInnis"
Chief Accountant
Ontario Securities Commission

2.1.19 Horizons ETFS Management (Canada) Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted under section 62(5) of the Securities Act to permit extension of fund's prospectus lapse date by days to accommodate timing of a proposed fund merger – no conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 62(5).

January 26, 2021

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
HORIZONS ETFS MANAGEMENT (CANADA) INC.
(the Filer)

AND

IN THE MATTER OF
HORIZONS ACTIVE EMERGING MARKETS DIVIDEND ETF

AND

HORIZONS ACTIVE US DIVIDEND ETF
(the Proposed Merging Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Proposed Merging Funds for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the time limits for the renewal of the prospectus of each Proposed Merging Fund dated January 29, 2020 (together, the **Prospectus**) be extended to the time limits that would apply if the lapse date was April 29, 2021 (the **Requested Relief**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(i) the Ontario Securities Commission is the principal regulator for this application; and

(ii) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada (together with Ontario, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer.

1. The Filer is a corporation incorporated under the laws of Canada. The Filer's head office is located in Toronto, Ontario.

2. The Filer is registered as a portfolio manager in Alberta, British Columbia, Ontario and Québec, an exempt market dealer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec and Saskatchewan, a commodity trading manager and a commodity trading adviser in Ontario and an investment fund manager in each of Ontario, Québec and Newfoundland and Labrador. The Filer is the investment fund manager of the Funds.

3. Each Proposed Merging Fund is an exchange-traded mutual fund (**ETF**) established under the laws of Ontario and a reporting issuer, as defined in the securities legislation of each of the Jurisdictions, subject to National Instrument 81-102 *Investment Funds* (**NI 81-102**).

4. Securities of the Proposed Merging Funds trade on the Toronto Stock Exchange.

5. Neither the Filer nor any of the Funds (as defined below) is in default of securities legislation in any of the Jurisdictions.

6. The Proposed Merging Funds currently distribute securities in the Jurisdictions under the Prospectus.

7. Pursuant to subsection 62(1) of the Act, the lapse date of the Prospectus is January 29, 2021 (the **Lapse Date**). Accordingly, if a new prospectus for each Proposed Merging Fund is not otherwise filed and receipted by the Lapse Date, under subsection 62(2) of the Act, the distribution of securities of each Proposed Merging Fund would have to cease on the Lapse Date unless: (i) each Proposed Merging Fund files a pro forma prospectus at least 30 days prior to the Lapse Date (December 30, 2020); (ii) the final prospectus for the Proposed Merging Funds is filed no later than 10 days after the Lapse Date; and (iii) a receipt for the final prospectus of the Proposed Merging Funds is obtained within 20 days of the Lapse Date.

8. Management of the Filer would like to merge the Proposed Merging Funds into the Horizons Active Global Dividend ETF, another ETF managed by the Filer subject to NI 81-102 (the **Continuing Fund**, together with the Proposed Merging Funds, the **Funds**) (the **Proposed Merger**).

9. The Prospectus is currently included in a multi-fund prospectus dated January 29, 2020 that also includes the prospectuses of other ETFs managed by the Filer, including the Continuing Fund. The Proposed Merging Funds were not included in the pro forma filing for the renewal of the multi-fund prospectus in anticipation of the application for this decision.

10. The Independent Review Committee of the Proposed Merging Funds has considered the Proposed Merger with respect to conflict of interest issues and determined that the Proposed Merger, if implemented, will achieve a fair and reasonable result for the Proposed Merging Funds and investors in the Proposed Merging Funds.

11. In January 2021, management of the Filer currently intends, subject to the approval of the board of directors of the Filer, for the Filer to issue a press release and file a material change report and subsequently file amendments on SEDAR to the Prospectus and ETF Facts of the Proposed Merging Funds announcing that it is proposing to merge each Proposed Merging Fund into the Continuing Fund upon receiving regulatory and unitholder approval.

12. A special meeting of the unitholders of each Proposed Merging Fund is scheduled, subject to the approval of the board of directors of the Filer, to be held in March 2021 to consider the Proposed Merger. It is expected that upon receiving all required approvals, the Proposed Merger would occur as soon as reasonably practicable thereafter (the **Effective Date**).

13. If the Proposed Merger is implemented, the Proposed Merging Funds will be wound up as soon as possible after the Effective Date. Accordingly, in the opinion of the Filer, it would be unduly costly to file renewal documents for the Proposed Merging Funds for the approximately 60-day period prior to the Effective Date.

14. The Filer wishes to continue to distribute securities of the Proposed Merging Funds during the period from the Lapse Date to the date of implementation of the Proposed Merger, in order to permit designated brokers and dealers of the Proposed Merging Funds to continue to purchase securities of the Proposed Merging Funds under the Prospectus and post accurate bid-ask prices on the secondary market.

15. In the event that the Proposed Merger does not receive all requisite approvals, the Requested Relief would provide the Filer with sufficient time to allow for the filing of a pro forma and final prospectus and ETF Facts documents for the Proposed Merging Funds, in order to permit such Proposed Merging Funds to remain in continuous distribution.

16. There have been no material changes in the affairs of each Proposed Merging Fund since the date of the Prospectus. Accordingly, the Prospectus and current ETF Facts of each Proposed Merging Fund represent current information regarding such Proposed Merging Fund.

17. Given the disclosure obligations of the Filer and the Proposed Merging Funds, should any material change in the business, operations or affairs of a Proposed Merging Fund occur, the Prospectus and current ETF Facts of the Proposed Merging Fund will be amended as required under the Legislation.

18. In accordance with securities legislation, new investors of a Proposed Merging Fund will receive delivery of the most recently filed ETF Facts of the Proposed Merging Fund. The current Prospectus will remain available to investors upon request.

19. The Requested Relief will not affect the accuracy of the information contained in the Prospectus or other disclosure documents of the Proposed Merging Funds and will therefore not be prejudicial to the public interest.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Requested Relief is granted.

"Darren McKall"
Manager, Investment Funds and Structured Products
Ontario Securities Commission

2.1.20 National Bank Investments Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – merger approval required because merger does not meet the criteria for pre-approval – continuing fund has different investment objectives than terminating fund – fee structure not substantially similar – merger not a "qualifying exchange" or a tax-deferred transaction under the Income Tax Act – sending of the preliminary fund facts document instead of the final fund facts document in respect of the new series of the continuing funds – mergers to otherwise comply with pre-approval criteria, including securityholder vote, IRC approval – securityholders provided with timely and adequate disclosure regarding the mergers.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 5.5(1)(b) and 5.7.

[TRANSLATION]

May 11, 2021

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUÉBEC AND ONTARIO
(the Jurisdictions)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
NATIONAL BANK INVESTMENTS INC.
(the Filer)

AND

NBI TACTICAL MORTGAGE & INCOME FUND
NBI STRATEGIC U.S. INCOME AND GROWTH FUND
NBI HIGH YIELD BOND PRIVATE PORTFOLIO
NBI JARISLOWSKY FRASER SELECT BALANCED FUND
NATIONAL BANK SECURE DIVERSIFIED FUND
NBI DIVIDEND FUND
NATIONAL BANK CONSERVATIVE DIVERSIFIED FUND
NATIONAL BANK MODERATE DIVERSIFIED FUND
NATIONAL BANK BALANCED DIVERSIFIED FUND
NATIONAL BANK GROWTH DIVERSIFIED FUND
NBI CANADIAN EQUITY FUND
NBI CANADIAN SMALL CAP EQUITY PRIVATE PORTFOLIO
NBI REAL ASSETS PRIVATE PORTFOLIO
NBI U.S. DIVIDEND FUND
NBI CANADIAN INDEX FUND
NBI U.S. INDEX FUND
NBI U.S. CURRENCY NEUTRAL INDEX FUND
NBI INTERNATIONAL INDEX FUND
NBI INTERNATIONAL CURRENCY NEUTRAL INDEX FUND
NBI CANADIAN DIVERSIFIED BOND PRIVATE PORTFOLIO
NBI MUNICIPAL BOND PLUS PRIVATE PORTFOLIO
NBI GLOBAL BOND FUND
MERITAGE TACTICAL ETF FIXED INCOME PORTFOLIO
(each, a Terminating Fund and collectively, the Terminating Funds)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for an approval of the proposed mergers of the Terminating Funds into the Continuing Funds (defined below) (the **Mergers**) pursuant to paragraph 5.5(1)(b) of *Regulation 81-102 respecting Investment Funds,* CQLR c. V-1.1, r. 39,(**Regulation 81-102**) (the **Approval Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

(a) the Autorité des marchés financiers is the principal regulator for this application;

(b) the Filer has provided notice that subsection 4.7(1) of *Regulation 11-102 respecting Passport System*, CQLR c. V-1.1, r. 1, (**Regulation 11-102**) is intended to be relied upon in each of the jurisdictions of Canada other than the Jurisdictions; and

(c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions*, CQLR c. V-1.1, r.3, Regulation 11-102, *Regulation 81-101 respecting Mutual Funds Prospectus Disclosure*, CQLR c.V-1.1, r. 38, (**Regulation 81-101**), Regulation 81-102, *Regulation 81-106 respecting Investment Fund Continuous Disclosure*, CQLR c. V-1.1, r.42, (**Regulation 81-106**) and *Regulation 81-107 respecting Independent Review Committee for Investment Funds*, CQLR c. V-1.1, r.43, (**Regulation 81-107**) have the same meaning if used in this decision, unless otherwise defined.

Continuing Fund or **Continuing Funds** means, individually or collectively, NBI Floating Rate Income Fund, NBI Unconstrained Fixed Income Fund, NBI High Yield Bond Fund, NBI Jarislowsky Fraser Select Income Fund, NBI Secure Portfolio, NBI Conservative Portfolio, NBI Moderate Portfolio, NBI Balanced Portfolio, NBI Growth Portfolio, NBI Jarislowsky Fraser Select Canadian Equity Fund, NBI Small Cap Fund, NBI Global Real Assets Income Fund, NBI SmartData U.S. Equity Fund, NBI Canadian Equity Index Fund, NBI U.S. Equity Index Fund, NBI International Equity Index Fund, NBI Canadian Bond Private Portfolio and NBI Global Tactical Bond Fund.

Effective Date means on or about May 21, 2021, May 28, 2021 or June 4, 2021, in each case being the anticipated date of each Merger, as identified in Schedule A.

Fee Structure Merger means the Merger of NBI Jarislowsky Fraser Select Balanced Fund into NBI Jarislowsky Fraser Select Income Fund.

Fund or **Funds** means, individually or collectively, the Terminating Funds and the Continuing Funds.

Investment Objective Mergers means each of the Mergers, other than the Merger of NBI High Yield Bond Private Portfolio into NBI High Yield Bond Fund, NBI Canadian Small Cap Equity Private Portfolio into NBI Small Cap Fund, NBI Real Assets Private Portfolio into NBI Global Real Assets Income Fund, and NBI Municipal Bond Plus Private Portfolio into NBI Canadian Bond Private Portfolio.

IRC means the independent review committee for the Funds.

Special Meeting Materials means the notice of meeting, management information circular and a proxy related to the special meetings of securityholders held in connection with the Mergers.

Special Meeting means the special meetings of securityholders to be held on or about May 17, 2021 in connection with the Mergers.

Taxable Mergers means the Merger of NBI Tactical Mortgage & Income Fund into NBI Floating Rate Income Fund, NBI High Yield Bond Private Portfolio into NBI High Yield Bond Fund, NBI Dividend Fund into NBI Conservative Portfolio, NBI Canadian Small Cap Equity Private Portfolio into NBI Small Cap Fund, NBI Real Assets Private Portfolio into NBI Global Real Assets Income Fund, NBI Canadian Index Fund into NBI Canadian Equity Index Fund, NBI U.S. Index Fund into NBI U.S. Equity Index Fund, NBI U.S. Currency Neutral Index Fund into NBI U.S. Equity Index Fund, NBI International Index Fund into NBI International Equity Index Fund, NBI International Currency Neutral Index Fund into NBI International Equity Index Fund, NBI Canadian Diversified Bond Private Portfolio into NBI Canadian Bond Private Portfolio, NBI Municipal Bond Plus Private Portfolio into NBI Canadian Bond Private Portfolio, NBI Global Bond Fund into NBI Global Tactical Bond Fund, and Meritage Tactical ETF Fixed Income Portfolio into NBI Global Tactical Bond Fund.

Voting Continuing Funds means NBI International Equity Index Fund, NBI Canadian Equity Index Fund and NBI U.S. Equity Index Fund.

Representations

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

The Filer and the Funds

1. The Filer is a corporation governed by the laws of Canada with its head office in Montréal, Québec.

2. The Filer acts as the investment fund manager of the Funds and is registered as an investment fund manager in each of the provinces of Québec, Ontario and Newfoundland and Labrador.

3. The Funds are open-ended mutual funds established as trusts under the laws of Ontario or Québec.

4. Other than securities of the private series (the **Private Series**) of certain of the Funds (which Private Series are offered by way of private placement), securities of the Funds are currently qualified for sale under the simplified prospectus and annual information form dated May 14, 2020, as amended on July 21, 2020, October 9, 2020, November 18, 2020, February 11, 2021 and March 9, 2021 and the related fund facts documents (the **Fund Facts**), as such documents may be amended or renewed (collectively, the **Offering Documents**).

5. Investors in Private Series of the Terminating Funds will receive Private Series securities of the corresponding Continuing Funds as a result of the relevant Mergers, which securities will be issued pursuant to an exemption from the prospectus requirement. There are no fund facts for the Private Series of the relevant Continuing Funds as these securities are not offered for sale pursuant to the Offering Documents.

6. Each of the Funds is a reporting issuer under the securities legislation of each of the jurisdictions of Canada and is subject to the requirements of Regulation 81-102.

7. Neither the Filer nor the Funds are in default of securities legislation in the jurisdictions of Canada.

Reasons for Approval Sought

8. The Approval Sought is required because each Merger does not satisfy all of the criteria for pre-approved reorganizations and transfers set out in section 5.6 of Regulation 81-102 (identified in Schedule A of this decision as applicable to each relevant Merger):

   (a) the fundamental investment objectives of the Continuing Funds in the Investment Objective Mergers are not substantially similar to the investment objectives of their corresponding Terminating Funds, as required by subparagraph 5.6(1)(a)(ii);

   (b) if securityholders of the Continuing Fund in the Fee Structure Merger approve the proposed fixed administration fee, then the fee structure of the Continuing Fund in the Fee Structure Merger is not substantially similar to the fee structure of its corresponding Terminating Fund, as required by subparagraph 5.6(1)(a)(ii);

   (c) the Taxable Mergers will not be completed as a “qualifying exchange” or other tax-deferred transaction under the *Income Tax Act (Canada), R.S.C. 1985, c. 1 (5th Supp.),* (the **Tax Act**), as required by paragraph 5.6(1)(b); and

   (d) the materials sent to Private Series securityholders of the Terminating Funds will not include the most recently filed fund facts of the Private Series of its corresponding Continuing Fund, as required by subparagraph 5.6(1)(f)(ii).

9. Except as described above, the Mergers comply with all of the other criteria for pre-approved reorganizations and transfers set out in section 5.6 of Regulation 81-102.

The Mergers

10. The Filer intends to reorganize the Funds as follows:

	Terminating Fund	**Continuing Fund**
1	NBI Tactical Mortgage & Income Fund	NBI Floating Rate Income Fund
2	NBI Strategic U.S. Income and Growth Fund	NBI Unconstrained Fixed Income Fund
3	NBI High Yield Bond Private Portfolio	NBI High Yield Bond Fund

4	NBI Jarislowsky Fraser Select Balanced Fund	NBI Jarislowsky Fraser Select Income Fund
5	National Bank Secure Diversified Fund	NBI Secure Portfolio
6	NBI Dividend Fund	NBI Conservative Portfolio
7	National Bank Conservative Diversified Fund	NBI Conservative Portfolio
8	National Bank Moderate Diversified Fund	NBI Moderate Portfolio
9	National Bank Balanced Diversified Fund	NBI Balanced Portfolio
10	National Bank Growth Diversified Fund	NBI Growth Portfolio
11	NBI Canadian Equity Fund	NBI Jarislowsky Fraser Select Canadian Equity Fund
12	NBI Canadian Small Cap Equity Private Portfolio	NBI Small Cap Fund
13	NBI Real Assets Private Portfolio	NBI Global Real Assets Income Fund
14	NBI U.S. Dividend Fund	NBI *SmartData* U.S. Equity Fund
15	NBI Canadian Index Fund	NBI Canadian Equity Index Fund
16	NBI U.S. Index Fund	NBI U.S. Equity Index Fund
17	NBI U.S. Currency Neutral Index Fund	NBI U.S. Equity Index Fund
18	NBI International Index Fund	NBI International Equity Index Fund
19	NBI International Currency Neutral Index Fund	NBI International Equity Index Fund
20	NBI Canadian Diversified Bond Private Portfolio	NBI Canadian Bond Private Portfolio
21	NBI Municipal Bond Plus Private Portfolio	NBI Canadian Bond Private Portfolio
22	NBI Global Bond Fund	NBI Global Tactical Bond Fund
23	Meritage Tactical ETF Fixed Income Portfolio	NBI Global Tactical Bond Fund

11. In accordance with section 11.2 of Regulation 81-106, a press release announcing the proposed Mergers was issued and filed on SEDAR on March 1, 2021 and a material change report and amendments to the Offering Documents with respect to the Mergers were filed via SEDAR on March 10, 2021.

12. In accordance with paragraph 5.3(1)(a) of Regulation 81-107, the Filer presented the terms of the proposed Mergers to the IRC at a meeting held on February 24, 2021. The IRC reviewed the potential conflict of interest matters related to the proposed Mergers, and the process to be followed in connection with each Merger, and has provided a positive recommendation after determining that the proposed action of the Filer in implementing each such Merger would achieve a fair and reasonable result for each Fund.

13. Securityholders of the Terminating Funds and of the Voting Continuing Funds will be asked to approve the applicable Mergers at the Special Meeting.

14. Pursuant to a decision dated September 8, 2016 (the **Notice-and-Access Decision**), the Filer has obtained an exemption from the requirement in paragraph 12.2(2)(a) of Regulation 81-106 to send an information circular and proxy-related materials to the securityholders of the Terminating Funds and Voting Continuing Funds and instead allows each such Fund to make use of a notice-and-access process.

15. On April 16, 2021, the notice prescribed by the Notice-and-Access Decision (the **Notice-and-Access Document**) and the form of proxy were sent to securityholders of each Terminating Fund and Voting Continuing Fund. Fund Facts relating to the relevant series of the Continuing Funds were sent to securityholders of the corresponding Terminating Funds along with the Notice-and-Access Document and form of proxy.

16. The Special Meeting Materials were filed via SEDAR and posted on the Filer's website on April 16, 2021.

17. The Special Meeting Materials, along with the Fund Facts of the Continuing Funds, provide sufficient information to securityholders to permit them to make an informed decision about the Mergers and to vote on each applicable Merger.

18. Securityholders of each Terminating Fund will continue to have the right to redeem securities of the Terminating Fund at any time up to the close of business on the business day immediately before the Effective Date.

19. Following the Mergers, all systematic purchase plans and redemption plans that were established for each Terminating Fund will be continued on a series-for-series basis in the applicable Continuing Fund, in accordance with the same terms and conditions as the original systematic plan, unless a securityholder advises the Filer otherwise.

Merger Steps

20. The Taxable Mergers will be structured as follows:

    (a) Prior to effecting a Merger, if required, each Terminating Fund will sell any securities in its portfolio that do not meet the investment objectives and investment strategies of the applicable Continuing Fund. As a result, some of the Terminating Funds may temporarily hold cash or money market instruments and may not be fully invested in accordance with their investment objectives for a brief period of time prior to the Merger being effected.

    (b) On or prior to the effective date of each applicable Merger, each Terminating Fund will distribute a sufficient amount of its net income and net realized capital gains, if any, to securityholders to ensure that it will not be subject to tax for its current tax year.

    (c) The value of each Terminating Fund's portfolio and other assets will be determined at the close of business on the effective date of each applicable Merger in accordance with the constating documents of the applicable Terminating Fund.

    (d) Each Terminating Fund will sell its investment portfolio and other assets to its corresponding Continuing Fund in exchange for various series of units of the Continuing Fund that correspond to the outstanding series of units of the Terminating Fund.

    (e) Each Continuing Fund will not assume any liabilities of the applicable Terminating Fund and the Terminating Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the effective date of the applicable Merger.

    (f) The units of each Continuing Fund received by the applicable Terminating Fund will have an aggregate net asset value equal to the value of the portfolio assets and other assets that the Continuing Fund is acquiring from the Terminating Fund, and the units of the Continuing Fund will be issued at the applicable series net asset value per unit as of the close of business on the effective date of the applicable Merger.

    (g) Immediately thereafter, units of each Continuing Fund received by the applicable Terminating Fund will be distributed to securityholders of the Terminating Fund in exchange for their units in the Terminating Fund on a dollar for dollar and series-by-series basis, as applicable.

    (h) As soon as reasonably possible, the applicable Terminating Fund will be wound up.

21. The capital gains and capital losses on the portfolio assets of the Terminating Funds involved in the Taxable Mergers will be realized, and any net capital gains will be distributed to securityholders of such Terminating Funds. The securityholders of such Terminating Funds will realize any accrued capital gain or capital loss on their units of such Terminating Funds.

22. The Mergers of NBI U.S. Index Fund and NBI U.S. Currency Neutral Index Fund into NBI U.S. Equity Index Fund cannot be effected as tax-deferred mergers, as the Continuing Fund is not a mutual fund trust and thus the Mergers cannot meet the requirements of a qualifying exchange under the Tax Act.

23. For the Taxable Mergers other than those described in paragraph 22, the Filer has assessed the impact of a taxable transaction on each of the Terminating Funds and Continuing Funds and upon the securityholders in the Terminating Funds and believes that it is appropriate to proceed with a taxable transaction for the following reasons:

    (a) the majority of investors in the Terminating Funds hold their units in registered plans and a taxable merger is neither beneficial nor detrimental to such investors;

    (b) roughly half of the remaining investors, who hold their units of the Terminating Funds outside a registered plan, are in a loss position and triggering a loss can be beneficial as such losses can be used to offset any capital gains realized in the same year or any of the previous three years, and thus immediately reduce their tax liability; and

(c) the remainder of the taxable investors in each Terminating Fund are in a gain position and will be provided with Special Meeting Materials disclosing the tax impact of the Merger and will have the opportunity to redeem their units prior to the effective date of the Merger or to vote against the proposed Merger.

24. The remaining Mergers will be structured as follows:

(a) Prior to effecting a Merger, if required, each Terminating Fund will sell any securities in its portfolio that do not meet the investment objectives and investment strategies of the applicable Continuing Fund. As a result, some of the Terminating Funds may temporarily hold cash or money market instruments and may not be fully invested in accordance with their investment objectives for a brief period of time prior to the Merger being effected.

(b) On or prior to the effective date of each applicable Merger, each Terminating Fund and its corresponding Continuing Fund may distribute its net realized capital gains and income, if any, to its securityholders.

(c) Each Terminating Fund will jointly elect with its corresponding Continuing Fund that the Merger be a "qualifying exchange" as defined in the Tax Act.

(d) The value of each Terminating Fund's portfolio and other assets will be determined at the close of business on the effective date of each applicable Merger in accordance with the constating documents of the applicable Terminating Fund.

(e) Each Terminating Fund will sell its investment portfolio and other assets to its corresponding Continuing Fund in exchange for various series of units of the Continuing Fund that correspond to the outstanding series of units of the Terminating Fund.

(f) Each Continuing Fund will not assume any liabilities of the applicable Terminating Fund and the Terminating Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the effective date of the applicable Merger.

(g) The units of each Continuing Fund received by the applicable Terminating Fund will have an aggregate net asset value equal to the value of the portfolio assets and other assets that the Continuing Fund is acquiring from the Terminating Fund, and the units of the Continuing Fund will be issued at the applicable series net asset value per unit as of the close of business on the effective date of the applicable Merger.

(h) Immediately thereafter, units of each Continuing Fund received by the applicable Terminating Fund will be distributed to securityholders of the Terminating Fund in exchange for their units in the Terminating Fund on a dollar-for-dollar and series-by-series basis, as applicable.

(i) As soon as reasonably possible, the applicable Terminating Fund will be wound up.

25. The Filer will pay for the costs of the Mergers. These costs consist mainly of brokerage charges associated with the Merger-related trades that occur both before and after the effective date of the Mergers and legal, proxy solicitation, printing, mailing and regulatory fees.

26. No sales charges, redemption fees or other fees or commissions will be payable in connection with the acquisition by a Continuing Fund of the investment portfolio of its applicable Terminating Fund.

27. The investment portfolio and other assets of each Terminating Fund to be acquired by the applicable Continuing Fund in order to effect the Mergers are currently, or will be, acceptable, on or prior to the Effective Date, to the portfolio manager(s) of the applicable Continuing Fund and are, or will be, consistent with the investment objectives of the applicable Continuing Fund.

28. The Mergers do not require approval of securityholders of the Continuing Funds, other than the Voting Continuing Funds, as the Filer has determined that each Merger, other than the Mergers involving the Voting Continuing Funds, does not constitute a material change to any Continuing Fund other than the Voting Continuing Funds.

Benefits of Mergers

29. In the opinion of the Filer, the Mergers will be beneficial to securityholders of the Funds for the following reasons:

(a) the Mergers will result in a more streamlined and simplified product line-up that is easier for investors to understand;

(b) the Mergers may eliminate similar fund offerings which may have the effect of reducing the administrative and regulatory costs of operating each Terminating Fund and Continuing Fund as separate funds;

(c) following the Mergers, each Continuing Fund will have a portfolio of greater value, which may allow for increased portfolio diversification opportunities; and

(d) each Continuing Fund, as a result of its greater size, may benefit from its larger profile in the marketplace by potentially attracting more securityholders and enabling it to maintain a "critical mass".

30. In addition to the reasons set out in paragraph 29, the Filer believes that the Mergers are beneficial to securityholders of each of the Terminating Funds and the Continuing Funds for the following reasons (identified in Schedule A of this decision as applicable to each relevant Merger):

(a) in certain cases, the Continuing Funds have delivered stronger long term performance than the applicable Terminating Funds;

(b) in certain cases, the Continuing Fund may offer a more broad approach to investing;

(c) in certain cases, there is significant overlap between portfolio holdings of the Terminating Fund and portfolio holdings of the Continuing Fund; and

(d) in certain cases, management fees and/or fixed administration fees will be lower for the Continuing Fund.

31. The Approval Sought is not detrimental to the protection of investors.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Makers to make the decision.

The decision of the Decision Makers under the Legislation is that the Approval Sought is granted in respect of each Merger, provided that the Filer obtains the prior approval of the securityholders of the Terminating Fund and, if applicable, of the Voting Continuing Fund, for the Merger, at a special meeting held for that purpose.

“Hugo Lacroix”
Superintendent, Securities Market

Schedule "A"

	Terminating Fund	Continuing Fund	Merger Date	Not Substantially Similar		Taxable Merger	No Delivery of Fund Facts for Private Series	Stronger Long Term Performance	Broader Investment Approach	Overlap in Portfolio Holdings	Lower Continuing Fund Fees
				Investment Objective	Fee Structure						
1.	NBI Tactical Mortgage & Income Fund	NBI Floating Rate Income Fund	June 4, 2021	X		X			X		X (Series F Only)
2.	NBI Strategic U.S. Income and Growth Fund	NBI Unconstrained Fixed Income Fund	June 4, 2021	X			X		X		X
3.	NBI High Yield Bond Private Portfolio	NBI High Yield Bond Fund	May 21, 2021			X	X			X	
4.	NBI Jarislowsky Fraser Select Balanced Fund	NBI Jarislowsky Fraser Select Income Fund	May 28, 2021	X	X*					X	X
5.	National Bank Secure Diversified Fund	NBI Secure Portfolio	May 28, 2021	X					X		
6.	NBI Dividend Fund	NBI Conservative Portfolio	June 4, 2021	X		X		X	X		
7.	National Bank Conservative Diversified Fund	NBI Conservative Portfolio	May 28, 2021	X					X		
8.	National Bank Moderate Diversified Fund	NBI Moderate Portfolio	May 28, 2021	X					X		X
9.	National Bank Balanced Diversified Fund	NBI Balanced Portfolio	May 28, 2021	X					X		X
10.	National Bank Growth Diversified Fund	NBI Growth Portfolio	May 28, 2021	X					X		X
11.	NBI Canadian Equity Fund	NBI Jarislowsky Fraser Select Canadian Equity Fund	May 21, 2021	X				X			
12.	NBI Canadian Small Cap Equity Private Portfolio	NBI Small Cap Fund	May 28, 2021			X	X			X	
13.	NBI Real Assets Private Portfolio	NBI Global Real Assets Income Fund	May 21, 2021			X	X			X	
14.	NBI U.S. Dividend Fund	NBI *SmartData* U.S. Equity Fund	May 21, 2021	X				X			X
15.	NBI Canadian Index Fund	NBI Canadian Equity Index Fund	May 21, 2021	X		X			X		
16.	NBI U.S. Index Fund	NBI U.S. Equity Index Fund	June 4, 2021	X		X			X		
17.	NBI U.S. Currency Neutral Index Fund	NBI U.S. Equity Index Fund	June 4, 2021	X		X			X		
18.	NBI International Index Fund	NBI International Equity Index Fund	June 4, 2021	X		X			X		
19.	NBI International Currency Neutral Index Fund	NBI International Equity Index Fund	June 4, 2021	X		X		X			
20.	NBI Canadian Diversified Bond Private Portfolio	NBI Canadian Bond Private Portfolio	May 28, 2021	X		X				X	

21.	NBI Municipal Bond Plus Private Portfolio	NBI Canadian Bond Private Portfolio	May 28, 2021			X	X	X	X		X
22.	NBI Global Bond Fund	NBI Global Tactical Bond Fund	June 4, 2021	X		X		X	X		
23.	Meritage Tactical ETF Fixed Income Portfolio	NBI Global Tactical Bond Fund	June 4, 2021	X		X	X		X		

* The Continuing Fund currently has a floating expense structure and thus the fee structures of the Terminating Fund and the Continuing Fund are substantially similar. However, the Filer proposes to implement a fixed administration fee structure for the Continuing Fund, subject to obtaining approval from the relevant securityholders of the Continuing Fund. As a result, if approved and implemented, the fee structure of the Continuing Fund will not be substantially similar to the fee structure of the Terminating Fund.

(1) applicable for certain series only.

2.2 Orders

2.2.1 Allbanc Split Corp. II

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – Application for an order that a terminating split share corporation is not a reporting issuer under applicable securities laws – relief granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(10)(a)(ii).

April 5, 2021

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS

AND

IN THE MATTER OF
ALLBANC SPLIT CORP. II
(the Filer)

ORDER

Background

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application, and

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in all of the Provinces and Territories of Canada (other than Ontario).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this order, unless otherwise defined.

Representations

This order is based on the following facts represented by the Filer:

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;

2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;

3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publically reported;

4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all the jurisdictions of Canada in which it is a reporting issuer; and

5. the Filer is not in default of securities legislation in any jurisdiction.

Order

The principal regulator is satisfied that the order meets the test set out in the Legislation for the principal regulator to make the order.

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

"Darren McKall"
Investment Funds and Structured Products
Ontario Securities Commission

2.2.2 Allbanc Split Corp. II – s. 1(6) of the OBCA

Headnote

Applicant deemed to have ceased to be offering its securities to the public under the OBCA – relief granted.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 1(6).

IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT (ONTARIO)
R.S.O. 1990, c. B.16, AS AMENDED
(the OBCA)

AND

IN THE MATTER OF
ALLBANC SPLIT CORP. II
(the Applicant)

ORDER
(subsection 1(6) of the OBCA)

UPON the application of the Applicant to the Ontario Securities Commission (the **Commission**) for an order pursuant to subsection 1(6) of the OBCA to be deemed to have ceased to be offering its securities to the public;

AND UPON the Applicant representing to the Commission that:

1. The Applicant is an "offering corporation" as defined in subsection 1(1) of the OBCA.

2. The Applicant has no intention to seek public financing by way of an offering of securities.

3. On April 5, 2021 the Applicant was granted an order (the **Reporting Issuer Order**) pursuant to subclause 1(10)(a)(ii) of the Securities Act (Ontario) that it is not a reporting issuer in Ontario and is not a reporting issuer or the equivalent in any other jurisdiction in Canada in accordance with the simplified procedure set out in National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*. The representations set out in the Reporting Issuer Order continue to be true.

AND UPON the Commission being satisfied to do so would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission, pursuant to subsection 1(6) of the OBCA, that the Applicant is deemed to have ceased to be offering its securities to the public for the purpose of the OBCA.

DATED at Toronto, Ontario this 7th day of April, 2021.

"Frances Kordyback"
Commissioner
Ontario Securities Commission

"Raymond Kindiak"
Commissioner
Ontario Securities Commission

2.2.3 Hanfeng Evergreen Inc. – s. 144(1)

Headnote

Section 144(1) – Application to vary a cease trade order – cease trade order varied to permit beneficial shareholders, who are not insiders or control persons, to sell securities outside of Canada, subject to conditions.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127 and 144.

IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED
(the "Act")

AND

IN THE MATTER OF
HANFENG EVERGREEN INC.
(the "Issuer")

ORDER
(Section 144(1) of the Act)

WHEREAS the securities of the Issuer are subject to a temporary cease trade order issued by the Director on February 19, 2014, under paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, as extended by a further cease trade order issued by the Director on March 3, 2014 pursuant to subsection 127(1) of the Act directing that trading in the securities of the Issuer, whether direct or indirect, cease until further order by the Director (the "**Cease Trade Order**");

AND WHEREAS a cease trade order with respect to the Issuer's securities was also issued by the British Columbia Securities Commission on February 20, 2014, the Autorité des marchés financiers on March 7, 2014, the Manitoba Securities Commission on April 16, 2014 and the Alberta Securities Commission on June 3, 2014.

AND WHEREAS the Issuer's securities are not listed on and do not trade on any exchange in Canada;

AND WHEREAS a shareholder of the Issuer has made an application to the Commission pursuant to section 144(1) of the Act to vary the Cease Trade Order;

AND UPON the Director being satisfied that:

a) the terms and conditions to the Cease Trade Order put Ontario resident shareholders of the Issuer at a disadvantage to certain shareholders who are free to trade their shares over a foreign market; and

b) it is not prejudicial to the public interest to vary the Cease Trade Order under section 144(1) of the Act;

IT IS ORDERED that, pursuant to section 144(1) of the Act, the Cease Trade Order be varied by including the following section:

Despite this order, a beneficial shareholder of Hanfeng Evergreen Inc. who is not, and was not as at February 19, 2014, an insider or control person of Hanfeng Evergreen Inc., may sell securities of Hanfeng Evergreen Inc. acquired before February 19, 2014, if:

1. the sale is made through a market outside of Canada; and

2. the sale is made through an investment dealer registered in Ontario.

DATED this 5th day of May, 2021

"Lina Creta"
Manager, Corporate Finance Branch
Ontario Securities Commission

2.2.4 Daniel Sheehan

File No. 2020-38

IN THE MATTER OF
DANIEL SHEEHAN

Wendy Berman, Vice-Chair and Chair of the Panel

May 5, 2021

ORDER

WHEREAS on May 5, 2021, the Ontario Securities Commission held a hearing by teleconference;

ON HEARING the submissions of the representatives for Staff of the Commission (**Staff**) and for Daniel Sheehan (the **Respondent**);

IT IS ORDERED THAT:

1. the Respondent shall file and serve a witness list, and serve a summary of each witness' anticipated evidence on Staff, and indicate any intention to call an expert witness, and if so, provide the expert's name and the issues on which the expert will give evidence, by 4:30 p.m. on May 21, 2021; and

2. a further attendance in this matter is scheduled for May 28, 2021 at 9:00 a.m., by teleconference, or on such other date and time as may be agreed to by the parties and set by the Office of the Secretary.

"Wendy Berman"

2.2.5 Champignon Brands Inc.

Headnote

National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jusidictions – Application by an issuer for a revocation of cease trade orders issued by the Commission and British Columbia Securities Commission – cease trade order issued because the issuer had failed to file certain continuous disclosure materials required – defaults subsequently remedied by bringing continuous disclosure filings up-to-date – Ontario opt-in to revocation order issued by British Columbia Securities Commission, as principal regulator.

Citation: 2021 BCSECCOM 135

CHAMPIGNON BRANDS INC.

UNDER THE SECURITIES LEGISLATION OF BRITISH COLUMBIA AND ONTARIO (THE LEGISLATION)

REVOCATION ORDER

Background

¶ 1 Champignon Brands Inc. (the Issuer) is subject to a failure-to-file cease trade order (the FFCTO) issued by the regulator of the British Columbia Securities Commission (the Principal Regulator) and Ontario (each a Decision Maker) respectively on October 27, 2020.

¶ 2 The Issuer has applied to each of the Decision Makers under National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocation in Multiple Jurisdictions* (NP 11-207) for an order revoking the FFCTOs.

¶ 3 This order is the order of the Principal Regulator and evidences the decision of the Decision Maker in Ontario.

Interpretation

¶ 4 Terms defined in National Instrument 14-101 *Definitions* or in NP 11-207 have the same meaning if used in this order, unless otherwise defined.

Order

¶ 5 Each of the Decision Makers is satisfied that the order to revoke the FFCTO meets the test set out in the Legislation for the Decision Maker to make the decision.

¶ 6 The decision of the Decision Makers under the Legislation is that the FFCTO is revoked.

¶ 7 April 22, 2021

"Allan Lim", CPA, CA
Manager
Corporate Finance

2.2.6 Champignon Brands Inc. – s. 171 of the Securities Act (BC)

Headnote

National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jusidictions – Application by an issuer for a revocation of cease trade orders issued by the Commission and British Columbia Securities Commission – cease trade order issued because the issuer had failed to file certain continuous disclosure materials required – defaults subsequently remedied by bringing continuous disclosure filings up-to-date – Ontario opt-in to revocation order issued by British Columbia Securities Commission, as principal regulator.

Citation: 2021 BCSECCOM 160

CHAMPIGNON BRANDS INC.

REVOCATION ORDER

SECTION 171 OF THE *SECURITIES ACT,* R.S.B.C. 1996, C. 418

¶ 1 On August 26, 2020, the Executive Director ordered under section 164(1) of the Act that all trading in the securities of Champignon Brands Inc. (Champignon) cease until it files a material change report for the restructuring transaction with AltMed Capital Corp. in the required form, and the Executive Director revokes the order.

¶ 2 Champignon applied for revocation of the cease trade order with the Executive Director in compliance with National Policy 12-202 *Revocation of Certain Cease Trade Orders*.

¶ 3 Champignon has filed the material change report for the restructuring transaction with AltMed Capital Corp. in the required form.

¶ 4 The Executive Director considers that to revoke the cease trade order would not be prejudicial to the public interest.

¶ 5 Under section 171 of the Act, the Executive Director orders that the cease trade order is revoked.

April 22, 2021
"Allan Lim", CPA, CA
Manager

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
THERE IS NOTHING TO REPORT THIS WEEK.				

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Canadian Oil Recovery & Remediation Enterprises Ltd.	May 6, 2021	May 7, 2021
Ikänik Farms Inc.	May 6, 2021	
LSC Communications, Inc.	May 6, 2021	
Imaging Dynamics Company Ltd.	May 6, 2021	
Logica Ventures Corp.	May 6, 2021	
Westcore Energy Ltd.	May 6, 2021	
EnerSpar Corp.	May 6, 2021	
NetCents Technology Inc.	May 6, 2021	
Emergia Inc.	May 7, 2021	
SRAI Capital Corp.	May 7, 2021	
Sunstone Opportunity Fund (2005) Limited Partnership	May 7, 2021	
YDX Innovation Corp.	May 7, 2021	

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Empower Clinics Inc.	May 4, 2021	
Red White & Bloom Brands Inc.	May 4, 2021	
Reservoir Capital Corp.	May 5, 2021	
Nass Valley Gateway Ltd.	May 5, 2021	

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Expire	Date of Issuer Temporary Order
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

Company Name	Date of Order	Date of Lapse
Agrios Global Holdings Ltd.	September 17, 2020	
Almonty Industries Inc.	April 1, 2021	
Avicanna Inc.	April 9, 2021	
Bhang Inc.	May 3, 2021	
Bluesky Digital Assets Corp.	May 3, 2021	
Flower One Holdings Inc.	May 3, 2021	
Jushi Holdings Inc.	May 3, 2021	
Indiva Limited	May 3, 2021	
Matica Enterprises Inc.	May 3, 2021	
Ionic Brands Corp.	May 3, 2021	
King Global Ventures Inc.	May 3, 2021	
Tree of Knowledge International Corp.	May 3, 2021	
TraceSafe Inc.	May 3, 2021	
WeedMD Inc.	May 3, 2021	
Empower Clinics Inc.	May 4, 2021	
Red White & Bloom Brands Inc.	May 4, 2021	
Reservoir Capital Corp.	May 5, 2021	
Nass Valley Gateway Ltd.	May 5, 2021	

Chapter 5

Rules and Policies

5.1.1 Amendments to Ontario Securities Commission Rule 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions

AMENDMENTS TO
ONTARIO SECURITIES COMMISSION RULE 48-501
TRADING DURING DISTRIBUTIONS, FORMAL BIDS AND SHARE EXCHANGE TRANSACTIONS

1. Ontario Securities Commission Rule 48-501 is amended by this Instrument.

2. Section 1.1 is amended by

(a) deleting the definition of "exchange-traded fund***", and***

(b) replacing the definition of "issuer-restricted person***" with the following:***

"issuer-restricted person" means, in respect of a particular offered security,

(a) the issuer of the offered security,

(b) a selling security holder of the offered security in connection with a prospectus distribution or restricted private placement,

(c) an affiliated entity of the issuer of the offered security or a selling security holder; or

(d) any person or company acting jointly or in concert with the person or company described in clause (a), (b) or (c) for a particular transaction;***.***

3. Subsection 1.2(2) is repealed.

4. Section 2.1 is repealed.

5. Section 3.1 is repealed.

6. Section 4.1 is amended by replacing "Despite section 53 of the Act and section 2.1, a dealer-restricted person***" with "***Despite section 53 of the Act, during a dealer-restricted period, a dealer-restricted person***"***

7. Section 4.2 is amended by replacing "Despite section 53 of the Act and section 2.1, a dealer-restricted person***" with "***Despite section 53 of the Act, during a dealer-restricted period, a dealer-restricted person***".***

CHANGES TO
COMPANION POLICY 48-501CP TRADING DURING DISTRIBUTIONS, FORMAL BIDS AND SHARE EXCHANGE TRANSACTIONS

1. ***Companion Policy 48-501CP Trading During Distributions, Formal Bids and Share Exchange Transactions is changed by this Document***.

2. ***Part 1 is deleted.***

3. ***Section 3.1 is changed by replacing "***section 91 of the Act,***" with "***section 1.9 of National Instrument 62-104 *Take-Over Bids and Issuer Bids,****".***

4. ***Part 4 is deleted.***

5. ***Sections 5.2, 5.2.1 and 5.3 are deleted.***

5.1.2 Ontario Securities Commission Rule 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions

ONTARIO SECURITIES COMMISSION RULE 48-501
TRADING DURING DISTRIBUTIONS, FORMAL BIDS AND SHARE EXCHANGE TRANSACTIONS

PART 1 - DEFINITIONS

1.1 Definitions

In this Rule

"connected security" means, in respect of an offered security,

(a) a security into which the offered security is immediately convertible, exchangeable or exercisable unless the security is a listed security or quoted security and the price at which the offered security is convertible, exchangeable or exercisable is greater than 110% of the best ask price of the security at the commencement of the restricted period,

(b) a security of the issuer of the offered security or another issuer that, according to the terms of the offered security, may significantly determine the value of the offered security,

(c) if the offered security is a special warrant, the security which would be issued on the exercise of the special warrant, and

(d) if the offered security is an equity security, any other equity security of the issuer,

where the security trades on a marketplace or a market where there is mandated transparency of orders or trade information;

"dealer-restricted period" means, for a dealer-restricted person, the period,

(a) in connection with a prospectus distribution or a restricted private placement of an offered security, commencing on the later of

(i) the date two trading days prior to the day the offering price of the offered security is determined, and

(ii) the date on which a dealer enters into an agreement or reaches an understanding to participate in the prospectus distribution or restricted private placement of securities, whether or not the terms and conditions of such participation have been agreed upon, and

ending on the date the selling process ends and all stabilization arrangements relating to the offered security are terminated,

(b) in connection with a securities exchange take-over bid or issuer bid, commencing on the date of dissemination of the take-over bid circular, issuer bid circular or similar document and ending with the termination of the period during which securities may be deposited under such bid, including any extension thereof, or the withdrawal of the bid, and

(c) in connection with an amalgamation, arrangement, capital reorganization or similar transaction, commencing on the date of dissemination of the information circular for such transaction and ending on the date of approval of the transaction by the security holders that will receive the offered security or the termination of the transaction by the issuer or issuers;

"dealer-restricted person" means, in respect of a particular offered security,

(a) a dealer that

(i) is an underwriter, as defined in the Act, in a prospectus distribution or a restricted private placement,

(ii) is participating, as agent but not as an underwriter, in a restricted private placement, and

(A) the number of securities to be issued under the restricted private placement would constitute more than 10% of the issued and outstanding offered securities, and

(B) the dealer has been allotted or is otherwise entitled to sell more than 25% of the securities to be issued under the restricted private placement,

(iii) has been appointed by an offeror to be the dealer-manager, manager, soliciting dealer or adviser in respect of a securities exchange take-over bid or issuer bid, or

(iv) has been appointed by an issuer to be the soliciting dealer or adviser in respect of obtaining security holder approval for an amalgamation, arrangement, capital reorganization or similar transaction that would result in the issuance of securities that would be a distribution exempt from prospectus requirements in accordance with applicable securities law, where, in each case, adviser means an adviser whose compensation depends on the outcome of the transaction,

(b) a related entity of the dealer referred to in clause (a) but does not include such related entity, or any separate and distinct department or division of a dealer referred to in clause (a) where,

(i) the dealer

(A) maintains and enforces written policies and procedures reasonably designed to prevent the flow of information regarding any prospectus distribution, private placement or transaction referred to in clause (a) to or from the related entity, department or division, and

(B) obtains an annual assessment of the operation of such policies and procedures,

(ii) the dealer has no officers or employees that solicit orders or recommend transactions in securities in common with the related entity, department or division, and

(iii) the related entity, department or division does not during the dealer-restricted period, in connection with the restricted security,

(A) act as a market maker (other than to meet its obligations under the rules of a recognized exchange),

(B) solicit orders from clients, or

(C) engage in proprietary trading,

(c) a partner, director, officer, employee or a person holding a similar position or acting in a similar capacity for the dealer referred to in clause (a) or for a related entity of the dealer referred to in clause (b), or

(d) any person or company acting jointly or in concert with a person or company described in clause (a), (b) or (c) for a particular transaction;

"exchange-traded fund" **[repealed]** ~~means a mutual fund, the units of which are~~

~~(a) listed securities or quoted securities, and~~

~~(b) in continuous distribution in accordance with applicable securities legislation;~~

"highly-liquid security" means a listed security or quoted security that,

(a) has traded, in total, on one or more marketplaces as reported on a consolidated market display during a 60-day period ending not earlier than 10 days prior to the commencement of the restricted period,

(i) an average of at least 100 times per trading day, and

(ii) with an average trading value of at least $1,000,000 per trading day, or

(b) is subject to Regulation M under the 1934 Act and is considered to be an "actively-traded security" thereunder;

"issuer-restricted period" means, for an issuer-restricted person, the period,

(a) in connection with a prospectus distribution or a restricted private placement of an offered security, commencing on the date two trading days prior to the day the offering price of the offered security is determined, and ending on the date the selling process ends and all stabilization arrangements relating to the offered security are terminated,

(b) in connection with a securities exchange take-over bid or issuer bid, commencing on the date of the dissemination of the take-over bid circular, issuer bid circular or similar document and ending with the termination of the period during which securities may be deposited under such bid, including any extension thereof, or the withdrawal of the bid, and

(c) in connection with an amalgamation, arrangement, capital reorganization or other similar transaction, commencing on the date of dissemination of the information circular for such transaction and ending on the date of approval of the transaction by the security holders that will receive the offered security or the termination of the transaction by the issuer or issuers;

"issuer-restricted person" means, in respect of a particular offered security,

(a) the issuer of the offered security,

(b) a selling security holder of the offered security in connection with a prospectus distribution or restricted private placement,

(c) an affiliated entity~~, associated entity or insider~~ of the issuer of the offered security or a selling security holder ~~but does not include a person who is an insider by virtue of clause (c) of the definition of "insider" under the Act so long as that person:~~

~~(i) does not have, and has had not in the previous 12 months, any board or management representation in respect of the issuer or selling security holder; and~~

~~(ii) does not have knowledge of any material information concerning the issuer or its securities that has not been generally disclosed~~; or

(d) any person or company acting jointly or in concert with the person or company described in clause (a), (b) or (c) for a particular transaction;

"last independent sale price" means the last sale price of a trade on a market, other than a trade that a dealer-restricted person knows or ought reasonably to know was made by or on behalf of a person or company that is a dealer-restricted person or an issuer-restricted person;

"offered security" means all securities, that trade on a marketplace or a market where there is mandated transparency of orders or trade information, of the class of security that

(a) is offered pursuant to a prospectus distribution or a restricted private placement,

(b) is offered by an offeror in a securities exchange take-over bid in respect of which a take-over bid circular or similar document is required to be filed under securities legislation,

(c) is offered by an issuer in an issuer bid in respect of which an issuer bid circular or similar document is required to be filed under securities legislation, or

(d) would be issuable to a security holder pursuant to an amalgamation, arrangement, capital reorganization or similar transaction in relation to which proxies are being solicited from security holders that will receive the offered security in such circumstances that the issuance would be a distribution exempt from prospectus requirements in accordance with applicable securities legislation,

provided that, if the security referred to in clauses (a) to (d) is a unit comprised of more than one type or class, each security comprising the unit shall be considered an offered security;

"restricted private placement" means a distribution of offered securities made pursuant to sections 2.3 or 2.30 of National Instrument 45-106 *Prospectus and Registration Exemptions*; and

"restricted security" means the offered security or any connected security.

1.2 Interpretation

(1) Affiliated Entity - The term "affiliated entity" has the meaning ascribed to that term in section 1.3 of National Instrument 21-101 – *Marketplace Operation*.

(2) [Repealed]~~Associated Entity - Where used to indicate a relationship with an entity, associated entity has the meaning ascribed to the term "associate" in subsection 1(1) of the Act and also includes any person or company of which the entity beneficially owns voting securities carrying more than 10 per cent of the voting rights attached to all outstanding voting securities of the person or company~~.

(3) Equity Security - An equity security is any security of an issuer that carries a residual right to participate in the earnings of the issuer and, upon liquidation or winding up of the issuer, in its assets.

(4) Related Entity - In respect of a dealer, a related entity is an affiliated entity of the dealer that carries on business in Canada and is registered as a dealer or adviser in accordance with applicable securities legislation.

(5) For the purposes of the definitions of "dealer-restricted period" and "issuer-restricted period":

(a) the selling process shall be considered to end,

(i) in the case of a prospectus distribution, if a receipt has been issued for the final prospectus, the dealer has allocated all of its portion of the securities to be distributed under the prospectus and all selling efforts have ceased, and

(ii) in the case of a restricted private placement, the dealer has allocated all of its portion of the securities to be distributed under the offering; and

(b) stabilization arrangements shall be considered to have terminated in the case of a syndicate of underwriters or agents when, in accordance with the syndication agreement, the lead underwriter or agent determines that the syndication agreement has been terminated such that any purchase or sale of a restricted security by a dealer after the time of termination is not subject to the stabilization arrangements or otherwise made jointly for the dealers that were party to the stabilization arrangements.

PART 2 - RESTRICTIONS

2.1 [Repealed] ~~Dealer-restricted Person~~

~~Except as permitted under sections 3.1, 4.1 and 4.2, a dealer-restricted person shall not at any time during the dealer-restricted period,~~

~~(a) bid for or purchase a restricted security for an account of a dealer-restricted person, an account over which the dealer-restricted person exercises direction or control, or, except in accordance with section 3.2, an account which the dealer-restricted person knows or reasonably ought to know, is an account of an issuer-restricted person; or~~

~~(b) attempt to induce or cause any person or company to purchase any restricted security.~~

2.2 Issuer-restricted Person

Except as permitted under section 3.2, an issuer-restricted person shall not at any time during the issuer-restricted period,

(a) bid for or purchase a restricted security for an account of an issuer-restricted person or an account over which the issuer-restricted person exercises direction or control; or

(b) attempt to induce or cause any person or company to purchase any restricted security.

2.3 Deemed Re-commencement of a Restricted Period

If a dealer appointed to be an underwriter in a prospectus distribution or a restricted private placement receives a notice or notices of the exercise of statutory rights of withdrawal or rights of rescission from purchasers of, in the aggregate, not less than 5% of the offered securities allotted to or acquired by the dealer in connection with the prospectus distribution or the restricted private placement then a dealer-restricted period and issuer-restricted period shall be deemed to have re-commenced upon receipt of such notice or notices and shall be deemed to have ended at the time the dealer has distributed its participation, including the securities that were the subject of the notice or notices of the exercise of statutory rights of withdrawal or rights of rescission.

PART 3 - PERMITTED ACTIVITIES AND EXEMPTIONS

3.1 [Repealed] ~~Exemptions - Dealer-restricted Persons~~

~~(1) Section 2.1 does not apply to a dealer-restricted person in connection with,~~

(a) market stabilization or market balancing activities on a marketplace where the bid for or purchase of a restricted security is for the purpose of maintaining a fair and orderly market in the offered security by reducing the price volatility of or addressing imbalances in buying and selling interests for the restricted security, provided that the bid or purchase is at a price which does not exceed the lesser of

(i) in the case of an offered security

(A) the price at which the offered security will be issued in a prospectus distribution or restricted private placement, if that price has been determined, and

(B) the last independent sale price at the time of the entry of the bid or order to purchase, or

(ii) in the case of a connected security

(A) the last independent sale price at the commencement of the dealer-restricted period, and

(B) the last independent sale price at the time of the entry of the bid or order to purchase,

provided that if the restricted security has not previously traded on a marketplace, the price also does not exceed the price of the last trade of the security executed on an exchange or organized regulated market outside of Canada that publicly disseminates details of trades executed on that market other than a trade that the dealer-restricted person knows or ought reasonably to know has been entered by or on behalf of a person or company that is a dealer-restricted person or an issuer-restricted person;

(b) a restricted security that is

(i) a highly-liquid security,

(ii) a unit or share of an exchange-traded fund, other than an exchange-traded fund that the Investment Industry Regulatory Organization of Canada has designated as subject to section 7.7 of the Universal Market Integrity Rules, or

(iii) a connected security of a security referred to in subclause (i) or (ii);

(c) a bid or purchase by a dealer-restricted person on behalf of a client, other than a client that the dealer-restricted person knows or ought reasonably to know is a person or company that is an issuer-restricted person, provided that

(i) the client's order was not solicited by the dealer-restricted person, or

(ii) if the client's order was solicited, the solicitation occurred before the commencement of the dealer-restricted period;

(d) the exercise of an option, right, warrant or a similar contractual arrangement held or entered into by the dealer-restricted person prior to the commencement of the dealer-restricted period;

(e) a bid for or purchase of a restricted security pursuant to a Small Securityholder Selling and Purchase Arrangement made in accordance with National Instrument 32-101 or similar rules applicable to any marketplace on which the bid or purchase is entered or executed;

(f) the solicitation of the tender of securities to a securities exchange take-over bid or issuer bid;

(g) a subscription for or purchase of an offered security pursuant to a prospectus distribution or restricted private placement;

(h) a bid for or purchase of a restricted security to cover a short position entered into prior to the commencement of the dealer-restricted period; or

(i) a bid for or purchase of a restricted security if the bid or purchase is made through the facilities of a marketplace in accordance with applicable marketplace rules.

(2) Where a dealer-restricted person is also an issuer-restricted person the exemptions in subsection (1) and sections 4.1 and 4.2 continue to be available to the dealer-restricted person.

3.2 Exemptions - Issuer-restricted Persons

Section 2.2 does not apply to an issuer-restricted person in connection with,

(a) the exercise of an option, right, warrant, or a similar contractual arrangement held or entered into by the issuer restricted person prior to the commencement of the issuer-restricted period;

(b) a bid or purchase of a restricted security pursuant to a Small Securityholder Selling and Purchase Arrangement made in accordance with National Instrument 32-101 or similar rules applicable to any marketplace on which the bid or purchase is entered or executed;

(c) an issuer bid described in clauses 93(3)(a) through (d) of the Act if the issuer did not solicit the sale of the securities sold under those clauses;

(d) the solicitation of the tender of securities to a securities exchange take-over bid or issuer bid; or

(e) a subscription for or purchase of an offered security pursuant to a prospectus distribution or restricted private placement.

PART 4 - RESEARCH REPORTS

4.1 Compilations and Industry Research

Despite section 53 of the Act ~~and section 2.1~~, during a dealer-restricted period, a dealer-restricted person may publish or disseminate any information, opinion, or recommendation relating to the issuer of a restricted security provided that such information, opinion or recommendation,

(a) is contained in a publication which:

(i) is disseminated with reasonable regularity in the normal course of business of the dealer-restricted person, and

(ii) includes similar coverage in the form of information, opinions or recommendations with respect to a substantial number of companies in the issuer's industry or contains a comprehensive list of securities currently recommended by the dealer-restricted person; and

(b) is given no materially greater space or prominence in such publication than that given to other securities or issuers.

4.2 Issuers of Highly-liquid Securities

Despite section 53 of the Act ~~and section 2.1~~, during a dealer-restricted period, a dealer-restricted person may publish or disseminate any information, opinion, or recommendation relating to the issuer of a restricted security that is a highly-liquid security provided that such information, opinion, or recommendation is contained in a publication which is disseminated with reasonable regularity in the normal course of the business of the dealer-restricted person.

PART 5 - EXEMPTION

5.1 Exemption

The Director may grant an exemption to this Rule, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

PART 6 [Lapsed]

COMPANION POLICY 48-501 CP TO RULE 48-501
TRADING DURING DISTRIBUTIONS, FORMAL BIDS AND SHARE EXCHANGE TRANSACTIONS

Part 1 — ~~Introduction~~[Repealed]

~~**1.1 Purpose** — Ontario Securities Commission Rule 48-501 Trading during Distributions, Formal Bids and Share Exchange Transactions (the "Rule") imposes trading restrictions on dealers, issuers and certain related parties involved in a distribution of securities, take-over bids and certain other transactions. The Rule generally prohibits purchases of or bids for restricted securities in circumstances where there is heightened concern over the possibility of manipulation by those with an interest in the outcome of the distribution or transaction. This Companion Policy sets out the views of the Ontario Securities Commission (the "Commission") as to the interpretation of various terms and provisions in the Rule.~~

Part 2 — Definitions and Interpretations

2.1 "connected security" — The definition of "connected security" in section 1.1 of the Rule includes, among other things, a security of the issuer of the offered security or another issuer that, according to the terms of the offered security, may *significantly determine* the value of the offered security. The Commission takes the view that, absent other mitigating factors, a connected security "significantly determines" the value of the offered security, if, in whole or in part, it accounts for more than 25% of the value of the offered security.

2.2 [Repealed]

2.3 End of "dealer-restricted period" and "issuer-restricted period" — distribution of securities and exercise of over-allotment option — The definitions of "dealer-restricted period" and "issuer-restricted period", with respect to a prospectus distribution and a "restricted private placement", refer to the end of the period as the date that the selling process ends and all stabilization arrangements relating to the offered security are terminated. Paragraph (a) of subsection 1.2(5) provides interpretation as to when the selling process is considered to end. As further clarification, the selling process is considered to end for a prospectus distribution when the receipt for the prospectus has been issued, the dealer has distributed all securities allocated to it and is no longer stabilizing, all selling efforts have ceased and the syndicate is broken. Selling efforts have ceased when the dealer is no longer making efforts to sell, and there is no intention to exercise an over-allotment option other than to cover the syndicate's short position. If the dealer or syndicate subsequently exercises an over-allotment option in an amount that exceeds the syndicate short position, the selling efforts would not be considered to have ceased. Securities allocated to a dealer that are held and transferred to their inventory account at the end of the distribution are considered distributed. Subsequent sales of such securities are secondary market transactions and should occur on a marketplace subject to any applicable exemptions (unless the subsequent sale transaction is a distribution by prospectus). To provide certainty around when the distribution has ended, appropriate steps should be taken to move the securities from the syndication account to the dealer's inventory account.

Part 3 — Restricted Persons

3.1 Meaning of "acting jointly or in concert" — The definitions of "dealer-restricted person" and "issuer-restricted person" in section 1.1 of the Rule include a person or company acting jointly or in concert with a person or company that is also a dealer-restricted person or an issuer-restricted person for a particular transaction. For the purposes of the Rule, "acting jointly or in concert" has a similar meaning to that phrase as defined in ~~section 91 of the Act,~~section 1.9 of National Instrument 62-104 *Take-Over Bids and Issuer Bids*, with necessary modifications. In the context of this Rule only, it is a question of fact whether a person or company is acting jointly or in concert with a dealer- or issuer-restricted person and, without limiting the generality of the foregoing, every person or company who, as a result of an agreement, commitment or understanding, whether formal or informal, with a dealer-restricted person or an issuer-restricted person, bids for or purchases a restricted security will be presumed to be acting jointly or in concert with such dealer-restricted person or issuer-restricted person.

3.2 Exclusion of "related party" — The definition of "dealer-restricted person" in clause 1.1(b) excludes a related entity where certain conditions are met. Subclause (i)(B) requires the dealer to obtain an annual assessment of the operation of the policies and procedures referred to in subclause (i)(A). In the Commission's view, this assessment may be conducted as part of the annual policy and procedure review of the supervision system as required by Policy 7.1 of the Universal Market Integrity Rules.

Part 4 — ~~Marketplace and Marketplace Rules~~[Repealed]

~~**4.1 Meaning of "marketplace" — In this Rule, marketplace means all marketplaces as defined in section 1.1 of National Instrument 21-101 — *Marketplace Operation*.**~~

~~**4.2 Meaning of "marketplace rules" — Marketplace rules refer to the rules, policies and other similar instruments adopted by a recognized stock exchange or recognized quotation and trade reporting system as approved by the applicable securities regulatory authority but not including any rules, policies or other similar instruments**~~

~~relating solely to the listing of securities on a stock exchange or to the quoting of securities on a quotation and trade reporting system.~~

Part 5 — Exemptions

5.1 Fraud and Manipulation — Provisions against manipulation and fraud are found in securities legislation, specifically, Part 3 of National Instrument 23-101 — *Trading Rules* (NI 23-101) and section 126.1 of the *Securities Act* (Ontario) (when that provision comes into force). NI 23-101 prohibits manipulative or deceptive trading, including activities that may create misleading pricing or trading activity that is detrimental to investors and the integrity of the markets. The Rule specifically prohibits certain trading activities in circumstances where there is heightened concern over the possibility of manipulation by those with an interest in the outcome of the distribution or transaction. The Rule also provides certain exemptions to permit purchases and bids in situations where there is no, or a very low, possibility of manipulation. However, the Commission is of the view that notwithstanding that certain trading activities are permitted under the Rule these activities continue to be subject to the general provisions relating to manipulation and fraud found in securities legislation such that any activities carried out in accordance with the Rule must still meet the spirit of the general anti-manipulation and anti-fraud provisions.

5.2 **[Repealed]** ~~Market Stabilization and Market Balancing — Subsection 3.1(1) of NI 23-101 prohibits manipulation or fraud which includes, among other things, a transaction or series of transactions that a person or company knows, or ought reasonably to have known, would contribute to a misleading appearance of trading activity or an artificial price for a security. Companion Policy 23-101CP to NI 23-101 states that the Canadian securities regulatory authorities do not consider market stabilization activities carried out in connection with a distribution of securities to be activities in breach of subsection 3.1(1) provided such activities are carried out in accordance with applicable marketplace rules or provisions of securities legislation that permit market stabilization activities. Clause 3.1(1)(a) of the Rule provides dealer-restricted persons with an exemption for market stabilization and market balancing activities subject to price limitations. Market stabilization and market balancing activities should be engaged in for the purpose of maintaining a fair and orderly market in the offered security by reducing the price volatility of or addressing imbalances in buying and selling interest for the restricted security.~~

~~The Commission considers it to be inappropriate for a dealer to engage in market stabilization activities in circumstances where the dealer knows or should reasonably know that the market price is not fairly and properly determined by supply and demand. This might exist where, for example, the dealer is aware that the market price is a result of inappropriate activity by a market participant or that there is undisclosed material information regarding the issuer.~~

~~Market balancing activities should contribute to a fair and orderly market by contributing to price continuity and depth and by minimizing supply-demand disparity. Market balancing does not seek to prevent or unduly retard any price movements, but merely to prevent erratic or disorderly changes in price.~~

5.2.1 **[Repealed]** ~~Exchange-traded funds — Section 1.1 of the Rule defines an "exchange-traded fund" as an open-ended mutual fund, the units of which are listed or quoted securities. Generally trading in exchange-traded funds has not given rise to concerns of a misleading appearance of trading activity or artificial price and the Rule exempts trading in exchange-traded funds. However, if the Investment Industry Regulatory Organization of Canada makes a designation that trading in a particular fund is subject to the corresponding provisions of the Universal Market Integrity Rules because it is concerned that trading in units of the fund may be susceptible to manipulation, trading in that exchange-traded fund will be subject to the Rule.~~

5.3 **[Repealed]** ~~Short position Exemption — Subclause 3.1(1)(h) provides an exemption from the Rule for a dealer-restricted person in connection with a bid for or purchase to cover a short position provided it was entered into before the commencement of the dealer-restricted period. Short positions entered into during the dealer-restricted period may be covered by purchases made in reliance upon the market stabilization exemption in clause 3.1(1)(a), subject to the price limits set out in that exemption.~~

Part 6 — Research

6.1 Section 53 of the Act — Part 4 of the Rule provides exemptions from section 53 of the Act which prohibits providing research that in the Commission's view constitutes an act, advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of a trade prior to the filing and receipt of the preliminary prospectus and prospectus. The Commission is of the view that although sections 4.1 and 4.2 do permit dealer-restricted persons to disseminate research reports, this dissemination continues to be subject to the usual restrictions applicable to dealer-restricted persons when they are in possession of material inside information regarding the issuer.

6.2 Meaning of "reasonable regularity" — Sections 4.1 and 4.2 of the Rule provides circumstances where a dealer-restricted person may publish or disseminate information, an opinion, or a recommendation relating to the issuer of a restricted security. Clause 4.1(a) and section 4.2 require that the information, opinion or recommendation is contained in a publication which is disseminated with reasonable regularity in the normal course of business of the dealer-restricted

person. The Commission considers that it is a question of fact whether a publication was disseminated "with reasonable regularity" and whether it was in the "normal course of business". A research publication would not likely be considered to have been published with reasonable regularity if it had not been published within the previous twelve month period or there had been no coverage of the issuer within the previous twelve month period. The nature and extent of the published information should also be consistent with prior publications and the dealer should not undertake new initiatives in the context of the distribution. For example, the inclusion of projections of issuers' earnings and revenues would likely only be permitted if they had previously been included on a regular basis. In considering whether it was "in the normal course of business", the Commission may consider the distribution channels. The research should be distributed through the dealer-restricted person's usual research distribution channels and should not be targeted or distributed specifically to prospective investors in the distribution as part of a marketing effort. However, the research may be distributed to a prospective investor if that investor was previously on the mailing list for the research publication.

6.3 Meaning of "similar coverage" and of "substantial number of companies" — Clause 4.1(b) of the Rule requires that the information, opinion or recommendation includes similar coverage in the form of information, opinions or recommendations with respect to a substantial number of issuers in the issuer's industry. This should not be interpreted as requiring that the opinions and recommendations relating to the issuer and other issuers in the issuer's industry must be similar or the same. In this context, in determining what is a "substantial number of issuers", reference should be made to the relevant industry. Generally, the Commission would consider a minimum of six issuers to be a sufficient number. However, where there are less than six issuers in an industry, then all issuers should be included in the research report. In any event the number of issuers should not be less than three.

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as in Thomson Reuters Canada's internet service SecuritiesSource (see www.westlawnextcanada.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:
Franklin ClearBridge U.S. Sustainability Leaders Fund
Franklin Martin Currie Sustainable Emerging Markets Fund
Franklin Western Asset Core Plus Bond Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated May 7, 2021
NP 11-202 Preliminary Receipt dated May 7, 2021
Offering Price and Description:
Series O-Hedged Units, Series A-Hedged Units, Series F Units, Series OT-Hedged Units, Series FT-Hedged Units, Series FT Units, Series A Units, Series T Units, Series T-Hedged Units, Series F-Hedged Units, Series O Units and Series OT Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3218448

Issuer Name:
Barrantagh Small Cap Canadian Equity Fund
Principal Regulator – Ontario
Type and Date:
Combined Preliminary and Pro Forma Simplified Prospectus dated Apr 30, 2021
NP 11-202 Final Receipt dated May 4, 2021
Offering Price and Description:
Series F Units, Series A Units and Series O Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3190693

Issuer Name:
Dynamic Active Emerging Markets ETF
Dynamic Active Energy Evolution ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated May 5, 2021
NP 11-202 Preliminary Receipt dated May 5, 2021
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3216773

Issuer Name:
EHP Strategic Income Alternative Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated May 6, 2021
NP 11-202 Preliminary Receipt dated May 6, 2021
Offering Price and Description:
Class FD Units, Class UA Units, Class I Units, Class UF Units, Class F Units and Class A Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3217726

Issuer Name:
Franklin Brandywine Global Sustainable Income Optimiser Active ETF
Franklin ClearBridge Sustainable Global Infrastructure Income Active ETF
Franklin ClearBridge Sustainable International Growth Active ETF
Franklin Martin Currie Sustainable Emerging Markets Active ETF
Franklin Martin Currie Sustainable Global Equity Active ETF
Franklin Western Asset Core Plus Bond Active ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated May 7, 2021
NP 11-202 Preliminary Receipt dated May 7, 2021
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3218566

Issuer Name:
Exemplar Investment Grade Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated May 5, 2021
NP 11-202 Final Receipt dated May 6, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3069109

Issuer Name:
Mackenzie Canadian Aggregate Bond Index ETF
Mackenzie Canadian Short-Term Bond Index ETF
Mackenzie Canadian All Corporate Bond Index ETF
Principal Regulator - Ontario
Type and Date:
Amendment #3 to Final Long Form Prospectus dated April 30, 2021
NP 11-202 Final Receipt dated May 4, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3213813

Issuer Name:
Invesco ESG Canadian Core Plus Bond ETF
Invesco QQQ Index ETF
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Long Form Prospectus dated April 28, 2021
NP 11-202 Final Receipt dated May 4, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3144616

Issuer Name:
Dividend 15 Split Corp. II
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus (NI 44-102) dated May 6, 2021
NP 11-202 Receipt dated May 7, 2021
Offering Price and Description:
$100,000,000
Preferred Shares
Class A Shares
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3207532

NON-INVESTMENT FUNDS

Issuer Name:
1262803 B.C. Ltd.
Principal Regulator - British Columbia
Type and Date:
Amendment dated May 4, 2021 to Preliminary Long Form Prospectus dated February 2, 2021
NP 11-202 Preliminary Receipt dated May 5, 2021
Offering Price and Description:
500,000 Common Shares at a price of $0.17 per Common Share and 11,764,706 Common Shares on the Automatic Exercise of 11,764,706 Special Warrants
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3169062

Issuer Name:
A-Labs Capital V Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated May 7, 2021
NP 11-202 Preliminary Receipt dated May 10, 2021
Offering Price and Description:
Minimum Offering: $200,000.00 - 2,000,000 Common Shares
Maximum Offering: $500,000.00 - 5,000,000 Common Shares
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
Rita Alter and A-Labs Finance and Advisory Ltd.
Project #3218686

Issuer Name:
Aleafia Health Inc. (formerly Canabo Medical Inc.)
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated May 4, 2021
NP 11-202 Preliminary Receipt dated May 6, 2021
Offering Price and Description:
$150,000,000.00
Common Shares
Debt Securities
Subscription Receipts
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3216442

Issuer Name:
Barrick Gold Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated May 7, 2021
NP 11-202 Preliminary Receipt dated May 7, 2021
Offering Price and Description:
US$4,000,000,000.00
COMMON SHARES
DEBT SECURITIES
SUBSCRIPTION RECEIPTS
WARRANTS
SHARE PURCHASE CONTRACTS
UNITS
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3218286

Issuer Name:
Canadian Apartment Properties Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated May 6, 2021
NP 11-202 Preliminary Receipt dated May 7, 2021
Offering Price and Description:
$2,000,000,000.00
Debt Securities
Subscription Receipts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3218218

Issuer Name:
dentalcorp Holdings Ltd.
Principal Regulator - Ontario
Type and Date:
Amendment dated May 6, 2021 to Preliminary Long Form Prospectus dated April 30, 2021
NP 11-202 Preliminary Receipt dated May 6, 2021
Offering Price and Description:
$700,000,000.00
* Subordinate Voting Shares
Price: $ * per Offered Share
Underwriter(s) or Distributor(s):
CIBC WORLD MARKETS INC.
JEFFERIES SECURITIES, INC.
BMO NESBITT BURNS INC.
TD SECURITIES INC.
RBC DOMINION SECURITIES INC.
MERRILL LYNCH CANADA INC.
CANACCORD GENUITY CORP.
SCOTIA CAPITAL INC.
Promoter(s):
-
Project #3213770

Issuer Name:
Diversified Royalty Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Shelf Prospectus dated May 3, 2021
NP 11-202 Preliminary Receipt dated May 4, 2021
Offering Price and Description:
$200,000,000.00
Common Shares
Warrants
Subscription Receipts
Debt Securities
Convertible Securities
Rights
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3215750

Issuer Name:
Element79 Gold Corp.
Principal Regulator - British Columbia
Type and Date:
Amendment dated February 8, 2021 to Preliminary Long Form Prospectus dated May 6, 2021
NP 11-202 Preliminary Receipt dated May 7, 2021
Offering Price and Description:
0.00
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3170809

Issuer Name:
Emerge Commerce Ltd.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 5, 2021
NP 11-202 Preliminary Receipt dated May 5, 2021
Offering Price and Description:
$12,106,598.00
8,647,570 Special Warrant Shares Issuable Upon Exercise or Deemed Exercise of 8,647,570 Special Warrants
432,379 CF Fee Shares Issuable Upon Exercise or Deemed Exercise of 432,379 CF Fee Warrants
691,804 Agents' Warrant Shares Issuable Upon Exercise or Deemed Exercise of 691,804 Agents' Warrants
Price: $1.40 per Special Warrant
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP
GRAVITAS SECURITIES INC.
RAYMOND JAMES LTD.
STIFEL NICOLAUS CANADA INC.
Promoter(s):
-
Project #3216816

Issuer Name:
Enthusiast Gaming Holdings Inc. (formerly J55 Capital Corp.)
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated May 3, 2021
NP 11-202 Preliminary Receipt dated May 4, 2021
Offering Price and Description:
$250,000,000.00
Common Shares
Preferred Shares
Debt Securities
Warrants
Units
Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3215605

Issuer Name:
EverGen Infrastructure Corp.
Principal Regulator - British Columbia
Type and Date:
Amendment dated May 5, 2021 to Preliminary Long Form Prospectus dated April 28, 2021
NP 11-202 Preliminary Receipt dated May 5, 2021
Offering Price and Description:
$45,000,000.00
* COMMON SHARES
Price: $* per Offered Share
AND UP TO 1,059,325 SPECIAL WARRANT UNITS ISSUABLE ON THE AUTOMATIC EXERCISE OF PREVIOUSLY ISSUED QUALIFYING SPECIAL WARRANTS
Price: $8.00 per Special Warrant
Underwriter(s) or Distributor(s):
Desjardins Securities Inc.
Clarus Securities Inc.
RBC Dominion Securities Inc.
Echelon Wealth Partners Inc.
Haywood Securities Inc.
PI Financial Corp.
Promoter(s):
Chase Edgelow
Mischa Zajtmann
Ford Nicholson
Project #3211823

Issuer Name:
First Helium Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated May 5, 2021
NP 11-202 Preliminary Receipt dated May 6, 2021
Offering Price and Description:
21,371,086 Brokered Underlying Units issuable upon automatic conversion of outstanding Brokered Subscription Receipts
4,857,200 President's List Underlying Units issuable upon automatic conversion of outstanding President's List Subscription Receipts
9,616,666 Convertible Debenture Units issuable upon automatic conversion of outstanding Convertible Debentures
1,709,687 Broker Warrants
Underwriter(s) or Distributor(s):
ECHELON WEALTH PARTNERS INC.
CORMARK SECURITIES INC.
CANACCORD GENUITY CORP.
Promoter(s):
-
Project #3216989

Issuer Name:
First Majestic Silver Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Shelf Prospectus dated May 5, 2021
NP 11-202 Preliminary Receipt dated May 5, 2021
Offering Price and Description:
US$300,000,000.00
Common Shares
Subscription Receipts
Units
Warrants
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3216934

Issuer Name:
Gravitas II Capital Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary CPC Prospectus dated April 29, 2021
NP 11-202 Preliminary Receipt dated May 4, 2021
Offering Price and Description:
Minimum Offering: $1,000,000.00 (5,000,000 Common Shares)
Maximum Offering: $9,000,000.00 (45,000,000 Common Shares)
Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
GRAVITAS SECURITIES INC.
RESEARCH CAPITAL CORPORATION
Promoter(s):
Nima Besharat
Project #3213013

Issuer Name:
Greenbrook TMS Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 4, 2021
NP 11-202 Preliminary Receipt dated May 4, 2021
Offering Price and Description:
* Common Shares
US$ *
Price: US$ * per Offered Share
Underwriter(s) or Distributor(s):
STIFEL NICOLAUS CANADA INC.
CANACCORD GENUITY CORP.
BLOOM BURTON SECURITIES INC.
Promoter(s):
GREYBROOK HEALTH INC.
Project #3216071

Issuer Name:
Just Kitchen Holdings Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Shelf Prospectus dated May 5, 2021
NP 11-202 Preliminary Receipt dated May 6, 2021
Offering Price and Description:
$50,000,000.00
Common Shares
Warrants
Subscription Receipts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Jason Chen
Project #3217315

Issuer Name:
Michichi Capital Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary CPC Prospectus dated May 5, 2021
NP 11-202 Preliminary Receipt dated May 6, 2021
Offering Price and Description:
$500,000.00 -1,000,000 COMMON SHARES
Price: $0.50 per Common Share
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3217115

Issuer Name:
Microbix Biosystems Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 4, 2021
NP 11-202 Preliminary Receipt dated May 4, 2021
Offering Price and Description:
$5,000,000.00
8,333,334 Units
Price: $0.60 per Unit
Underwriter(s) or Distributor(s):
IA PRIVATE WEALTH INC.
BLOOM BURTON SECURITIES INC.
Promoter(s):
-
Project #3211711

Issuer Name:
Novo Resources Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated May 7, 2021
NP 11-202 Preliminary Receipt dated May 7, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3218590

Issuer Name:
Plurilock Security Inc. (formerly, Libby K Industries Inc.)
Principal Regulator - British Columbia
Type and Date:
Preliminary Shelf Prospectus dated May 6, 2021
NP 11-202 Preliminary Receipt dated May 7, 2021
Offering Price and Description:
$50,000,000.00
Common Shares
Warrants
Subscription Receipts
Debt Securities
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3218164

Issuer Name:
Real Luck Group Ltd. (formerly Elephant Hill Capital Inc.)
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 7, 2021
NP 11-202 Preliminary Receipt dated May 7, 2021
Offering Price and Description:
$17,624,780.40
4,687,317 Units 1,132,005 Agent Warrants 707,503 CF Fee Units comprising the Corporate Finance Fee 54,980 Advisor Warrants 34,362 Non-Brokered Units
Underwriter(s) or Distributor(s):
Gravitas Securities Inc.
Promoter(s):
-
Project #3218650

Issuer Name:
Silver Spike III Acquisition Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated May 5, 2021
NP 11-202 Preliminary Receipt dated May 6, 2021
Offering Price and Description:
U.S.$150,000,000.00
15,000,000 CLASS A RESTRICTED VOTING UNITS
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
CANTOR FITZGERALD CANADA CORPORATION
Promoter(s):
SILVER SPIKE SPONSOR III, LLC
Project #3217643

Issuer Name:
Taal Distributed Information Technologies Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Shelf Prospectus dated May 7, 2021
NP 11-202 Preliminary Receipt dated May 7, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3218591

Issuer Name:
Toronto Cleantech Capital Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated May 3, 2021
NP 11-202 Preliminary Receipt dated May 5, 2021
Offering Price and Description:
OFFERING: $250,000.00 (2,500,000 COMMON SHARES)
Price: $0.10 per Common Share

Underwriter(s) or Distributor(s):
LEEDE JONES GABLE INC.
Promoter(s):
JAMES SBROLLA
Project #3215706

Issuer Name:
Triple Flag Precious Metals Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated May 10, 2021
NP 11-202 Preliminary Receipt dated May 10, 2021
Offering Price and Description:
US$*
19,230,770 Common Shares
Price: US$* per common share
Underwriter(s) or Distributor(s):
MERRILL LYNCH CANADA INC.
CREDIT SUISSE SECURITIES (CANADA), INC.
SCOTIA CAPITAL INC.
CIBC WORLD MARKETS INC.
BMO NESBITT BURNS INC.
NATIONAL BANK FINANCIAL INC.
RBC DOMINION SECURITIES INC.
TD SECURITIES INC.
Promoter(s):
Triple Flag Mining Elliott and Management Co-Invest GP Ltd., in its capacity as general partner of Triple Flag Mining Elliott and Management Co-Invest LP
Triple Flag Mining Aggregator S.a r.l.
Project #3219040

Issuer Name:
Uranium Participation Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 7, 2021
NP 11-202 Preliminary Receipt dated May 7, 2021
Offering Price and Description:
$70,002,400.00
13,462,000 Common Shares
Price: $5.20 per Common Share
Underwriter(s) or Distributor(s):
CORMARK SECURITIES INC.
CANTOR FITZGERALD CANADA CORPORATION
CANACCORD GENUITY CORP.
SPROTT CAPITAL PARTNERS LP
HAYWOOD SECURITIES INC.
SCOTIA CAPITAL INC.
SPROTT CAPITAL PARTNERS LP
RAYMOND JAMES LTD.
TD SECURITIES INC.
Promoter(s):
-
Project #3215782

Issuer Name:
Uranium Royalty Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated May 10, 2021
NP 11-202 Preliminary Receipt dated May 10, 2021
Offering Price and Description:
$25,010,000.00
6,100,000 Common Shares
Price: $4.10 per Common Share
Underwriter(s) or Distributor(s):
BMO NESBITT BURNS INC.
CANACCORD GENUITY CORP.
TD SECURITIES INC.
PARADIGM CAPITAL INC.
Promoter(s):
-
Project #3217790

Issuer Name:
Zymeworks Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Shelf Prospectus dated May 5, 2021
NP 11-202 Preliminary Receipt dated May 6, 2021
Offering Price and Description:
US$350,000,000.00
Common Shares
Preferred Shares
Debt Securities
Warrants
Subscription Receipts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3217102

Issuer Name:
Advance United Holdings Inc.
Type and Date:
Final Long Form Prospectus dated April 30, 2021
Receipted on May 6, 2021
Offering Price and Description:
0.00
Underwriter(s) or Distributor(s):
-
Promoter(s):
James Atkinson
Project #3187256

Issuer Name:
Algernon Pharmaceuticals Inc.
Principal Regulator - British Columbia
Type and Date:
Final Shelf Prospectus dated May 5, 2021
NP 11-202 Receipt dated May 6, 2021
Offering Price and Description:
$50,000,000.00
Common Shares
Warrants
Subscription Receipts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3170328

Issuer Name:
Bespoke Capital Acquisition Corp.
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated May 5, 2021
NP 11-202 Receipt dated May 6, 2021
Offering Price and Description:
0.00
Underwriter(s) or Distributor(s):
-
Promoter(s):
BESPOKE SPONSOR CAPITAL LP BY ITS GENERAL PARTNER BESPOKE CAPITAL PARTNERS, LLC
Project #3187066

Issuer Name:
Boosh Plant-Based Brands Inc.
Principal Regulator - British Columbia
Type and Date:
Final Long Form Prospectus dated May 7, 2021
NP 11-202 Receipt dated May 7, 2021
Offering Price and Description:
$2,500,000.00
5,000,000 Units
Price: $0.50 per Unit
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
James Pakulis
Project #3184598

Issuer Name:
Bragg Gaming Group Inc. (formerly Breaking Data Corp.)
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated May 4, 2021
NP 11-202 Receipt dated May 4, 2021
Offering Price and Description:
$500,000,000.00
Common Shares
Debt Securities
Subscription Receipts
Warrants
Convertible Securities
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3202149

Issuer Name:
CanWel Building Materials Group Ltd.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated May 3, 2021
NP 11-202 Receipt dated May 4, 2021
Offering Price and Description:
$75,000,000.00
7,500,000 Common Shares
Price: $10.00 per Common Share
Underwriter(s) or Distributor(s):
STIFEL NICOLAUS CANADA INC.
NATIONAL BANK FINANCIAL INC.
CIBC WORLD MARKETS INC.
RAYMOND JAMES LTD.
RBC DOMINION SECURITIES INC.
CANACCORD GENUITY CORP
HAYWOOD SECURITIES INC.
Promoter(s):
-
Project #3210064

Issuer Name:
Charlotte's Web Holdings, Inc. (formerly Stanley Brothers Holdings Inc.)
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated May 5, 2021
NP 11-202 Receipt dated May 6, 2021
Offering Price and Description:
Common Shares
Preferred Shares
Warrants
Subscription Receipts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3205510

Issuer Name:
CT Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated May 3, 2021
NP 11-202 Receipt dated May 4, 2021
Offering Price and Description:
$2,000,000,000.00
Units
Preferred Units
Debt Securities
Subscription Receipts
Warrants
Underwriter(s) or Distributor(s):
-
Promoter(s):
CANADIAN TIRE CORPORATION, LIMITED
Project #3209525

Issuer Name:
Defense Metals Corp.
Principal Regulator - British Columbia
Type and Date:
Final Shelf Prospectus dated May 4, 2021
NP 11-202 Receipt dated May 4, 2021
Offering Price and Description:
$30,000,000.00
Common Shares
Warrants
Subscription Receipts
Units
Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3201905

Issuer Name:
Enthusiast Gaming Holdings Inc. (formerly J55 Capital Corp.)
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated May 6, 2021
NP 11-202 Receipt dated May 6, 2021
Offering Price and Description:
$250,000,000.00
Common Shares
Preferred Shares
Debt Securities
Warrants
Units
Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3215605

Issuer Name:
Flagship Communities Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated May 7, 2021
NP 11-202 Receipt dated May 7, 2021
Offering Price and Description:
US$300,000,000.00
Trust Units
Debt Securities
Subscription Receipts
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3208686

Issuer Name:
Fury Gold Mines Limited (formerly "Auryn Resources Inc.")
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated May 10, 2021
NP 11-202 Receipt dated May 10, 2021
Offering Price and Description:
$200,000,000.00
Common Shares
Subscription Receipts
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3213573

Issuer Name:
GoGold Resources Inc.
Principal Regulator - Nova Scotia
Type and Date:
Final Short Form Prospectus dated May 4, 2021
NP 11-202 Receipt dated May 4, 2021
Offering Price and Description:
C$25,000,000.00
10,000,000 Common Shares
Price: C$2.50 per Offered Share
Underwriter(s) or Distributor(s):
BMO NESBITT BURNS INC.
SPROTT CAPITAL PARTNERS LP by its general
PI FINANCIAL CORP.
EIGHT CAPITAL
ECHELON WEALTH PARTNERS INC.
DESJARDINS SECURITIES INC.
Promoter(s):
-
Project #3208944

Issuer Name:
HEXO Corp.
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated May 7, 2021
NP 11-202 Receipt dated May 10, 2021
Offering Price and Description:
$1,200,000,000.00
COMMON SHARES
WARRANTS
SUBSCRIPTION RECEIPTS
UNITS
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3205386

Issuer Name:
Information Services Corporation
Principal Regulator - Saskatchewan
Type and Date:
Final Shelf Prospectus dated May 4, 2021
NP 11-202 Receipt dated May 4, 2021
Offering Price and Description:
$200,000,000.00
Class A Shares
Preferred Shares
Subscription Receipts
Debt Securities
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3212112

Issuer Name:
Mercer Park Brand Acquisition Corp.
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated May 6, 2021
NP 11-202 Receipt dated May 7, 2021
Offering Price and Description:
No securities are being offered pursuant to this prospectus.
Underwriter(s) or Distributor(s):
-
Promoter(s):
Mercer Park Brand, L.P., by its general partner, Mercer Park CB GP II, LLC
Project #3213714

Issuer Name:
Morguard Corporation
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated May 6, 2021
NP 11-202 Receipt dated May 7, 2021
Offering Price and Description:
$600,000,000.00
Common Shares
Preference Shares
Debt Securities
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3210585

Issuer Name:
Neovasc Inc.
Principal Regulator - British Columbia
Type and Date:
Final Shelf Prospectus dated May 3, 2021
NP 11-202 Receipt dated May 4, 2021
Offering Price and Description:
U.S.$150,000,000.00
Common Shares
Preferred Shares
Debt Securities
Subscription Receipts
Units
Warrants
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3205874

Issuer Name:
Skylight Health Group Inc. (Formerly CB2 Insights Inc.)
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated May 6, 2021
NP 11-202 Receipt dated May 6, 2021
Offering Price and Description:
C$100,000,000.00
COMMON SHARES
WARRANTS
SUBSCRIPTION RECEIPTS
UNITS
Underwriter(s) or Distributor(s):
-
Promoter(s):
Pradyum Sekar
Kashaf Qureshi
Project #3208155

Issuer Name:
Surge Energy Inc.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated May 7, 2021
NP 11-202 Receipt dated May 7, 2021
Offering Price and Description:
$20,001,000.00 - 33,900,000 FLOW-THROUGH SHARES
$0.59 PER FLOW-THROUGH SHARE
Underwriter(s) or Distributor(s):
CORMARK SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
CANACCORD GENUITY CORP.
ATB CAPITAL MARKETS INC.
BMO NESBITT BURNS INC.
SCOTIA CAPITAL INC.
CIBC CAPITAL MARKETS INC.
STIFEL NICOLAUS CANADA INC.
PETERS & CO. LIMITED
ACUMEN CAPITAL FINANCE PARTNERS LIMITED
RAYMOND JAMES LTD.
VELOCITY TRADE CAPITAL LTD.
Promoter(s):
-
Project #3211786

Issuer Name:
TUP CAPITAL INC.
Principal Regulator - Ontario
Type and Date:
Final CPC Prospectus dated May 3, 2021
NP 11-202 Receipt dated May 6, 2021
Offering Price and Description:
Minimum Offering: $500,000.00 - 5,000,000 Common Shares
Maximum Offering: $750,000.00 - 7,500,000 Common Shares
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
ECHELON WEALTH PARTNERS INC.
Promoter(s):
-
Project #3191734

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Drake Financial Ltd.	Exempt Market Dealer	May 6, 2021
New Registration	Ballantyne Capital Ltd.	Portfolio Manager	May 6, 2021

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.1 SROs

13.1.1 Investment Industry Regulatory Organization of Canada (IIROC) – Proposed Amendments Respecting Disclosure of Information by Ombudsman Service to IIROC – Notice of Withdrawal

NOTICE OF WITHDRAWAL

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

PROPOSED AMENDMENTS RESPECTING DISCLOSURE OF INFORMATION BY OMBUDSMAN SERVICE TO IIROC

IIROC is publishing a Notice withdrawing proposed amendments to IIROC Rule 9500 respecting disclosure of information by ombudsman service to IIROC (the Proposed Amendments). IIROC initially published the Proposed Amendments for public comment on October 17, 2019. The Proposed Amendments were intended to eliminate restrictions on information IIROC can receive from its approved ombudsman service, the Ombudsman for Banking Services and Investments (OBSI); align IIROC's requirements with those of other Canadian securities regulatory authorities; and eliminate inconsistency between the IIROC Rules and the OBSI Terms of Reference.

In light of comments received and IIROC's current development of comprehensive amendments respecting reporting, internal investigation and client complaint requirements, IIROC has decided to withdraw the Proposed Amendments and include them as part of the upcoming proposed amendments respecting reporting, internal investigation and client complaint requirements. Comments received on the Proposed Amendments will be considered as part of that project.

A copy of the IIROC Notice of Withdrawal can be found at www.osc.ca.

13.2 Marketplaces

13.2.1 Bloomberg Trading Facility Limited and Bloomberg Trading Facility B.V. – Applications for Exemption from Recognition as an Exchange – Notice and Request for Comment; and – Bloomberg Tradebook Canada Company – Registration as an Investment Dealer and Authorization to Operate an Alternative Trading System – Notice of Initial Operations

NOTICE AND REQUEST FOR COMMENT

APPLICATIONS BY
BLOOMBERG TRADING FACILITY LIMITED (BTFL) AND BLOOMBERG TRADING FACILITY B.V. (BV)
FOR EXEMPTION FROM RECOGNITION AS AN EXCHANGE

AND

NOTICE OF INITIAL OPERATIONS FOR

BLOOMBERG TRADEBOOK CANADA COMPANY (BTCC)
IN CONNECTION WITH REGISTRATION AS AN INVESTMENT DEALER AND
AUTHORIZATION TO OPERATE AN ALTERNATIVE TRADING SYSTEM (ATS)

A. Introduction

This notice requests comment on

(i) the applications filed by BTFL and BV under section 147 of the *Securities Act* (Ontario) (**Act**) for an exemption from the requirement to be recognized as an exchange contained in section 21 of the Act (**Recognition Requirement**);

(ii) the draft orders exempting BTFL and BV from the Recognition Requirement; and

(iii) the application from BTCC for registration as an investment dealer and authorization to operate an ATS.

The applications by BTFL and BV for orders exempting them from the Recognition Requirement can be found on our website www.osc.ca.

Attached to this notice are

(i) a description of how BTFL, BV and BTCC will operate, provided by the applicants;

(ii) a draft order exempting BTFL from the Recognition Requirement;

(iii) a draft order exempting BV from the Recognition Requirement; and

(iv) a Notice of Initial Operations from BTCC.

B. Applications and Draft Exemption Orders

In the applications, BTFL and BV have outlined how they meet the criteria for exemption from the Recognition Requirement. The specific criteria can be found in Appendix 1 of each draft exemption order. Subject to comments received, Staff intend to recommend that the Commission grant exemption orders with terms and conditions based on the draft exemption order.

C. Notice of Initial Operations

The Notice of Initial Operations describes the operations of the BTCC ATS.

D. Comment Process

The Commission is publishing for public comment the applications, and draft exemption orders and Notice of Initial Operations for 30 days. We are seeking comment on all aspects of the applications, draft exemption orders and Notice of Initial Operations.

Please provide your comments in writing, via e-mail, on or before June 14, 2021, to the attention of:

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Email: comments@osc.gov.on.ca

The confidentiality of submissions cannot be maintained as the comment letters and a summary of written comments received during the comment period will be published.

Questions may be referred to:

Timothy Baikie
Senior Legal Counsel, Market Regulation
Email: tbaikie@osc.gov.on.ca

Hanna Cho
Legal Counsel, Market Regulation
Email: hcho@osc.gov.on.ca

Jalil El Moussadek
Senior Advisor, Risk, Market Regulation
Email: jelmoussadek@osc.gov.on.ca

Gloria Tsang
Senior Legal Counsel, Compliance and Registrant Regulation
Email: gtsang@osc.gov.on.ca

DESCRIPTION OF OPERATIONS

This notice describes (1) the operations of Bloomberg Tradebook Canada Company ("**Tradebook Canada**") as an alternative trading system ("**ATS**") in Ontario, Québec and Nova Scotia (each a "**Canadian Jurisdiction**" and collectively referred to as the "**Canadian Jurisdictions**"), (2) the operations of its affiliated entities, Bloomberg Trading Facility Limited ("**BTFL**") and Bloomberg Trading Facility B.V. ("**BTF BV**") as exempt exchanges in Ontario, and (3) the trade negotiation services to be offered to participants by Bloomberg Tradebook LLC ("**Tradebook LLC**") in the Canadian Jurisdictions, Alberta, British Columbia, Manitoba, New Brunswick and Saskatchewan (collectively, the "**Jurisdictions**").

Tradebook Canada ATS Operations

Tradebook Canada will operate an ATS to provide Canadian Participants (as defined below) with access to the multilateral trading facilities (each a "**System**" and collectively referred to as the "**Systems**") operated by BTFL and BTF BV to trade Canadian dollar denominated debt securities issued by (1) an issuer incorporated, formed or created under the laws of Canada or a jurisdiction of Canada, or (2) the Government of Canada or the government of a jurisdiction of Canada ("**Canadian Debt Securities**"), including:

(a) debt securities issued or guaranteed by the Government of Canada or the government of a jurisdiction of Canada (including agencies or instrumentalities thereof);

(b) debt securities issued or guaranteed by a municipal corporation in Canada;

(c) debt securities issued or guaranteed by Canadian corporate or other non-governmental issuers; and

(d) asset-backed securities (including mortgage backed securities) and collateralized mortgage obligations issued or guaranteed by a Canadian issuer, denominated in the Canadian dollar.

Tradebook Canada will provide access to Canadian Participants that may include a wide range of sophisticated entities, including commercial and investment banks, corporations, pension funds, money managers, proprietary trading firms, hedge funds and other institutional customers.

Tradebook Canada will provide access to the Systems to participants that (1) are located in a Canadian Jurisdiction, including participants with their headquarters or legal address in a Canadian Jurisdiction (as indicated by a participant's Legal Entity Identifier (LEI)) and all traders conducting transactions on its behalf, regardless of the traders' physical location (inclusive of non-Canadian Jurisdiction branches of Canadian Jurisdiction legal entities), as well as any trader physically located in a Canadian Jurisdiction who conducts transactions on behalf of any other entity ("**Canadian Participants**"), and (2) qualify as "institutional customers" as defined in Rule 1 of the Investment Industry Regulatory Organization of Canada ("**IIROC**") Rules.

Canadian Participants will be required to make representations, when applying to become a participant of Tradebook Canada and each time the Canadian Participant or its authorized traders use the services of Tradebook Canada, that they are (1) registered under the securities laws of a Canadian Jurisdiction, (2) exempt from registration under the securities laws of a Canadian Jurisdiction, or (3) not subject to registration requirements under the securities laws of a Canadian Jurisdiction.

Tradebook Canada will require Canadian Participants to complete all required participant onboarding documentation and agreements, and to provide representations regarding their regulatory status and eligibility to trade Canadian Debt Securities, before they are permitted to access Tradebook Canada and to trade Canadian Debt Securities on the Systems.

Tradebook Canada will rely on a Canadian Participant's representations to set restrictions on the Canadian Participant's trading enablements on the Systems. For example, a Canadian Participant that is not an IIROC dealer member and registered investment dealer will not be authorized by Tradebook Canada to trade Canadian Debt Securities with a foreign counterparty.[1] Bloomberg Compliance will conduct post-trade monitoring of Canadian Participant trading activity, and if they determine that a Canadian Participant has engaged in non-compliant trading activity, Tradebook Canada can request BTFL or BTF BV, as applicable, to suspend or terminate the Canadian Participant's access to the Systems.

Canadian Participants may access Tradebook Canada and transact using the Systems via an approved service provider (Bloomberg Terminal service access is provided this way), via application programming interface ("**API**"), a non-Bloomberg API or venue Direct Portal.

Canadian Participants of Tradebook Canada will be permitted to post and request quotations and execute trades in Canadian Debt Securities using Request for Quote ("**RFQ**") and Request for Trade ("**RFT**") protocols or functionalities on the Systems. Under an RFQ protocol, a requesting participant can send to one or more liquidity providers that have pre-established relationships with the requesting participant a message requesting a price quote for transactions in certain securities or financial products. The liquidity provider can respond with a quote, and if the requesting participant accepts the quote, it sends an acceptance message.

[1] Section 6.2 of National Instrument 21-101 *Marketplace Operation* ("**NI 21-101**") provides that any registration exemptions that may otherwise be applicable to a dealer under securities legislation are not available to an ATS, except as provided in NI 21-101. A non-registered dealer participant may not rely on section 8.5 of NI 31-103 to trade with another non-registered dealer participant.

Under an RFT protocol, a requesting participant can send to a liquidity provider that has a pre-established relationship with the requesting participant a message requesting execution of a transaction on the terms stated in the message.

A Canadian Participant sending out RFQs and RTFs is considered to be a "client" participant on the Systems, typically an institutional investor acting as the buy-side participant and liquidity seeker in transactions with its counterparty. A Canadian Participant receiving and responding to RFQs and RFTs is considered to be a "dealer" participant on the Systems, typically (but not always) a registered dealer or bank acting as the sell-side participant and liquidity provider in transactions with its counterparty. In certain limited cases, a Systems participant that is a dealer firm may act as a liquidity seeker and send out RFQs and RFTs. However, a Systems participant that is not a dealer firm cannot act as a "dealer" participant and liquidity provider.

Pursuant to the terms and conditions of Tradebook Canada's registration in the category of investment dealer, Tradebook Canada will report trades executed by the Systems in Canadian Debt Securities to IIROC (as information processor) only with respect to transactions in which neither participant to the trade is (i) a bank listed in Schedule I, II, or III of the *Bank Act* (Canada) (a "**Canadian Bank**"), or (ii) an IIROC Dealer Member firm. Where at least one participant to a transaction is a Canadian Bank or an IIROC Dealer Member, that participant will be responsible for trade reporting pursuant to Part 8 of National Instrument 21-101 *Marketplace Operation*.

The Systems' Direct MTF Operations

BTFL and BTF BV will also provide Canadian Participants in the Canadian Jurisdictions with direct access to the Systems to trade the following asset classes:

1. interest rate swaps, as defined in section 1a(47) of the U.S. Commodity Exchange Act ("**IRS**");
2. credit default swaps, as defined in section 1a(47) of the U.S. Commodity Exchange Act ("**CDS**");
3. foreign exchange swaps, as defined in section 1a(47) of the U.S. Commodity Exchange Act (but without regard to any exclusions from the definition) ("**FX**"); and
4. **Foreign Debt Securities**, which are any debt security (as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**")) that is a foreign security (as defined in NI 31-103) or a debt security that is denominated in a currency other than the Canadian dollar, including:
    (a) debt securities issued by the U.S. government (including agencies or instrumentalities thereof);
    (b) debt securities issued by a foreign government;
    (c) debt securities issued by corporate or other non-governmental issuers (U.S. and foreign); and
    (d) asset-backed securities (including mortgage backed securities), denominated in either U.S. or foreign currencies.

Canadian Participants of BTFL and BTF BV may include the same types of institutional customers that will be participants of Tradebook Canada. Canadian Participants will be required to make representations, when applying to become a participant of BTFL and BTF BV and each time the Canadian Participant or its authorized traders use the Systems, that they are (i) appropriately registered under Ontario securities laws, or (ii) exempt from, or not subject to, those requirements.

Each of BTFL and BTF BV will require Canadian Participants to complete all required participant onboarding documentation and agreements, and to provide representations regarding their regulatory status and eligibility to trade IRS, CDS, FX and Foreign Debt Securities, before they are permitted to access the Systems.

BTFL and BTF BV rely on a Canadian Participant's representations to set restrictions on the Canadian Participant's trading enablements on the Systems. Bloomberg Compliance will conduct post-trade monitoring of Canadian Participant trading activity, and if they determine that a Canadian Participant has engaged in non-compliant trading activity, BTFL or BTF BV Compliance, as applicable, can issue warning letters or suspend or terminate the Canadian Participant's access to the Systems.

BTFL and BTF BV are seeking exemptions from the exchange recognition requirement in the Canadian Jurisdictions for this purpose. BTFL and BTF BV are seeking the exemptive relief on the basis that they are subject to comparable regulatory regimes in their home jurisdictions. BTFL is regulated as the operator of a multilateral trading facility ("**MTF**") by the Financial Conduct Authority of the United Kingdom and BTF BV is regulated as the operator of an MTF by the Netherlands Authority for the Financial Markets. In Ontario, BTFL and BTF BV currently operate under an interim exemption order granted by the Ontario Securities Commission.

Bloomberg Tradebook LLC Dealer Operations

Tradebook LLC, a U.S. broker-dealer registered with the U.S. Securities and Exchange Commission ("**SEC**") and a member of the Financial Industry Regulatory Authority in the United States that relies on the international dealer exemption under section 8.18 of NI 31-103 in the Jurisdictions, will offer trade negotiation functionality for the following asset classes to Canadian Participants located in one of the Jurisdictions that are "permitted clients" pursuant to the international dealer exemption:

(a) debt securities that are foreign securities and non-Canadian dollar denominated debt securities;

(b) repurchase agreements and buy-sell and sell-buy back transactions; and

(c) equity options.

These functions do not trigger the marketplace definition because Tradebook LLC does not operate a system to match buy and sell orders, provide execution functionality for orders or have a rulebook, and therefore, Tradebook LLC is not regulated as a marketplace.

Transparency Regarding Venue Selection

Prior to launching an RFQ or RFT on the Systems, Canadian Participants are required to select, via a drop-down menu, the System where a transaction will ultimately be executed. For Canadian Debt Securities, the user interface will indicate, in addition to the selected System, that transactions are taking place through access provided by Tradebook Canada.

Canadian Participants of Tradebook Canada have full transparency regarding which System they are transacting on by reference to a trade execution confirmation, which is generated by the relevant System after a trade is executed. Canadian Participants may use the trade execution confirmation to always be aware that Tradebook Canada is providing access to a System and to be aware of which legal entity that is operating the System they are trading on and to which an Canadian Participant would have recourse in the event of a technical issue where the Canadian Participant might seek contractual resolution, where applicable.

United States Regulatory Framework for Electronic Platforms Trading Fixed Income Securities

The SEC issued a concept release in September 2020 that focuses on the regulatory framework for electronic platforms that trade corporate debt and municipal securities. The concept release does not propose or commit the SEC to proposing regulatory changes, but rather requests information from the public about fixed income electronic trading platforms' operations, services, fees, market data, and participants, and requests views about whether and what changes should be made to the regulatory framework. Public input was due by March 2021, and the SEC noted the information could help regulators evaluate potential regulatory gaps that may exist among platforms with respect to access to markets, system integrity, surveillance, and transparency, among other things.

Please see Appendices A and B below for trade-flow diagrams which clarify how access is provided by Tradebook Canada, the Systems and Tradebook LLC to Canadian Participants and permitted clients, as applicable.

Any questions regarding the operations of Tradebook Canada, the Systems and Tradebook LLC may be directed to:

Soh Bridgeford
Chief Compliance Officer
Bloomberg Tradebook Canada Company
Brookfield Place, TD Canada Trust Tower,
161 Bay Street
Toronto, Ontario, Canada M5J 2S1
Sbridgeford@bloomberg.net

Appendix A

Trade Flow Diagrams for the Systems

[1] Participants may access the Systems via Bloomberg API, Bloomberg Terminal Service or non-Bloomberg API.

[2] Please see "BMTF Market Annex A – RFQ and RFT Functions" in the BMTF Rulebook which is available at https://assets.bbhub.io/professional/sites/10/BMTF-Rulebook-Effective-1-January-2021.pdf for a written description of RFQ and RFT functionality (which also describes such functionality for BTFE).

[3] Each MTF only submits trades in derivative financial instruments (i.e., IRS and CDS) to clearing houses for clearing. Neither MTF is involved in clearing other than providing connectivity to clearing houses for participants to clear trades. No other asset classes are sent for clearing.

[4] For BTFE MTF transparency data, please see https://data.bloombergmtf.com/transparency. For BTF BV MTF transparency data, please see https://data.bloombergntf.com/transparency. For BTF BV MTF transparency data, please see https://data.bloombergntf.com/transparency.

[5] Each MTF is obligated to provide transparency reporting for all asset classes (subject to certain waivers and deferrals). The only other reporting that the MTFs perform is post-trade transaction reporting, and only where an MTF participant itself is not obligated to report to the NCA for the relevant MTF.

* RFQ functionality passes RFQ messages and responses (quotes) between a customer and its dealer, as specified by the dealer and the customer. RFT functionality passes price and order messages between a customer and a dealer, as specified by the dealer and the customer.

** A dealer typically has a preexisting contractual relationship with its customer that is legally entered into outside of the Systems. BTFE/BTF BV is not privy to or a party to the terms of these contractual relationships.

† Customer can send the same RFQ to 1-unlimited dealer(s) (varies by asset class). Customer can view indicative prices from all dealers that enabled the customer on the same screen. Different customers can see different prices, as enablement and prices are controlled by dealers.

Appendix B

Trade Flow Diagram for Tradebook LLC

[1] Participants may access Tradebook LLC via an API or the Bloomberg Terminal service.

* RFQ functionality passes RFQ messages and responses (quotes) between a customer and its dealer, as specified by the dealer and the customer. RFT functionality passes price and order messages between a customer and a dealer, as specified by the dealer and the customer.

** A dealer typically has a preexisting contractual relationship with its customer that is legally entered into outside of Tradebook LLC. Tradebook LLC is not privy to or a party to the terms of these contractual relationships.

† Customer can send the same RFQ to 1-unlimited dealer(s) (varies by asset class). Customer can view indicative prices from all dealers that enabled the customer on the same screen. Different customers can see different prices, as enablement and prices are controlled by dealers.

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S. 5, AS AMENDED
(THE ACT)

AND

IN THE MATTER OF
BLOOMBERG TRADING FACILITY LIMITED

ORDER
(Section 147 of the Act)

WHEREAS Bloomberg Trading Facility Limited (**Applicant**) has filed an application dated May 7, 2021 (**Application**) with the Ontario Securities Commission (**Commission**) requesting an order for the following relief (collectively, the Requested Relief):

(a) exempting the Applicant from the requirement to be recognized as an exchange under subsection 21(1) of the Act pursuant to section 147 of the Act; and

(b) exempting the Applicant from the requirements in National Instrument 21-101 *Marketplace Operation* (**NI 21-101**) pursuant to section 15.1(1) of NI 21-101, the requirements of National Instrument 23-101 *Trading Rules* (**NI 23-101**) pursuant to section 12.1 of NI 23-101 and the requirements of National Instrument 23-103 *Electronic Trading and Direct Electronic Access to Marketplaces* (**NI 23-103**) pursuant to section 10 of NI 23-103;

AND WHEREAS on December 22, 2017, the Commission issued an interim order under section 147 of the Act exempting the Applicant on an interim basis from the requirement in subsection 21(1) of the Act to be recognized as an exchange (**Interim Order**), terminating on the earlier of (i) January 3, 2019 and (ii) the effective date of a subsequent order exempting the Applicant from the requirement to be recognized as an exchange (**Subsequent Order**);

AND WHEREAS on December 14, 2018, the Commission issued an order (**First Variation Order**) under section 144 of the Act varying the Interim Order so that it terminated on the earlier of (i) July 3, 2019 and (ii) the effective date of a Subsequent Order;

AND WHEREAS on June 27, 2019, the Commission issued a further order (**Second Variation Order**) under section 144 of the Act varying the Interim Order so that it terminated on the earlier of (i) December 31, 2019 and (ii) the effective date of a Subsequent Order;

AND WHEREAS on December 13, 2019, the Commission issued a further order (**Third Variation Order**) under section 144 of the Act varying the Interim Order so that it terminates on the earlier of (i) December 31, 2020 and (ii) the effective date of a Subsequent Order;

AND WHEREAS pursuant to the terms of a settlement agreement approved by the Commission on December 18, 2020 (the **Settlement Agreement**):

(a) the Applicant admitted that it breached Ontario securities laws by, among other things failing to prevent, or otherwise permitting, trading in fixed income securities by Ontario participants in contravention of the terms of the Interim Order and subsequent variations of the Interim Order, and (ii) the Applicant's affiliate, Bloomberg Trading Facility B.V. (**BTF BV**), admitted that it breached Ontario securities laws by, among other things failing to prevent, or otherwise permitting, trading by Ontario participants without being recognized as an exchange by the Commission or obtaining an exemption from the requirement to be recognized;

(b) each of the Applicant and BTF BV was required to file a full application for subsequent decisions to allow for the trading of swaps and fixed income securities by January 31, 2021 (the **Subsequent Decisions**);

AND WHEREAS on December 18, 2020, the Commission issued a further order (**Restated Interim Order**) under sections 144 and 147 of the Act revoking and restating the Interim Order as follows:

(a) to include BTF BV in the scope of the Restated Interim Order to exempt the Applicant and BTF BV on an interim basis from the requirement in subsection 21(1) of the Act to be recognized as an exchange;

(b) to allow for the trading of swaps as defined in section 1a(47) of the United States Commodity Exchange Act as amended (but without regard to any exclusions from the definition) and fixed income securities;

(c) to extend the termination date of the Restated Interim Order so that it terminates on the earlier of (i) June 30, 2021 and (ii) the effective date of the Subsequent Decisions in respect of the Applicant or BTF BV, as the case may be;

AND WHEREAS the Restated Interim Order will therefore terminate upon the issuance of this order;

AND WHEREAS the Applicant has represented to the Commission that:

1. The Applicant is a limited company organized under the laws of England and Wales, and is a wholly owned direct and indirect subsidiary of Bloomberg L.P., a Delaware limited partnership;

2. On July 23, 2015, the U.K. Financial Conduct Authority (the **FCA** or **Foreign Regulator**), a financial regulatory body in the United Kingdom (**U.K.**), authorized the Applicant to act as the operator of a multilateral trading facility (**MTF**) for interest rate swaps and credit default swaps under Part 4A of the U.K. *Financial Services and Markets Act* 2000. On June 10, 2016, the FCA granted the Applicant a Variation of Permission that expanded the Applicant's authorization to additional financial instruments;

3. The Applicant operates a marketplace for trading over-the-counter (**OTC**) derivative instruments and certain securities (the **MTF Instruments**). The Applicant's MTF supports request-for-quote and request-for-trade functionality for interest rate swaps, credit default swaps, government and corporate bonds and similar fixed-income instruments, foreign exchange derivatives (e.g., foreign exchange forwards, non-deliverable forwards and options), securities financing transactions (including repurchase transactions, buy-sell and sell-buy back transactions), exchange-traded funds, equity swaps and OTC equity options. The Applicant may add other types of financial instruments in the future, subject to obtaining required regulatory approvals;

4. Pursuant to a marketplace conduit arrangement with the Applicant's Canadian alternative trading system affiliate, Bloomberg Tradebook Canada Company (**Tradebook Canada**), the Applicant also provides transaction execution services for debt securities issued by (i) an issuer incorporated, formed or created under the laws of Canada or a jurisdiction of Canada, or (ii) the Government of Canada or the government of a jurisdiction of Canada, including:

   (a) debt securities issued or guaranteed by the Government of Canada or the government of a jurisdiction of Canada (including agencies or instrumentalities thereof);

   (b) debt securities issued or guaranteed by a municipal corporation in Canada;

   (c) debt securities issued or guaranteed by Canadian corporate or other non-governmental issuers; and

   (d) asset-backed securities (including mortgage backed securities) and collateralized mortgage obligations issued or guaranteed by a Canadian issuer, denominated in the Canadian dollar;

5. The Applicant is subject to regulatory supervision by the FCA and is required to comply with the FCA's Handbook, which includes, among other things, rules on (i) the conduct of business (including rules regarding client categorization, communication with clients and other investor protections and client agreements), (ii) market conduct (including rules applicable to firms operating an MTF), and (iii) systems and controls (including rules on outsourcing, governance, record-keeping and conflicts of interest). The FCA requires the Applicant to comply at all times with a set of threshold conditions for authorization, including requirements that the Applicant is "fit and proper" to be authorized and that it has appropriate resources for the activities it carries on. The Applicant is subject to prudential regulation, including minimum regulatory capital requirements, and is capitalized in excess of regulatory requirements. The Applicant is required to maintain a permanent and effective compliance function, which is headed by the Applicant's Chief Compliance Officer, an FCA-approved person. The Applicant's Compliance Department is responsible for implementing and maintaining adequate policies and procedures designed to ensure that the Applicant (and all of its employees) comply with their obligations under the FCA rules;

6. An MTF is obliged under FCA rules to have requirements governing the conduct of participants, to monitor compliance with those requirements and report to the FCA (a) significant breaches of MTF rules, (b) disorderly trading conditions, and (c) conduct that may involve market abuse. The Applicant may also notify the FCA when a participant's access is terminated, and may notify the FCA when a participant is temporarily suspended or subject to condition(s). As required by FCA rules, the Applicant has implemented a trade surveillance program. As part of the program, the Applicant's Compliance Department conducts real-time market monitoring of trading activity on the Applicant's MTF to identify disorderly trading and market abuse or anomalies. The trade surveillance program is designed to maintain a fair and orderly market for the Applicant's MTF participants;

7. The Applicant's MTF is available to participants via an approved service provider (Bloomberg Terminal access is provided this way), via application programming interface (**API**), a non-Bloomberg API or venue Direct Portal. The Applicant currently charges trading and access fees to participants which are publicly disclosed;

8. An MTF must submit all trades that are required to be cleared to a clearing house for clearing. The Applicant provides direct connectivity to the following clearing houses for clearing interest rate swaps: LCH Limited (formerly known as LCH.Clearnet Ltd.) and Eurex Clearing AG, each of which is recognized or has obtained an exemption from recognition as a clearing agency in Ontario. The Applicant provides direct connectivity to the following clearing houses for credit default swaps: ICE Clear Credit LLC, ICE Clear Europe Limited and LCH SA. ICE Clear Credit LLC and LCH SA have each obtained an exemption from recognition as a clearing agency in Ontario. ICE Clear Europe Limited is not recognized and has not obtained an exemption from recognition as a clearing agency in Ontario. Accordingly, ICE Clear Europe Limited is not authorized to provide clearing services for credit default swaps directly to Ontario Users (as defined below);

9. The Applicant requires that its participants be "professional clients," as defined by the FCA in the FCA's Conduct of Business Sourcebook, Chapter 3 "Client categorisation" (**Professional Clients**) and as set forth in Appendix II of this Application and be either (i) authorised as a credit institution with a license in an EEA country or as an EEA investment firm, or (ii) an entity that has satisfied and will continue to satisfy the Applicant that it is fit and proper to become a participant, with adequate organizational arrangements in place and a sufficient level of trading ability and competence. Each prospective participant must: comply and ensure that its authorized traders comply, and, in each case, continue to comply, with the Applicant's MTF Rulebook and applicable law; have the legal capacity to trade in the MTF Instruments it selects to trade on the Applicant's MTF; have appropriate systems and arrangements for the orderly clearance and/or settlement, as applicable, of transactions in all MTF Instruments it selects to trade on the Applicant's MTF; have all registrations, authorizations, approvals and/or consents required by applicable law in connection with trading in MTF Instruments on the Applicant's MTF; have adequate experience, knowledge and competence to transact in the MTF Instruments; and not be a natural person, independent software provider, trading venue or unregulated organized trading platform or system;

10. All participants that are located in Ontario, including participants with their headquarters or legal address in Ontario (e.g., as indicated by a participant's Legal Entity Identifier (LEI)) and all traders conducting transactions on its behalf, regardless of the traders' physical location (inclusive of non-Ontario branches of Ontario legal entities), as well as any trader physically located in Ontario who conducts transactions on behalf of any other entity (**Ontario Users**) are required to sign a user acknowledgment representing that they meet the criteria set forth in the user acknowledgment, including that they are appropriately registered under Ontario securities laws, exempt from registration or not subject to registration requirements. The user acknowledgment requires an Ontario User to make an ongoing representation each time it uses the Applicant's MTF that it continues to meet the criteria set forth in the user acknowledgment. An Ontario User is required to immediately notify the Applicant if it ceases to meet any of the above criteria represented by it on an ongoing basis;

11. Because the Applicant's MTF sets requirements for the conduct of its participants and surveils the trading activity of its participants, it is considered by the Commission to be an exchange;

12. Because the Applicant has participants that are Ontario Users, it is considered by the Commission to be carrying on business as an exchange in Ontario and is required to be recognized as such or exempted from recognition pursuant to section 21 of the Act;

13. The Applicant has no physical presence in Ontario and does not otherwise carry on business in Ontario except as described above and permitted by the Restated Interim Order; and

14. The Applicant satisfies the exemption criteria as described in Appendix I to Schedule "A";

AND WHEREAS the products traded on the Applicant's MTF are not commodity futures contracts as defined in the *Commodity Futures Act* (Ontario) and the Applicant is not considered to be carrying on business as a commodity futures exchange in Ontario;

AND WHEREAS the Commission will monitor developments in international and domestic capital markets and the Applicant's activities on an ongoing basis to determine whether it is appropriate for the Requested Relief to continue to be granted subject to the terms and conditions set out in Schedule "A" to this order;

AND WHEREAS the Applicant has acknowledged to the Commission that the scope of the Requested Relief and the terms and conditions imposed by the Commission set out in Schedule "A" to this order may change as a result of the Commission's monitoring of developments in international and domestic capital markets or the Applicant's activities, or as a result of any changes to the laws in Ontario affecting trading in derivatives or securities;

AND WHEREAS based on the Application, together with the representations made by and acknowledgments of the Applicant to the Commission, the Commission has determined that the Applicant satisfies the criteria set out in Appendix I to Schedule "A" and that the granting of the Requested Relief would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission that, (i) pursuant to section 147 of the Act, the Applicant is exempt from recognition as an exchange under subsection 21(1) of the Act, and (ii) pursuant to sections 15.1(1) of NI 21-101, 12.1 of NI 23-101 and 10 of NI 23-103, the Applicant is exempt from the requirements in NI 21-101, NI 23-101 and NI 23-103,

PROVIDED THAT the Applicant complies with the terms and conditions contained in Schedule "A".

DATED ●

SCHEDULE "A"

TERMS AND CONDITIONS

Meeting Criteria for Exemption

1. The Applicant will continue to meet the criteria for exemption included in Appendix I to this Schedule.

Regulation and Oversight of the Applicant

2. The Applicant will maintain its registration as a multilateral trading facility (**MTF**) with the U.K. Financial Conduct Authority (**FCA**) and will continue to be subject to the regulatory oversight of the FCA.

3. The Applicant will continue to comply with the ongoing requirements applicable to it as an MTF registered with the FCA.

4. The Applicant will promptly notify the Commission if its registration as an MTF has been revoked, suspended, or amended by the FCA, or the basis on which its registration as an MTF has been granted has significantly changed.

5. The Applicant must do everything within its control, which includes cooperating with the Commission as needed, to carry out its activities as an exchange exempted from recognition under subsection 21(1) of the Act in compliance with Ontario securities law.

Access

6. The Applicant will not provide direct access to a participant in Ontario including a participant with its headquarters or legal address in Ontario (e.g., as indicated by a participant's Legal Entity Identifier (LEI)) and all traders conducting transactions on its behalf, regardless of the traders' physical location (inclusive of non-Ontario branches of Ontario legal entities), as well as any trader physically located in Ontario who conducts transactions on behalf of any other entity (**Ontario User**) unless the Ontario User is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements, and qualifies as a "professional client", as defined by the FCA in the FCA's Conduct of Business Sourcebook, Chapter 3 "Client Categorisation."

7. For each Ontario User provided direct access to its MTF, the Applicant will require, as part of its application documentation or continued access to the MTF, the Ontario User to represent that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements.

8. The Applicant may reasonably rely on a written representation from the Ontario User that specifies either that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements, provided the Applicant notifies such Ontario User that this representation is deemed to be repeated each time it enters an order, request for quote or response to a request for quote or otherwise uses the Applicant's MTF.

9. The Applicant will require Ontario Users to notify the Applicant if their registration as applicable under Ontario securities laws has been revoked, suspended, or amended by the Commission or if they are no longer exempt from or become subject to those requirements and, following notice from the Ontario User and subject to applicable laws, the Applicant will promptly restrict the Ontario User's access to the Applicant's MTF if the Ontario User is no longer appropriately registered or exempt from those requirements.

Trading by Ontario Users

10. The Applicant will not provide access to an Ontario User to trading in products other than swaps, as defined in section 1a(47) of the United States *Commodity Exchange Act* as amended (but without regard to any exclusions from the definition) or debt securities, as defined in subsection 1(1) of the Act, without prior Commission approval.

11. With respect to debt securities:

    (a) the Applicant will only permit Ontario Users to trade a debt security that is a foreign security or a debt security that is denominated in a currency other than the Canadian dollar as such terms are defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, including:

        (i) debt securities issued by the United States (**U.S.**) government (including agencies or instrumentalities thereof);

        (ii) debt securities issued by a foreign government;

        (iii) debt securities issued by corporate or other non-governmental issuers (U.S. and foreign); and

(iv) asset-backed securities (including mortgage backed securities), denominated in either U.S. or foreign currencies; and

(b) the Applicant will only provide transaction execution services in accordance with the terms and conditions of Bloomberg Tradebook Canada Company's registration as an alternative trading system in Ontario with respect to a debt security that is a Canadian security or a debt security of a Canadian issuer that is denominated in the Canadian dollar, including:

(i) debt securities issued or guaranteed by the Government of Canada or the government of a jurisdiction of Canada (including agencies or instrumentalities thereof);

(ii) debt securities issued or guaranteed by a municipal corporation in Canada;

(iii) debt securities issued or guaranteed by Canadian corporate or other non-governmental issuers; and

(iv) asset-backed securities (including mortgage backed securities) and collateralized mortgage obligations issued or guaranteed by a Canadian issuer, denominated in the Canadian dollar.

12. The Applicant will only permit Ontario Users to trade those securities which are permitted to be traded in the U.K. under applicable securities laws and regulations.

Submission to Jurisdiction and Agent for Service

13. With respect to a proceeding brought by the Commission arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of the activities of the Applicant in Ontario, the Applicant will submit to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Ontario and (ii) an administrative proceeding in Ontario.

14. The Applicant will maintain with the Commission a valid and binding appointment of an agent for service in Ontario upon whom the Commission may serve a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of the Applicant's activities in Ontario.

Prompt Reporting

15. The Applicant will notify staff of the Commission promptly of:

(a) any authorization to carry on business granted by the FCA is revoked or suspended or made subject to terms or conditions on the Applicant's operations;

(b) the Applicant institutes a petition for a judgment of bankruptcy or insolvency or similar relief, or to wind up or liquidate the Applicant or has a proceeding for any such petition instituted against it;

(c) a receiver is appointed for the Applicant or the Applicant makes any voluntary arrangement with creditors;

(d) the Applicant marketplace is not in compliance with this Order or with any applicable requirements, laws or regulations of the FCA where it is required to report such non-compliance to the FCA;

(e) any known investigations of, or disciplinary action against, the Applicant by the FCA or any other regulatory authority to which it is subject; and

(f) the Applicant makes any material change to the eligibility criteria for Ontario Users.

Semi-Annual Reporting

16. The Applicant will maintain the following updated information and submit such information in a manner and form acceptable to the Commission on a semi-annual basis (by July 31 for the first half of the calendar year and by January 31 of the follow year for the second half), and at any time promptly upon the request of staff of the Commission:

(a) a current list of all Ontario Users and whether the Ontario User is registered under Ontario securities laws or is exempt from or not subject to registration, and, to the extent known by the Applicant, other persons or companies located in Ontario trading on the Applicant's MTF as customers of participants (**Other Ontario Participants**);

(b) the legal entity identifier assigned to each Ontario User, and, to the extent known by the Applicant, to Other Ontario Participants in accordance with the standards set by the Global Legal Entity Identifier System;

(c) a list of all Ontario Users whom the Applicant has referred to the FCA, or, to the best of the Applicant's knowledge, whom have been disciplined by the FCA with respect to such Ontario Users' activities on the Applicant's MTF and the aggregate number of all participants referred to the FCA since the previous report by the Applicant;

(d) a list of all active investigations since the last report by the Applicant relating to Ontario Users and the aggregate number of active investigations since the last report relating to all participants undertaken by the Applicant;

(e) a list of all Ontario applicants for status as a participant who were denied such status or access to the Applicant since the last report, together with the reasons for each such denial; and

(f) for each product,

(i) the total trading volume and value originating from Ontario Users, and, to the extent known by the Applicant, from Other Ontario Participants, presented on a per Ontario User or per Other Ontario Participant basis; and

(ii) the proportion of worldwide trading volume and value on the Applicant's MTF conducted by Ontario Users, and, to the extent known by the Applicant, by Other Ontario Participants, presented in the aggregate for such Ontario Users and Other Ontario Participants;

provided in the required format.

Information Sharing

17. The Applicant will provide such information as may be requested from time to time by, and otherwise cooperate with, the Commission or its staff, subject to any applicable privacy or other laws (including solicitor-client privilege) governing the sharing of information and the protection of personal information.

APPENDIX I

CRITERIA FOR EXEMPTION OF A FOREIGN EXCHANGE TRADING OTC DERIVATIVES FROM RECOGNITION AS AN EXCHANGE

PART 1 REGULATION OF THE EXCHANGE

1.1 Regulation of the Exchange

The exchange is regulated in an appropriate manner in another jurisdiction by a foreign regulator (**Foreign Regulator**).

1.2 Authority of the Foreign Regulator

The Foreign Regulator has the appropriate authority and procedures for oversight of the exchange. This includes regular, periodic oversight reviews of the exchange by the Foreign Regulator.

PART 2 GOVERNANCE

2.1 Governance

The governance structure and governance arrangements of the exchange ensure:

(a) effective oversight of the exchange,

(b) that business and regulatory decisions are in keeping with its public interest mandate,

(c) fair, meaningful and diverse representation on the board of directors (Board) and any committees of the Board, including:

  (i) appropriate representation of independent directors, and

  (ii) a proper balance among the interests of the different persons or companies using the services and facilities of the exchange,

(d) the exchange has policies and procedures to appropriately identify and manage conflicts of interest for all officers, directors and employees, and

(e) there are appropriate qualifications, remuneration, limitation of liability and indemnity provisions for directors, officers and employees of the exchange.

2.2 Fitness

The exchange has policies and procedures under which it will take reasonable steps, and has taken such reasonable steps, to ensure that each director and officer is a fit and proper person and past conduct of each officer or director affords reasonable grounds for belief that the officer or director will perform his or her duties with integrity.

PART 3 REGULATION OF PRODUCTS

3.1 Review and Approval of Products

The products traded on the exchange and any changes thereto are submitted to the Foreign Regulator, and are either approved by the Foreign Regulator or are subject to requirements established by the Foreign Regulator that must be met before implementation of a product or changes to a product.

3.2 Product Specifications

The terms and conditions of trading the products are in conformity with the usual commercial customs and practices for the trading of such products.

3.3 Risks Associated with Trading Products

The exchange maintains adequate provisions to measure, manage and mitigate the risks associated with trading products on the exchange that may include, but are not limited to, daily trading limits, price limits, position limits, and internal controls.

PART 4 ACCESS

4.1 Fair Access

(a) The exchange has established appropriate written standards for access to its services including requirements to ensure

(i) participants are appropriately registered as applicable under Ontario securities laws, or exempted from these requirements,

(ii) the competence, integrity and authority of systems users, and

(iii) systems users are adequately supervised.

(b) The access standards and the process for obtaining, limiting and denying access are fair, transparent and applied reasonably.

(c) The exchange does not unreasonably prohibit, condition or limit access by a person or company to services offered by it.

(d) The exchange does not

(i) permit unreasonable discrimination among participants, or

(ii) impose any burden on competition that is not reasonably necessary and appropriate.

(e) The exchange keeps records of each grant and each denial or limitation of access, including reasons for granting, denying or limiting access.

PART 5 REGULATION OF PARTICIPANTS ON THE EXCHANGE

5.1 Regulation

The exchange has the authority, resources, capabilities, systems and processes to allow it to perform its regulation functions, whether directly or indirectly through a regulation services provider, including setting requirements governing the conduct of its participants, monitoring their conduct, and appropriately disciplining them for violations of exchange requirements.

PART 6 RULEMAKING

6.1 Purpose of Rules

(a) The exchange has rules, policies and other similar instruments (**Rules**) that are designed to appropriately govern the operations and activities of participants and do not permit unreasonable discrimination among participants or impose any burden on competition that is not reasonably necessary or appropriate.

(b) The Rules are not contrary to the public interest and are designed to

(i) ensure compliance with applicable legislation,

(ii) prevent fraudulent and manipulative acts and practices,

(iii) promote just and equitable principles of trade,

(iv) foster co-operation and co-ordination with persons or companies engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in the products traded on the exchange,

(v) provide a framework for disciplinary and enforcement actions, and

(vi) ensure a fair and orderly market.

PART 7 DUE PROCESS

7.1 Due Process

For any decision made by the exchange that affects a participant, or an applicant to be a participant, including a decision in relation to access, exemptions, or discipline, the exchange ensures that:

(a) parties are given an opportunity to be heard or make representations, and

(b) it keeps a record of, gives reasons for, and provides for appeals or reviews of its decisions.

PART 8 CLEARING AND SETTLEMENT

8.1 Clearing Arrangements

The exchange has or requires its participants to have appropriate arrangements for the clearing and settlement of transactions for which clearing is mandatory through a clearing house.

8.2 Risk Management of Clearing House

The exchange has assured itself that the clearing house has established appropriate risk management policies and procedures, contingency plans, default procedures and internal controls.

PART 9 SYSTEMS AND TECHNOLOGY

9.1 Systems and Technology

Each of the exchange's critical systems has appropriate internal controls to ensure completeness, accuracy, integrity and security of information, and, in addition, has sufficient capacity and business continuity plans to enable the exchange to properly carry on its business. Critical systems are those that support the following functions:

(a) order entry,

(b) order routing,

(c) execution,

(d) trade reporting,

(e) trade comparison,

(f) data feeds,

(g) market surveillance,

(h) trade clearing, and

(i) financial reporting.

9.2 System Capability/Scalability

Without limiting the generality of section 9.1, for each of its systems supporting order entry, order routing, execution, data feeds, trade reporting and trade comparison, the exchange:

(a) makes reasonable current and future capacity estimates;

(b) conducts capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner;

(c) reviews the vulnerability of those systems and data centre computer operations to internal and external threats, including physical hazards and natural disasters;

(d) ensures that safeguards that protect a system against unauthorized access, internal failures, human errors, attacks and natural catastrophes that might cause improper disclosures, modification, destruction or denial of service are subject to an independent and ongoing audit which should include the physical environment, system capacity, operating system testing, documentation, internal controls and contingency plans;

(e) ensures that the configuration of the system has been reviewed to identify potential points of failure, lack of back-up and redundant capabilities;

(f) maintains reasonable procedures to review and keep current the development and testing methodology of those systems; and

(g) maintains reasonable back-up, contingency and business continuity plans, disaster recovery plans and internal controls.

9.3 Information Technology Risk Management Procedures

The exchange has appropriate risk management procedures in place including those that handle trading errors, trading halts and respond to market disruptions and disorderly trading.

PART 10 FINANCIAL VIABILITY

10.1 Financial Viability

The exchange has sufficient financial resources for the proper performance of its functions and to meet its responsibilities.

PART 11 TRADING PRACTICES

11.1 Trading Practices

Trading practices are fair, properly supervised and not contrary to the public interest.

11.2 Orders

Rules pertaining to order size and limits are fair and equitable to all market participants and the system for accepting and distinguishing between and executing different types of orders is fair, equitable and transparent.

11.3 Transparency

The exchange has adequate arrangements to record and publish accurate and timely information as required by applicable law or the Foreign Regulator. This information is also provided to all participants on an equitable basis.

PART 12 COMPLIANCE, SURVEILLANCE AND ENFORCEMENT

12.1 Jurisdiction

The exchange or the Foreign Regulator has the jurisdiction to perform member and market regulation, including the ability to set rules, conduct compliance reviews and perform surveillance and enforcement.

12.2 Member and Market Regulation

The exchange or the Foreign Regulator maintains appropriate systems, resources and procedures for evaluating compliance with exchange and legislative requirements and for disciplining participants.

12.3 Availability of Information to Regulators

The exchange has mechanisms in place to ensure that the information necessary to conduct adequate surveillance of the system for supervisory or enforcement purposes is available to the relevant regulatory authorities, including the Commission, on a timely basis.

PART 13 RECORD KEEPING

13.1 Record Keeping

The exchange has and maintains adequate systems in place for the keeping of books and records, including, but not limited to, those concerning the operations of the exchange, audit trail information on all trades, and compliance with, and/or violations of exchange requirements.

PART 14 OUTSOURCING

14.1 Outsourcing

Where the exchange has outsourced any of its key services or systems to a service provider, it has appropriate and formal arrangements and processes in place that permit it to meet its obligations and that are in accordance with industry best practices.

PART 15 FEES

15.1 Fees

(a) All fees imposed by the exchange are reasonable and equitably allocated and do not have the effect of creating an unreasonable condition or limit on access by participants to the services offered by the exchange.

(b) The process for setting fees is fair and appropriate, and the fee model is transparent.

PART 16 INFORMATION SHARING AND OVERSIGHT ARRANGEMENTS

16.1 Information Sharing and Regulatory Cooperation

The exchange has mechanisms in place to enable it to share information and otherwise co-operate with the Commission, self-regulatory organizations, other exchanges, clearing agencies, investor protection funds, and other appropriate regulatory bodies.

16.2 Oversight Arrangements

Satisfactory information sharing and oversight agreements exist between the Commission and the Foreign Regulator.

PART 17 IOSCO PRINCIPLES

17.1 IOSCO Principles

To the extent it is consistent with the laws of the foreign jurisdiction, the exchange adheres to the standards of the International Organisation of Securities Commissions (IOSCO) including those set out in the “Principles for the Regulation and Supervision of Commodity Derivatives Markets” (2011).

APPENDIX II

DEFINITION OF PROFESSIONAL CLIENTS

This Appendix II provides the definition of a "Professional Client," as defined by the FCA in the FCA's Conduct of Business Sourcebook, Chapter 3 "Client categorisation."

3.5 **Professional clients**

3.5.1 *A professional client* is a *client* that is either a *per se professional client* or *an elective professional client*.

[**Note**: article 4(1)(11) of *MiFID*]

Per se professional clients

3.5.2 Each of the following is a *per se professional client* unless and to the extent it is an *eligible counterparty* or is given a different categorisation under this chapter:

(1) an entity required to be authorised or regulated to operate in the financial markets. The following list includes all authorised entities carrying out the characteristic activities of the entities mentioned, whether authorised by an *EEA State* or a third country and whether or not authorised by reference to a directive:

(a) a *credit institution*;

(b) an *investment firm*;

(c) any other authorised or regulated financial institution;

(d) an insurance company;

(e) a collective investment scheme or the management company of such a scheme;

(f) a pension fund or the management company of a pension fund;

(g) a commodity or commodity derivatives dealer;

(h) a local;

(i) any other institutional investor;

(2) in relation to *MiFID or equivalent third country business* a large undertaking meeting two of the following size requirements on a company basis:

(a) balance sheet total of EUR 20,000,000;

(b) net turnover of EUR 40,000,000;

(c) own funds of EUR 2,000,000;

(3) in relation to business that is not *MiFID or equivalent third country business* a large undertaking meeting any of the following conditions:

(a) a *body corporate* (including a *limited liability partnership*) which has (or any of whose *holding companies* or *subsidiaries* has) (or has had at any time during the previous two years) called up share capital or net assets of at least £5 million (or its equivalent in any other currency at the relevant time);

(b) an undertaking that meets (or any of whose *holding companies* or *subsidiaries* meets) two of the following tests:

(i) a balance sheet total of EUR 12,500,000;

(ii) a net turnover of EUR 25,000,000;

(iii) an average number of employees during the year of 250;

(c) a *partnership* or unincorporated association which has (or has had at any time during the previous two years) net assets of at least £5 million (or its equivalent in any other currency at the relevant time) and calculated in the case of a limited *partnership* without deducting loans owing to any of the *partners*;

(d) a trustee of a trust (other than an *occupational pension scheme*, *SSAS*, *personal pension scheme or stakeholder pension scheme*) which has (or has had at any time during the previous two years) assets of at least £10 million (or its equivalent in any other currency at the relevant time) calculated by aggregating the value of the cash and *designated investments* forming part of the trust's assets, but before deducting its liabilities;

(e) a trustee of an *occupational pension scheme* or *SSAS*, or a trustee or *operator* of a *personal pension scheme* or *stakeholder pension scheme* where the scheme has (or has had at any time during the previous two years):

(i) at least 50 members; and

(ii) assets under management of at least £10 million (or its equivalent in any other currency at the relevant time);

(f) a local authority or public authority.

(4) a national or regional government, a public body that manages public debt, a central bank, an international or supranational institution (such as the World Bank, the IMF, the ECP, the EIB) or another similar international organisation;

(5) another institutional investor whose main activity is to invest in *financial instruments* (in relation to the *firm's MiFID* or *equivalent third country business*) or *designated investments* (in relation to the firm's other business). This includes entities dedicated to the securitisation of assets or other financing transactions.

[**Note**: first paragraph of section I of annex II to MiFID]

3.5.2A In relation to MiFID or *equivalent third country business* a local authority or a public authority is not likely to be a regional government for the purposes of ■ COBS 3.5.2 R (4). In the FCA's opinion, a local authority may be a *per se professional client* for those purposes if it meets the test for large undertakings in ■ COBS 3.5.2 R (2).

Elective professional clients

3.5.3 A *firm* may treat a client as an *elective professional client* if it complies with (1) and (3) and, where applicable, (2):

(1) the *firm* undertakes an adequate assessment of the expertise, experience and knowledge of the *client* that gives reasonable assurance, in light of the nature of the transactions or services envisaged, that the *client* is capable of making his own investment decisions and understanding the risks involved (the "qualitative test");

(2) in relation to *MiFID or equivalent third country business* in the course of that assessment, at least two of the following criteria are satisfied:

(a) the *client* has carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous four quarters;

(b) the size of the *client's financial instrument* portfolio, defined as including cash deposits and *financial instruments*, exceeds EUR 500,000;

(c) the *client* works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged;

(the “quantitative test”); and

(3) the following procedure is followed:

(a) the *client* must state in writing to the *firm* that it wishes to be treated as a *professional client* either generally or in respect of a particular service or transaction or type of transaction or product;

(b) the *firm* must give the *client* a clear written warning of the protections and investor compensation rights the *client* may lose; and

(c) the *client* must state in writing, in a separate document from the contract, that it is aware of the consequences of losing such protections.

[**Note**: first, second, third and fifth paragraphs of section II.1 and first paragraph of section II.2 of annex II to *MiFID*]

3.5.4 If the *client* is an entity, the qualitative test should be performed in relation to the person authorised to carry out transactions on its behalf.

[**Note**: fourth paragraph of section II.1 of annex II to *MiFID*]

3.5.5 The fitness test applied to managers and directors of entities licensed under directives in the financial field is an example of the assessment of expertise and knowledge involved in the qualitative test.

[**Note**: fourth paragraph of section II.1 of annex II to *MiFID*]

3.5.6 Before deciding to accept a request for re-categorisation as an *elective professional client* a *firm* must take all reasonable steps to ensure that the *client* requesting to be treated as an *elective professional client* satisfies the qualitative test and, where applicable, the quantitative test.

[**Note**: second paragraph of section II.2 of annex II to *MiFID*]

3.5.7 *An elective professional client* should not be presumed to possess market knowledge and experience comparable to a *per se professional client*

[**Note**: second paragraph of section II.1 of annex II to *MiFID*]

3.5.8 *Professional client* are responsible for keeping the *firm* informed about any change that could affect their current categorisation.

[**Note**: fourth paragraph of section II.2 of annex II to *MiFID*]

3.5.9 (1) If a *firm* becomes aware that a *client* no longer fulfils the initial conditions that made it eligible for categorisation as an *elective professional client*, the *firm* must take the appropriate action.

(2) Where the appropriate action involves re-categorising that client as a *retail client*, the *firm* must notify that *client* of its new categorisation.

[**Note**: fourth paragraph of section II.2 of annex II to *MiFID* and article 28(1) of the *MiFID implementing Directive*]

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S. 5, AS AMENDED
(THE ACT)

AND

IN THE MATTER OF
BLOOMBERG TRADING FACILITY B.V.

ORDER
(Section 147 of the Act)

WHEREAS Bloomberg Trading Facility B.V. (**Applicant**) has filed an application dated May 7, 2021 (**Application**) with the Ontario Securities Commission (**Commission**) requesting an order for the following relief (collectively, the **Requested Relief**):

(a) exempting the Applicant from the requirement to be recognized as an exchange under subsection 21(1) of the Act pursuant to section 147 of the Act; and

(b) exempting the Applicant from the requirements in National Instrument 21-101 *Marketplace Operation* (**NI 21-101**) pursuant to section 15.1(1) of NI 21-101, the requirements of National Instrument 23-101 *Trading Rules* (**NI 23-101**) pursuant to section 12.1 of NI 23-101 and the requirements of National Instrument 23-103 *Electronic Trading and Direct Electronic Access to Marketplaces* (**NI 23-103**) pursuant to section 10 of NI 23-103;

AND WHEREAS pursuant to the terms of a settlement agreement approved by the Commission on December 18, 2020 (the **Settlement Agreement**):

(a) the Applicant admitted that it breached Ontario securities laws by, among other things failing to prevent, or otherwise permitting, trading by Ontario participants without being recognized as an exchange by the Commission or obtaining an exemption from the requirement to be recognized, and (ii) the Applicant's affiliate, Bloomberg Trading Facility Limited (**BTFL**), admitted that it breached Ontario securities laws by, among other things failing to prevent, or otherwise permitting, trading in fixed income securities by Ontario participants in contravention of the terms of the interim order issued by the Commission on December 22, 2017 (**Interim Order**) and subsequent variations of the Interim Order;

(b) each of the Applicant and BTFL was required to file a full application for subsequent decisions to allow for the trading of swaps and fixed income securities by January 31, 2021 (the **Subsequent Decisions**);

AND WHEREAS on December 18, 2020, the Commission issued a further order (**Restated Interim Order**) under sections 144 and 147 of the Act revoking and restating the Interim Order as follows:

(a) to include the Applicant in the scope of the Restated Interim Order to exempt the Applicant and BTFL on an interim basis from the requirement in subsection 21(1) of the Act to be recognized as an exchange;

(b) to allow for the trading of swaps as defined in section 1a(47) of the United States Commodity Exchange Act as amended (but without regard to any exclusions from the definition) and fixed income securities;

(c) to extend the termination date of the Restated Interim Order so that it terminates on the earlier of (i) June 30, 2021 and (ii) the effective date of the Subsequent Decisions in respect of the Applicant or BTFL, as the case may be;

AND WHEREAS the Restated Interim Order will therefore terminate upon the issuance of this order;

AND WHEREAS the Applicant has represented to the Commission that:

1. The Applicant is a private limited company incorporated under the laws of the Netherlands, and is a wholly owned direct and indirect subsidiary of Bloomberg L.P., a Delaware limited partnership;

2. The Applicant is regulated and authorized by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) (the **AFM** or **Foreign Regulator**) as an investment firm with permission to operate a multilateral trading facility (**MTF**);

3. On January 15, 2019, the AFM authorized the Applicant to act as the operator of its MTF (**BTFE**) in the Netherlands and has commenced supervising the Applicant on an ongoing, active basis;

4. The Markets in Financial Instruments Directive 2014/65/EU of the European Parliament and of the Council (**MiFID II**) requires that multilateral trading by European Union (**EU**)/European Economic Area (**EEA**)

participants takes place on a trading venue (i.e., a "regulated market", a "multilateral trading facility" or an "organized trading facility", as those terms are defined under MiFID II). The United Kingdom (**UK**) officially exited the European Union on January 31, 2020 (**Brexit**), with a transition period that ended December 31, 2020. Post-Brexit, the Applicant has experienced significant demand from clients based in the EEA to trade on BTFE as an EU-regulated trading venue. In parallel, the Applicant's affiliate, Bloomberg Trading Facility Limited (**BTFL**), continues to operate its UK-regulated trading venue, BMTF. BTFL's UK clients and clients based in non-EEA jurisdictions have continued to trade on BMTF post-Brexit, and many have sought to become clients of BTFE as well in order to continue accessing EEA liquidity. Without the Requested Relief, participants of BMTF in Ontario are precluded from trading with EU/EEA participants post-Brexit on BTFE;

5. The Applicant operates a marketplace for trading over-the-counter (**OTC**) derivative instruments and certain securities (the **MTF Instruments**). BTFE supports request-for-quote and request-for-trade functionality for interest rate swaps, credit default swaps, government and corporate bonds and similar fixed-income instruments, foreign exchange derivatives (e.g., foreign exchange forwards, non-deliverable forwards and options), securities financing transactions (including repurchase transactions, buy-sell and sell-buy back transactions), exchange-traded funds and OTC equity options. The Applicant may add other types of financial instruments in the future, subject to obtaining required regulatory approvals;

6. Pursuant to a marketplace conduit arrangement with the Applicant's Canadian alternative trading system affiliate, Bloomberg Tradebook Canada Company (**Tradebook Canada**), the Applicant also provides transaction execution services for debt securities issued by (i) an issuer incorporated, formed or created under the laws of Canada or a jurisdiction of Canada, or (ii) the Government of Canada or the government of a jurisdiction of Canada, including:

   (a) debt securities issued or guaranteed by the Government of Canada or the government of a jurisdiction of Canada (including agencies or instrumentalities thereof);

   (b) debt securities issued or guaranteed by a municipal corporation in Canada;

   (c) debt securities issued or guaranteed by Canadian corporate or other non-governmental issuers; and

   (d) asset-backed securities (including mortgage backed securities) and collateralized mortgage obligations issued or guaranteed by a Canadian issuer, denominated in the Canadian dollar;

7. The Applicant is subject to regulatory supervision by the AFM and is required to comply with the Netherlands Financial Supervision Act (*Wet op het financieel toezicht*, **Wft**), MiFID II, the Markets in Financial Instruments Regulation, the rules pertaining to this legislation and the applicable guidance from the AFM and De Nederlandsche Bank (the **Applicable Rules**), which include, among other things, rules on (i) the conduct of business (including rules regarding client categorization, communication with clients and other investor protections and client agreements), (ii) market conduct (including rules applicable to firms operating an MTF), and (iii) systems and controls (including rules on outsourcing, governance, record-keeping and conflicts of interest). The AFM requires the Applicant to comply at all times with a set of threshold conditions for authorization and ongoing requirements, including requirements that the Applicant has sound business and controlled business operations and that it has appropriate resources for the activities it carries on. The Applicant is subject to prudential regulation, including minimum regulatory capital requirements, and is capitalized in excess of regulatory requirements. The Applicant is required to maintain a permanent and effective compliance function, which is covered by the Applicant's Compliance Officer. The Applicant's Compliance Department is responsible for implementing and maintaining adequate policies and procedures designed to ensure that the Applicant, its officers and all its employees comply with their obligations under the Applicable Rules;

8. An MTF is obliged under AFM rules to have requirements governing the conduct of participants, to monitor compliance with those requirements and report to the AFM (i) significant breaches of the rules in the BTFE Rulebook, (ii) disorderly trading conditions, and (iii) conduct that may involve market abuse. The Applicant will also notify the AFM when a participant's access is terminated, and may notify the AFM when a participant is temporarily suspended or subject to condition(s). As required by the Applicable Rules, the Applicant has implemented a trade surveillance program. As part of the program, the Applicant's Compliance Department conducts real-time market monitoring of trading activity on BTFE to identify disorderly trading and market abuse or anomalies. The trade surveillance program is designed to maintain a fair and orderly market for BTFE participants;

9. BTFE is available to participants via an approved service provider (Bloomberg Terminal access is provided this way), via application programming interface (**API**), a non-Bloomberg API or venue Direct Portal. The Applicant currently charges trading and access fees to participants which are publicly disclosed;

10. An MTF must submit all trades that are required to be cleared to a clearing house for clearing. The Applicant provides direct connectivity to the following clearing houses for clearing interest rate swaps: LCH Limited (formerly known as LCH.Clearnet Ltd.) and Eurex Clearing AG. LCH Limited is recognized as a clearing agency

in Ontario and Eurex Clearing AG has obtained an exemption from recognition as a clearing agency in Ontario. The Applicant provides direct connectivity to the following clearing houses for credit default swaps: ICE Clear Credit LLC, ICE Clear Europe Limited and LCH SA. ICE Clear Credit LLC and LCH SA have each obtained an exemption from recognition as a clearing agency in Ontario. ICE Clear Europe Limited is not recognized and has not obtained an exemption from recognition as a clearing agency in Ontario. Accordingly, ICE Clear Europe Limited is not authorized to provide clearing services for credit default swaps directly to Ontario Users (as defined below);

11. The Applicant requires that its participants be "professional investors," as defined in article 1:1 of the Wft. Each prospective participant must: comply and ensure that its authorized traders comply, and, in each case, continue to comply, with the BTFE Rulebook and applicable law; have the legal capacity to trade in the MTF Instruments it selects to trade on BTFE; have appropriate systems and arrangements for the orderly clearance and/or settlement, as applicable, of transactions in all MTF Instruments it selects to trade on BTFE; have all registrations, authorizations, approvals and/or consents required by applicable law in connection with trading in MTF Instruments on BTFE; have adequate experience, knowledge and competence to transact in the MTF Instruments; have and shall maintain a valid LEI compliant with the ISO 17442 standard and included in the Global LEI database maintained by the Central Operating Unit appointed by the LEI Regulatory Oversight Committee; and not be a natural person, independent software provider, trading venue or unregulated organized trading platform or system;

12. All participants that are located in Ontario, including participants with their headquarters or legal address in Ontario (e.g., as indicated by a participant's Legal Entity Identifier (LEI)) and all traders conducting transactions on its behalf, regardless of the traders' physical location (inclusive of non-Ontario branches of Ontario legal entities), as well as any trader physically located in Ontario who conducts transactions on behalf of any other entity (**Ontario Users**), are required to sign a user acknowledgment representing that they meet the criteria set forth in the user acknowledgment, including that they are appropriately registered under Ontario securities laws, exempt from registration or not subject to registration requirements. The user acknowledgment requires an Ontario User to make an ongoing representation each time it uses BTFE that it continues to meet the criteria set forth in the user acknowledgment. An Ontario User is required to immediately notify the Applicant if it ceases to meet any of the above criteria represented by it on an ongoing basis;

13. Because BTFE sets requirements for the conduct of its participants and surveils the trading activity of its participants, it is considered by the Commission to be an exchange;

14. Because the Applicant has participants that are Ontario Users, it is considered by the Commission to be carrying on business as an exchange in Ontario and is required to be recognized as such or exempted from recognition pursuant to section 21 of the Act;

15. The Applicant has no physical presence in Ontario and does not otherwise carry on business in Ontario except as described above and permitted by the Restated Interim Order; and

16. The Applicant satisfies the exemption criteria as described in Appendix I to Schedule "A";

AND WHEREAS the products traded on BTFE are not commodity futures contracts as defined in the *Commodity Futures Act* (Ontario) and the Applicant is not considered to be carrying on business as a commodity futures exchange in Ontario;

AND WHEREAS the Commission will monitor developments in international and domestic capital markets and the Applicant's activities on an ongoing basis to determine whether it is appropriate for the Requested Relief to continue to be granted subject to the terms and conditions set out in Schedule "A" to this order;

AND WHEREAS the Applicant has acknowledged to the Commission that the scope of the Requested Relief and the terms and conditions imposed by the Commission set out in Schedule "A" to this order may change as a result of the Commission's monitoring of developments in international and domestic capital markets or the Applicant's activities, or as a result of any changes to the laws in Ontario affecting trading in derivatives or securities;

AND WHEREAS based on the Application, together with the representations made by and acknowledgments of the Applicant to the Commission, the Commission has determined that the Applicant satisfies the criteria set out in Appendix I to Schedule "A" and that the granting of the Requested Relief would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission that (i) pursuant to section 147 of the Act, the Applicant is exempt from recognition as an exchange under subsection 21(1) of the Act, and (ii) pursuant to sections 15.1(1) of NI 21-101, 12.1 of NI 23-101 and 10 of NI 23-103, the Applicant is exempt from the requirements in NI 21-101, NI 23-101 and NI 23-103,

PROVIDED THAT the Applicant complies with the terms and conditions contained in Schedule "A".

DATED ●

SCHEDULE "A"

TERMS AND CONDITIONS

Meeting Criteria for Exemption

1. The Applicant will continue to meet the criteria for exemption included in Appendix I to this Schedule.

Regulation and Oversight of the Applicant

2. The Applicant will maintain its registration as an investment firm with permission to operate a multilateral trading facility (**MTF**) with the Netherlands Authority for the Financial Markets (*Autorite Financiële Markten*) (**AFM**) and will continue to be subject to the regulatory oversight of the AFM.

3. The Applicant will continue to comply with the ongoing requirements applicable to it as an MTF registered with the AFM.

4. The Applicant will promptly notify the Commission if its registration as an MTF has been revoked, suspended, or amended by the AFM, or the basis on which its registration as an MTF has been granted has significantly changed.

5. The Applicant must do everything within its control, which includes cooperating with the Commission as needed, to carry out its activities as an exchange exempted from recognition under subsection 21(1) of the Act in compliance with Ontario securities law.

Access

6. The Applicant will not provide direct access to a participant in Ontario including a participant with its headquarters or legal address in Ontario (e.g., as indicated by a participant's Legal Entity Identifier (LEI)) and all traders conducting transactions on its behalf, regardless of the traders' physical location (inclusive of non-Ontario branches of Ontario legal entities), as well as any trader physically located in Ontario who conducts transactions on behalf of any other entity (**Ontario User**) unless the Ontario User is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements, and qualifies as a "professional investor", as defined by the AFM in article 1:1 of the Netherlands Financial Supervision Act (*Wet op het financieel toezicht*).

7. For each Ontario User provided direct access to its MTF, the Applicant will require, as part of its application documentation or continued access to the MTF, the Ontario User to represent that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements.

8. The Applicant may reasonably rely on a written representation from the Ontario User that specifies either that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements, provided the Applicant notifies such Ontario User that this representation is deemed to be repeated each time it enters an order, request for quote or response to a request for quote or otherwise uses the Applicant's MTF.

9. The Applicant will require Ontario Users to notify the Applicant if their registration as applicable under Ontario securities laws has been revoked, suspended, or amended by the Commission or if they are no longer exempt from or become subject to those requirements and, following notice from the Ontario User and subject to applicable laws, the Applicant will promptly restrict the Ontario User's access to the Applicant's MTF if the Ontario User is no longer appropriately registered or exempt from those requirements.

Trading by Ontario Users

10. The Applicant will not provide access to an Ontario User to trading in products other than swaps, as defined in section 1a(47) of the United States *Commodity Exchange Act* as amended (but without regard to any exclusions from the definition) or debt securities, as defined in subsection 1(1) of the Act, without prior Commission approval.

11. With respect to debt securities:

    (a) the Applicant will only permit Ontario Users to trade a debt security that is a foreign security or a debt security that is denominated in a currency other than the Canadian dollar as such terms are defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, including:

        (i) debt securities issued by the United States (**U.S.**) government (including agencies or instrumentalities thereof);

        (ii) debt securities issued by a foreign government;

        (iii) debt securities issued by corporate or other non-governmental issuers (U.S. and foreign); and

(iv) asset-backed securities (including mortgage backed securities), denominated in either U.S. or foreign currencies; and

(b) the Applicant will only provide transaction execution services in accordance with the terms and conditions of Bloomberg Tradebook Canada Company's registration as an alternative trading system in Ontario with respect to a debt security that is a Canadian security or a debt security of a Canadian issuer that is denominated in the Canadian dollar, including:

(i) debt securities issued or guaranteed by the Government of Canada or the government of a jurisdiction of Canada (including agencies or instrumentalities thereof);

(ii) debt securities issued or guaranteed by a municipal corporation in Canada;

(iii) debt securities issued or guaranteed by Canadian corporate or other non-governmental issuers; and

(iv) asset-backed securities (including mortgage backed securities) and collateralized mortgage obligations issued or guaranteed by a Canadian issuer, denominated in the Canadian dollar.

12. The Applicant will only permit Ontario Users to trade those securities which are permitted to be traded in the Netherlands under applicable securities laws and regulations.

Submission to Jurisdiction and Agent for Service

13. With respect to a proceeding brought by the Commission arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of the activities of the Applicant in Ontario, the Applicant will submit to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Ontario and (ii) an administrative proceeding in Ontario.

14. The Applicant will maintain with the Commission a valid and binding appointment of an agent for service in Ontario upon whom the Commission may serve a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of the Applicant's activities in Ontario.

Prompt Reporting

15. The Applicant will notify staff of the Commission promptly of:

(a) any authorization to carry on business granted by the AFM is revoked or suspended or made subject to terms or conditions on the Applicant's operations;

(b) the Applicant institutes a petition for a judgment of bankruptcy or insolvency or similar relief, or to wind up or liquidate the Applicant or has a proceeding for any such petition instituted against it;

(c) a receiver is appointed for the Applicant or the Applicant makes any voluntary arrangement with creditors;

(d) the Applicant marketplace is not in compliance with this Order or with any applicable requirements, laws or regulations of the AFM where it is required to report such non-compliance to the AFM;

(e) any known investigations of, or disciplinary action against, the Applicant by the AFM or any other regulatory authority to which it is subject; and

(f) the Applicant makes any material change to the eligibility criteria for Ontario Users.

Semi-Annual Reporting

16. The Applicant will maintain the following updated information and submit such information in a manner and form acceptable to the Commission on a semi-annual basis (by July 31 for the first half of the calendar year and by January 31 of the follow year for the second half), and at any time promptly upon the request of staff of the Commission:

(a) a current list of all Ontario Users and whether the Ontario User is registered under Ontario securities laws or is exempt from or not subject to registration, and, to the extent known by the Applicant, other persons or companies located in Ontario trading on the Applicant's MTF as customers of participants (**Other Ontario Participants**);

(b) the legal entity identifier assigned to each Ontario User, and, to the extent known by the Applicant, to Other Ontario Participants in accordance with the standards set by the Global Legal Entity Identifier System;

(c) a list of all Ontario Users whom the Applicant has referred to the AFM, or, to the best of the Applicant's knowledge, whom have been disciplined by the AFM with respect to such Ontario Users' activities on the Applicant's MTF and the aggregate number of all participants referred to the AFM since the previous report by the Applicant;

(d) a list of all active investigations since the last report by the Applicant relating to Ontario Users and the aggregate number of active investigations since the last report relating to all participants undertaken by the Applicant;

(e) a list of all Ontario applicants for status as a participant who were denied such status or access to the Applicant since the last report, together with the reasons for each such denial;

(f) for each product,

(i) the total trading volume and value originating from Ontario Users, and, to the extent known by the Applicant, from Other Ontario Participants, presented on a per Ontario User or per Other Ontario Participant basis; and

(ii) the proportion of worldwide trading volume and value on the Applicant's MTF conducted by Ontario Users, and, to the extent known by the Applicant, by Other Ontario Participants, presented in the aggregate for such Ontario Users and Other Ontario Participants;

provided in the required format.

Information Sharing

17. The Applicant will provide such information as may be requested from time to time by, and otherwise cooperate with, the Commission or its staff, subject to any applicable privacy or other laws (including solicitor-client privilege) governing the sharing of information and the protection of personal information.

APPENDIX I

CRITERIA FOR EXEMPTION OF A FOREIGN EXCHANGE TRADING OTC DERIVATIVES FROM RECOGNITION AS AN EXCHANGE

PART 1 REGULATION OF THE EXCHANGE

1.1 Regulation of the Exchange

The exchange is regulated in an appropriate manner in another jurisdiction by a foreign regulator (**Foreign Regulator**).

1.2 Authority of the Foreign Regulator

The Foreign Regulator has the appropriate authority and procedures for oversight of the exchange. This includes regular, periodic oversight reviews of the exchange by the Foreign Regulator.

PART 2 GOVERNANCE

2.1 Governance

The governance structure and governance arrangements of the exchange ensure:

(a) effective oversight of the exchange,

(b) that business and regulatory decisions are in keeping with its public interest mandate,

(c) fair, meaningful and diverse representation on the board of directors (**Board**) and any committees of the Board, including:

  (i) appropriate representation of independent directors, and

  (ii) a proper balance among the interests of the different persons or companies using the services and facilities of the exchange,

(d) the exchange has policies and procedures to appropriately identify and manage conflicts of interest for all officers, directors and employees, and

(e) there are appropriate qualifications, remuneration, limitation of liability and indemnity provisions for directors, officers and employees of the exchange.

2.2 Fitness

The exchange has policies and procedures under which it will take reasonable steps, and has taken such reasonable steps, to ensure that each director and officer is a fit and proper person and past conduct of each officer or director affords reasonable grounds for belief that the officer or director will perform his or her duties with integrity.

PART 3 REGULATION OF PRODUCTS

3.1 Review and Approval of Products

The products traded on the exchange and any changes thereto are submitted to the Foreign Regulator, and are either approved by the Foreign Regulator or are subject to requirements established by the Foreign Regulator that must be met before implementation of a product or changes to a product.

3.2 Product Specifications

The terms and conditions of trading the products are in conformity with the usual commercial customs and practices for the trading of such products.

3.3 Risks Associated with Trading Products

The exchange maintains adequate provisions to measure, manage and mitigate the risks associated with trading products on the exchange that may include, but are not limited to, daily trading limits, price limits, position limits, and internal controls.

PART 4 ACCESS

4.1 Fair Access

(a) The exchange has established appropriate written standards for access to its services including requirements to ensure

(i) participants are appropriately registered as applicable under Ontario securities laws, or exempted from these requirements,

(ii) the competence, integrity and authority of systems users, and

(iii) systems users are adequately supervised.

(b) The access standards and the process for obtaining, limiting and denying access are fair, transparent and applied reasonably.

(c) The exchange does not unreasonably prohibit, condition or limit access by a person or company to services offered by it.

(d) The exchange does not

(i) permit unreasonable discrimination among participants, or

(ii) impose any burden on competition that is not reasonably necessary and appropriate.

(e) The exchange keeps records of each grant and each denial or limitation of access, including reasons for granting, denying or limiting access.

PART 5 REGULATION OF PARTICIPANTS ON THE EXCHANGE

5.1 Regulation

The exchange has the authority, resources, capabilities, systems and processes to allow it to perform its regulation functions, whether directly or indirectly through a regulation services provider, including setting requirements governing the conduct of its participants, monitoring their conduct, and appropriately disciplining them for violations of exchange requirements.

PART 6 RULEMAKING

6.1 Purpose of Rules

(a) The exchange has rules, policies and other similar instruments (**Rules**) that are designed to appropriately govern the operations and activities of participants and do not permit unreasonable discrimination among participants or impose any burden on competition that is not reasonably necessary or appropriate.

(b) The Rules are not contrary to the public interest and are designed to

(i) ensure compliance with applicable legislation,

(ii) prevent fraudulent and manipulative acts and practices,

(iii) promote just and equitable principles of trade,

(iv) foster co-operation and co-ordination with persons or companies engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in the products traded on the exchange,

(v) provide a framework for disciplinary and enforcement actions, and

(vi) ensure a fair and orderly market.

PART 7 DUE PROCESS

7.1 Due Process

For any decision made by the exchange that affects a participant, or an applicant to be a participant, including a decision in relation to access, exemptions, or discipline, the exchange ensures that:

(a) parties are given an opportunity to be heard or make representations, and

(b) it keeps a record of, gives reasons for, and provides for appeals or reviews of its decisions.

PART 8 CLEARING AND SETTLEMENT

8.1 Clearing Arrangements

The exchange has or requires its participants to have appropriate arrangements for the clearing and settlement of transactions for which clearing is mandatory through a clearing house.

8.2 Risk Management of Clearing House

The exchange has assured itself that the clearing house has established appropriate risk management policies and procedures, contingency plans, default procedures and internal controls.

PART 9 SYSTEMS AND TECHNOLOGY

9.1 Systems and Technology

Each of the exchange's critical systems has appropriate internal controls to ensure completeness, accuracy, integrity and security of information, and, in addition, has sufficient capacity and business continuity plans to enable the exchange to properly carry on its business. Critical systems are those that support the following functions:

(a) order entry,

(b) order routing,

(c) execution,

(d) trade reporting,

(e) trade comparison,

(f) data feeds,

(g) market surveillance,

(h) trade clearing, and

(i) financial reporting.

9.2 System Capability/Scalability

Without limiting the generality of section 9.1, for each of its systems supporting order entry, order routing, execution, data feeds, trade reporting and trade comparison, the exchange:

(a) makes reasonable current and future capacity estimates;

(b) conducts capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner;

(c) reviews the vulnerability of those systems and data centre computer operations to internal and external threats, including physical hazards and natural disasters;

(d) ensures that safeguards that protect a system against unauthorized access, internal failures, human errors, attacks and natural catastrophes that might cause improper disclosures, modification, destruction or denial of service are subject to an independent and ongoing audit which should include the physical environment, system capacity, operating system testing, documentation, internal controls and contingency plans;

(e) ensures that the configuration of the system has been reviewed to identify potential points of failure, lack of back-up and redundant capabilities;

(f) maintains reasonable procedures to review and keep current the development and testing methodology of those systems; and

(g) maintains reasonable back-up, contingency and business continuity plans, disaster recovery plans and internal controls.

9.3 Information Technology Risk Management Procedures

The exchange has appropriate risk management procedures in place including those that handle trading errors, trading halts and respond to market disruptions and disorderly trading.

PART 10 FINANCIAL VIABILITY

10.1 Financial Viability

The exchange has sufficient financial resources for the proper performance of its functions and to meet its responsibilities.

PART 11 TRADING PRACTICES

11.1 Trading Practices

Trading practices are fair, properly supervised and not contrary to the public interest.

11.2 Orders

Rules pertaining to order size and limits are fair and equitable to all market participants and the system for accepting and distinguishing between and executing different types of orders is fair, equitable and transparent.

11.3 Transparency

The exchange has adequate arrangements to record and publish accurate and timely information as required by applicable law or the Foreign Regulator. This information is also provided to all participants on an equitable basis.

PART 12 COMPLIANCE, SURVEILLANCE AND ENFORCEMENT

12.1 Jurisdiction

The exchange or the Foreign Regulator has the jurisdiction to perform member and market regulation, including the ability to set rules, conduct compliance reviews and perform surveillance and enforcement.

12.2 Member and Market Regulation

The exchange or the Foreign Regulator maintains appropriate systems, resources and procedures for evaluating compliance with exchange and legislative requirements and for disciplining participants.

12.3 Availability of Information to Regulators

The exchange has mechanisms in place to ensure that the information necessary to conduct adequate surveillance of the system for supervisory or enforcement purposes is available to the relevant regulatory authorities, including the Commission, on a timely basis.

PART 13 RECORD KEEPING

13.1 Record Keeping

The exchange has and maintains adequate systems in place for the keeping of books and records, including, but not limited to, those concerning the operations of the exchange, audit trail information on all trades, and compliance with, and/or violations of exchange requirements.

PART 14 OUTSOURCING

14.1 Outsourcing

Where the exchange has outsourced any of its key services or systems to a service provider, it has appropriate and formal arrangements and processes in place that permit it to meet its obligations and that are in accordance with industry best practices.

PART 15 FEES

15.1 Fees

(a) All fees imposed by the exchange are reasonable and equitably allocated and do not have the effect of creating an unreasonable condition or limit on access by participants to the services offered by the exchange.

(b) The process for setting fees is fair and appropriate, and the fee model is transparent.

PART 16 INFORMATION SHARING AND OVERSIGHT ARRANGEMENTS

16.1 Information Sharing and Regulatory Cooperation

The exchange has mechanisms in place to enable it to share information and otherwise co-operate with the Commission, self-regulatory organizations, other exchanges, clearing agencies, investor protection funds, and other appropriate regulatory bodies.

16.2 Oversight Arrangements

Satisfactory information sharing and oversight agreements exist between the Commission and the Foreign Regulator.

PART 17 IOSCO PRINCIPLES

17.1 IOSCO Principles

To the extent it is consistent with the laws of the foreign jurisdiction, the exchange adheres to the standards of the International Organisation of Securities Commissions (IOSCO) including those set out in the “Principles for the Regulation and Supervision of Commodity Derivatives Markets” (2011).

APPENDIX II

DEFINITION OF PROFESSIONAL INVESTORS

This Appendix II provides the definition of a “professional investor,” as defined in article 1:1 of the Wft.

professional investor:

a. bank;

b. management company of a collective investment scheme;

c. management company of a pension fund or of a comparable legal person or company;

d. collective investment scheme;

e. investment firm;

f. national or regional government body, or government body administering the public debt;

g. central bank;

h. financial institution;

i. international or supranational organisation governed by public law or comparable international organisation;

j. market maker;

k. enterprise whose main activity is investing in financial instruments, implementing securitisation programmes or other financial transactions;

l. pension fund or comparable legal person or corporation;

m. person or corporation trading for its own account in commodities and derivatives on commodities;

n. local firm;

o. legal person or company that satisfies two of the following magnitude requirements:

1°. a balance sheet total of € 20,000,000 or more;

2°. net turnover of € 40,000,000 or more;

3°. equity capital of € 2,000,000 or more;

p. insurer;

BLOOMBERG TRADEBOOK CANADA COMPANY

NOTICE OF INITIAL OPERATIONS REPORT AND REQUEST FOR FEEDBACK

Bloomberg Tradebook Canada Company ("**Tradebook Canada**") will operate an alternative trading system in Ontario, Québec and Nova Scotia (each a "**Canadian Jurisdiction**" and collectively referred to as the "**Canadian Jurisdictions**") to provide participants in those Canadian Jurisdictions with access to the multilateral trading facilities (each a "**System**" and collectively referred to as the "**Systems**") operated by its affiliated entities, Bloomberg Trading Facility Limited ("**BTFL**") and Bloomberg Trading Facility B.V. ("**BTF BV**"), to trade Canadian Debt Securities (as defined below).

Securities Traded Through Tradebook Canada

Tradebook Canada will support the trading of Canadian dollar denominated debt securities issued by (1) an issuer incorporated, formed or created under the laws of Canada or a jurisdiction of Canada, or (2) the Government of Canada or the government of a jurisdiction of Canada ("**Canadian Debt Securities**"), including:

(a) debt securities issued or guaranteed by the Government of Canada or the government of a jurisdiction of Canada (including agencies or instrumentalities thereof);

(b) debt securities issued or guaranteed by a municipal corporation in Canada;

(c) debt securities issued or guaranteed by Canadian corporate or other non-governmental issuers; and

(d) asset-backed securities (including mortgage backed securities) and collateralized mortgage obligations issued or guaranteed by a Canadian issuer, denominated in the Canadian dollar.

Canadian Participants of Tradebook Canada

Tradebook Canada will provide access to Canadian Participants that may include a wide range of sophisticated entities, including commercial and investment banks, corporations, pension funds, money managers, proprietary trading firms, hedge funds and other institutional customers.

Tradebook Canada will provide access to the Systems to participants that (1) are located in a Canadian Jurisdiction, including participants with their headquarters or legal address in a Canadian Jurisdiction (as indicated by a participant's Legal Entity Identifier (LEI)) and all traders conducting transactions on its behalf, regardless of the traders' physical location (inclusive of non-Canadian Jurisdiction branches of Canadian Jurisdiction legal entities), as well as any trader physically located in a Canadian Jurisdiction who conducts transactions on behalf of any other entity ("**Canadian Participants**"), and (2) qualify as "institutional customers" as defined in Rule 1 of the Investment Industry Regulatory Organization of Canada ("**IIROC**") Rules.

Regulatory Status of Participants

Canadian Participants will be required to make representations, when applying to become a participant of Tradebook Canada and each time the Canadian Participant or its authorized traders use the services of Tradebook Canada, that they are (1) registered under the securities laws of a Canadian Jurisdiction, (2) exempt from registration under the securities laws of a Canadian Jurisdiction, or (3) not subject to registration requirements under the securities laws of a Canadian Jurisdiction.

The following chart outlines the regulatory status of Canadian Participants and their counterparties and the principal exemptions from the dealer registration requirement under applicable Canadian securities law that may be relied on by such Canadian Participants and their counterparties with respect to Canadian Debt Securities traded on the Systems through Tradebook Canada.

Instrument	Canadian Participant and Applicable Registration, Exemption or Not Required to be Registered Status	Counterparty to Canadian Participant and Applicable Registration, Exemption or Not Required to be Registered Status
Canadian Debt Securities	Dealer registration under (i) section 25 of the *Securities Act* (Ontario), (ii) section 148 of the *Securities Act* (Québec), or (iii) section 31 of the *Securities Act* (Nova Scotia): applicable to Canadian Participants that are in the business of trading; Dealer exemption under section 35 of *Securities Act* (Ontario) and 8.21 [*Specified debt*] of National Instrument 31-103 *Registration Requirements, Exemptions and*	Dealer registration under section 25 of the *Securities Act* (Ontario) , (ii) section 148 of the *Securities Act* (Québec), or (iii) section 31 of the *Securities Act* (Nova Scotia): applicable to counterparties that are in the business of trading; Dealer exemption under section 8.5 [*Trades through or to a registered dealer*] of NI 31-103: applicable to registered or unregistered counterparties that trade with a Canadian

Instrument	Canadian Participant and Applicable Registration, Exemption or Not Required to be Registered Status	Counterparty to Canadian Participant and Applicable Registration, Exemption or Not Required to be Registered Status
	Ongoing Registrant Obligations ("**NI 31-103**"): applicable to any Canadian Participant trading debt securities that qualify as "specified debt" with a counterparty; Dealer exemption under (i) section 35.1 of the *Securities Act* (Ontario), or (ii) section 192 of the *Securities Regulations* (Québec): applicable to Canadian Participants that are prescribed financial institutions; Not subject to dealer registration requirements currently under (i) section 25 of the *Securities Act* (Ontario), (ii) section 148 of the *Securities Act* (Québec), or (iii) section 31 of the *Securities Act* (Nova Scotia): applicable to Canadian Participants that are not in the business of trading.	Participant that is a registered dealer purchasing as principal; Dealer exemption under 8.18 [*International dealer*] of NI 31-103: applicable to counterparties that are foreign dealer firms[1]; Dealer exemption under 8.21 [*Specified debt*] of NI 31-103: applicable to any counterparty trading debt securities that qualify as "specified debt" with a Canadian Participant; Not subject to dealer registration requirements currently under (i) section 25 of the *Securities Act* (Ontario), (ii) section 148 of the *Securities Act* (Québec), or (iii) section 31 of the *Securities Act* (Nova Scotia): applicable to counterparties that are not in the business of trading.

Tradebook Canada will rely on a Canadian Participant's representations to set restrictions on the Canadian Participant's trading enablements on the Systems. For example, a Canadian Participant that is not an IIROC dealer member and registered investment dealer will not be authorized by Tradebook Canada to trade Canadian Debt Securities with a foreign counterparty.[2] Bloomberg Compliance will conduct post-trade monitoring of Canadian Participant trading activity, and if they determine that a Canadian Participant has engaged in non-compliant trading activity, Tradebook Canada can request BTFL or BTF BV, as applicable, to suspend or terminate the Canadian Participant's access to the Systems.

Access to Tradebook Canada and the Systems

Canadian Participants may access Tradebook Canada and transact using the Systems via an approved service provider (Bloomberg Terminal access is provided this way), via application programming interface ("**API**"), a non-Bloomberg API or venue Direct Portal.

The Systems and their Functionalities

Canadian Participants using the Systems post and request quotations and execute trades in Canadian Debt Securities using Request for Quote ("**RFQ**") and Request for Trade ("**RFT**") protocols or functionalities.

RFQ Functionality

Using RFQ functionality, a Canadian Participant (a "**RFQ Requestor**") can send an RFQ message to one or more liquidity providers (each, a "**RFQ Respondent**") that have pre-established relationships with the RFQ Requestor. If an RFQ Respondent wishes to respond, it will provide a quote to the RFQ Requestor. The response messages from the RFQ Respondents to the RFQ Requestor will appear on a screen viewable only by the RFQ Requestor; the RFQ Respondents will not know the identity of the other RFQ Respondents. The RFQ Requestor can click on a bid or offer from an RFQ Respondent to send an acceptance message.

RFT Functionality

Using RFT functionality, a Canadian Participant can send to a liquidity provider that has a pre-established relationship with the Canadian Participant a message requesting execution of a transaction on the terms stated in the message.

[1] Under section 8.18(2)(b) of NI 31-103, a foreign dealer firm relying on the international dealer exemption may trade with a permitted client (i) Canadian debt securities that are denominated in a currency other than the Canadian dollar, or (ii) Canadian dollar denominated Canadian debt securities that are or were originally offered primarily in a foreign jurisdiction and a prospectus has not been filed with a Canadian securities regulatory authority for the distribution.

[2] Section 6.2 of National Instrument 21-101 *Marketplace Operation* ("**NI 21-101**") provides that any registration exemptions that may otherwise be applicable to a dealer under securities legislation are not available to an ATS, except as provided in NI 21-101. A non-registered dealer participant may not rely on section 8.5 of NI 31-103 to trade to another non-registered dealer participant.

"Client" Participants and "Dealer" Participants

The Canadian Participant sending out RFQs and RTFs is considered to be a "client" participant on the Systems, typically an institutional investor acting as the buy-side participant and liquidity seeker in transactions with its counterparty. The Canadian Participant receiving and responding to RFQs and RFTs is considered to be a "dealer" participant on the Systems, typically a registered dealer or bank acting as the sell-side participant and liquidity provider in transactions with its counterparty. In certain limited cases, a Systems participant that is a dealer firm may act as a liquidity seeker and send out RFQs and RFTs. However, a Systems participant that is not a dealer firm cannot act as a "dealer" participant and liquidity provider.

Transparency Regarding Venue Selection

Prior to launching an RFQ or RFT on the Systems, Canadian Participants are required to select, via a drop-down menu, the System where a transaction will ultimately be executed. For Canadian Debt Securities, the user interface will indicate, in addition to the selected System, that transactions are taking place through access provided by Tradebook Canada.

Canadian Participants of Tradebook Canada have full transparency regarding which System they are transacting on by reference to a trade execution confirmation, which is generated by the relevant System after a trade is executed. Canadian Participants may use the trade execution confirmation to always be aware that Tradebook Canada is providing access to a System and to be aware of which legal entity that is operating the System they are trading on and to which an Canadian Participant would have recourse in the event of a technical issue where the Canadian Participant might seek contractual resolution, where applicable.

Hours of Operation

The hours of operation for Tradebook Canada and the Systems are 7:00 p.m. to 5:00 p.m. (+1) (EST) on all TARGET business days. A "TARGET" business day means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) System, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

Market Data, Description of the Systems and Canadian Debt Securities Trade Reporting

Canadian Participants (i.e., "client" participants) can view quotations for Canadian Debt Securities provided by counterparty participants (i.e., "dealer" participants) that have enabled the Canadian Participants to view quotations.

The Systems offer Canadian Participants the ability to display quotations to other selected participants or request quotations from other selected participants. After selecting a quotation, an order ticket will appear containing details of the proposed transactions a Canadian Participant can complete and send to a counterparty participant.

Pursuant to the terms and conditions of Tradebook Canada's registration in the category of investment dealer, Tradebook Canada will report trades executed by the Systems in Canadian Debt Securities to IIROC (as information processor) only with respect to transactions in which neither participant to the trade is (i) a bank listed in Schedule I, II, or III of the *Bank Act* (Canada) (a "**Canadian Bank**"), or (ii) an IIROC Dealer Member firm. Where at least one participant to a transaction is a Canadian Bank or an IIROC Dealer Member, that participant will be responsible for trade reporting pursuant to Part 8 of National Instrument 21-101 *Marketplace Operation*.

Clearing and Settlement

None of Tradebook Canada or the Systems perform any clearing or settlement functions with respect to trades in Canadian Debt Securities executed on the Systems, and do not maintain any reporting procedures with respect to such functions.

Tradebook Canada's participant access agreement provides that Canadian Participants or their clearing member agents are responsible for reporting trades in Canadian Debt Securities to The Canadian Depository for Securities ("**CDS**"). Canadian Participants or their clearing member agents will rely on their existing arrangements with CDS to clear and settle trades executed on the Systems.

United States Regulatory Framework for Electronic Platforms Trading Fixed Income Securities

The U.S. Securities and Exchange Commission ("**SEC**") issued a concept release in September 2020 that focuses on the regulatory framework for electronic platforms that trade corporate debt and municipal securities. The concept release does not propose or commit the SEC to proposing regulatory changes, but rather requests information from the public about fixed income electronic trading platforms' operations, services, fees, market data, and participants, and requests views about whether and what changes should be made to the regulatory framework. Public input was due by March 2021, and the SEC noted the information could help regulators evaluate potential regulatory gaps that may exist among platforms with respect to access to markets, system integrity, surveillance, and transparency, among other things.

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