

The Ontario Securities Commission

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The Ontario Securities Commission administers the *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

1.4 Notices from the Office of the Secretary

1.4.1 Aurelio Marrone

FOR IMMEDIATE RELEASE
September 10, 2021

AURELIO MARRONE,
File No. 2020-16

TORONTO – Take notice that the hearing in the above named matter scheduled to be heard on September 24, 2021 at 9:00 a.m. will be heard on September 24, 2021 at 10:00 a.m.

OFFICE OF THE SECRETARY
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1.4.2 Trevor Rosborough et al.

FOR IMMEDIATE RELEASE
September 13, 2021

TREVOR ROSBOROUGH,
TAYLOR CARR, AND
DMITRI GRAHAM,
File No. 2020-33

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

A copy of the Order dated September 13, 2021 is available at www.osc.ca.

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1.4.3 Aux Cayes Fintech Co. Ltd.

**FOR IMMEDIATE RELEASE
September 13, 2021**

**AUX CAYES FINTECH CO. LTD.,
File No. 2021-29**

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

A copy of the Order dated September 13, 2021 is available at www.osc.ca.

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1.4.4 Becksley Capital Inc. and Fabrizio Lucchese

**FOR IMMEDIATE RELEASE
September 14, 2021**

**BECKSLEY CAPITAL INC. AND
FABRIZIO LUCCHESI,
File No. 2020-41**

TORONTO – A request made by the parties named above on December 30, 2020 for a Hearing and Review of a decision of a Director of the Commission made on November 20, 2020 has been withdrawn.

The attendance scheduled to be heard on September 17, 2021 will not proceed as scheduled.

A copy of the Notice of Withdrawal dated September 13, 2021 is available at www.osc.ca.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Franklin Templeton Investments Corp. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption granted from the derivative cover requirements of sections 2.8(1)(d), 2.8(1)(e) and 2.8(1)(f) of NI 81-102 to allow mutual funds that are not alternative mutual funds to open, enter into or maintain standardized futures, forward contracts or swaps to permit the funds to substitute the risk to one currency, interest rate or duration for the risk of another currency, interest rate or duration – the currency risk, interest rate risk or duration risk to which the fund is exposed is not increased by the substitution, nor is additional leverage created – relief granted to permit the funds to create synthetic short positions subject to an aggregate limit of 20% of the net asset value of the fund for aggregate direct and synthetic short positions – relief to alter the currency exposure of a fund subject to the condition that the aggregate currency exposure does not exceed the net asset value of the fund.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.8(1)(d), 2.8(1)(e), 2.8(1)(f) and 19.1.

August 25, 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
FRANKLIN TEMPLETON INVESTMENTS CORP.
(Franklin)**

**IN THE MATTER OF
TEMPLETON GLOBAL BOND FUND
(Franklin Existing Fund)**

AND

**IN THE MATTER OF
VANGUARD INVESTMENTS CANADA INC.
(Vanguard)**

AND

**IN THE MATTER OF
VANGUARD GLOBAL BALANCED FUND
(Vanguard Existing Fund)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from Franklin and Vanguard (together, the **Filers**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption pursuant to section 19.1 of National Instrument 81-102 *Investment Funds (NI 81-102)* exempting each Fund (as defined below) from the cover requirements in:

- (i) sections 2.8(1)(e) and 2.8(1)(f)(ii) of NI 81-102 (the **Short Cover Requirements**) when a Fund opens, enters into or maintains a Short Derivative (as defined below) provided that the Fund meets certain cash cover requirements and does not exceed the limits for short positions set out in NI 81-102 (the **Short Derivatives Relief**);
- (ii) sections 2.8(1)(d) and 2.8(1)(f) of NI 81-102 (the **FX Cover Requirements**) when a Fund opens, enters into or maintains a long position in a FX Derivative (as defined below) in order to substitute the risk to the Base Currency for the risk of another currency without increasing the aggregate amount of currency risk to which the Fund is exposed by the substitution (the **FX Derivatives Relief**); and
- (iii) sections 2.8(1)(d) and 2.8(1)(f) of NI 81-102 (the **IR Cover Requirements**) when a Fund opens, enters into or maintains a Long IR Derivative (as defined below) and a corresponding Short IR Derivative (as defined below) in order to substitute the risk to one interest rate or duration for the risk of another interest rate or duration without increasing the aggregate amount of interest rate or duration risk to which the Fund is exposed by the substitution (the **IR Derivatives Relief**)

(collectively, the **Requested 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 the 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 Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec, Saskatchewan and Yukon (together with Ontario, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 81-102 have the same meaning if used in this decision, unless otherwise defined. In addition to the terms defined above, the following terms shall have the following meanings:

Aggregate Short Exposure means that a Fund's aggregate short exposure, both through the short sales of securities and synthetically through positions in Short Derivatives that are entered into for non-hedging purposes, cannot exceed 20% of the net asset value of the Fund;

Base Currency means the currency in which a Fund determines its net asset value;

Cover Requirements means the cover requirements set out section 2.8 of NI 81-102;

Franklin Funds means the Franklin Existing Fund and each current and future mutual fund, including each exchange-traded fund, managed or sub-advised from time to time by Franklin or one of the Franklin Templeton Companies;

Franklin Templeton Companies means, collectively, the global Franklin Templeton group of companies;

Funds means the Franklin Funds and the Vanguard Funds;

FX Derivative means a long position in a currency standardized future or currency forward contract or position in a currency swap, in each case where a Fund delivers its Base Currency and receives another currency;

Long IR Derivative means a long position in an interest rate standardized future or interest rate forward contract or the long position in an interest rate swap;

Short Derivative means a short position in a standardized future or forward contract or a position in a swap where a Fund is required to make payments under the swap, in each case that a Fund opens, enters into or maintains not for hedging purposes and in reliance on the Short Derivatives Relief;

Short IR Derivative means a short position corresponding to a Long IR Derivative;

Vanguard Companies means, collectively, the global Vanguard group of companies;

Vanguard Funds means the Vanguard Existing Fund and each current and future mutual fund, including each exchange-traded fund, managed or sub-advised from time to time by Vanguard or one of the Vanguard Companies.

Representations

This decision is based on the following facts represented by the Filers (unless otherwise indicated below):

Franklin, Vanguard and the Funds

1. Franklin represents that it is the investment fund manager of the Franklin Existing Fund. Franklin is registered as an investment fund manager, portfolio manager, mutual fund dealer and exempt market dealer in the Province of Ontario. Franklin is also registered as a portfolio manager, mutual fund dealer and exempt market dealer in all other Canadian provinces and the Yukon Territory and as an investment fund manager in the Provinces of Alberta, British Columbia, Manitoba, Newfoundland and Labrador, Nova Scotia and Québec. The head office of Franklin is in Toronto, Ontario.
2. Franklin represents that either Franklin or one of the Franklin Templeton Companies, each of which is an affiliate of Franklin, is, or will be, the investment advisor or the sub-advisor to the Franklin Funds.
3. Vanguard represents that it is the investment fund manager of the Vanguard Existing Fund. Vanguard is registered as an investment fund manager in each of the Provinces of Ontario, Québec and Newfoundland and Labrador, as an exempt market dealer in each the Provinces of Canada, and as a portfolio manager and a commodity trading manager in the Province of Ontario. The head office of Vanguard is in Toronto, Ontario.
4. Vanguard represents that either Vanguard or one of the Vanguard Companies, each of which is an affiliate of Vanguard, is, or will be, the investment advisor or the sub-advisor to the Vanguard Funds.
5. Each Fund is, or will be, a mutual fund created either under the laws of the Province of Ontario or Alberta or under the laws of Canada and is, or will be, subject to the provisions of NI 81-102, subject to any relief therefrom granted by the securities regulatory authorities.
6. Franklin represents that neither Franklin nor the Franklin Existing Fund is in default of securities legislation in any Jurisdiction and Vanguard represents that neither Vanguard nor the Vanguard Existing Fund is in default of securities legislation in any Jurisdiction.
7. The securities of each Fund are, or will be, qualified for distribution pursuant to a prospectus that was, or will be, prepared and filed in accordance with the securities legislation of the Jurisdictions. Accordingly, each Fund is, or will be, a reporting issuer or the equivalent in each Jurisdiction.

8. The investment strategies of each Fund permit, or will permit, the Fund to enter into specified derivative transactions, including long and short positions in specified derivatives. These specified derivatives may be used for purposes of hedging, efficient portfolio management and/or investment purposes.
9. Each Filer has developed a number of policies and mechanisms to monitor the use of derivatives by the Funds in order to comply with the requirements in NI 81-102. In addition, each Filer has written control policies and procedures that set out the risk management procedures applicable to derivative transactions in respect of the Funds, including Short Derivatives, FX Derivatives and Long IR Derivatives (and the corresponding Short IR Derivative). These policies and procedures set out specific procedures for authorization, documentation, reporting, monitoring (including monitoring the level of a Fund's applicable exposures daily) to ensure that (a) the Aggregate Short Exposure does not exceed 20% of the Fund's net asset value and (b) neither the currency exposure nor the interest rate exposure exceeds the Fund's net asset value. These policies and procedures also require each Filer to monitor the Fund's FX Derivatives daily to ensure that the amount of Base Currency to be delivered under the FX Derivatives does not exceed the value of the assets held by the Fund that are denominated in its Base Currency and to review the derivative strategies of the Funds to ensure that these functions are performed by individuals independent of those who trade. Independent personnel employed by a Filer (and any sub-advisor appointed by a Filer, if applicable) review the use of derivatives as part of their ongoing supervision of a Fund's investment practices, including exposure thereunder.
13. The Short Cover Requirements predate section 2.6.1 of NI 81-102. From a risk management perspective, the ability of an investment fund to be able to enter into short positions should not differentiate between a physical short position under section 2.6.1 of NI 81-102 and a position in a Short Derivative that is entered into for non-hedging purposes. Whether a Fund enters in a physical short position or achieves that short position through a Short Derivative, the exposure of the Fund is essentially identical. Each Filer believes that a Fund's incremental risk exposure in opening or entering into a Short Derivative compared to the short position risk inherent in a physical short position is negligible. Any such difference (operation or counterparty risks, etc.) will be adequately monitored and managed.
14. Each Filer has in place, or will implement, a policy that provides that each Fund must comply with the Aggregate Short Exposure requirement.
15. This policy also provides, or will provide, that in connection with each Short Derivative opened, entered into or maintained by a Fund, the Fund must hold cash cover in an amount that, together with portfolio assets deposited with counterparties, dealers or futures exchanges as collateral or margin in connection with the Short Derivative by the investment fund, is at least 150% of the daily mark-to-market value of the Short Derivative, being the aggregate of the notional amount of the Short Derivative plus/minus the daily increase/decrease in the value of the Short Derivative.

The Short Derivatives Relief

10. Section 4.3 of the Companion Policy 81-102CP states that NI 81-102 is designed to prevent the use of specified derivatives for the purpose of leveraging the assets of the mutual fund. According to this section, the provisions of subsection 2.8(1) of NI 81-102 restrict leveraging with specified derivatives used for non-hedging purposes.
11. The purpose of the Short Cover Requirements is to prohibit a mutual fund from obtaining leveraged exposure to portfolio assets when using certain specified derivatives other than for hedging purposes.
12. The short sale provisions set out in section 2.6.1 of NI 81-102 permit an investment fund to achieve a limited amount of leverage, as an investment fund that complies with the conditions set out in that section is permitted to sell short securities that have an aggregate market value of up to 20% of the net asset value of the investment fund, provided that,

FX Derivatives Relief

16. A Fund that opens, enters into or maintains a FX Derivative is required to hold cover in accordance with the FX Cover Requirements.
17. Pursuant to NI 81-102, a Fund is permitted to open and maintain a currency standardized futures or forward contract and enter into and maintain a currency swap pursuant to which a Fund delivers: (a) a non-Base Currency and receives another non-Base Currency without being subject to the FX Cover Requirements because (i) the transaction would be a "currency cross hedge" (as defined in NI 81-102), and (ii) the definition of "hedging" under NI 81-102 includes a transaction that is a currency cross hedge transaction; (b) a non-Base Currency and receives the Base Currency without being subject to the FX Cover Requirements because the definition of "hedging" under NI 81-102 includes such a transaction.

18. The ability of a Fund to open or enter into a FX Derivative without being subject to the FX Cover Requirements will enable the Fund to substitute its risk to its Base Currency for a risk to another currency, without increasing the aggregate amount of currency risk to which the Fund is exposed by the substitution. Subject to the Cover Requirements, a Fund's currency exposure (calculated in the Fund's Base Currency) will not, at any time, exceed the net asset value of the Fund.
19. The sub-advisor of each Fund takes a deliberate approach towards monitoring and managing the currency exposure and risk in the Fund's portfolio. Moreover, the sub-advisor does not passively accept currency exposure of the securities a Fund holds and seeks to manage foreign currency exposure separately from cash assets.
20. In addition, the FX Derivatives Relief will permit the sub-advisor to adjust a Fund's currency exposure to align with the currency exposures of the Fund's benchmark. In addition, if the sub-advisor has the mandate to deviate from the Fund's benchmark exposure, the FX Derivatives Relief will permit the sub-advisor to overlay its active currency views on top of the neutral currency positioning to obtain greater or lower exposure to foreign currencies relative to the Fund's benchmark.
21. Whether a Fund directly holds a foreign security or opens or enters into a FX Derivative to obtain foreign currency exposure, the currency exposure is essentially identical. Each Filer believes that a Fund's potential incremental risk exposure in opening or entering into a FX Derivative compared to the currency exposure embedded within a foreign-currency denominated asset is negligible. Any such difference (operational, counterparty or cash flow risks, etc.) will be adequately monitored and managed.
22. The purpose of the FX Cover Requirements is to prohibit a mutual fund from obtaining leveraged exposure to portfolio assets when using certain specified derivatives other than for hedging purposes.
23. A Fund that opens, enters into or maintains a Long IR Derivative and a corresponding Short IR Derivative is required to hold cover in accordance with the IR Cover Requirements.
24. The ability of a Fund to open or enter into a Long IR Derivative and a corresponding Short IR Derivative without being subject to the IR Cover Requirements will enable the Fund to substitute its risk to one interest rate, portfolio duration or yield curve for a risk to another interest rate, portfolio duration or yield curve. Subject to the Cover Requirements, the aggregate notional amount of interest rate, duration or yield curve risk to which a Fund is exposed by this substitution will not, at any time, exceed the market value of the long portfolio assets held by the Fund that are exposed to interest rate, duration or yield curve risk.
25. The sub-advisor of each Fund takes a deliberate approach towards monitoring and managing the interest rate, duration exposure and yield curve risk in the Fund's portfolio.
26. In addition, the IR Derivatives Relief will permit the sub-advisor to adjust a Fund's interest rate, duration or yield curve exposure to align with those exposures in the Fund's benchmark. In addition, if the sub-advisor has the mandate to deviate from the Fund's benchmark exposure, the IR Derivatives Relief will permit the sub-advisor to obtain greater or lower exposure to interest rate, duration or yield curve relative to the Fund's benchmark.
27. Whether a Fund directly holds an interest-bearing asset or opens or enters into a Long IR Derivative to obtain an interest rate, duration or yield curve exposure, the exposure is very similar. Each Filer believes that a Fund's potential incremental risk exposure in opening or entering into a Long IR Derivative compared to the exposure embedded within an interest-bearing asset is negligible. Any such difference (operational, counterparty or cash flow risks, etc.) will be adequately monitored and managed.
28. The purpose of the IR Cover Requirements is to prohibit a mutual fund from obtaining leveraged exposure to portfolio assets when using certain specified derivatives other than for hedging purposes.
29. Given a Fund's holding of interest-bearing assets (**Interest-Bearing Holdings**), by entering into and maintaining a Long IR Derivative and its corresponding Short IR Derivative, the Fund will deliver a return based on one interest rate and receive a return based on another interest rate

General

IR Derivatives Relief

30. Permitting the Funds to open, enter into and maintain Short Derivatives, FX Derivatives and/or Long IR Derivatives (and the corresponding Short IR Derivative) without the requirement to comply with the Short Cover Requirements, the FX Cover Requirements or the IR Cover Requirements, as the case may be, will provide the Funds with a better opportunity to pursue and achieve their investment objectives.
31. Each Filer believes that the Requested Relief is in the best interests of the Funds as it allows active management of portfolio assets in a way that does not create a by-product of unmanaged short position, currency or interest rate risk, as applicable.

32. Each Filer is seeking the Requested Relief to permit the Funds to engage in strategies in a manner that is not otherwise permitted under NI 81-102.
33. It would not be prejudicial to the public interest to grant the Requested Relief to the Filers and the Funds.

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 Requested Relief is granted, provided that:

- (a) the use of Short Derivatives, FX Derivatives and/or Long IR Derivatives (and the corresponding Short IR Derivative) contemplated by this decision is consistent with the fundamental investment objectives and investment strategies of the applicable Fund;
- (b) a Fund must not open or enter into a Short Derivative if, immediately after opening or entering into a Short Derivative, the Fund does not comply with the Aggregate Short Exposure limit;
- (c) a Fund must not open, enter into or maintain a Short Derivative unless the Fund holds cash cover in an amount that, together with portfolio assets deposited with counterparties, dealers or futures exchanges as collateral or margin in connection with the Short Derivative by the Fund, is at least equal to 150% of the daily mark-to-market value of the Short Derivative, being the aggregate of the notional amount of the Short Derivative plus/minus the daily increase/decrease in the value of the Short Derivative;
- (d) a Fund must not open or enter into a FX Derivative if, immediately after opening or entering into the FX Derivative, the aggregate amount of the Fund's Base Currency to be delivered under all FX Derivatives Contracts (the **Aggregate FX Amount**) would exceed the value of the assets held by the Fund that are denominated in its Base Currency (the **Base Currency Holdings**);
- (e) if a Fund's Aggregate FX Amount exceeds at any time the value of its Base Currency Holdings, the Fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the Aggregate FX Amount to an amount that does not exceed the value of its Base Currency Holdings;
- (f) the opening and maintenance by a Fund of each Short IR Derivative meets the definition of "hedging" in NI 81-102 in respect of corresponding long Interest-Bearing Holdings held directly or indirectly by the Fund;

- (g) if all or a portion of a Short IR Derivative terminates or is closed out, then a Fund must terminate or close out an equivalent portion of its corresponding Long IR Derivative;
- (h) a Fund will not open or maintain a Long IR Derivative unless the underlying market exposure to the Fund of the Long IR Derivative would not exceed, on a daily mark-to-market basis, the aggregate of: (i) the market value of its corresponding Short IR Derivative and Interest-Bearing Holdings; and (ii) the market value of the Long IR Derivative (the **Aggregate Amount**); and
- (i) if the underlying market exposure to a Fund of a Long IR Derivative exceeds the Aggregate Amount referenced in condition (h) above, then the Fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the underlying market exposure of its Long IR Derivative so that the underlying market exposure of its Long IR Derivative no longer exceeds the Aggregate Amount.

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

Application File #: 2020/0403
SEDAR #3276774 & 3276779

2.1.2 Merrill Lynch Canada Inc.

Headnote

Application for a ruling pursuant to section 74 of the Securities Act granting relief from the dealer registration requirement in section 25 of the OSA to allow the Filer, an investment dealer and member of the Investment Industry Regulatory Organization of Canada (IIROC), to use employees of certain Designated Foreign Affiliates for “after-hours trading” in securities on the Bourse de Montréal Inc. – Relief granted, subject to terms and conditions.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25(1), 74(1) and 144(1).

Instruments Cited

Multilateral Instrument 11-102 Passport System, s. 4.7.

September 7, 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
MERRILL LYNCH CANADA 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 (the **Legislation**) exempting the Designated Foreign Affiliate Employees (as defined below) of the Filer, when conducting Extended Hours Activities (as defined below) on the Bourse de Montréal Inc. (the **MX**), from the dealer registration requirement in the Legislation (the **Dealer Registration Requirement**), subject to the terms and conditions set out below (the **Exemption Sought**).

The principal regulator granted a decision dated October 5, 2018 (the **Original Decision**) providing relief in connection with certain Extended Hours Activities in respect of MLI. The Filer has also applied for an order pursuant to the securities legislation of the Jurisdiction to revoke the Original Decision as of the date hereof.

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 by the Filer in each of the remaining provinces and territories of Canada, other than Québec and Nunavut (together with Ontario, the **Jurisdictions**).

Interpretation

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

Representations

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

The Filer

1. The Filer is a corporation formed under the laws of Canada. The head office of the Filer is located in Toronto, Ontario.
2. The Filer is registered as an investment dealer under the securities legislation of all the provinces and territories of Canada except Nunavut; is registered as a futures commission merchant under the commodity futures legislation of Ontario and Manitoba; and is registered as a derivatives dealer under the derivatives legislation of Québec.
3. The Filer is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**) and the TSX Venture Exchange, an approved participant of the MX and a participating organization of the Toronto Stock Exchange.
4. The Filer is not in default of securities, derivatives or commodity futures legislation in any jurisdiction of Canada.
5. Merrill Lynch International (**MLI**) is a private unlimited company incorporated in England and Wales. The head office of MLI is located in London, England.
6. Merrill Lynch (Australia) Futures Limited (**ML Australia**) is an Australian public company. The head office of ML Australia is located in Sydney, New South Wales, Australia.
7. Merrill Lynch Far East Limited (**ML Hong Kong**, and together with MLI and ML Australia, the **Designated Foreign Affiliates**) is a company incorporated in Hong Kong. The head office of ML Hong Kong is located in Hong Kong.
8. The Filer, MLI, ML Australia and ML Hong Kong are each a wholly-owned indirect subsidiary of Bank of America Corporation.

9. MLI is a United Kingdom-based broker dealer, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority.
10. MLI holds memberships and/or has third-party clearing relationships with commodity and financial futures exchanges and clearing associations, including the London Stock Exchange. It also carries positions reflecting trades executed on other exchanges through affiliates and/or third-party clearing brokers.
11. MLI provides a variety of investment banking, market making, and brokerage services, including fixed income and equity for governments, corporations, financial institutions and other clients. MLI also conducts proprietary trading activities.
12. ML Australia is a futures broker licensed and regulated by the Australian Securities & Investments Commission to carry out regulated activities such as dealing in securities and derivatives.
13. ML Australia is a trading participant on ASX 24 and a clearing participant on ASX Clear (Futures) Pty Ltd.
14. ML Hong Kong is licensed with the Securities and Futures Commission of Hong Kong to carry out regulated activities including Dealing in Securities and Dealing in Futures Contracts. ML Hong Kong is an Options Trading Exchange Participant with Stock Exchange of Hong Kong, a Futures Commissions Merchant with Hong Kong Futures Exchange and a General Clearing Participant with HKFE Clearing Corporation and the SEHK Options Clearing House. In addition, ML Hong Kong is a clearing member of Hong Kong Securities Clearing Company Limited for listed securities.
15. The Filer wishes to make use of certain designated employees of the Designated Foreign Affiliates (the **Designated Foreign Affiliate Employees**) certified under applicable laws of the United Kingdom, Australia or Hong Kong, as applicable, in a category that permits trading the types of products which they would be trading on the MX to handle trading requests on the MX from the Filer's clients and the Filer on a proprietary basis during the MX's extended trading hours from 4:30 p.m. Eastern Time (**ET**) (t-1) to 6:00 a.m. ET each day on which the MX is open for trading (the **Extended Hours Activities**).

The MX Extended Trading Hours Amendments

16. The MX, based in Montréal, Québec, operates an exchange for options, commodity futures contracts and commodity futures options, and offers access to trading in those to market participants in Canada.
17. On July 9, 2018, the MX announced that the MX had approved amendments to its rules and procedures in order to accommodate the extension of the MX's trading hours (the **Initial Extended Hours Initiative**). As a result of these amendments, since

October 9, 2018, trading of certain products on the MX commences at 2:00 a.m. ET rather than the previous 6:00 a.m. ET.

18. As set out in MX Circular 111-18, in order to accommodate this earlier trading, the MX amended its rules to allow participants on the MX to have employees of affiliated corporations, including foreign affiliates, become an approved person of the MX participant and thus be able to handle trading requests originating from the MX participant's clients or the MX participant on a proprietary basis. In furtherance of the Initial Extended Hours Initiative, the Filer sought and obtained the Original Decision.
19. On March 17, 2020, the MX announced that the MX had approved non-material amendments to its rules and procedures in order to accommodate the further extension of the MX's trading hours (the **Asian Trading Hours Initiative**). As a result of these amendments, it is anticipated that, following the self-certification process under the *Derivatives Act* (Québec) applicable to self-regulatory organizations such as the MX, trading of certain products on the MX will commence at 8:00 p.m. ET (t-1) rather than the current 2:00 a.m. ET. These amendments are considered non-material insofar as the framework put in place in connection with the Initial Extended Hours Initiative will apply to the Asian Trading Hours Initiative, allowing participants on the MX to have employees of affiliated corporations, including foreign affiliates, become an approved person of the MX participant and thus be able to handle trading requests originating from the MX participant's clients or the MX participant on a proprietary basis. See MX Circular 135-20.
20. On February 4, 2021, the MX announced a proposed launch date of May 30, 2021 for the Asian Trading Hours Initiative, which has since been rescheduled to September 19, 2021. See MX Circulars 024-21 and 063-21.

Application of the Dealer Registration Requirement to Designated Foreign Affiliate Employees

21. The Filer is an MX approved participant and each of the Designated Foreign Affiliates is an affiliate of the Filer. The Filer wishes to make use of the Designated Foreign Affiliate Employees to conduct the Extended Hours Activities.
22. The Dealer Registration Requirement under the Legislation requires an individual to be registered to act as a dealing representative on behalf of a registered firm. The Exemption Sought is intended to provide the Filer with an exemption from (i) the requirement that the Filer use only registered dealing representatives to conduct the Extended Hours Activities; and (ii) the requirement that the Designated Foreign Affiliate Employees who will be conducting the Extended Hours Activities be registered as dealing representatives of the Filer.

23. The Filer seeks an exemption from the Dealer Registration Requirement because, in the absence of such exemption, each Designated Foreign Affiliate Employee who was to trade on behalf of the Filer would be required to become individually registered and licensed in Canada. The Filer believes this is duplicative since the Designated Foreign Affiliate Employees are certified or authorized, as applicable, under applicable United Kingdom, Australian or Hong Kong law, and will be supervised by the Filer's Designated Supervisors (as defined below) and are otherwise subject to the conditions set forth below. The Filer believes the Dealer Registration Requirement is unduly onerous in light of the limited trading activities the Designated Foreign Affiliate Employees will be conducting and only during the period from 4:30 p.m. ET (t-1) to 6:00 a.m. ET.
24. The Filer has also applied to, and obtained from, IIROC an exemption from the registered representative requirements that are found in IIROC Dealer Member Rules 18.2 and 500 and the requirement to enter into an employee or agent relationship with the person conducting securities related business on its behalf that is found in IIROC Dealer Member Rule 39.3 (the **IIROC Relief**).
25. The IIROC Relief obtained by the Filer is subject to certain conditions, including:
- (a) The Designated Foreign Affiliate Employees must be registered, licensed, certified or authorized and subject to equivalent regulatory supervision in the United Kingdom, Australia or Hong Kong, as applicable in a category that permits trading the types of products which they will be trading on the MX.
 - (b) The Designated Foreign Affiliate Employees may only accept and enter orders from clients of the Filer or orders from the Filer on a proprietary basis during the period from 4:30 p.m. ET (t-1) to 6:00 a.m. ET, subject to the MX trading rules being modified to allow for trading to commence at 4:30 p.m. ET (t-1) rather than 8:00 p.m. ET (t-1) as contemplated by the Asian Trading Hours Initiative, and are not permitted to provide advice.
 - (c) The actions of the Designated Foreign Affiliate Employees must be supervised by Canadian based registered supervisors qualified to supervise the relevant trading (including futures contracts, futures contract options and options) (the **Designated Supervisors**);
 - (d) The Filer must establish and maintain written policies and procedures that address the performance and supervision requirements relating to this extended trading hours arrangement.
 - (e) The Filer and each Designated Foreign Affiliate must jointly and severally undertake to ensure IIROC has, upon request, prompt access to the audit trail of all trades, wherever located, that relate to Extended Hours Activities at each Designated Foreign Affiliate, and records evidencing the supervision of such activities.
 - (f) The Filer retains all responsibilities for its client accounts.
 - (g) The Filer and each Designated Foreign Affiliate Employee must enter into an agency agreement pursuant to which the Filer would assume all responsibility for the actions of the Designated Foreign Affiliate Employee and of the Designated Foreign Affiliates that relate to the Filer's clients and the Filer would be liable under IIROC rules for such actions.
 - (h) All MX trading rules will apply to orders entered by the Designated Foreign Affiliate Employees.
 - (i) All other existing Canadian regulatory requirements continue to apply, including:
 - (i) the Filer's client accounts would continue to be carried on the books of the Filer;
 - (ii) all communications with the Filer's clients will continue to be in the name of the Filer; and
 - (iii) the Filer's client account monies, security and property will continue to be held by the Filer.
 - (j) The Filer must disclose this extended trading hours arrangement to its clients and provide specific instructions concerning the placement of orders relating to the extended trading hours arrangement.
 - (k) The Filer must provide, in writing to IIROC, the names of the foreign affiliate(s) and all Designated Foreign Affiliate Employees authorised to accept and enter orders from the Filer's clients on behalf of the Filer under the extended trading hours arrangement. Such individuals are subject to IIROC's "fit and proper" review and IIROC Registration staff may refuse their participation in this extended trading hours arrangement.
 - (l) The Filer must provide, in writing to IIROC, timely updates to the list of Designated Foreign Affiliate Employees, and confirm any changes on at least an annual basis.

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 Original Decision is revoked and the Exemption Sought is granted so long as:

- (a) the Designated Foreign Affiliates and the Designated Foreign Affiliate Employees are registered, licensed, certified or authorized under the applicable laws of the foreign jurisdiction in which the head office or principal place of business of the Designated Foreign Affiliate is located in a category that permits trading the type of products which the Designated Foreign Affiliate Employees will be trading on the MX;
- (b) the Designated Foreign Affiliate Employees are permitted to accept and enter orders from clients of the Filer or orders from the Filer on a proprietary basis during the period from 4:30 p.m. ET (t-1) to 6:00 a.m. ET, and will not be permitted to give advice;
- (c) the Filer retains all responsibilities for its client accounts;
- (d) the actions of the Designated Foreign Affiliate Employees will be supervised by the Designated Supervisors, each of whom is qualified to supervise trading in futures contracts, futures contract options and options;
- (e) the Filer and the Designated Foreign Affiliate Employees enter into an agency agreement substantially as described in paragraph 25(g), and such agreement remains in effect;
- (f) in respect of Designated Foreign Affiliate Employees of ML Hong Kong, the Exemption Sought is conditional upon IIROC accepting applicable Hong Kong law as equivalent to that of IIROC and the Canadian Securities Administrators; and
- (g) the Filer remains in compliance with the terms and conditions of the IIROC Relief.

“Lawrence Haber”
Commissioner
Ontario Securities Commission

“Craig Hayman”
Commissioner
Ontario Securities Commission

Application File #: 2021/0202

2.1.3 Hazelview Securities Inc. et al. – s. 15.1 of NI 31-103

Headnote

Registered adviser exempted from paragraph 13.5(2)(a) of NI 31-103 to permit the adviser to cause certain investing entities that the adviser, or an affiliate of the adviser, manages and/or advises to purchase securities of certain other entities, in respect of which a responsible person or an associate of a responsible person of the Filer is then a partner, officer, or director, to facilitate indirect investments by the investing entities in real estate – The investing entities will not be investment funds or reporting issuers, but may in certain respects operate in manner similar to an investment fund.

Statutes cited

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.5(2)(a) and 15.1.

September 7, 2021

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Legislation)**

AND

**IN THE MATTER OF
HAZELVIEW SECURITIES INC.,
FOUR QUADRANT GLOBAL REAL ESTATE
PARTNERS,
AND
BD DEVELOPMENT AGGREGATOR LP**

DECISION

(Section 15.1 of National Instrument 31-103)

Background

Hazelview Securities Inc. (the **Filer**) has applied to the regulator in Ontario for a decision under section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103)*, exempting the Filer from the restriction (the **Consent Requirement**) contained in paragraph 13.5(2)(a) of NI 31-103 that prohibits a registered adviser from knowingly causing an investment portfolio managed by it to purchase a security of an issuer in which a responsible person or an associate of a responsible person is a partner, officer or director unless this fact is disclosed to the client and the written consent of the client is obtained before the purchase is made, in order to permit the Filer to cause:

- (a) an Investing Entity (as defined below) to purchase securities of a Master Fund (as defined below), in respect of which a responsible person or an associate of a responsible person of the Filer is a partner, officer or director, without such disclosure or consent being obtained; and

- (b) an Investing Entity (as defined below) to purchase securities of a Conduit Entity (as defined below), in respect of which a responsible person or an associate of a responsible person of the Filer is a partner, officer or director, without such disclosure or consent being obtained

(collectively, the **Requested Relief**).

Interpretation

Terms defined in the Legislation, National Instrument 14-101 *Definitions* or NI 31-103 have the same meaning in this decision unless otherwise defined in this decision, or the context otherwise requires. In this decision, the following terms shall have the following meanings:

“**Partnership**” means Four Quadrant Global Real Estate Partners.

“**Future Investing Entity**” means an investment vehicle offered pursuant to prospectus exemptions in respect of which the Filer or an affiliate of the Filer acts as the manager.

“**Investing Entity**” means the Partnership or a Future Investing Entity.

“**manager**” means, in the context of an Investing Entity, the person or company that directs the business, operations or affairs of the Investing Entity.

“**portfolio adviser**” means, in the context of an Investing Entity, the person or company that manages the investment portfolio of the Investing Entity.

“**Initial Master Fund**” means BD Development Aggregator LP.

“**Future Master Fund**” means an issuer that is structured in a similar manner to the Initial Master Fund.

“**Master Fund**” means the Initial Master Fund or a Future Master Fund.

“**Blocker**” means a person or company through which an Investing Entity may indirectly invest in securities of an Underlying Issuer.

“**Underlying Issuer**” means a person or company that is an issuer.

“**Real Estate Assets**” means real estate assets, real estate related debt or investments in real estate.

“**Real Estate Holding Vehicle**” means a person or company that holds Real Estate Assets.

“**Conduit Entity**” means a Real Estate Holding Vehicle or a Blocker.

Representations

Representations by the Filer in respect of the status of the Filer, an Investing Entity, Master Fund or Conduit Entity (including a Future Investing Entity or Future Master Fund)

will be applicable as of the date the Filer relies upon any of the Requested Relief in respect of the corresponding Investing Entity, Master Fund or Conduit Entity (sometimes referred to herein as the “relevant time”).

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 the Province of Ontario with its head office located in Toronto, Ontario.
2. The Filer is registered (i) as an exempt market dealer in Ontario, British Columbia, Alberta, Manitoba, and Quebec; (ii) as a portfolio manager in Ontario; and (iii) as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador.
3. The Filer is not in default of the securities legislation of any jurisdiction of Canada.

The Partnership

4. The Partnership is a limited partnership formed under the laws of Ontario and is not a reporting issuer in any jurisdiction of Canada.
5. The Partnership is not in default of the securities legislation of any jurisdiction of Canada.
6. The Partnership was formed for the purpose of constructing, on a discretionary basis, a globally diversified, actively managed portfolio of real estate investments. The investment objective of the Partnership is to maximize total returns for its unitholders, consisting of income and capital appreciation, and to provide its unitholders with regular distributions, by selecting, purchasing and actively managing a diversified portfolio of real-estate-related assets and investments, including but not limited to, direct interests in real estate, mortgages and other real-estate-related investments.
7. Securities of the Partnership have only been, and will only be, offered in accordance with applicable prospectus exemptions.
8. The Partnership is not considered to be an “investment fund” (as such term is defined in the Legislation), but, in certain respects, operates in a manner similar to an investment fund. The Partnership is administered by the Filer, as the entity which directs the business, operations and affairs of the Partnership. Its assets are managed by the Filer, as portfolio adviser, and a valuation agent calculates a net asset value that is used for purposes of determining the purchase and redemption price of the units of the Partnership.

Future Investing Entities

9. Each Future Investing Entity will be:
- (a) a trust formed under the laws of Ontario or another jurisdiction of Canada;
 - (b) a limited partnership formed under the laws of Ontario or another jurisdiction of Canada; or
 - (c) a corporation incorporated under the laws of Ontario or another jurisdiction of Canada

and will operate in a manner similar to the Partnership, with a similar investment mandate to invest in Real Estate Assets.

A valuation agent will calculate a net asset value that will be used for the purposes of determining the purchase and redemption price of units of each Future Investing Entity.

10. Each Future Investing Entity will not be a reporting issuer in any jurisdiction of Canada and will not be considered to be an “investment fund” (as such term is defined in the Legislation).
11. Securities of each Future Investing Entity will only be offered in accordance with applicable prospectus exemptions. Each Future Investing Entity will not, at the relevant time, be in default of the securities legislation of any jurisdiction of Canada.
12. The manager and the portfolio adviser of each Future Investing Entity will be the Filer or an affiliate of the Filer.

The Initial Master Fund

13. The Initial Master Fund is a master limited partnership formed under the laws of Ontario and is not a reporting issuer in any jurisdiction of Canada.
14. The Initial Master Fund is not in default of the securities legislation of any jurisdiction of Canada.
15. The Initial Master Fund was formed for the purpose of facilitating investment by the Investing Entities and other third-party investors who are interested in investing in Real Estate Assets. The Initial Master Fund will invest in Real Estate Assets through the creation of Real Estate Holding Vehicles. The Initial Master Fund will not carry on any business other than to facilitate investment in Real Estate Assets through Real Estate Holding Vehicles. Each Master Fund may invest in Real Estate Assets through one or more Real Estate Holding Vehicles.
16. The Initial Master Fund is not considered to be an “investment fund” (as such term is defined in the Legislation). The Initial Master Fund will be administered by its general partner, and its assets

will be managed by affiliates of the Filer, as asset, property and development managers (none of which are registrants under Canadian securities laws).

17. Securities of the Initial Master Fund will only be offered in accordance with applicable prospectus exemptions.

Future Master Funds

18. Each Future Master Fund will be:
- (a) a trust formed under the laws of Ontario or another jurisdiction of Canada;
 - (b) a limited partnership formed under the laws of Ontario or another jurisdiction of Canada; or
 - (c) a corporation incorporated under the laws of Ontario or another jurisdiction of Canada

and will operate in a manner similar to the Initial Master Fund, with a similar investment mandate to invest in Real Estate Assets.

19. Each Future Master Fund will not be a reporting issuer in any jurisdiction of Canada and will not be considered to be an “investment fund” (as such term is defined in the Legislation).
20. Securities of the Future Master Funds will only be offered in accordance with applicable prospectus exemptions. Each Future Master Fund will not, at the relevant time, be in default of the securities legislation of any jurisdiction of Canada.

Real Estate Holding Vehicles and Blockers (Conduit Entities)

21. Each Conduit Entity will be a trust, corporation or limited partnership established under the laws of a jurisdiction of Canada or a foreign jurisdiction and will not be a reporting issuer in any jurisdiction of Canada.
22. Each Real Estate Holding Vehicle will restrict its activities to owning and holding one or more similar Real Estate Assets. A Real Estate Holding Vehicle may further interpose an additional holding vehicle to hold such underlying Real Estate Assets (rather than hold such Real Estate Assets directly). For greater certainty, no one Real Estate Asset will be held by more than one Real Estate Holding Vehicle.
23. The business carried on by Real Estate Holding Vehicles will be limited to the management of the underlying property owned by such Real Estate Holding Vehicle.
24. The assets of each Real Estate Holding Vehicle will consist primarily of the interest in the Real Estate Assets, cash and cash equivalents. The liabilities of each Real Estate Holding Vehicle will consist

- primarily of any amounts owing for accounting, legal and tax services provided to the Real Estate Holding Vehicle.
25. Each Blocker will restrict its activities to owning and holding securities of one Underlying Issuer. For greater certainty, different Blockers will hold securities of different issuers and no Blocker will carry on any active business.
26. The assets of each Blocker will consist primarily of securities of an Underlying Issuer, cash and cash equivalents. The liabilities of each Blocker will consist primarily of any amounts owing for accounting, legal and tax services provided to the Blocker.
27. All issued and outstanding securities of each Conduit Entity will be owned by one or more Investing Entities, Master Funds and/or third-party investors that seek to make an investment in Real Estate Assets or an Underlying Issuer through the Conduit Entity.
28. Securities of the Conduit Entities will only be issued pursuant to applicable prospectus exemptions. Each Conduit Entity will not, at the relevant time, be in default of the securities legislation of any jurisdiction of Canada.
- Investments by Investment Entities in Master Funds, Real Estate Holding Vehicles and Blockers***
29. When investing in real estate, rather than hold the title of an asset directly, an Investing Entity may invest in a Master Fund and/or Real Estate Holding Vehicle for a desired underlying Real Estate Asset.
30. Each Investing Entity may invest in one or more Master Funds (which may in turn invest in Real Estate Holding Vehicles) and may also invest in a Real Estate Holding Vehicle directly.
31. The Real Estate Holding Vehicles will only purchase Real Estate Assets which the Investing Entities are permitted to purchase directly under applicable securities laws.
32. To ensure compliance with Canadian tax filing obligations and/or ownership restrictions on certain of an Investing Entity's investments and/or minimize withholding tax issues, the Filer may also interpose a Blocker between an Investing Entity and any one or more Underlying Issuers.
33. Each Investing Entity may invest in one or more Blockers for the purposes of making an indirect investment in an Underlying Issuer.
34. A Blocker will only purchase securities of an Underlying Issuer which the Investing Entities are permitted to purchase directly under applicable securities law.
35. An Investing Entity may transfer an existing Real Estate Asset to a Real Estate Holding Vehicle in exchange for securities of the Real Estate Holding Vehicle. In addition, an Investing Entity may purchase securities of a Real Estate Holding Vehicle for cash or loan cash to a Real Estate Holding Vehicle, which the Real Estate Holding Vehicle would use to invest in Real Estate Assets. Where an Investing Entity transfers an existing interest of the Investing Entity in a Real Estate Asset to a Real Estate Holding Vehicle, the Investing Entity will retain the identical beneficial interest in such Real Estate Asset.
36. An Investing Entity may transfer an existing interest in an Underlying Issuer to a Blocker in exchange for securities of the Blocker. In addition, an Investing Entity may purchase securities of a Blocker for cash or loan cash to the Blocker, which the Blocker would use to purchase real estate or securities of an Underlying Issuer. Where an Investing Entity transfers its existing interest in an Underlying Issuer to a Blocker, the Investing Entity will retain an identical indirect beneficial interest in the Underlying Issuer.
37. The Filer is not aware of any additional risk of insolvency to an Investing Entity that may arise as a result of the Investing Entity using a Master Fund or Real Estate Holding Vehicle to indirectly invest in Real Estate Assets.
38. The Filer is not aware of any additional risk of insolvency to an Investing Entity that may arise as a result of the Investing Entity using a Blocker to indirectly invest in an Underlying Issuer.
39. Each Conduit Entity will exist solely to achieve the objectives of the applicable Investing Entities that are invested in the Conduit Entity.
40. No Underlying Issuer will be related to the Filer or an Investing Entity (other than through indirect ownership by the Investing Entity in securities of the Underlying Issuer).
41. Although each Investing Entity will indirectly bear additional costs resulting from the use of a Blocker (mainly in the form of incorporation and maintenance costs of the Blocker, as well as the costs of preparing its annual financial statements), the cost savings and/or other benefits resulting from the Investing Entity using the Blocker are expected to significantly outweigh such additional costs.
42. Although each Investing Entity will indirectly bear additional costs resulting from the use of a Master Fund or a Real Estate Holding Vehicle to make indirect investments in Real Estate Assets (mainly in the form of incorporation and maintenance costs of the Master Fund or Real Estate Holding Vehicle, as well as the costs of the Master Fund or Real Estate Holding Vehicle preparing its annual

financial statements), the cost savings and/or other benefits resulting from the Investing Entity's use of the Master Fund or Real Estate Holding Vehicle are expected to significantly outweigh such additional costs.

Benefits that may be available to an Investing Entity investing through a Conduit Entity

43. Investing in real property indirectly through a Real Estate Holding Vehicle is common in the investment industry, where a transfer of the securities of an entity is more efficient than the transfer of title to land/property, particularly across different provincial jurisdictions where land title systems may differ. Investment by an Investment Entity indirectly in Real Estate Assets through a Real Estate Holding Vehicle may also help the Investment Entity to avoid negative tax consequences associated with holding the Real Estate Assets directly.
44. Structuring investments through the use of a Blocker is common in the investment industry to protect investors from recognizing negative tax consequences of holding the underlying investments directly, which is why such entities are often described as "blockers".
45. The tax purposes and benefits of an Investment Entity investing through a Conduit Entity will vary depending on the particular investment being made.
46. With respect to Blockers, in the case of Underlying Issuers that are U.S. issuers:
- (a) the use of a Blocker may block potential U.S.-source effectively connected income at the Blocker level so that only the Blocker will be required to make U.S. tax filings with respect to such income (i.e., the Blocker and not the owners of the Blocker will be subject to U.S. tax); and
 - (b) the use of a Blocker may prevent attribution of a U.S. trade or business up the chain to the Investing Entity and potentially the investors in the Investing Entity, which may otherwise result in investors in the Investing Entity being subject to U.S. tax filing obligations.
- Therefore, the Investing Entity-Blocker structure may eliminate both the risk of filing a U.S. tax return and the risk that an investor in an Investing Entity may be deemed to be engaged in a U.S. trade or business.
47. The indirect investment by an Investing Entity in an Underlying Issuer in other foreign jurisdictions through a Blocker may also minimize tax filing obligations in the foreign jurisdiction for the Investing Entity and/or its investors.

48. Withholding taxes payable on distributions by an Underlying Issuer that are based in certain jurisdictions may also be eliminated, minimized or deferred through the use of a Blocker.
49. The constating documents or investment agreements for international fund issuers typically contain restrictions on direct transfers of investments. If an Investing Entity invests in an Underlying Issuer through a Blocker, this may ease a transfer of beneficial ownership of the investment where indirect transfer by an underlying investor (an Investing Entity or an investor in an Investing Entity) is not prohibited or other types of ownership transfer restrictions. The Investing Entity-Blocker structure will only be used in those jurisdictions where to do so would be consistent with applicable laws in such jurisdictions.
50. In the absence of the Requested Relief, each Investing Entity would be precluded from investing in one or more Master Funds and/or Conduit Entities unless the specific fact is disclosed to securityholders of the Investing Entity and the written consent of the securityholders of the Investing Entity to the investment is obtained prior to the purchase, since a "responsible person" (as defined in section 13.5 of NI 31-103) or an associate of a responsible person of the Filer may also be a partner, officer and/or director of the applicable Master Fund and/or Conduit Entity, including a partner, officer and/or director of the general partner of a Master Fund and/or Conduit Entity where the Master Fund and/or Conduit Entity is a limited partnership, and including a partner, officer and/or director of the corporate trustee of a Master Fund and/or Conduit Entity where the Master Fund and/or Conduit Entity is a trust. Where an Investing Entity has a large number of investors, obtaining individual consent from each investor pursuant to the Consent Requirement is generally not practical.
51. In the absence of the Requested Relief, each Investing Entity would be precluded from investing in one or more Blockers unless the specific fact is disclosed to securityholders of the Investing Entity and the written consent of the securityholders of the Investing Entity to the investment is obtained prior to the purchase, since a "responsible person" (as defined in section 13.5 of NI 31-103) or an associate of a responsible person of the Filer may also be a partner, officer and/or director of the applicable Blocker, including a partner, officer and/or director of the general partner of a Blocker where the Blocker is a limited partnership, and including a partner, officer and/or director of the corporate trustee of a Blocker where the Blocker is a trust. Where an Investing Entity has a large number of investors, obtaining individual consent from each investor pursuant to the Consent Requirement is generally not practical.

Mitigation Measures for Potential Conflicts

52. The Filer will not cause an Investing Entity to purchase securities of a Master Fund in respect of which a responsible person or an associate of a responsible person of the Filer is a partner, officer or director unless:

- (a) the Filer has established an internal process to review, and has reviewed, the pricing terms to ensure that the purchase will be conducted at fair market value;
- (b) the arrangements between or in respect of the Investing Entity and the Master Fund will not result in any duplication of management fees or incentive fees;
- (c) the offering document (if applicable) of the Investing Entity describes the Investing Entity's authority and intent to invest in securities of the Master Fund;
- (d) the purchase represents the business judgement of responsible persons of the Filer uninfluenced by considerations other than the best interests of the Investing Entity;
- (e) there is no conflict between the interests of the Filer, or any of its responsible persons, and the interests of investors in the Investing Entity resulting from the purchase; and
- (f) no responsible person of the Filer has any personal interest in the Master Fund other than by virtue of: (i) their position as a director or officer of the Master Fund (for which they will not receive any remuneration); or (ii) their personal investment in the Investing Entity (which translates into an indirect personal interest in the Master Fund).

53. The Filer will not cause an Investing Entity to purchase securities of a Conduit Entity in respect of which a responsible person or an associate of a responsible person of the Filer is a partner, officer or director unless:

- (a) the Filer has established an internal process to review, and has reviewed, the pricing terms to ensure that the purchase will be conducted at fair market value;
- (b) the arrangements between or in respect of the Investing Entity and the Conduit Entity will not result in any duplication of management fees or incentive fees;
- (c) the offering document (if applicable) of the Investing Entity will describe the Investing Entity's intent and authority to invest in securities of the Conduit Entity;

- (d) the purchase represents the business judgement of responsible persons of the Filer uninfluenced by considerations other than the best interests of the Investing Entity;
- (e) there will be no conflict between the interests of the Filer, or any of its responsible persons, and the interests of investors in the Investing Entity resulting from the purchase; and
- (f) no responsible person of the Filer will have any personal interest in the Conduit Entity other than by virtue: (i) of their position as a director or officer of the Conduit Entity (for which they will not receive any remuneration); or (ii) their personal investment in the Investing Entity (which translates into an indirect personal interest in the Conduit Entity).

Decision

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

The decision of the regulator in Ontario is that Requested Relief is granted, provided that:

- (a) securities of the Investing Entities are distributed in Canada solely pursuant to applicable prospectus exemptions;
- (b) prior to an Investing Entity entering into a transaction with a Master Fund or Conduit Entity, the Filer (through its internal process) reviews the pricing terms to ensure that the purchase will be conducted at fair market value;
- (c) with respect to the Investing Entity-Blocker structure, each issuer is at arm's length from the Filer and the Investing Entities;
- (d) prior to the Investing Entity entering into a transaction with a Master Fund or Conduit Entity, the Filer will make reasonable efforts to ensure that the proposed transaction:
 - (i) is entered into free of influence by an entity related to the Filer and without taking into account any consideration relevant to a person or company related to the Filer;
 - (ii) is uninfluenced by considerations other than the best interests of the Investing Entity;
 - (iii) is in compliance with the written policies and procedures of the Filer; and

- (iv) achieves a fair and reasonable result for the Investing Entity;
- (e) each of the Investing Entity-Master Fund-Real Estate Holding Vehicle structure, Investing Entity-Real Estate Holding Vehicle structure and Investing Entity-Blocker structure is compatible with the fundamental investment objectives of each Investing Entity;
- (f) the arrangements between or in respect of each Investing Entity and a Master Fund or Conduit Entity will not result in any duplication of management fees or incentive fees;
- (g) all new investors in an Investing Entity will consent generally to the Investing Entity-Master Fund-Real Estate Holding Vehicle structure, Investing Entity-Real Estate Holding Vehicle structure and Investing Entity-Blocker structure through the investment management agreement or subscription agreement or other document; and
- (h) in the case of each Investing Entity in respect of which the Filer relies upon the Requested Relief to purchase securities of a Master Fund or Conduit Entity, investors in the Investing Entity will be provided with disclosure from the Investing Entity of the circumstances of this reliance no later than their next scheduled report from the Investing Entity.

“Felicia Tedesco”
Deputy Director
Compliance and Registrant Regulation
Ontario Securities Commission

Application File #: 2021/0098

2.1.4 Northwest & Ethical Investments L.P. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions fund merger approval under subsection 5.5(1)(b) of NI 81-102 – fund merger does not meet all the pre-approval criteria because it is to be effected on a taxable basis and merging funds’ investment objectives may not be considered substantially similar – approval granted subject to investor approval.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 5.1(1)(f), 5.5(1)(b), 5.6(1), 5.7(1)(b) and 19.1(2).

September 9, 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
NORTHWEST & ETHICAL INVESTMENTS L.P.
(the Filer),
NEI GROWTH & INCOME FUND
(the Terminating Fund)**

AND

**NEI SELECT GROWTH & INCOME RS PORTFOLIO
(the Continuing Fund, together with the Terminating
Fund, 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 (the **Legislation**) approving the proposed merger, as further described below, of the Terminating Fund into the Continuing Fund (the **Proposed Merger**) pursuant to clause 5.5(1)(b) of National Instrument 81-102 *Investment Funds (NI 81-102)* (the **Approval Sought**).

Under National Policy 11-203 *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 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 in this decision unless they are otherwise defined in this decision. The terms below have the following meanings:

Circular means the joint management information circular of the Terminating Fund and certain other mutual funds.

Tax Act means the Income Tax Act (Canada).

Representations

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

The Filer and the Funds

- A. The Filer is an Ontario limited partnership. The general partner of the Filer is Northwest & Ethical Investments Inc., a corporation formed under the laws of Canada with its head office in Toronto, Ontario (the **General Partner**).
- B. The Filer is the investment fund manager of the Funds and is registered as (i) a portfolio manager in British Columbia and Ontario, (ii) a commodity trading manager in Ontario, (iii) an exempt market dealer in Alberta, British Columbia, Ontario, New Brunswick, Nova Scotia, Quebec and Saskatchewan, and (iv) an investment fund manager in British Columbia, Newfoundland and Labrador, Ontario and Quebec.
- C. Each Fund is a mutual fund trust established under the laws of British Columbia or Ontario and is a reporting issuer under the applicable securities legislation of each Jurisdiction.
- D. The securities of each Fund are qualified for distribution in the Jurisdictions pursuant to a simplified prospectus (**SP**) and annual information form (**AIF**) prepared and filed in accordance with the securities legislation of the Jurisdictions.
- E. Each Fund is subject to the requirements of NI 81-102 (to the extent varied by exemptive relief if and as applicable). The securities of each Fund are issuable and redeemable on any business day.
- F. Neither the Filer nor any Fund is in default of securities legislation in any Jurisdiction.

Reasons for the Approval Sought

- G. The Proposed Merger does not meet all of the criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102 (the **Pre-Approval Criteria**) as:

- (a) the Continuing Fund has investment objectives and strategies that are similar, but may not be considered substantially similar, to those of the Terminating Fund per the criteria in section 5.6(1)(a)(ii); and
- (b) it will be implemented on a taxable basis and not as a “qualifying exchange” within the meaning of the Tax Act or otherwise as a tax-deferred transaction under the Tax Act per the criteria in section 5.6(1)(b).

- H. Except as noted above, the Proposed Merger will otherwise comply with the Pre-Approval Criteria.
- I. The Filer has determined that the Proposed Merger will not result in a material change to the Continuing Fund.

The Proposed Merger and Unitholder Disclosure

- J. The Filer has received approval from the Board of Directors of the General Partner to proceed with the Proposed Merger.
- K. The Filer has referred the Proposed Merger to the Independent Review Committee for the Funds (**IRC**) for review, and after reasonable inquiry, the IRC has determined that the Proposed Merger achieves a fair and reasonable result for the Terminating Fund and its unitholders.
- L. A meeting of the unitholders of the Terminating Fund will be held on or about October 19, 2021 to vote on the Proposed Merger (the **Meeting**), with the Proposed Merger, if approved, being completed on or about November 19, 2021, or such later date as may be determined by the Filer (the **Effective Date**).
- M. In light of the COVID-19 global pandemic and the current restrictions on public gatherings, unitholders will not be able to attend the Meeting physically. However, unitholders and duly appointed proxyholders will have an equal opportunity to participate, including vote, at the Meeting virtually as they would at a physical meeting.
- N. In accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure (NI 81-106)*, a press release announcing the Proposed Merger was issued on August 5, 2021. A material change report with respect to the Proposed Merger was filed on SEDAR on August 5, 2021. Amendments to the Terminating Fund’s SP, AIF and Fund Facts were filed on August 5, 2021.
- O. The Filer has obtained an exemption from the requirement in paragraph 12.2(2)(a) of NI 81-106 (the **Notice-and-Access Decision**) that allows the Terminating Fund to make use of a notice-and-access process to provide to the unitholders of the Terminating Fund notice of, and access to, the Circular and proxy-related materials.

- P. The notice prescribed by the Notice-and-Access Decision (the **Notice-and-Access Document**), the form of proxy and the Fund Facts relating to the relevant series of the Continuing Fund will be sent to unitholders of the Terminating Fund commencing on or about September 17, 2021. Additionally, the Notice-and-Access Document, form of proxy and Circular will be filed via SEDAR and posted on the Filer's website on or about September 17, 2021.
- Q. The Circular will provide unitholders of the Terminating Fund with sufficient information to permit them to make an informed decision as to whether or not to approve the Merger. Among other things, the Circular describes:
- (a) the similarities and differences between the Terminating Fund and the Continuing Fund, including in respect of investment objectives, risk rating, fund type and structure, registered plan eligibility, portfolio management responsibility, net asset value, fees and expenses, performance, and distribution policy;
 - (b) that the Filer currently expects approximately 80% of the Terminating Fund's portfolio securities to be liquidated prior to the Effective Date;
 - (c) the tax implications of the Proposed Merger;
 - (d) the determination of the IRC of the Funds in respect of the Proposed Merger;
 - (e) the various ways in which unitholders may obtain a copy of the SP, AIF and Fund Facts of the Funds and their most recent annual and interim financial statements and annual and interim management reports of fund performance;
 - (f) the steps for implementing the Proposed Merger and the potential benefits of the Proposed Mergers as summarized below;
 - (g) that a unitholder will receive the same series of units with the same applicable sales charges of the Continuing Fund as the unitholder holds in the Terminating Fund upon the completion of the Proposed Merger. Subject to the next sentences, units of the Continuing Fund acquired by unitholders upon the Proposed Merger are subject to the same redemption charges, if any, to which their units of the Terminating Fund were subject prior to the Proposed Merger. Unitholders of the Terminating Fund that will become unitholders of the Continuing Fund that purchased under the LL2 or LL3 purchase options will have their units converted into front-end load units of the Continuing Fund. This is because the LL2 and LL3 options do not exist for the Continuing Fund. As a result, such unitholders will not be subject to redemption charges should they redeem their Continuing Fund units, regardless of their originally applicable redemption schedule applicable to their initial purchase of Terminating Fund units;
- (h) that following the Proposed Merger, pre-authorized contribution plans and automatic withdrawal plans administered by the Filer will be re-established unless the unitholder advises otherwise;
 - (i) that unitholders of the Terminating Fund who do not wish to own units of the Continuing Fund may instead redeem their units up to the close of business on the business day immediately prior to the Effective Date and that unitholders who redeem their units may be subject to redemption charges as outlined in the SP for the Terminating Fund;
 - (j) that, if the Proposed Merger is not approved, the Filer will consider alternative strategic options for the Terminating Fund including possible termination in accordance with applicable securities laws; and
 - (k) that there are no charges payable by unitholders who acquire units of the Continuing Fund as a result of the Proposed Merger and that the Filer will bear all of the expenses incurred with respect to the solicitation and to effect the Proposed Merger.
- Implementation of Proposed Merger*
- R. Unitholders of the Terminating Fund will continue to have the right to redeem units of the Terminating Fund up to the close of business on the business day immediately prior to the Effective Date.
- S. It is proposed that the following steps will be carried out to effect the Proposed Merger:
- (a) **Step 1:** Before the effective date of the Proposed Merger, certain of the securities in the portfolios of the Terminating Fund will be liquidated.
 - (b) **Step 2:** The Terminating Fund will distribute to its unitholders sufficient amounts of its net income and net realized capital gains so that it will not be subject to tax under Part I of the Tax Act for its current taxation year.
 - (c) **Step 3:** The Terminating Fund will transfer all of its assets, which will consist of cash and/or portfolio securities less an amount

required to satisfy the liabilities of the Terminating Fund, to the Continuing Fund, in exchange for units of the Continuing Fund.

- (d) **Step 4:** Immediately following the above-noted transfer, the Terminating Fund will distribute to its unitholders the units of the Continuing Fund so that following the distribution, the unitholders of the Terminating Fund will become direct holders of the applicable series of units of the Continuing Fund.
- (e) **Step 5:** As soon as reasonably possible following the Proposed Merger, the Terminating Fund will be wound up.

- T. Unitholders of the Terminating Fund will receive securities of the Continuing Fund with a value equal to the value of their securities of the Terminating Fund.
- U. The Filer will pay for the costs of the Proposed Mergers. These costs consist mainly of brokerage charges associated with the Proposed Merger-related trades that occur both before and after the Effective Date and legal, proxy solicitation, printing, mailing and regulatory fees.

Taxable Merger

- V. The Proposed Merger is proposed to proceed as a taxable merger as:
 - (a) implementing the Proposed Merger on a taxable basis will preserve any unused tax losses of the Continuing Fund, which would otherwise expire upon implementation of the Proposed 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;
 - (b) implementing the Proposed Merger on a taxable basis will ensure that pre-existing Continuing Fund unitholders do not inherit any tax liability on accrued but unrealized capital gains of Terminating Fund assets as can occur on a tax-deferred merger in certain circumstances;
 - (c) the Terminating Fund has or expects to have available capital gains refunds that should serve to reduce the aggregate potential net realized capital gains resulting from the Proposed Merger; and
 - (d) the Filer believes that a substantial majority of the units of the Terminating Fund are ultimately held in tax-deferred registered plans, which are not generally affected by the tax consequences of a transaction such as the Proposed Merger. Unitholders of the Terminating Fund will be provided with

information about the tax consequences of the Proposed Merger in the Circular and will have the opportunity to consider such information prior to voting on the Proposed Merger.

Benefits of Proposed Merger

- W. The Filer believes the Proposed Merger to be in the best interests of unitholders of the Terminating Fund for the following reasons:
 - (a) The Continuing Fund will have a larger net asset value following the Proposed Merger, allowing for greater portfolio diversification opportunities than the Terminating Fund and the Continuing Fund would enjoy separately and the potential for reduced average portfolio transaction costs and a smaller proportion of assets set aside for fund redemptions;
 - (b) the Proposed Merger will result in a more streamlined and simplified product line-up that is easier for investors to understand;
 - (c) the combined management and fixed administration fees with respect to the Continuing Fund will be the same as (and in certain cases may be lower than) the combined management fee and fixed administration fee that are currently payable by unitholders of the Terminating Fund; and
 - (d) the Continuing Fund, as a result of its increased size, will benefit from a more significant profile in the marketplace.
- X. The Filer has determined that it would be in the best interests of the Funds and their investors and not prejudicial to the public interest to receive the Approval 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 Approval Sought is granted, provided that the Filer obtains the prior approval of the unitholders of the Terminating Fund for the Proposed Merger at a special meeting held for that purpose.

“Darren McKall”
Manager
Investment Funds & Structured Products Branch
Ontario Securities Commission

Application File #: 2021/0443
SEDAR Project # 3257663

2.1.5 Silver Heights Capital Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from subparagraphs 13.5(2)(b)(ii) and (iii) of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations to permit in-specie transfers between managed accounts and pooled funds – relief subject to usual conditions, such as consent of managed account clients to allow in-specie transfers, acceptability of portfolio assets to receiving fund or managed account portfolio manager, filer to keep written record of transfers, certain pricing conditions.

Applicable Legislative Provisions

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

September 13, 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
SILVER HEIGHTS CAPITAL MANAGEMENT INC.
(the Filer)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application requesting an exemption on behalf of the Filer pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) from the prohibition in subparagraphs 13.5(2)(b)(ii) and 13.5(2)(b)(iii) of NI 31-103 to permit specified *In-specie* Transfers (the **Exemption Sought**).

Under National Policy 11-203 *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 Alberta, British Columbia, Manitoba, Newfoundland and Labrador, Nova Scotia, Ontario, Québec and Saskatchewan (together with the Jurisdiction, the **Jurisdictions**).

Interpretation

Terms defined in MI 11-102, National Instrument 14-101 *Definitions*, National Instrument 81-102 *Investment Funds* (**NI 81-102**) and NI 31-103 have the same meanings in this decision, unless otherwise defined.

In addition:

Fund Securities means units of a Pooled Fund.

Future Pooled Fund means each investment fund that is established after the formation of the Initial Pooled Fund, and for which the Filer will act as the investment fund manager and adviser and which is not a reporting issuer.

In-specie Transfer means the Filer's actions to cause a Managed Account to deliver securities to a Pooled Fund in payment for the purchase by the Managed Account of Fund Securities of such Pooled Fund or to receive securities from the investment portfolio of a Pooled Fund in respect of a redemption of Fund Securities of such Pooled Fund in respect of the Managed Account.

Initial Pooled Fund means an investment fund of which the Filer will act as the investment fund manager and adviser and which is not a reporting issuer.

Managed Account means an existing or future account over which the Filer has discretionary authority for a client in its capacity as a registered adviser.

NI 81-102 means National Instrument 81-102 *Investment Funds*.

Pooled Funds means, collectively, the Initial Pooled Fund and the Future Pooled Funds.

Representations

The 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 is registered in each of the provinces of Alberta, British Columbia, Manitoba, Newfoundland and Labrador, Nova Scotia, Ontario, Québec and Saskatchewan as an adviser in the category of portfolio manager. The Filer is also registered in the category of investment fund manager in the

provinces of Ontario, Québec and Newfoundland and Labrador. It is registered as an exempt market dealer in the province of Ontario.

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

The Managed Accounts

4. The Filer enters into Managed Accounts with its clients. Each Managed Account is, or will be, managed pursuant to an investment management agreement or other documentation which is, or will be, executed by the 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.

Pooled Funds

5. The Filer wishes to manage certain accounts of its Managed Account clients within a Pooled Fund in order to achieve greater efficiencies for these Managed Account clients, including through reduced transaction costs and the ability to acquire institutional-size blocks of securities, that otherwise would need to be broken and re-assembled.
6. The Filer intends to establish the Initial Pooled Fund as a trust. The Filer will be the manager of the Pooled Funds. The Filer will act as trustee of the Pooled Funds, pursuant to Revised Approval 81-901 *Mutual Fund Trusts: Approval of Trustees Under Clause 213(3)(b) of the Loan and Trust Corporations Act* dated June 11, 2019.
7. The Filer wishes to invest existing and future Managed Accounts in one or more of the Pooled Funds, to the extent that a Pooled Fund's investment objectives are consistent with the investment objectives of the applicable Managed Accounts.

In-specie Transfers

8. When acting for a Managed Account of a client, the Filer wishes to be able, in accordance with the investment objectives and restrictions of the client, to cause the client's Managed Account to either invest in Fund Securities, or to redeem such securities, pursuant to an *In-specie* Transfer.
9. Establishing the Initial Pooled Fund and any Future Pooled Fund will, among other things, allow the Filer to manage certain accounts in a more efficient manner in accordance with the investment strategy for each account holder (which will be consistent with the investment objectives and strategy of the applicable Pooled Fund).
10. The Filer has determined that effecting the *In-specie* Transfers will allow the Filer to manage each

investment strategy more effectively and reduce transaction costs for Managed Account clients and the Pooled Fund, as applicable. For example, *In-specie* Transfers may:

- (i) reduce market impact costs, which can be detrimental to Managed Account clients and/or the Pooled Funds; and
 - (ii) allow the Filer as adviser to retain within its control institutional-size blocks of portfolio securities that otherwise would need to be broken and re-assembled.
11. The only cost which will be incurred by a Pooled Fund or a Managed Account for an *In-specie* Transfer is a nominal administrative charge levied by the custodian of the Pooled Fund in recording the trades and/or any commission or other transaction fees charged by the dealer (if any) executing the trade. The Filer will not receive any compensation in respect of an *In-specie* Transfer.
 12. At the time of each *In-specie* Transfer, the Filer will have in place policies and procedures governing such transactions, including the following:
 - (i) the Filer will have obtained the prior written consent of any applicable Managed Account client before it engages in any *In-specie* Transfer;
 - (ii) the portfolio securities transferred in an *In-specie* Transfer will be consistent with the investment criteria of the applicable Pooled Fund or Managed Account acquiring the portfolio securities;
 - (iii) with respect to the purchase of Fund Securities, the value of the portfolio securities transferred as payment for the purchase price in the *In-specie* Transfer will be at least equal to the issue price of the Fund Securities for which they are used as payment, valued as if the portfolio securities were portfolio assets of that Pooled Fund;
 - (iv) with respect to the redemption of Fund Securities, the value of the portfolio securities transferred as redemption proceeds in the *In-specie* Transfer will be equal to the amount at which those portfolio securities were valued by the Pooled Fund in calculating the net asset value per security used to establish the redemption price;
 - (v) the Filer will not cause any Pooled Fund or Managed Account to engage in an *In-specie* Transfer if the applicable Pooled Fund is not in compliance with the portfolio restrictions on the holding of illiquid securities described in section 2.4 of NI 81-102;

- (vi) each “illiquid asset” (as defined in NI 81-102) included in the *In-specie* Transfer will be transferred on a pro-rata basis that fairly represents the portfolio of the Pooled Fund or Managed Account, as applicable, and the Filer will obtain at least one quote for the asset from an independent arm’s length purchaser or seller;
 - (vii) the next account statement the Filer prepares for the applicable Managed Accounts will describe the portfolio securities delivered or received as part of the *In-specie* Transfer and the value assigned to those portfolio securities; and
 - (viii) each Pooled Fund will keep written records of each payment in its financial year, reflecting the details of the portfolio securities delivered to the Pooled Fund and the value assigned to the portfolio securities, in a reasonably accessible place for two years after the end of the financial year and for a further three years after the end of the financial year.
13. Absent the Exemption Sought, neither the Managed Accounts nor the Pooled Funds, nor the Filer, on their behalf, would be permitted to engage in *In-specie* Transfers due to the provisions of section 13.5(2)(b) of NI 31-103.

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 so long as:

- (a) if the *In-specie* Transfer is in respect of the purchase of Fund Securities by a Managed Account:
 - (i) the Filer has obtained the prior written consent of the Managed Account client before it engages in the *In-specie* Transfer;
 - (ii) the Pooled Fund would, at the time of payment, be permitted to purchase the securities that are the subject of the *In-specie* Transfer;
 - (iii) the securities are acceptable to the Filer as portfolio manager of the Pooled Fund and are consistent with the investment objectives of the Pooled Fund;
 - (iv) the value of the securities transferred to the Pooled Fund is at least equal to the issue price of
- (b) if the *In-specie* Transfer is in respect of the redemption of Fund Securities by a Managed Account:
 - (i) the Filer has obtained the prior written consent of the Managed Account client before it engages in the *In-specie* Transfer;
 - (ii) the securities are acceptable to the Filer as portfolio manager of the Managed Account and consistent with the Managed Account’s investment objectives;
 - (iii) the value of the 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;
 - (iv) the holder of the Managed Account has not provided notice to terminate its investment management agreement with the Filer;
 - (v) the account statement next prepared for the Managed Account describes the securities received from the Pooled Fund and the value assigned to such securities; and
 - (vi) the Pooled Funds keep written records of all *In-specie* Transfers during the financial year, reflecting details of the securities delivered by the Pooled Funds and the value assigned to such
- (v) the account statement next prepared for the Managed Account describes the securities delivered to the Pooled Fund and the value assigned to such securities; and
- (vi) each Pooled Fund keeps written records of all *In-specie* Transfers during the financial year of the Pooled Fund, reflecting details of the 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;
- the Fund Securities for which they are used as payment, valued as if the securities were portfolio assets of the Pooled Fund;

securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;

- (c) the Filer does not receive any compensation in respect of any sale or redemption of Fund Securities and the only cost which will be incurred by a Pooled Fund or a Managed Account for an *In-specie* Transfer is a nominal administrative charge levied by the custodian of the Pooled Fund in recording the trades and/or any commission or other transaction fees charged by the dealer (if any) executing the trade; and
- (d) should any In-specie Transfer 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 (as contemplated by commentary #7 to section 6.1 of National Instrument 81-107 *Independent Review Committee for Investment Funds*).

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

Application File #: 2021/0450

2.2 Orders

2.2.1 Trevor Rosborough et al.

File No. 2020-33

**IN THE MATTER OF
TREVOR ROSBOROUGH,
TAYLOR CARR AND
DMITRI GRAHAM**

Timothy Moseley, Vice-Chair and Chair of the Panel

September 13, 2021

ORDER

WHEREAS on September 13, 2021, the Ontario Securities Commission held a hearing by teleconference;

ON HEARING the submissions of the representatives for Staff of the Commission and Taylor Carr, and of Dmitri Graham appearing on his own behalf;

IT IS ORDERED THAT that following dates for the merits hearing are vacated: November 2, 3, 5, and 10, 2021. The merits hearing shall take place by videoconference and commence on November 8, 2021, at 10:00 a.m., and continue on November 11, 12, 15, 17, 18, 19, 22, 25, and 26, 2021, at 10:00 a.m. on each day, or on such other dates and times as may be agreed to by the Parties and set by the Office of the Secretary.

"Timothy Moseley"

2.2.2 Advantex Marketing International Inc.

Section 144 of the Securities Act (Ontario) – application for a full revocation of a cease trade order-issuer cease traded due to failure to file audited financial statements, related MD&A and certifications for the financial year ended June 30, 2019. Issuer has now filed all of its annual filings and is current with its CD record. Full revocation granted.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 144.

ADVANTEK MARKETING INTERNATIONAL INC.

**REVOCATION ORDER
Under the securities legislation of Ontario
(the Legislation)**

Background

1. Advantex Marketing International Inc. (the **Issuer**) is subject to a failure-to-file cease trade order (the **FFCTO**) issued by the Ontario Securities Commission (the **Principal Regulator**) on November 1, 2019.
2. The Issuer has applied to the Principal Regulator under National Policy 11-2017 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions (NP 11-207)* for an order revoking the FFCTO.

Interpretation

3. 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.

Representations

4. This decision is based on the following facts represented by the Issuer:
 - (a) The Issuer is a reporting issuer in the provinces of Ontario, British Columbia, Alberta, and Quebec and Ontario is the Principal Regulator;
 - (b) The FFCTO was issued by the Principal Regulator as a result of the Issuer's failure to file annual audited financial statements and related management discussion and analysis and certifications for the financial year ended June 30, 2019 (the **Annual Filings**);
 - (c) The FFCTO prohibits all trading in the securities of the Issuer until the FFCTO is revoked except that a beneficial securityholder of the Issuer who is not and was not at the date of the FFCTO, an insider or control person of the Issuer is permitted to sell securities of the Issuer

acquired prior to the date of the FFCTO if both of the following apply:

- (i) the sale is made through a "foreign organized regulated market", as defined in section 1.1 of the Universal Market Integrity Rules of the investment industry Regulatory Organization of Canada; and
- (ii) the sale is made through an investment dealer registered in a jurisdiction of Canada in accordance with applicable securities legislation;
- (d) No jurisdiction of Canada, other than Ontario, has issued a cease trade order in respect of the Issuer's securities;
- (e) The Issuer has now filed all of its Annual Filings, in addition to all filings for the year ended June 30, 2020 and the interim filings for the periods ended September 30, 2020, December 31, 2020, and March 31, 2021 and is therefore up to date with its filing requirements under National Instrument 51-102;
- (f) The Issuer is: (i) up-to-date with all of its continuous disclosure obligations; (ii) not in default of any requirements under applicable securities legislation or the rules and regulations made pursuant thereto in any of the Reporting Jurisdictions, except for the existence of the FFCTO; and (iii) not in default of any of its obligations under the FFCTO;
- (g) The Issuer's issuer profile on the System for Electronic Document Analysis and Retrieval (SEDAR) and issuer profile supplement on the System for Electronic Disclosure by Insiders (SEDI) are current and accurate;
- (h) The Issuer has paid all outstanding activity, participating and late filing fees that are required to be paid and has filed all forms associated with such payments;
- (i) Since the issuance of the FFCTO, there have not been any material changes in the business, operations or affairs of the Issuer that have not been disclosed by news release and/or material change report filed on SEDAR;
- (j) Upon the issuance of this revocation order the Issuer will issue a news release announcing the revocation of the FFCTO, and concurrently file the news release on SEDAR.

Order

5. The Principal Regulator is satisfied that the order to revoke the FFCTO meets the test set out in the Legislation for the Principal Regulator to make the decision.
6. The decision of the Principal Regulator under the Legislation is that the FFCTO is revoked.

DATED this day of June 2021.

“Lina Creta”
Manager, Corporate Finance
Ontario Securities Commission

2.2.3 Aux Cayes Fintech Co. Ltd.

File No. 2021-29

**IN THE MATTER OF
AUX CAYES FINTECH CO. LTD.**

Wendy Berman, Vice-Chair and Chair of the Panel

September 13, 2021

ORDER

WHEREAS the Ontario Securities Commission held a hearing in writing;

ON CONSIDERING the joint submission from Staff of the Commission (**Staff**) and Aux Cayes Fintech Co. Ltd. (the **Respondent**) in respect of a proposed timeline for certain steps in this proceeding;

IT IS ORDERED THAT:

1. pursuant to section 5.1 of the *Statutory Powers Procedure Act*, RSO 1990, c S.22 and Rule 23(3) of the *Commission’s Rules of Procedure and Forms*, (2019) 42 OSCB 9714 the first attendance scheduled for September 15, 2021 is held in writing;
2. Staff shall disclose to the Respondent non-privileged relevant documents and things in the possession or control of Staff, by 4:30 p.m. on October 15, 2021;
3. the Respondent shall serve and file a motion, if any, regarding Staff’s disclosure or seeking disclosure of additional documents, by 4:30 p.m. on January 4, 2022;
4. Staff shall serve and file a witness list, and serve a summary of each witness’ anticipated evidence on the Respondent, and indicate any intention to call an expert witness, including providing the expert’s name and the issues on which the expert will give evidence, by 4:30 p.m. on January 7, 2022; and
5. a further attendance in this matter is scheduled for January 13, 2022 at 10:00 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”

2.4 Rulings

2.4.1 Merrill Lynch Canada Inc. – ss. 38(1), 78(1) of the CFA

Headnote

Application for a ruling pursuant to section 38 of the Commodity Futures Act granting relief from the dealer registration requirement in section 22 of the CFA to allow the Filer, an investment dealer and member of the Investment Industry Regulatory Organization of Canada (IIROC), to use employees of certain Designated Foreign Affiliates for “after-hours trading” in commodity futures contracts and commodity futures options on the Bourse de Montréal Inc. – Relief granted, subject to terms and conditions.

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 22(1), 38(1) and 78(1).

September 7, 2021

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, c. C. 20, AS AMENDED
(the CFA)

AND

IN THE MATTER OF
MERRILL LYNCH CANADA INC.
(the Filer)

RULING
(Subsections 38(1) and 78(1) of the CFA)

UPON the application (the **Application**) of the Filer to the Ontario Securities Commission (the **Commission**) for a ruling of the Commission, pursuant to subsection 38(1) of the CFA, that the Designated Foreign Affiliate Employees (as defined below) of the Filer are not subject to the dealer registration requirement in the CFA when conducting Extended Hours Activities (as defined below) on the Bourse de Montréal Inc. (the **MX**), subject to the terms and conditions set out below (the **Exemption Sought**).

AND WHEREAS the Commission granted a decision dated October 5, 2018 (the **Original Decision**), pursuant to subsection 38(1) of the CFA, providing relief in connection with certain Extended Hours Activities in respect of MLI. The Filer has also applied for an order pursuant to subsection 78(1) of the CFA to revoke the Original Decision as of the date hereof.

AND WHEREAS for the purposes of this ruling (the **Decision**):

- (i) “dealer registration requirement in the CFA” means the provisions of section 22 of the CFA that prohibit a person or company from trading in commodity futures contracts or commodity futures options (as those terms are defined in subsection 1(1) of the

CFA) unless the person or company satisfies the applicable provisions of subsection 22(1)(a) of the CFA;

- (ii) terms used in this Decision that are defined in the *Securities Act* (Ontario) (**OSA**), and not otherwise defined in this Decision or in the CFA, shall have the same meaning as in the OSA, unless the context otherwise requires;

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Filer having represented to the Commission and the Director as follows:

The Filer

1. The Filer is a corporation formed under the laws of Canada. The head office of the Filer is located in Toronto, Ontario.
2. The Filer is registered as an investment dealer under the securities legislation of all the provinces and territories of Canada except Nunavut; is registered as a futures commission merchant under the commodity futures legislation of Ontario and Manitoba; and is registered as a derivatives dealer under the derivatives legislation of Québec.
3. The Filer is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**) and the TSX Venture Exchange, an approved participant of the MX and a participating organization of the Toronto Stock Exchange.
4. The Filer is not in default of securities, derivatives or commodity futures legislation in any jurisdiction of Canada.
5. Merrill Lynch International (**MLI**) is a private unlimited company incorporated in England and Wales. The head office of MLI is located in London, England.
6. Merrill Lynch (Australia) Futures Limited (**ML Australia**) is an Australian public company. The head office of ML Australia is located in Sydney, New South Wales, Australia.
7. Merrill Lynch Far East Limited (**ML Hong Kong** and together with MLI and ML Australia, the **Designated Foreign Affiliates**) is a company incorporated in Hong Kong. The head office of ML Hong Kong is located in Hong Kong.
8. The Filer, MLI, ML Australia and ML Hong Kong are each a wholly-owned indirect subsidiary of Bank of America Corporation.
9. MLI is a United Kingdom-based broker dealer, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority.

10. MLI holds memberships and/or has third-party clearing relationships with commodity and financial futures exchanges and clearing associations, including the London Stock Exchange. It also carries positions reflecting trades executed on other exchanges through affiliates and/or third-party clearing brokers.
11. MLI provides a variety of investment banking, market making, and brokerage services, including fixed income and equity for governments, corporations, financial institutions and other clients. MLI also conducts proprietary trading activities.
12. ML Australia is a futures broker licensed and regulated by the Australian Securities & Investments Commission to carry out regulated activities such as dealing in securities and derivatives.
13. ML Australia is a trading participant on ASX 24 and a clearing participant on ASX Clear (Futures) Pty Ltd.
14. ML Hong Kong is licensed with the Securities and Futures Commission of Hong Kong to carry out regulated activities including Dealing in Securities and Dealing in Futures Contracts. ML Hong Kong is an Options Trading Exchange Participant with Stock Exchange of Hong Kong, a Futures Commissions Merchant with Hong Kong Futures Exchange and a General Clearing Participant with HKFE Clearing Corporation and the SEHK Options Clearing House. In addition, ML Hong Kong is a clearing member of Hong Kong Securities Clearing Company Limited for listed securities.
15. The Filer wishes to make use of certain designated employees of the Designated Foreign Affiliates (the **Designated Foreign Affiliate Employees**) certified under applicable laws of the United Kingdom, Australia or Hong Kong, as applicable, in a category that permits trading the types of products which they would be trading on the MX to handle trading requests on the MX from the Filer's clients and the Filer on a proprietary basis during the MX's extended trading hours from 4:30 p.m. Eastern Time (ET) (t-1) to 6:00 a.m. ET each day on which the MX is open for trading (the **Extended Hours Activities**).
- The MX Extended Trading Hours Amendments*
16. The MX, based in Montréal, Québec, operates an exchange for options, commodity futures contracts and commodity futures options, and offers access to trading in those to market participants in Canada.
17. On July 9, 2018, the MX announced that the MX had approved amendments to its rules and procedures in order to accommodate the extension of the MX's trading hours (the **Initial Extended Hours Initiative**). As a result of these amendments, since October 9, 2018, trading of certain products on the MX commences at 2:00 a.m. ET rather than the previous 6:00 a.m. ET.
18. As set out in MX Circular 111-18, in order to accommodate this earlier trading, the MX amended its rules to allow participants on the MX to have employees of affiliated corporations, including foreign affiliates, become an approved person of the MX participant and thus be able to handle trading requests originating from the MX participant's clients or the MX participant on a proprietary basis. In furtherance of the Initial Extended Hours Initiative, the Filer sought and obtained the Original Decision.
19. On March 17, 2020, the MX announced that the MX had approved non-material amendments to its rules and procedures in order to accommodate the further extension of the MX's trading hours (the **Asian Trading Hours Initiative**). As a result of these amendments, it is anticipated that, following the self-certification process under the *Derivatives Act* (Québec) applicable to self-regulatory organizations such as the MX, trading of certain products on the MX will commence at 8:00 p.m. ET (t-1) rather than the current 2:00 a.m. ET. These amendments are considered non-material insofar as the framework put in place in connection with the Initial Extended Hours Initiative will apply to the Asian Trading Hours Initiative, allowing participants on the MX to have employees of affiliated corporations, including foreign affiliates, become an approved person of the MX participant and thus be able to handle trading requests originating from the MX participant's clients or the MX participant on a proprietary basis. See MX Circular 135-20
20. On February 4, 2021, the MX announced a proposed launch date of May 30, 2021 for the Asian Trading Hours Initiative, which has since been rescheduled to September 19, 2021. See MX Circulars 024-21 and 063-21.
- Application of the dealer registration requirement in the CFA to Designated Foreign Affiliate Employees*
21. The Filer is an MX approved participant and each of the Designated Foreign Affiliates is an affiliate of the Filer. The Filer wishes to make use of the Designated Foreign Affiliate Employees to conduct the Extended Hours Activities.
22. The dealer registration requirement in the CFA requires an individual to be registered to act as a dealing representative on behalf of a registered firm. The Exemption Sought is intended to provide the Filer with an exemption from (i) the requirement that the Filer use only registered dealing representatives to conduct the Extended Hours Activities; and (ii) the requirement that the Designated Foreign Affiliate Employees who will be conducting the Extended Hours Activities be registered as dealing representatives of the Filer.

23. The Filer seeks an exemption from the dealer registration requirement in the CFA because, in the absence of such exemption, each Designated Foreign Affiliate Employee who was to trade on behalf of the Filer would be required to become individually registered and licensed in Canada. The Filer believes this is duplicative since the Designated Foreign Affiliate Employees are certified or authorized, as applicable, under applicable United Kingdom, Australian or Hong Kong law, and will be supervised by the Filer's Designated Supervisors (as defined below) and are otherwise subject to the conditions set forth below. The Filer believes the dealer registration requirement in the CFA is unduly onerous in light of the limited trading activities the Designated Foreign Affiliate Employees will be conducting and only during the period from 4:30 p.m. ET (t-1) to 6:00 a.m. ET.
24. The Filer has also applied to, and obtained from, IIROC an exemption from the registered representative requirements that are found in IIROC Dealer Member Rules 18.2 and 500 and the requirement to enter into an employee or agent relationship with the person conducting securities related business on its behalf that is found in IIROC Dealer Member Rule 39.3 (the **IIROC Relief**).
25. The IIROC Relief obtained by the Filer is subject to certain conditions, including:
- (a) The Designated Foreign Affiliate Employees must be registered, licensed, certified or authorized and subject to equivalent regulatory supervision in the United Kingdom, Australia or Hong Kong, as applicable in a category that permits trading the types of products which they will be trading on the MX.
 - (b) The Designated Foreign Affiliate Employees may only accept and enter orders from clients of the Filer or orders from the Filer on a proprietary basis during the period from 4:30 p.m. ET (t-1) to 6:00 a.m. ET, subject to the MX trading rules being modified to allow for trading to commence at 4:30 p.m. ET (t-1) rather than 8:00 p.m. ET (t-1) as contemplated by the Asian Trading Hours Initiative, and are not permitted to provide advice.
 - (c) The actions of the Designated Foreign Affiliate Employees must be supervised by Canadian based registered Supervisors qualified to supervise the relevant trading (including futures contracts, futures contract options and options) (the **Designated Supervisors**).
 - (d) The Filer must establish and maintain written policies and procedures that address the performance and supervision requirements relating to this extended trading hours arrangement.
 - (e) The Filer and each Designated Foreign Affiliate must jointly and severally undertake to ensure IIROC has, upon request, prompt access to the audit trail of all trades, wherever located, that relate to Extended Hours Activities at each Designated Foreign Affiliate, and records evidencing the supervision of such activities.
 - (f) The Filer retains all responsibilities for its client accounts.
 - (g) The Filer and each Designated Foreign Affiliate Employee must enter into an agency agreement pursuant to which the Filer would assume all responsibility for the actions of the Designated Foreign Affiliate Employee and of the Designated Foreign Affiliates that relate to the Filer's clients and the Filer would be liable under IIROC rules for such actions.
 - (h) All MX trading rules will apply to orders entered by the Designated Foreign Affiliate Employees.
 - (i) All other existing Canadian regulatory requirements continue to apply, including:
 - i. the Filer's client accounts would continue to be carried on the books of the Filer;
 - ii. all communications with the Filer's clients will continue to be in the name of the Filer; and
 - iii. the Filer's client account monies, security and property will continue to be held by the Filer.
 - (j) The Filer must disclose this extended trading hours arrangement to its clients and provide specific instructions concerning the placement of orders relating to the extended trading hours arrangement.
 - (k) The Filer must provide, in writing to IIROC, the names of the foreign affiliate(s) and all Designated Foreign Affiliate Employees authorised to accept and enter orders from the Filer's clients on behalf of the Filer under the extended trading hours arrangement. Such individuals are subject to IIROC's "fit and proper" review and IIROC Registration staff may refuse their participation in this extended trading hours arrangement.
 - (l) The Filer must provide, in writing to IIROC, timely updates to the list of Designated Foreign Affiliate Employees, and confirm any changes on at least an annual basis.

AND UPON the Commission being satisfied that it would not be prejudicial to the public interest to do so;

IT IS RULED pursuant to subsection 78(1) of the CFA that the Original Decision is revoked;

AND IT IS RULED pursuant to subsection 38(1) of the CFA that the Exemption Sought is granted, so long as:

- (a) the Designated Foreign Affiliates and the Designated Foreign Affiliate Employees are registered, licensed, certified or authorized under the applicable laws of the foreign jurisdiction in which the head office or principal place of business of the Designated Foreign Affiliate is located in a category that permits trading the type of products which the Designated Foreign Affiliate Employees will be trading on the MX;
- (b) the Designated Foreign Affiliate Employees are permitted to accept and enter orders from clients of the Filer or orders from the Filer on a proprietary basis during the period from 4:30 p.m. ET (t-1) to 6:00 a.m. ET, and will not be permitted to give advice;
- (c) the Filer retains all responsibilities for its client accounts;
- (d) the actions of the Designated Foreign Affiliate Employees will be supervised by the Designated Supervisors, each of whom is qualified to supervise trading in futures contracts, futures contract options and options;
- (e) the Filer and the Designated Foreign Affiliate Employees enter into an agency agreement substantially as described in paragraph 25(g), and such agreement remains in effect;
- (f) in respect of Designated Foreign Affiliate of ML Hong Kong, the Exemption Sought is conditional upon IIROC accepting applicable Hong Kong law as equivalent to that of IIROC and the Canadian Securities Administrators; and
- (g) the Filer remains in compliance with the terms and conditions of the IIROC Relief.

“Lawrence Haber”
Commissioner
Ontario Securities Commission

“Craig Hayman”
Commissioner
Ontario Securities Commission

Application File #: 2021/0203

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
Avicanna Inc.	June 11, 2021	September 10, 2021
Stans Energy Corp.	May 5, 2021	September 9, 2021
Veritas Pharma Inc.	September 3, 2021	September 8, 2021

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
THERE IS NOTHING TO REPORT THIS WEEK.		

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
Akumin Inc.	August 20, 2021	
Agrios Global Holdings Ltd.	September 17, 2020	
New Wave Holdings Corp.	August 3, 2021	
Reservoir Capital Corp.	May 5, 2021	
Aion Therapeutic Inc.	September 1, 2021	

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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:

Purpose Structured Equity Yield Plus Portfolio
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated Sep 9, 2021
NP 11-202 Final Receipt dated Sep 10, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3258671

Issuer Name:

Canada Life Global Resources Fund
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated Sep 8, 2021
NP 11-202 Final Receipt dated Sep 10, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3255159

Issuer Name:

Vanguard Global Balanced Fund
Vanguard Global Credit Bond Fund
Vanguard Global Dividend Fund
Vanguard Global Equity Fund
Vanguard International Growth Fund
Vanguard Windsor U.S. Value Fund
Principal Regulator – Ontario

Type and Date:

Combined Preliminary and Pro Forma Simplified Prospectus
dated Sep 7, 2021
NP 11-202 Final Receipt dated Sep 8, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3250938

Issuer Name:

Franklin Bissett Money Market Fund
Franklin U.S. Opportunities Fund
Principal Regulator - Ontario

Type and Date:

Amendment #2 to Final Simplified Prospectus dated
September 8, 2021
NP 11-202 Final Receipt dated Sep 10, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3160780

Issuer Name:

Horizons Active ESG Corporate Bond ETF
Horizons Emerging Markets Leaders ETF
Principal Regulator – Ontario

Type and Date:

Preliminary Long Form Prospectus dated Sep 7, 2021
NP 11-202 Final Receipt dated Sep 10, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3257898

Issuer Name:

Dynamic Active Canadian Dividend ETF
Dynamic Active Crossover Bond ETF
Dynamic Active Global Dividend ETF
Dynamic Active Preferred Shares ETF
Dynamic Active U.S. Dividend ETF
Dynamic Active Tactical Bond ETF
Dynamic Active U.S. Mid-Cap ETF
Dynamic Active Global Financial Services ETF
Dynamic Active Investment Grade Floating Rate ETF
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Long Form Prospectus dated September 8, 2021

NP 11-202 Final Receipt dated Sep 10, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3152760

Issuer Name:

RBC Global Dividend Growth Fund
RBC Global Dividend Growth Currency Neutral Fund
RBC Global Equity Fund
RBC Global Equity Focus Fund
RBC Global Equity Focus Currency Neutral Fund
RBC Global Equity Leaders Fund
RBC Vision Balanced Fund
RBC Vision Global Equity Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated September 7, 2021

NP 11-202 Final Receipt dated Sep 10, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3226001

Issuer Name:

IA Wealth Enhanced Bond Pool
IA Clarington Monthly Income Balanced Fund
IA Clarington Global Value Fund
IA Clarington Inhance Global Equity SRI Class
IA Wealth Balanced Portfolio
IA Wealth Conservative Portfolio
IA Wealth Growth Portfolio
IA Wealth High Growth Portfolio
IA Wealth Moderate Portfolio
Principal Regulator - Quebec

Type and Date:

Amendment #1 to Final Simplified Prospectus dated September 1, 2021

NP 11-202 Final Receipt dated Sep 8, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3220066

Issuer Name:

Phillips, Hager & North Overseas Equity Fund
Phillips, Hager & North Currency-Hedged Overseas Equity Fund
Phillips, Hager & North Global Equity Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated September 7, 2021

NP 11-202 Final Receipt dated Sep 8, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3224954

Issuer Name:

Desjardins Global Equity Growth Fund
Desjardins SocieTerra Diversity Fund
Principal Regulator - Quebec

Type and Date:

Amendment to Final Simplified Prospectus dated

NP 11-202 Final Receipt dated Sep 8, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3136142

Issuer Name:

Franklin ClearBridge U.S. Sustainability Leaders Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated
September 8, 2021

NP 11-202 Final Receipt dated Sep 10, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3218448

Issuer Name:

Phillips, Hager & North Overseas Equity Class
RBC Global Equity Class
Principal Regulator - Ontario

Type and Date:

Amendment #2 to Final Simplified Prospectus dated
September 2, 2021

NP 11-202 Final Receipt dated Sep 8, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3112860

Issuer Name:

Franklin Innovation Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus and
Amendment #2 to AIF dated September 8, 2021

NP 11-202 Final Receipt dated Sep 9, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3139143

Issuer Name:

Desjardins Money Market Fund
Desjardins Canadian Bond Fund
Desjardins SocieTerra Canadian Bond Fund
Desjardins Enhanced Bond Fund
Desjardins Global Total Return Bond Fund
Desjardins SocieTerra Environmental Bond Fund
Desjardins Global Corporate Bond Fund
Desjardins Global Balanced Growth Fund (formerly
Desjardins

Tactical Balanced Fund

Desjardins Québec Balanced Fund

Desjardins Global Balanced Strategic Income Fund

Desjardins Dividend Income Fund

Desjardins Dividend Growth Fund

Desjardins Canadian Equity Income Fund

Desjardins Canadian Small Cap Equity Fund

Desjardins American Equity Value Fund

Desjardins American Equity Growth Fund

Desjardins American Equity Growth Currency Neutral Fund

Desjardins SocieTerra American Equity Fund

Desjardins Overseas Equity Fund

Desjardins Overseas Equity Growth Fund

Desjardins SocieTerra International Equity Fund

Desjardins Global Equity Fund

Desjardins SocieTerra Environment Fund

Desjardins SocieTerra Positive Change Fund

Desjardins Global Infrastructure Fund

Melodia Very Conservative Income Portfolio

Melodia Conservative Income Portfolio

Melodia Moderate Income Portfolio

Melodia Diversified Income Portfolio

Melodia Moderate Growth Portfolio

Melodia Diversified Growth Portfolio

Melodia Balanced Growth Portfolio

Melodia Maximum Growth Portfolio

Melodia 100% Equity Growth Portfolio

SocieTerra Conservative Portfolio

SocieTerra Moderate Portfolio

SocieTerra Balanced Portfolio

SocieTerra Growth Portfolio

SocieTerra Maximum Growth Portfolio

SocieTerra 100% Equity Portfolio

Chorus II 100% Equity Growth Portfolio

Principal Regulator - Quebec

Type and Date:

Amendment #2 to Final Simplified Prospectus dated
September 1, 2021

NP 11-202 Final Receipt dated Sep 9, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3167530

Issuer Name:

Dividend 15 Split Corp.
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated September 10, 2021 to Final Shelf
Prospectus (NI 44-102) dated July 3, 2020
Received on September 10, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3073796

Issuer Name:

Sprott Physical Uranium Trust
Principal Regulator - Ontario

Type and Date:

Amendment dated September 9, 2021 to Final Shelf
Prospectus (NI 44-102) dated August 10, 2021
Received on September 9, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3257748

Issuer Name:

Dividend 15 Split Corp.
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated September 10, 2021 to Final Shelf
Prospectus (NI 44-102) dated July 3, 2020
NP 11-202 Receipt dated September 10, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3073796

Issuer Name:

Sprott Physical Uranium Trust
Principal Regulator - Ontario

Type and Date:

Amendment dated September 9, 2021 to Final Shelf
Prospectus (NI 44-102) dated August 10, 2021
NP 11-202 Receipt dated September 10, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3257748

NON-INVESTMENT FUNDS

Issuer Name:

Burin Gold Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated September 3, 2021

NP 11-202 Preliminary Receipt dated September 7, 2021

Offering Price and Description:

[\$*] Up to [*] Units at a price of \$[*] per Unit Up to [*] FT Shares at a price of \$[*] per FT Share

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3276288

Issuer Name:

CanadaBis Capital Inc.
Principal Regulator - Alberta

Type and Date:

Amendment dated September 7, 2021 to Preliminary Short Form Prospectus dated June 8, 2021

NP 11-202 Preliminary Receipt dated September 7, 2021

Offering Price and Description:

Minimum Public Offering: \$2,000,000.00 - 15,384,615 Units

Maximum Public Offering: \$5,000,000.00 - 38,461,538

Units Price: \$0.13 per Unit

Underwriter(s) or Distributor(s):

LEED JONES GABLE INC.

Promoter(s):

-

Project #3233988

Issuer Name:

Canadian Imperial Bank of Commerce
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated September 3, 2021

NP 11-202 Preliminary Receipt dated September 7, 2021

Offering Price and Description:

\$7,000,000,000.00

Medium Term Notes (Principal at Risk Structured Notes)

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3276343

Issuer Name:

Electrovaya Inc.
Principal Regulator - Ontario

Type and Date:

Amendment dated September 8, 2021 to Preliminary Shelf Prospectus dated June 9, 2021

NP 11-202 Preliminary Receipt dated September 9, 2021

Offering Price and Description:

Common Shares

Debt Securities

Subscription Receipts

Warrants

Units

USD \$100,000,000.00

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3237009

Issuer Name:

First and Goal Capital Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated September 10, 2021

NP 11-202 Preliminary Receipt dated September 10, 2021

Offering Price and Description:

Minimum Offering: \$400,000.00 or 4,000,000 Common Shares

Maximum Offering: \$750,000.00 or 7,500,000 Common Shares

Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Richardson Wealth Limited

Promoter(s):

-

Project #3277937

Issuer Name:

Freehold Royalties Ltd.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated September 10, 2021

NP 11-202 Preliminary Receipt dated September 10, 2021

Offering Price and Description:

\$150,049,000.00

16,580,000 Subscription Receipts, each representing the right to receive one Common Share

Price: \$9.05 per Subscription Receipt

Underwriter(s) or Distributor(s):

RBC DOMINION SECURITIES INC.

TD SECURITIES INC.

CIBC WORLD MARKETS INC.

PETERS & CO. LIMITED

ATB CAPITAL MARKETS INC.

NATIONAL BANK FINANCIAL INC.

SCOTIA CAPITAL INC.

DESJARDINS SECURITIES INC.

BMO NESBITT BURNS INC.

CANACCORD GENUITY CORP.

RAYMOND JAMES LTD.

ACUMEN CAPITAL FINANCE PARTNERS LIMITED

EIGHT CAPITAL

IA PRIVATE WEALTH INC.

Promoter(s):

-

Project #3277212

Issuer Name:

FRNT Financial Inc.

Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated September 7, 2021

NP 11-202 Preliminary Receipt dated September 8, 2021

Offering Price and Description:

4,000,000 Common Shares

\$1.50 per Common Share

Underwriter(s) or Distributor(s):

PI Financial Corp.

Promoter(s):

Stéphane Ouellette

Adam Rabie

Project #3276874

Issuer Name:

Great Oak Enterprises Ltd.

Type and Date:

Preliminary Long Form Prospectus dated September 9, 2021

(Preliminary) Received on September 10, 2021

Offering Price and Description:

No securities are being offered pursuant to this Prospectus.

Underwriter(s) or Distributor(s):

-

Promoter(s):

Phuong Dinh

Project #3277893

Issuer Name:

New Media Capital 2.0 Inc.

Principal Regulator - Alberta

Type and Date:

Preliminary CPC Prospectus dated September 3, 2021

NP 11-202 Preliminary Receipt dated September 7, 2021

Offering Price and Description:

\$500,000.00 (5,000,000 Common Shares)

Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Haywood Securities Inc.

Promoter(s):

-

Project #3276423

Issuer Name:

Organic Garage Ltd.

Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated September 7, 2021

NP 11-202 Preliminary Receipt dated September 9, 2021

Offering Price and Description:

C\$15,000,000.00

Common Shares

Warrants

Units

Subscription Receipts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3277121

Issuer Name:

WELL Health Technologies Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Shelf Prospectus dated September 7, 2021
NP 11-202 Preliminary Receipt dated September 8, 2021

Offering Price and Description:

\$500,000,000.00
Common Shares
Warrants
Subscription Receipts
Units
Debt Securities
Share Purchase Contracts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3276835

Issuer Name:

Aris Gold Corporation (formerly Caldas Gold Corp.)
Principal Regulator - British Columbia

Type and Date:

Final Shelf Prospectus dated September 7, 2021
NP 11-202 Receipt dated September 8, 2021

Offering Price and Description:

C\$300,000,000.00
Common Shares
Preferred Shares
Debt Securities
Subscription Receipts
Convertible Securities
Warrants
Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3264678

Issuer Name:

Canada Silver Cobalt Works Inc.
Principal Regulator - British Columbia

Type and Date:

Final Shelf Prospectus dated September 7, 2021
NP 11-202 Receipt dated September 7, 2021

Offering Price and Description:

\$30,000,000.00
Common Shares
Preference Shares
Subscription Receipts
Warrants
Debt Securities
Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3261948

Issuer Name:

CARDS II Trust
Principal Regulator - Ontario

Type and Date:

Final Shelf Prospectus dated September 8, 2021
NP 11-202 Receipt dated September 9, 2021

Offering Price and Description:

Up to \$8,000,000,000.00
Credit Card Receivables Backed Notes
Rates on Application

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

Promoter(s):

Canadian Imperial Bank of Commerce

Project #3267362

Issuer Name:

Decibel Cannabis Company Inc.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated September 9, 2021
NP 11-202 Receipt dated September 9, 2021

Offering Price and Description:

\$13,050,000.00
45,000,000 Units
Price: \$0.29 per Offered Unit

Underwriter(s) or Distributor(s):

EIGHT CAPITAL
RAYMOND JAMES LTD.
HAYWOOD SECURITIES INC.

Promoter(s):

-

Project #3269298

Issuer Name:

Delta 9 Cannabis Inc.
Principal Regulator - Manitoba

Type and Date:

Final Shelf Prospectus dated September 9, 2021
NP 11-202 Receipt dated September 10, 2021

Offering Price and Description:

\$20,000,000.00
Common Shares
Debt Securities
Warrants
Subscription Receipts
Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3267063

Issuer Name:

Enbridge Gas Inc.
Principal Regulator - Ontario

Type and Date:

Final Shelf Prospectus dated September 8, 2021
NP 11-202 Receipt dated September 9, 2021

Offering Price and Description:

\$2,000,000,000.00
MEDIUM TERM NOTES (UNSECURED

Underwriter(s) or Distributor(s):

TD Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.

Promoter(s):

-

Project #3275164

Issuer Name:

Great Panther Mining Limited
Principal Regulator - British Columbia

Type and Date:

Final Shelf Prospectus dated September 8, 2021
NP 11-202 Receipt dated September 10, 2021

Offering Price and Description:

US\$150,000,000.00

Common Shares

Warrants

Debt Securities

Units

Subscription Receipts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3258597

Issuer Name:

Greenway Greenhouse Cannabis Corporation

Type and Date:

Final Long Form Prospectus dated September 3, 2021
Received on September 7, 2021

Offering Price and Description:

No securities are being offered pursuant to this Prospectus.

Underwriter(s) or Distributor(s):

-

Promoter(s):

Jamie D'Alimonte
Darren Peddle
Carl Mastronardi

Project #3237431

Issuer Name:

Quisitive Technology Solutions, Inc.
Principal Regulator - Ontario

Type and Date:

Amendment dated September 10, 2021 to Final Shelf
Prospectus dated June 12, 2020

NP 11-202 Receipt dated September 10, 2021

Offering Price and Description:

\$500,000,000.00

Common Shares

Debt Securities

Subscription Receipts

Warrants

Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3059059

Issuer Name:

Standard Lithium Ltd.
Principal Regulator - British Columbia

Type and Date:

Final Shelf Prospectus dated September 10, 2021
NP 11-202 Receipt dated September 10, 2021

Offering Price and Description:

US\$250,000,000.00

Common Shares

Preferred Shares

Debt Securities

Subscription Receipts

Warrants

Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3264996

Issuer Name:

The Very Good Food Company Inc.
Principal Regulator - British Columbia

Type and Date:

Final Shelf Prospectus dated September 3, 2021
NP 11-202 Receipt dated September 7, 2021

Offering Price and Description:

Common Shares

Warrants

Debt Securities

Subscription Receipts

Units

\$100,000,000.00

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3261589

Issuer Name:

Topaz Energy Corp.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated September 10, 2021
NP 11-202 Receipt dated September 10, 2021

Offering Price and Description:

\$108,150,000.00
7,000,000 Common Shares
Price: \$15.45 per Common Share

Underwriter(s) or Distributor(s):

PETERS & CO. LIMITED
BMO NESBITT BURNS INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
STIFEL NICOLAUS CANADA INC.
TD SECURITIES INC.

Promoter(s):

TOURMALINE OIL CORP.

Project #3273761

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: T.I.P. Wealth Manager Inc. To: Q Cantar Holdings Inc.	Investment Fund Manager, Exempt Market Dealer and Portfolio Manager	June 11, 2021
Voluntary Surrender	Greypoint Capital Inc.	Exempt Market Dealer	September 13, 2021

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 Neo Exchange Inc. – Public Interest Rule Amendments to the Trading Policies – Notice of Approval

NEO EXCHANGE INC.

TRADING POLICIES AMENDMENTS

NOTICE OF APPROVAL

In accordance with the *Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto*, Neo Exchange Inc. ("**NEO Exchange**") has adopted and the Ontario Securities Commission has approved Public Interest Rule Amendments to the NEO Exchange Trading Policies.

On July 29, 2021, NEO Exchange published for comment the Public Interest Rule Amendments relating to the addition of Minimum Price Improvement Orders and an Odd Lot Facility to NEO-D. For additional detail, please refer to the Request for Comments published on July 29, 2021. No comments were received.

A copy of the Trading Policies can be found on the NEO Exchange website.

Neo intends to implement the Public Interest Rule Amendments on November 15, 2021.

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