The Ontario Securities Commission

OSC Bulletin

November 28, 2019

Volume 42, Issue 48

(2019), 42 OSCB

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)

The Ontario Securities Commission
Cadillac Fairview Tower
22nd Floor, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

416-593-8314 or Toll Free 1-877-785-1555

Contact Centre – Inquiries, Complaints:

Office of the Secretary:

Published under the authority of the Commission by:
Thomson Reuters
One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
M1T 3V4

416-609-3800 or 1-800-387-5164

Fax: 416-593-8122
TTY: 1-866-827-1295

Fax: 416-593-2318

THOMSON REUTERS®

30878027

The OSC Bulletin is published weekly by Thomson Reuters Canada, under the authority of the Ontario Securities Commission.

Printed in the United States by Thomson Reuters.

ISSN 0226-9325

One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
M1T 3V4

Customer Support
1-416-609-3800 (Toronto & International)
1-800-387-5164 (Toll Free Canada & U.S.)
Fax 1-416-298-5082 (Toronto)
Fax 1-877-750-9041 (Toll Free Canada Only)
Email CustomerSupport.LegalTaxCanada@TR.com

Table of Contents

Chapter 1

Notices

1.1 Notices

1.1.1 Notice of Memorandum of Understanding – Cooperation and the Exchange of Information Related to the Supervision of Regulated Entities Operating in Ontario and the Netherlands

NOTICE OF MEMORANDUM OF UNDERSTANDING

COOPERATION AND THE EXCHANGE OF INFORMATION RELATED TO THE SUPERVISION OF REGULATED ENTITIES OPERATING IN ONTARIO AND THE NETHERLANDS

The Ontario Securities Commission has recently entered into a Memorandum of Understanding with the Autoriteit Financiële Markten concerning regulatory cooperation related to the supervision and oversight of regulated entities operating in Ontario and the Netherlands (the "MOU"). The MOU provides a comprehensive framework for consultation, cooperation and information-sharing related to the day-to-day supervision and oversight of regulated entities and enhances the OSC's ability to supervise these entities.

The MOU is subject to the approval of the Minister of Finance.

Questions may be referred to:

Keir Wilmut
Legal Counsel
Market Regulation
416-593-8243
kwilmut@osc.gov.on.ca

MEMORANDUM OF UNDERSTANDING ("MOU") CONCERNING COOPERATION AND THE EXCHANGE OF INFORMATION RELATED TO THE SUPERVISION OF CROSS-BORDER COVERED ENTITIES, among:

Ontario Securities Commission

Autoriteit Financiële Markten

In view of the growing globalization of the world's financial markets and the increase in cross-border operations and activities of regulated entities, the Ontario Securities Commission and the Autoriteit Financiële Markten (collectively, "**the Authorities**") have reached this Memorandum of Understanding regarding cooperation and the exchange of information in the regulation and oversight of regulated entities that operate on a cross-border basis in both (i) the Netherlands and (ii) Ontario, Canada. This MOU does not preclude information sharing or cooperation with respect to persons that are not specifically defined as covered by this MOU but that nonetheless may be subject to regulatory requirements in the Netherlands or Canada. The Authorities express, through this MOU, their willingness to cooperate with each other in the interest of fulfilling their respective regulatory mandates regarding derivatives and/or securities markets particularly in the areas of: protecting investors and customers; fostering the integrity of and maintaining confidence in financial markets; and reducing systemic risk.

ARTICLE ONE: DEFINITIONS

For purposes of this MOU:

1. "**Authority**" means:

   a. In the Netherlands, the Autoriteit Financiële Markten ("**AFM**"); and

   b. In Canada, Ontario Securities Commission ("**OSC**"), or any other Canadian securities regulatory authority or Canadian derivatives authority that may become a party to the MOU in the manner set out in Article Eight (individually, a "**Canadian Authority**", or collectively, the "**Canadian Authorities**").

2. "**Requesting Authority**" means the Authority making a request under this MOU.

3. "**Requested Authority**" means:

   a. Where the Requesting Authority is the AFM, the Canadian Authority to which a request is made under this MOU; or

   b. Where the Requesting Authority is a Canadian Authority, the AFM.

4. "**Laws and Regulations**" means:

   a. For the OSC, the *Securities Act* (Ontario) and related rules and regulations ("**OSA**") and successor legislation; the *Commodity Futures Act* (Ontario) and related rules and regulations ("**CFA**") and successor legislation; and other relevant requirements in Canada and Ontario; and

   b. For AFM, Regulation (EU) No. 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories ("**EMIR**") and related EC Delegated Regulations as parts of the European Union ("**EU**") law;, The Markets in Financial Instruments Directive 2014/65/EU (**MIFID II**) and implementing legislation; Regulation (EU) No. 600/2014 on Markets in Financial Instruments ("**MiFIR**"); Regulation (EU) No 596/2014 on market abuse ("**MAR**") and the Dutch Act on Financial Supervision ("**AFS**," Wet op het financieel toezicht); and other relevant requirements in the Netherlands.

5. "**Person**" means a natural person, unincorporated association, partnership, trust, investment company, or corporation, and may be a Covered Entity or Cross-Border Covered Entity.

6. "**Covered Entity**" means a Person that is, or that has applied to be, authorized, designated, recognized, qualified, registered, supervised, exempt or overseen by one or more of the Authorities pursuant to Laws and Regulations, which may include regulated markets, exchanges, Multilateral Trading Facilities ("**MTFs**"), and Alternative Trading Systems ("**ATSs**").

7. "**Cross-Border Covered Entity**" means:

   a. A Covered Entity of both the AFM and any one or more of the Canadian Authorities;

   b. A Covered Entity in one jurisdiction that has been exempted from authorization, designation, recognition, qualification, or registration by an Authority in the other jurisdiction;

c. A Covered Entity in one jurisdiction that controls or is controlled by a Covered Entity located in the other jurisdiction; or

d. A Covered Entity in one jurisdiction that is physically located in the other jurisdiction.

For purposes of this MOU, references to jurisdiction will be determined as either the jurisdiction of the AFM or the jurisdiction of one of the Canadian Authorities.

8. "**Books and Records**" means documents, electronic media, and books and records within the possession, custody, and control of, and other information about, a Cross-Border Covered Entity.

9. "**Emergency Situation**" means the occurrence of an event that could materially impair the financial or operational condition of a Cross-Border Covered Entity.

10. "**On-Site Visit**" means any regulatory visit as described in Article Five to the premises of a Cross-Border Covered Entity for the purposes of ongoing supervision and oversight including the inspection of Books and Records.

11. "**Local Authority**" means the Authority in whose jurisdiction a Cross-Border Covered Entity that is the subject of an On-Site Visit is physically located

12. "**Visiting Authority**" means the Authority conducting an On-Site Visit.

13. "**Governmental Entity**" means:

a. If the Requesting Authority is the OSC:

(i) the Ministry of Finance – Ontario; and

(ii) any provincial or territorial securities or derivatives regulatory authority in Canada which, from time to time, is or becomes a party to the Memorandum of Understanding respecting the Oversight of Exchanges and Quotation and Trade Reporting Systems dated July 3, 2014 as amended or supplemented from time to time;

b. If the Requesting Authority is the AFM:

(i) Dutch Central Bank ("**DNB**"); and

(ii) the Dutch Public Prosecution Service (Openbaar Ministerie); and

c. Such other entity, as agreed to in writing by the Authorities, as may be responsible for any other Canadian Authority which may become a party to this MOU in the manner set out in Article Eight.

14. "**IOSCO MMOU**" means the *IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information* (revised from time to time) to which the OSC and AFM are signatories, which covers primarily information sharing in the context of enforcement matters.

ARTICLE TWO: GENERAL PROVISIONS

15. This MOU is a statement of intent to consult, cooperate, and exchange information in connection with the supervision and oversight of Cross-Border Covered Entities. The cooperation and information sharing arrangements under this MOU should be interpreted and implemented in a manner that is permitted by, and consistent with, the legal requirements applicable to each Authority. With respect to cooperation pursuant to this MOU, no domestic secrecy or blocking laws or regulations should prevent an Authority from providing assistance to another Authority. The Authorities anticipate that cooperation primarily will be achieved through ongoing informal consultations, supplemented as needed by more formal cooperation, including through mutual assistance in obtaining information related to Cross-Border Covered Entities. The provisions of this MOU are intended to support both informal consultations and formal cooperation, as well as to facilitate the written exchange of non-public information in accordance with applicable laws.

16. This MOU does not create any legally binding obligations, confer any rights, or modify or supersede international law and/or domestic laws. This MOU does not confer upon any Person the right or ability directly or indirectly to obtain, suppress, or exclude any information or to challenge the execution of a request for assistance under this MOU.

17. This MOU is not intended to limit or condition the discretion of an Authority in any way in the discharge of its regulatory responsibilities or to prejudice the individual responsibilities or autonomy of any Authority. This MOU does not limit an Authority to taking solely those measures described herein in fulfillment of its supervisory functions. In particular, this MOU does not affect any right of any Authority to communicate with, conduct an On-Site Visit of (subject to the

procedures described in Article Five), or obtain information or documents from any Person subject to its jurisdiction that is physically located in the jurisdiction of another Authority.

18. This MOU is intended to complement but does not alter the terms and conditions of the IOSCO MMOU.

19. To facilitate cooperation under this MOU, the Authorities hereby designate contact persons as set forth in Appendix A, which may be amended from time to time by an Authority transmitting revised contact information to the other Authorities.

ARTICLE THREE: SCOPE OF SUPERVISORY CONSULTATION, COOPERATION, AND EXCHANGE OF INFORMATION

General

20. The Authorities recognize the importance of close communication concerning Cross-Border Covered Entities and intend to consult regularly, as appropriate, regarding:

    a. General supervisory issues, including regulatory, oversight, or other related developments;

    b. Issues relevant to the operations, activities, and regulation of Cross-Border Covered Entities; and

    c. Any other areas of mutual supervisory interest.

21. The Authorities recognize in particular the importance of close cooperation in the event that a Cross-Border Covered Entity experiences, or is threatened by, a potential financial crisis or other Emergency Situation.

22. Cooperation will be most useful in, but is not limited to, the following circumstances where issues of common regulatory concern may arise:

    a. The initial application with the AFM or a Canadian Authority for authorization, licensure, designation, recognition, qualification, registration, or exemption therefrom, by a Cross-border Covered Entity;

    b. The ongoing supervision and oversight of a Cross-Border Covered Entity, including compliance with statutory and regulatory requirements in either jurisdiction or with international standards; and

    c. Regulatory or supervisory actions or approvals taken in relation to a Cross-Border Covered Entity by the AFM or a Canadian Authority that may impact the operations of the entity in the jurisdiction of the other Authority.

Event-Triggered Notification

23. As appropriate in the particular circumstances, the AFM or the relevant Canadian Authority will use reasonable efforts to inform, respectively, the relevant Canadian Authority (or Authorities) or the AFM promptly, and where practicable in advance, of:

    a. Pending regulatory changes that may have a significant impact on the Cross-Border Covered Entity, including those that may affect the rules or procedures of a Cross-Border Covered Entity;

    b. Any material event of which the Authority is aware that could adversely impact the Cross-Border Covered Entity, including but not limited to:

        (i) any known adverse material change in the ownership of a Cross-Border Covered Entity;

        (ii) any known adverse material change in the operating environment of a Cross-Border Covered Entity;

        (iii) any known adverse material change in operations of a Cross-Border Covered Entity;

        (iv) any known adverse material change in financial resources of a Cross-Border Covered Entity;

        (v) any known adverse material change in management of a Cross-Border Covered Entity;

        (vi) any known adverse material change in the systems and controls of a Cross-Border Covered Entity (including, for example, a material cyberattack, breach in security, or material system failure); and/or

        (vii) the failure of a Cross-Border Covered Entity to satisfy any of its requirements for continued authorization, designation, recognition, qualification, or registration, or exemption therefrom, where that failure could have a material adverse effect in the jurisdiction of the other Authority and where the failure is known to the relevant Authority.

c. The status of efforts to address any material financial or operating difficulties experienced by a Cross-Border Covered Entity as described in Subparagraph b of which the Authority is aware; and

d. Enforcement actions or sanctions or significant regulatory actions, including the revocation, suspension, or modification of relevant authorization, licensure, designation, recognition, qualification, registration, or exemption therefrom, concerning a Cross-Border Covered Entity.

24. The determination of what constitutes "significant impact", "material event", "adversely impact", "adverse material change", "material adverse effect", "market or settlement bank difficulties", "adversely affect", "material financial or operating difficulties", or "significant regulatory actions" for purposes of Paragraph 23 shall be left to the reasonable discretion of the relevant Authority that determines to notify the other Authority.

Request-Based Information Sharing

25. To the extent appropriate to supplement informal consultations, upon written request, the Requested Authority intends to provide the Requesting Authority the fullest possible cooperation subject to the terms in this MOU in assisting the Requesting Authority's supervision and oversight of Cross-Border Covered Entities, including assistance in obtaining and interpreting information that is relevant to ensuring compliance with the Laws and Regulations of the Requesting Authority and that is not otherwise available to the Requesting Authority. Such requests shall be made pursuant to Article Four of this MOU, and the Authorities anticipate that such requests will be made in a manner that is consistent with the goal of minimizing administrative burdens.

26. The information covered by Paragraph 25 includes but is not limited to:

a. Information relevant to the financial and operational condition of a Cross-Border Covered Entity including, for example, financial resources, risk management, and internal control procedures;

b. Relevant regulatory information and filings that a Cross-Border Covered Entity is required to submit to an Authority including, for example, interim and annual financial statements and event-specific notices; and

c. Regulatory reports prepared by an Authority including, for example, examination reports, findings, or information contained in such reports regarding Cross-Border Covered Entities.

Periodic Meetings

27. Representatives of the Authorities intend to meet periodically, as appropriate and necessary, to update each other on their respective functions and regulatory oversight programs and to discuss issues of common interest relating to the supervision of Cross-Border Covered Entities, including but not limited to: contingency planning and crisis management, the adequacy of existing cooperative arrangements, systemic risk concerns, and the possible improvement of cooperation and coordination among the Authorities. Such meetings may be conducted by conference call or on a face-to-face basis, as appropriate.

ARTICLE FOUR: EXECUTION OF REQUESTS FOR INFORMATION

28. To the extent possible, a request for information pursuant to Article Three should be made in writing (which may be transmitted electronically), and addressed to the relevant contact person in Appendix A. A request generally should specify the following:

a. The information sought by the Requesting Authority;

b. A general description of the matter that is the subject of the request;

c. The purpose for which the information is sought; and

d. The desired time period for reply and, where appropriate, the urgency thereof.

Information responsive to the request, as well as any subsequent communication among Authorities, may be transmitted electronically. Any electronic transmission should use means that are appropriately secure in light of the confidentiality of the information being transmitted.

29. In an Emergency Situation, the AFM and the relevant Canadian Authorities will endeavor to notify the other(s) as soon as possible of the Emergency Situation and communicate information as appropriate in the particular circumstances, taking into account all relevant factors, including the status of efforts to address the Emergency Situation. During an Emergency Situation, requests for information may be made in any form, including orally, provided such communication is confirmed in writing as promptly as possible following such notification.

ARTICLE FIVE: ON-SITE VISITS

30. In fulfilling its supervision and oversight responsibilities and to ensure compliance with its Laws and Regulations, the AFM may need to conduct On-Site Visits to a Cross-Border Covered Entity located in Ontario, and a Canadian Authority may need to conduct On-Site Visits to a Cross-Border Covered Entity located in the Netherlands. Each Authority will consult and work collaboratively with the Local Authority in conducting an On-Site Visit.

31. An On-Site Visit by an Authority will be conducted in accordance with the following procedure:

    a. The Visiting Authority provides advance notice to the Local Authority of its intent to conduct an On-Site Visit and the intended timeframe for, and scope of, the On-Site Visit. The Visiting Authority will notify the Local Authority prior to notifying the Cross-Border Covered Entity.

    b. The Local Authority will endeavor to share any relevant reports, or information contained therein, related to examinations it may have undertaken of the Cross-Border Covered Entity.

    c. The Authorities intend to assist each other regarding On-Site Visits, including providing information that is available prior to the On-Site Visit; cooperating and consulting in reviewing, interpreting, and analyzing the contents of public and non-public Books and Records; and obtaining information from directors and senior management of a Cross-Border Covered Entity.

    d. The Authorities will consult with each other, and the Local Authority may in its discretion accompany or assist the other Authority during the On-Site Visit, or the Authorities may conduct joint visits where appropriate.

ARTICLE SIX: PERMISSIBLE USES OF INFORMATION

32. The Requesting Authority may use non-public information obtained under this MOU solely for the supervision and oversight of Cross-Border Covered Entities and seeking to ensure compliance with the Laws and Regulations of the Requesting Authority.

33. The Authorities recognize that, while this MOU is not intended to gather information for enforcement purposes, the Authorities may subsequently want to use the non-public information provided pursuant to this MOU for enforcement purposes. In cases where a Requesting Authority seeks to use non-public information obtained pursuant to this MOU for enforcement purposes, including in conducting investigations or bringing administrative, civil or criminal proceedings, treatment of the non-public information will be in accordance with the use and confidentiality provisions of the IOSCO MMOU.

34. Before using non-public information furnished under this MOU for any purpose other than those stated in Paragraphs 32 and 33, the Requesting Authority must first consult with and obtain the consent of the Requested Authority for the intended use. If consent is denied by the Requested Authority, the Authorities will consult to discuss the reasons for withholding approval of such use and the circumstances, if any, under which the intended use by the Requesting Authority might be allowed. Following such consultation, the Requested Authority retains discretion to deny consent to the Requesting Authority.

35. The restrictions in this Article do not apply to an Authority's use of information it obtains directly from a Cross-Border Covered Entity, whether during an On-Site Visit or otherwise. However, where non-public information is provided to the Requesting Authority pursuant to an information-sharing request pursuant to Article Four of this MOU, the restrictions in this MOU apply to the use of the information by that Requesting Authority.

ARTICLE SEVEN: CONFIDENTIALITY OF INFORMATION, DATA PROTECTION AND ONWARD SHARING

36. The Authorities acknowledge that the transfer of personal data will take place in accordance with the conditions laid down in the relevant data protection legislation applicable in the jurisdictions of the Authorities.

37. Except for disclosures in accordance with this MOU, each Authority will keep confidential, to the extent permitted by law, non-public information shared under this MOU, requests made under this MOU, the contents of such requests, and any other matters arising under this MOU.

38. The Requesting Authority will notify the Requested Authority of any legally enforceable demand for non-public information furnished under this MOU prior to complying with the demand. When complying with the demand, the Requesting Authority intends to assert all appropriate legal exemptions or privileges with respect to such information as may be available. The Requesting Authority will use its best efforts to protect the confidentiality of non-public documents and information received under this Memorandum of Understanding.

39. As required by law, it may become necessary for a Requesting Authority to share non-public information obtained under this MOU with a Governmental Entity in its jurisdiction. In such circumstances and to the extent permitted by law:

    a. The Requesting Authority intends to notify the Requested Authority; and

    b. Prior to the Requesting Authority sharing the non-public information, the Requesting Authority will provide adequate assurances to the Requested Authority concerning the Governmental Entity's use and confidential treatment of the information, including, as necessary, assurances that:

        i. The Governmental Entity has confirmed that it requires the information for a purpose within the scope of its jurisdiction; and

        ii. The information will not be shared by the Governmental Entity with other parties unless:

            A. The Governmental Entity is required to do so by law; or

            B. The Requested Authority has provided prior written consent.

40. Except as provided in Paragraphs 38 and 39, the Requesting Authority must obtain the prior written consent of the Requested Authority before disclosing non-public information received under this MOU to any non-signatory to this MOU. The Requested Authority will take into account the level of urgency of the request and respond in a timely manner. During an Emergency Situation, consent may be obtained in any form, including orally, provided such communication is confirmed in writing as promptly as possible following such notification. If consent is denied by the Requested Authority, the Requesting and Requested Authorities will consult to discuss the reasons for withholding approval of such disclosure and the circumstances, if any, under which the intended disclosure by the Requesting Authority might be allowed. Following such consultation, the Requested Authority retains discretion to deny consent to the Requesting Authority.

41. The Authorities intend that the sharing or disclosure of non-public information, including deliberative and consultative materials, such as written analysis, opinions, or recommendations relating to non-public information that is prepared by or on behalf of an Authority, pursuant to the terms of this MOU, will not constitute a waiver of privilege or confidentiality of such non-public information.

ARTICLE EIGHT: AMENDMENTS

42. The Authorities will periodically review the functioning and effectiveness of the cooperation arrangements between the AFM and the Canadian Authorities with a view, inter alia, to expanding or altering the scope or operation of this MOU should that be judged necessary. This MOU may be amended with the written consent of all of the Authorities referred to in Paragraph 1.

43. Any Canadian Authority may become a party to this MOU by executing a counterpart hereof together with the AFM and providing notice of such execution to the other Canadian Authorities that are signatories to this MOU.

ARTICLE NINE: EXECUTION OF MOU

44. Cooperation in accordance with this MOU will become effective on the date this MOU is signed by the Authorities and, in the case of the OSC, on the date determined in accordance with applicable legislation.

ARTICLE TEN: SUCCESSORS

45. Where the relevant functions of a signatory to this MOU are transferred or assigned to another authority or authorities, the terms of this MOU shall apply to the successor authority or authorities performing those relevant functions without the need for any further amendment to this MOU or for the successor to become a signatory to the MOU. This will not affect the right of any Authority to terminate the MOU as provided hereunder. The Authorities shall work to ensure a seamless transition to any successor into the MOU, including the continued handling of outstanding matters.

46. Where regulatory functions have been assigned to another authority or authorities under paragraph 46, the successor authority may use non-public information previously obtained under this MOU if the successor authority uses and treats the information in accordance with the terms of this MOU.

ARTICLE ELEVEN: TERMINATION

47. Cooperation in accordance with this MOU will continue until the expiration of 30 days after any Authority gives written notice to the other Authorities of its intention to terminate the MOU. If an Authority gives such notice, the parties will consult concerning the disposition of any pending requests. If an agreement cannot be reached through consultation, cooperation will continue with respect to all requests for assistance that were made under the MOU before the

expiration of the 30-day period until all requests are fulfilled or the Requesting Authority withdraws such request(s) for assistance. In the event of termination of this MOU, information obtained under this MOU will continue to be treated in the manner prescribed under Articles Six and Seven.

48. If any Canadian Authority terminates the MOU in accordance with this Article, the MOU shall remain effective between the AFM and the remaining Canadian Authorities (if any).

This MOU is executed in duplicate, this 22nd day of November, 2019.

“Maureen Jensen”	“Gerben Everts”
Chair and Chief Executive Officer	Member of the executive board of the AFM
Ontario Securities Commission	Autoriteit Financiële Markten

APPENDIX A

CONTACT PERSONS

In addition to the following contact information, the OSC and AFM will exchange confidential emergency contact telephone information.

OSC
Office of Domestic and International Affairs
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto ON
M5H 3S8
Phone: (416) 593-8314
Email: mourequest@osc.gov.on.ca
and inquiries@osc.gov.on.ca

Manager, Market Regulation
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto ON
M5H 3S8
Phone: (416) 593-3676
Email: marketregulation@osc.gov.on.ca

AFM
Autoriteit Financiële Markten
Vijzelgracht 50
1017 HS Amsterdam
The Netherlands
Phone: +31 20 797 2000
Email: International.Request@afm.nl

1.3 Notices of Hearing with Related Statements of Allegations

1.3.1 Sean Daley and Kevin Wilkerson – ss. 127(1), 127.1

FILE NO.: 2019-39

IN THE MATTER OF
SEAN DALEY and
KEVIN WILKERSON

NOTICE OF HEARING
Subsection 127(1) and Section 127.1 of the *Securities Act,* RSO 1990, c S.5

PROCEEDING TYPE: Enforcement Proceeding
HEARING DATE AND TIME: December 12, 2019 at 10:00 a.m.
LOCATION: 20 Queen Street West, 17th Floor, Toronto, Ontario

PURPOSE

The purpose of this proceeding is to consider whether it is in the public interest for the Commission to make the order(s) requested in the Statement of Allegations filed by Staff of the Commission on November 18, 2019.

The hearing set for the date and time indicated above is the first attendance in this proceeding, as described in subsection 5(1) of the Commission's *Practice Guideline.*

REPRESENTATION

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

FAILURE TO ATTEND

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

FRENCH HEARING

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

AVIS EN FRANÇAIS

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

Dated at Toronto this 21st day of November, 2019.

"Grace Knakowski"
Secretary to the Commission

For more information

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

IN THE MATTER OF
SEAN DALEY and
KEVIN WILKERSON

STATEMENT OF ALLEGATIONS
(Subsection 127(1) and Section 127.1 of
the *Securities Act*, RSO 1990, c S.5)

A. OVERVIEW

1. Enforcement Staff bring this proceeding to prohibit the Respondents, Sean Daley and Kevin Wilkerson, from further participation in Ontario's capital markets. These individuals have demonstrated blatant disregard for the Commission's mandate and authority to investigate potential breaches of securities law through flagrantly and repeatedly obstructing an investigation into their crypto-asset offering.

2. Persons and companies who sell crypto-assets must understand the mandate of the Commission, which includes protecting investors from unfair, improper or fraudulent practices and fostering confidence in the capital markets. While the Commission has undertaken initiatives to engage Ontario's emerging crypto-asset sector, those who choose defiance and obstruction must be disqualified from participation in Ontario's capital markets.

3. Daley and Wilkerson have never been registered with the Commission, nor was any prospectus filed in relation to their crypto-asset offering. Their unincorporated crypto-asset venture, Ascension Foundation, raised approximately $220,000 through the sale of OTO Vouchers and Lyra coins. Approximately $124,000 (56 percent) of this money was ultimately transferred to personal credit card and bank accounts held by Daley, or withdrawn as cash, and this may be an indicator of fraud. These potential breaches of securities law warrant further investigation.

4. Daley and Wilkerson obstructed Staff's investigation into their conduct by dissuading investors from cooperating with Staff and inciting investors to not comply with lawfully issued summonses. Daley also twice refused to comply with a summons compelling him to produce records and provide testimony. Through their obstruction and non-compliance, the Respondents have prevented assessment of their conduct in Ontario's capital markets.

B. FACTS

Preliminary Investigation

5. On November 9, 2018, Staff commenced a formal investigation based on concerns that the Respondents were breaching the registration, distribution and fraud provisions of Ontario securities law through their operation of a crypto-asset investment scheme.

6. The investigation indicated that the Respondents solicited Ontario investors and sold OTO Vouchers and Lyra coins, purportedly to fund development projects of the Ascension Foundation and related unincorporated entities, including OTO.Money, SilentVault, and CryptoWealth.

7. Staff observed messages designed to attract prospective investors, which appear prominently on the websites of the Ascension Foundation and its related unincorporated entities. These messages present OTO Vouchers and Lyra coins as investments. For example, the CryptoWealth website stated:

   (a) "Lyra's price constantly increases in response to market demand."

   (b) "Lyra will be available forever but it will never be as affordable as it is today."

   (c) "Get Lyra today before its price increases dramatically in response to demand!"

8. Between October 31, 2018 and May 1, 2019, approximately $220,000 worth of fiat currency was raised from investors who purchased OTO Vouchers and/or Lyra coins. These funds were received in corporate bank accounts controlled by Daley; then forwarded to corporate accounts controlled by both Respondents. The majority of funds Daley received were dissipated through personal expenses.

9. The Respondents have never been registered with the Commission.

10. The Respondents did not file a prospectus with the Commission nor did they apply for an exemption from the prospectus requirement.

11. Staff sought to investigate further by seeking information from investors and the Respondents.

Obstructing Staff's Investigation

12. The Respondents have prevented reasonable investigation and assessment of their conduct in Ontario's capital markets.

13. On April 29, 2019, Staff served Daley, a non-practicing Ontario lawyer, with a summons compelling him to produce documents and appear at the Commission for an examination to take place on May 7, 2019. On May 6, 2019, Daley indicated to Staff that he would not comply with the summons.

14. On May 4, 2019, the Ascension Team, via CryptoWealth Support sent an email (the "May 4, 2019 Email") to all CryptoWealth account holders and email list subscribers, discouraging them from

cooperating with Staff's investigation and encouraging them to not comply with any summons.

15. On July 26, 2019, Staff emailed Wilkerson, who lives in Colorado, and requested that he voluntarily respond to questions about his involvement in the Ascension Foundation. On July 29, 2019, he responded by email refusing to cooperate, and providing a link to a website called "Down with Power" where the May 4, 2019 Email was posted.

16. On August 29, 2019, Wilkerson wrote a letter to Staff acknowledging his participation in publishing the May 4, 2019 Email.

17. Between May 1, 2019 and June 4, 2019, Staff lawfully summonsed five investors to attend examinations at the Commission and provide relevant documents. All five investors failed to comply with the summonses served upon them. At least two investors, specifically cited the May 4, 2019 Email as the reason that they would not comply.

18. On September 30, 2019, Enforcement Notices were sent to the Respondents, informing them that proceedings against them, including allegations of obstructing Staff's investigation, were being contemplated. Daley responded on October 11, 2019 and raised issues which he believed Staff ought to investigate further. Daley was offered another opportunity to comply with the summons that had been lawfully served upon him, but he refused.

C. BREACHES AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

19. Staff allege that Daley and Wilkerson obstructed Staff's investigation contrary to the public interest.

D. ORDERS SOUGHT

20. Staff seek the following orders against Daley and Wilkerson:

(a) that they cease trading in any securities or derivatives permanently or for such period as is specified by the Commission under paragraph (2) of subsection 127(1) of the Act;

(b) that they be prohibited from acquiring any securities permanently or for such period as is specified by the Commission under paragraph (2.1) of subsection 127(1) of the Act;

(c) that any exemption contained in Ontario securities law not apply to them permanently or for such period as is specified by the Commission under paragraph (3) of subsection 127(1) of the Act;

(d) that they be reprimanded under paragraph (6) of subsection 127(1) of the Act;

(e) that they resign any position they may hold as a director or officer of any issuer under paragraph (7) of subsection 127(1) of the Act;

(f) that they be prohibited from acting as a director or officer of any issuer permanently or for such period as is specified by the Commission under paragraph (8) of subsection 127(1) of the Act;

(g) that they resign any position they may hold as a director or officer of any registrant under paragraph (8.1) subsection 127(1) of the Act;

(h) that they be prohibited from acting as a director or officer of any registrant permanently or for such period as is specified by the Commission under paragraph (8.2) of subsection 127(1) of the Act;

(i) that they be prohibited from becoming or acting as a registrant or promoter permanently or for such period as is specified by the Commission under paragraph (8.5) of subsection 127(1) of the Act; and

(j) that they pay costs of the Commission investigation and hearing under section 127.1 of the Act.

21. And any other such order as the Commission considers appropriate in the public interest.

22. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deems fit and the Commission may permit.

DATED this 18th day of November 2019.
ONTARIO SECURITIES COMMISSION
20 Queen Street West, 22nd Floor
Toronto, ON M5H 3S8

"Matthew Britton"
Senior Litigation Counsel
mbritton@osc.gov.on.ca
Tel: (416) 593-8294

Staff of the Enforcement Branch

1.3.2 VRK Forex & Investments Inc. and Radhakrishna Namburi – ss. 127(1), 127.1

FILE NO.: 2019-40

IN THE MATTER OF
VRK FOREX & INVESTMENTS INC. and
RADHAKRISHNA NAMBURI

NOTICE OF HEARING
Subsection 127(1) and Section 127.1 of
the *Securities Act,* RSO 1990, c S.5

PROCEEDING TYPE: Enforcement Proceeding
HEARING DATE AND TIME: December 19, 2019, at 10:00 a.m.
LOCATION: 20 Queen Street West, 17th Floor, Toronto, Ontario

PURPOSE

The purpose of this proceeding is to consider whether it is in the public interest for the Commission to make the orders requested in the Statement of Allegations filed by Staff of the Commission on November 22, 2019. The hearing set for the date and time indicated above is the first attendance in this proceeding, as described in subsection 5(1) of the Commission's *Practice Guideline*.

REPRESENTATION

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

FAILURE TO ATTEND

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

FRENCH HEARING

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

AVIS EN FRANÇAIS

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

Dated at Toronto this 22nd day of November, 2019

"Robert Blair"
For Grace Knakowski
Secretary to the Commission

For more information

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

IN THE MATTER OF
VRK FOREX & INVESTMENTS INC. and
RADHAKRISHNA NAMBURI

STATEMENT OF ALLEGATIONS
(Subsection 127(1) and Section 127.1 of
the *Securities Act,* RSO 1990, c S.5)

A. OVERVIEW

1. This proceeding involves a deliberate breach of a formal undertaking not to engage in Ontario's capital markets without registration.

2. Three years ago, VRK Forex & Investments Inc. and its operating mind, Radhakrishna Namburi gave a commitment to the Ontario Securities Commission through a formal undertaking ("**Undertaking**"). As part of their Undertaking, the respondents admitted that they had engaged in the business of trading in securities on behalf of investors that required registration with the Commission. They represented to the Commission that the unregistered trading had stopped. They also promised that in the future prior to entering Ontario's capital markets and prior to accepting new money from investors the respondents would obtain registration in accordance with Ontario securities law and/or retain the services of a registrant to assist in the operation of their business activities, ensuring they are in compliance with the requirements of the Ontario *Securities Act*.

3. In a deliberate disregard for their Undertaking, the respondents broke their promise, re-entered Ontario's capital markets, and continued trading on behalf of at least 19 investors without being registered to do so. In a flagrant attempt to circumvent the Undertaking, the respondents told investors to open accounts with online trading platforms, deposit money into those accounts and give the respondents full access to those accounts so the respondents could make discretionary trades on the investors' behalf. By breaking their Undertaking, the respondents caused trading losses for investors of at least $1 million.

4. An undertaking given to the Commission must be complied with in form and spirit. The unregistered activity and flagrant disregard of the Undertaking is serious misconduct that cannot be tolerated.

B. FACTS

Staff of the Enforcement Branch of the Ontario Securities Commission ("Staff") make the following allegations of fact:

The Undertaking to Refrain from Unregistered Activity

5. In 2016, Staff contacted the respondents regarding their unregistered trading activities. Investors gave the respondents money to invest on their behalf with an expectation to profit. The respondents used the money to trade, primarily in contracts for difference ("**CFDs**"),[1] in a VRK account, an online trading platform.

6. The respondents were required to be registered with the Commission in order to trade on behalf of investors. Neither VRK nor Namburi have ever been registered with the Commission in any capacity.

7. Staff's contact with the respondents led to the Undertaking, which included the following:

   a. an admission by the respondents that they engaged in unregistered trading activity;

   b. a representation that the respondents had stopped the unregistered trading activity; and

   c. a promise that prior to re-entering Ontario's capital markets and prior to accepting money from investors, the respondents would either obtain registration in accordance with Ontario securities law and/or retain the services of a registrant to assist the respondents to operate and conduct their business activities in compliance with the requirements of the Act.

8. Paragraphs 9 to 18 below set out how the respondents' conduct after giving the Undertaking breached the Undertaking and Ontario securities law.

The Respondents' Solicitation of Investors After the Undertaking

9. From September 2016 onward, the respondents breached their Undertaking by engaging in promotional activities to find new investors by:

   a. providing investors with business cards and displaying signage at VRK's office in Westwood Square Mall in Mississauga, which marketed VRK's trading services;

   b. informing investors that they could expect to realize daily trading profits of 1% to 5%;

   c. meeting with individuals at the Toronto Money Show, the VRK mall office, and the VRK office operated out of Namburi's basement to promote Namburi's education, work and trading experience; and

[1] A CFD is a derivative investment that allows an investor an opportunity to profit from price movement without owning the underlying asset.

d. paying and/or offering to pay referral fees to individuals for referring clients to VRK.

The VRK Agreements Attempt to Circumvent the Undertaking

10. The respondents entered into agreements with at least 19 investors, which were designed to circumvent the registration requirements under the Act. The agreements contained language purporting to create an employment relationship between investors and the respondents. The agreements stated that neither VRK nor Namburi are registered with the Commission, before falsely stating that neither VRK nor Namburi are engaging in the business of trading in securities.

11. Namburi created the agreements and executed them on behalf of VRK.

12. The key features of the agreements are summarized below:

    a. Investor accounts were to be opened on online trading platforms;

    b. VRK and Namburi were authorized by investors to login to their online trading accounts to trade on their behalf;

    c. VRK and Namburi were authorized to trade in securities, including CFDs; and

    d. VRK was to be paid 50% of the monthly net profits.

Unregistered Trading and Advising After Giving the Undertaking

13. Investors provided the respondents with details necessary to access their online trading accounts, including usernames and passwords. Investors deposited at least $3 million in their accounts.

14. The respondents accessed and monitored investors' accounts and traded on their behalf. They used their trading discretion to, among other things, select which CFDs to trade in and when and at what price to open and close positions.

15. Each CFD traded by the respondents was an "investment contract" and therefore a security as defined in subsection 1(1) of the Act.

16. The respondents have never been registered with the Commission in any capacity. No exemptions from registration were available to them under the Act.

The Respondents Received Profit Sharing Payments for Their Unregistered Activities After the Undertaking

17. When the respondents made profitable trades within the investor trading accounts, the respondents sent investors a notice of profits and requested that investors send them 50% of the monthly profits generated (the "**Profit Sharing Payments**"). Since the respondents were unable to direct money in the client accounts to their own accounts, investors were instructed to make Profit Sharing Payments with new funds from outside their trading accounts. The respondents received approximately $300,000 from investors through Profit Sharing Payments.

18. The respondents continued trading until investors (including investors that had previously made Profit Sharing Payments) sustained losses in their accounts or the respondents were no longer able to access the accounts. Investors suffered losses of at least $1 million. The respondents used high-risk margin trading on behalf of investors, which amplified investors' losses.

C. BREACHES OF ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

Enforcement Staff alleges the following breaches of Ontario securities law and/or conduct contrary to the public interest:

19. The respondents flagrantly disregarded their Undertaking to the Commission by engaging in discretionary high-risk margin trading on behalf of at least 19 investors. As a result of their serious misconduct, investors suffered losses of at least $1 million.

20. By engaging in the conduct described above, the respondents breached their Undertaking, and without being registered, engaged in, or held themselves out as engaging in, the business of trading in securities; and engaged in, or held themselves out as engaging in, the business of advising members of the public with respect to investing in, buying or selling securities contrary to subsections 25(1) and (3) of the Act. There were no exemptions from registration available to the respondents under the Act.

21. VRK and Namburi's conduct was contrary to the public interest.

22. Enforcement Staff reserve the right to amend these allegations to make such further and other allegations as Enforcement Staff may advise and the Commission may permit.

D. ORDER SOUGHT

Enforcement Staff request that the Commission make the following orders:

23. As against Radhakrishna Namburi, an Ontario resident and VRK Forex & Investments Inc., an Ontario corporation:

    a. that they cease trading in any securities or derivatives permanently or for such period as is specified by the Commission,

pursuant to paragraph 2 of subsection 127(1) of the Act;

b. that they be prohibited from acquiring any securities permanently or for such period as is specified by the Commission, pursuant to paragraph 2.1 of subsection 127(1) of the Act;

c. that any exemption contained in Ontario securities law not apply to them permanently or for such period as is specified by the Commission, pursuant to paragraph 3 of subsection 127(1) of the Act;

d. that they be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

e. that they be prohibited from becoming or acting as a registrant, or promoter permanently or for such period as is specified by the Commission, pursuant to paragraph 8.5 of subsection 127(1) of the Act;

f. that they each pay an administrative penalty of not more than $1 million for each failure to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the Act;

g. that they disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law, pursuant to paragraph 10 of subsection 127(1) of the Act;

h. that they pay costs of the Commission investigation and the hearing, pursuant to section 127.1 of the Act; and

i. such other order as the Commission may consider appropriate in the public interest.

24. As against Radhakrishna Namburi, VRK's operating mind and sole director:

a. that he resign any positions he may hold as a director or officer of any issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;

b. that he be prohibited from becoming or acting as a director or officer of any issuer, or registrant permanently or for such period as is specified by the Commission, pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act;

DATED at Toronto this 22nd day of November, 2019.

Staff of the Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, ON M5H

Gavin S. MacKenzie
Senior Litigation Counsel, Enforcement Branch
Tel: 416-597-7729
Email: gmackenzie@osc.gov.on.ca

1.4 Notices from the Office of the Secretary

1.4.1 Sean Daley and Kevin Wilkerson

FOR IMMEDIATE RELEASE
November 21, 2019

SEAN DALEY and
KEVIN WILKERSON,
File No. 2019-39

TORONTO – The Office of the Secretary issued a Notice of Hearing on November 21, 2019 setting the matter down to be heard on December 12, 2019 at 10:00 a.m. as soon thereafter as the hearing can be held in the above named matter. The hearing will be held at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated November 21, 2019 and Statement of Allegations dated November 18, 2019 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.4.2 VRK Forex & Investments Inc. and Radhakrishna Namburi

FOR IMMEDIATE RELEASE
November 22, 2019

VRK FOREX & INVESTMENTS INC. and
RADHAKRISHNA NAMBURI,
File No. 2019-40

TORONTO – The Office of the Secretary issued a Notice of Hearing on November 22, 2019 setting the matter down to be heard on December 19, 2019 at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter. The hearing will be held at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated November 22, 2019 and Statement of Allegations dated November 22, 2019 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

This page intentionally left blank

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 National Bank Investments Inc. et al.

Headnote

Policy Statement 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – merger approval required because merger does not meet the criteria for pre-approval – continuing fund has different investment objectives than terminating fund – fee structure not substantially similar – merger not a "qualifying exchange" or a tax-deferred transaction under the Income Tax Act – sending of the preliminary fund facts document instead of the final fund facts document in respect of the new series of the continuing funds – mergers to otherwise comply with pre-approval criteria, including securityholder vote, IRC approval – securityholders provided with timely and adequate disclosure regarding the mergers.

Applicable Legislative Provisions

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

[Translation]

May 11, 2017

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

AND

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

AND

IN THE MATTER OF
NATIONAL BANK INVESTMENTS INC.
(the Filer)

AND

NBI LONG TERM BOND FUND (formerly, National Bank Long Term Bond Fund)
NBI U.S. $ GLOBAL TACTICAL BOND FUND (formerly, National Bank U.S. $ Global Tactical Bond Fund)
NBI MONTHLY SECURE INCOME FUND (formerly, National Bank Monthly Secure Income Fund)
NBI MONTHLY CONSERVATIVE INCOME FUND (formerly, National Bank Monthly Conservative Income Fund)
NBI MONTHLY MODERATE INCOME FUND (formerly, National Bank Monthly Moderate Income Fund)
NBI MONTHLY BALANCED INCOME FUND (formerly, National Bank Monthly Balanced Income Fund)
NBI MONTHLY GROWTH INCOME FUND (formerly, National Bank Monthly Growth Income Fund)
NBI MONTHLY EQUITY INCOME FUND (formerly, National Bank Monthly Equity Income Fund)
NATIONAL BANK DIVIDEND INCOME FUND INC.
NBI ASSET ALLOCATION FUND (formerly, National Bank Asset Allocation Fund)
NBI HIGH DIVIDEND FUND (formerly, National Bank High Dividend Fund)
NATIONAL BANK ALTAFUND INVESTMENT CORP.
NBI WESTWOOD GLOBAL DIVIDEND FUND (formerly, Westwood Global Dividend Fund)
NBI WESTWOOD GLOBAL EQUITY FUND (formerly, Westwood Global Equity Fund)
NBI EUROPEAN EQUITY FUND (formerly, National Bank European Equity Fund)
NBI ASIA PACIFIC FUND (formerly, National Bank Asia Pacific Fund)
NBI JAPANESE EQUITY FUND (formerly, National Bank Japanese Equity Fund)

NBI GLOBAL SMALL CAP FUND (formerly, National Bank Global Small Cap Fund)
NBI SCIENCE AND TECHNOLOGY FUND (formerly, National Bank Science and Technology Fund)
NBI HEALTH SCIENCES FUND (formerly, National Bank Health Sciences Fund)
NBI ENERGY FUND (formerly, National Bank Energy Fund)
NBI PRECIOUS METALS FUND (formerly, National Bank Precious Metals Fund)
NBI CURRENCY-HEDGED U.S. HIGH CONVICTION EQUITY PRIVATE PORTFOLIO
NBI CURRENCY-HEDGED INTERNATIONAL HIGH CONVICTION EQUITY PRIVATE PORTFOLIO
(each, a Terminating Fund and collectively, the Terminating Funds)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for an approval of the proposed mergers of the Terminating Funds into the Continuing Funds (defined below) (the **Mergers**) pursuant to paragraph 5.5(1)(b) of *Regulation 81-102 respecting Investment Funds* (**Regulation 81-102**) (the **Approval Sought**).

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

(a) the Autorité des marchés financiers is the principal regulator for this application;

(b) the Filer has provided notice that subsection 4.7(1) of *Regulation 11-102 respecting Passport System* (c. V-1.1, r.1) (**Regulation 11-102**) is intended to be relied upon in each of the jurisdictions of Canada other than the Jurisdictions; and

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

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions* (c. V-1.1, r.3), Regulation 11-102, *Regulation 81-101 respecting Mutual Funds Prospectus Disclosure* (c.V-1.1, r. 38) (**Regulation 81-101**), Regulation 81-102, *Regulation 81-106 respecting Investment Fund Continuous Disclosure* (c. V-1.1, r.42) (**Regulation 81-106**) and *Regulation 81-107 respecting Independent Review Committee for Investment Funds* (c. V-1.1, r.43) (**Regulation 81-107**) have the same meaning if used in this decision, unless otherwise defined. Capitalized terms used in this decision have the following meanings:

Continuing Fund or **Continuing Funds** means, individually or collectively, NBI Bond Fund (formerly, National Bank Bond Fund), NBI Global Tactical Bond Fund (formerly, National Bank Global Tactical Bond Fund), NBI Secure Portfolio, NBI Conservative Portfolio, NBI Moderate Portfolio, NBI Balanced Portfolio, NBI Growth Portfolio, NBI Equity Portfolio, NBI Dividend Fund (formerly, National Bank Dividend Fund), NBI Canadian Equity Fund (formerly, National Bank Canadian Equity Fund), NBI Canadian Equity Growth Fund (formerly, National Bank Canadian Equity Growth Fund), NBI Global Equity Fund (formerly, National Bank Global Equity Fund), NBI Resource Fund (formerly, National Bank Resource Fund), NBI U.S. High Conviction Equity Private Portfolio and NBI International High Conviction Equity Private Portfolio.

Corporate Fund or **Corporate Funds** means, individually or collectively, National Bank Dividend Income Fund Inc. and National Bank AltaFund Investment Corp.

Effective Date means on or about May 12, 2017 or on or about May 19, 2017, in each case being the anticipated date of a Merger.

Fee Structure Mergers means the Merger of NBI Long Term Bond Fund into NBI Bond Fund, the Merger of NBI Monthly Growth Income Fund into NBI Growth Portfolio, and the Merger of NBI Asset Allocation Fund into NBI Growth Portfolio.

Fund or **Funds** means, individually or collectively, the Terminating Funds and the Continuing Funds.

High Conviction Mergers means the Merger of NBI Currency-Hedged U.S. High Conviction Equity Private Portfolio into NBI U.S. High Conviction Equity Private Portfolio and the Merger of NBI Currency-Hedged International High Conviction Equity Private Portfolio into NBI International High Conviction Equity Private Portfolio.

Investment Objective Mergers means the Mergers, other than the Merger of NBI U.S. $ Global Tactical Bond Fund into NBI Global Tactical Bond Fund, the Merger of NBI Monthly Conservative Income Fund into NBI Conservative Portfolio, the Merger of NBI Monthly Moderate Income Fund into NBI Moderate Portfolio, the Merger of NBI Monthly Growth Income Fund into NBI Growth Portfolio, the Merger of NBI Asset Allocation Fund into NBI Growth Portfolio, the Merger of National Bank Dividend Income Fund Inc. into NBI Dividend Fund, the Merger of National Bank AltaFund Investment Corp. into NBI Canadian Equity

Growth Fund, the Merger of NBI Westwood Global Equity Fund into NBI Global Equity Fund, the Merger of NBI Currency-Hedged U.S. High Conviction Equity Private Portfolio into NBI U.S. High Conviction Equity Private Portfolio and the Merger of NBI Currency-Hedged International High Conviction Equity Private Portfolio into NBI International High Conviction Equity Private Portfolio.

IRC means the independent review committee for the Funds.

Meeting Materials means the notice of meeting, management information circular and a proxy related to the special meetings of securityholders held in connection with the Mergers.

New Series means those series of the Continuing Funds that have not been created or qualified for distribution to the public as of the date of mailing the Meeting Materials, on April 10, 2017.

Special Meeting means the special meetings of securityholders held on or about May 10, 2017 in connection with the Mergers.

Taxable Mergers means the Merger of National Bank Dividend Income Fund Inc. into NBI Dividend Fund, NBI U.S. $ Global Tactical Bond Fund into NBI Global Tactical Bond Fund, National Bank AltaFund Investment Corp. into NBI Canadian Equity Growth Fund, NBI Westwood Global Equity Fund into NBI Global Equity Fund, NBI Energy Fund into NBI Resource Fund, NBI Precious Metals Fund into NBI Resource Fund, NBI Currency-Hedged U.S. High Conviction Equity Private Portfolio into NBI U.S. High Conviction Equity Private Portfolio and NBI Currency-Hedged International High Conviction Equity Private Portfolio into NBI International High Conviction Equity Private Portfolio.

Terminating Trust Fund or **Terminating Trust Funds**, means individually or collectively, NBI Long Term Bond Fund, NBI U.S. $ Global Tactical Bond Fund, NBI Monthly Secure Income Fund, NBI Monthly Conservative Income Fund, NBI Monthly Moderate Income Fund, NBI Monthly Balanced Income Fund, NBI Monthly Growth Income Fund, NBI Monthly Equity Income Fund, NBI Asset Allocation Fund, NBI High Dividend Fund, NBI Westwood Global Dividend Fund, NBI Westwood Global Equity Fund, NBI European Equity Fund, NBI Asia Pacific Fund, NBI Japanese Equity Fund, NBI Global Small Cap Fund, NBI Science and Technology Fund, NBI Health Sciences Fund, NBI Energy Fund, NBI Precious Metals Fund, NBI Currency-Hedged U.S. High Conviction Equity Private Portfolio and NBI Currency-Hedged International High Conviction Equity Private Portfolio.

Trust Fund means each of the Funds, other than the Corporate Funds.

Representations

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

General

1. The Filer is a corporation governed by the laws of Canada with its head office in Montréal, Québec.

2. The Filer acts as the investment fund manager of the Terminating Funds and existing Continuing Funds and will act as investment fund manager for the Continuing Funds to be created. The Filer is duly registered as an investment fund manager in each of the provinces of Québec, Ontario and Newfoundland and Labrador.

3. The Funds are or will be either open-ended mutual fund trusts established under the laws of Ontario or Québec or mutual fund corporations governed under the laws of Canada.

4. Other than securities of the New Series and the private series of certain of the Funds (which private series are offered by way of private placement), securities of the Funds are currently qualified for sale under the simplified prospectus, annual information form and fund facts document (**Fund Facts**) each dated May 12, 2016, as amended on July 14, 2016, July 29, 2016, August 10, 2016, February 6, 2017 and March 1, 2017, as such documents may be amended or renewed (collectively, the **Offering Documents**).

5. Certain series of some of the Terminating Funds will be merging into the New Series. The New Series (other than the New Series of NBI Global Tactical Bond Fund and the Investor Series and R Series of NBI Growth Portfolio) are being created to facilitate the Mergers and will only be available for investors who invest pursuant to pre-existing pre-authorized purchase plans (**PAP Plans**) and for reinvested distributions by existing investors in the New Series after the Mergers are complete. The New Series (other than the New Series of NBI Global Tactical Bond Fund and the Investor Series and R Series of NBI Growth Portfolio) will not be available for purchase by new investors.

6. The New Series will be qualified for distribution in each of Quebec and the other jurisdictions under a simplified prospectus, annual information form and Fund Facts dated on or about May 12, 2017.

7. Preliminary fund facts documents (Preliminary Fund Facts) in respect of the New Series were filed via SEDAR on April 4, 2017, at the time of filing the preliminary and proforma Offering Documents for the Funds. As there were no final

Fund Facts at the time of sending the Meeting Materials, the Preliminary Fund Facts were sent instead with the Meeting Materials. The Preliminary Fund Facts of each New Series of an existing Continuing Fund that were sent included financial data as of January 31, 2017. Such Preliminary Fund Facts contained substantially the same information as the final Fund Facts which will be dated on or about May 12, 2017.

8. Each of the Funds is or will be a reporting issuer under the securities legislation of each of the jurisdictions of Canada and is or will be subject to the provisions of Regulation 81102.

9. Neither the Filer nor the Terminating Funds and existing Continuing Funds are in default of securities legislation in the jurisdictions of Canada.

10. The net asset value for each series of the Funds is or will be calculated on a daily basis in accordance with the Funds' valuation policy and as described in the Offering Documents. The method of calculating the net asset value for the New Series will not vary from the methods used for the existing series of the applicable Funds.

Reasons for Approval Sought

11. The Approval Sought is required because each Merger does not satisfy all of the criteria for pre-approved reorganizations and transfers set out in section 5.6 of Regulation 81102 (identified in Schedule A of this decision as applicable to each relevant Merger):

    (a) the fundamental investment objectives of the Continuing Funds in the Investment Objective Mergers are not substantially similar to the investment objectives of their corresponding Terminating Funds, as required by subparagraph 5.6(1)(a)(ii);

    (b) the fee structure of the Continuing Funds in the Fee Structure Mergers are not substantially similar to the fee structure of their corresponding Terminating Funds, as required by subparagraph 5.6(1)(a)(ii);

    (c) the Taxable Mergers will not be completed as a "qualifying exchange" or other tax-deferred transaction under the ITA, as required by paragraph 5.6(1)(b); and

    (d) the materials sent to securityholders of certain of the Terminating Funds will not include the most recently filed fund facts of its corresponding Continuing Fund in respect of the New Series, as required by subparagraph 5.6(1)(f)(ii).

12. Except as described above, the Mergers comply with all of the other criteria for pre-approved reorganizations and transfers set out in section 5.6 of Regulation 81-102.

The Mergers

13. The Filer intends to reorganize the Funds as follows:

	Terminating Fund	**Continuing Fund**
1	NBI Long Term Bond Fund	NBI Bond Fund[2]
2	NBI U.S. $ Global Tactical Bond Fund	NBI Global Tactical Bond Fund[2]
3	NBI Monthly Secure Income Fund	NBI Secure Portfolio[1]
4	NBI Monthly Conservative Income Fund	NBI Conservative Portfolio[1]
5	NBI Monthly Moderate Income Fund	NBI Moderate Portfolio[1]
6	NBI Monthly Balanced Income Fund	NBI Balanced Portfolio[1]
7	NBI Monthly Growth Income Fund	NBI Growth Portfolio[1]
8	NBI Monthly Equity Income Fund	NBI Equity Portfolio[1]
9	National Bank Dividend Income Fund Inc.	NBI Dividend Fund[2]
10	NBI Asset Allocation Fund	NBI Growth Portfolio[1]
11	NBI High Dividend Fund	NBI Canadian Equity Fund[2]
12	National Bank AltaFund Investment Corp.	NBI Canadian Equity Growth Fund[2]

13	NBI Westwood Global Dividend Fund	NBI Global Equity Fund[2]
14	NBI Westwood Global Equity Fund	NBI Global Equity Fund[2]
15	NBI European Equity Fund	NBI Global Equity Fund[2]
16	NBI Asia Pacific Fund	NBI Global Equity Fund[2]
17	NBI Japanese Equity Fund	NBI Global Equity Fund[2]
18	NBI Global Small Cap Fund	NBI Global Equity Fund[2]
19	NBI Science and Technology Fund	NBI Global Equity Fund[2]
20	NBI Health Sciences Fund	NBI Global Equity Fund
21	NBI Energy Fund	NBI Resource Fund
22	NBI Precious Metals Fund	NBI Resource Fund
23	NBI Currency-Hedged U.S. High Conviction Equity Private Portfolio	NBI U.S. High Conviction Equity Private Portfolio
24	NBI Currency-Hedged International High Conviction Equity Private Portfolio	NBI International High Conviction Equity Private Portfolio

1. Continuing Fund that has not been created or qualified for distribution to the public as of the date of mailing the Meeting Materials.
2. Certain series of the Terminating Fund will be merged into New Series of an existing Continuing Fund that have not been created or qualified for distribution to the public as of the date of mailing the Meeting Materials.

14. In accordance with section 11.2 of Regulation 81-106, a press release announcing the Mergers was issued and filed on SEDAR on March 1, 2017 and a material change report and amendments to the Offering Documents of the Terminating Funds with respect to the Mergers were filed via SEDAR on March 3, 2017.

15. In accordance with paragraph 5.3(1)(a) of Regulation 81-107, the Filer presented the terms of the proposed Mergers to the IRC at an IRC meeting held on February 28, 2017. The IRC reviewed the potential conflict of interest matters related to the Mergers, and the process to be followed in connection with each Merger, and has provided a positive recommendation after determining that the proposed action of the Filer in implementing each such Merger would achieve a fair and reasonable result for each applicable Fund.

16. Securityholders of the Terminating Funds will be asked to approve the Mergers at the Special Meeting.

17. The Meeting Materials were prepared and sent to securityholders of the Terminating Funds on April 10, 2017 and were filed via SEDAR in accordance with applicable securities legislation.

18. Fund Facts relating to the relevant series of the Continuing Funds or Preliminary Fund Facts (including financial data) relating to the New Series of the Continuing Funds, as applicable, were sent to securityholders of the corresponding Terminating Funds with the Meeting Materials. Should there be a material difference between the Preliminary Fund Facts sent to securityholders and the final Fund Facts, the Filer will send the applicable final Fund Facts to the affected securityholders.

19. The Meeting Materials with the Fund Facts or Preliminary Fund Facts of the Continuing Funds provided sufficient information to securityholders to permit them to make an informed decision about the Mergers and to vote on each applicable Merger.

20. Securityholders of each Terminating Fund will continue to have the right to redeem securities of the Terminating Fund at any time up to the close of business on the business day immediately before the Effective Date.

21. Following the Mergers, PAP Plans, distribution reinvestment plans and other systematic plans that have been established for each Terminating Fund will be continued on a series-for-series basis in the applicable Continuing Fund, in accordance with the same terms and conditions as the original systematic plan, unless a securityholder advises the Filer otherwise.

Merger Steps

22. The Mergers of a Trust Fund into another Trust Fund, other than the High Conviction Mergers, will be structured as follows:

    (a) Prior to effecting a Merger, if required, each Terminating Trust Fund will sell any securities in its portfolio that do not meet the investment objectives and investment strategies of the applicable Continuing Trust Fund. As a result, some of the Terminating Trust Funds may temporarily hold cash or money market instruments and may not be fully invested in accordance with their investment objectives for a brief period of time prior to the Merger being effected.

    (b) The value of each Terminating Trust Fund's portfolio and other assets will be determined at the close of business on the Effective Date in accordance with the constating documents of the applicable Terminating Trust Fund.

    (c) Each Continuing Trust Fund will acquire the investment portfolio and other assets of the applicable Terminating Trust Fund in exchange for securities of the Continuing Trust Fund.

    (d) The securities of each Continuing Trust Fund received by the applicable Terminating Trust Fund will have an aggregate net asset value equal to the value of the portfolio assets and other assets that the Continuing Trust Fund is acquiring from the Terminating Trust Fund, and the securities of the Continuing Trust Fund will be issued at the applicable series net asset value per security as of the close of business on the Effective Date.

    (e) Each Continuing Trust Fund will not assume any liabilities of the applicable Terminating Trust Fund and the Terminating Trust Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the Effective Date.

    (f) The Terminating Trust Funds will distribute a sufficient amount of their net income and net realized capital gains, if any, to securityholders to ensure that the Terminating Trust Funds will not be subject to tax for their current tax year.

    (g) Immediately thereafter, securities of each Continuing Trust Fund received by the applicable Terminating Trust Fund will be distributed to securityholders of the Terminating Trust Fund in exchange for their securities in the Terminating Trust Fund on a dollar-for-dollar and series-by-series basis, as applicable.

    (h) As soon as reasonably possible, and in any case within 90 days following the Effective Date, the applicable Terminating Trust Fund will be wound up.

23. The Merger of a Corporate Fund into a Trust Fund will be structured as follows:

    (a) Prior to effecting a Merger, if required, each Corporate Fund will sell any securities in its portfolio that do not meet the investment objective and investment strategies of the applicable Continuing Trust Fund. As a result, the portfolios of the Corporate Funds may temporarily hold cash or money market instruments and may not be fully invested in accordance with their investment objectives for a brief period of time prior to the Merger being effected.

    (b) The value of each Corporate Fund's portfolio and other assets will be determined at the close of business on the Effective Date in accordance with the constating documents of the applicable Corporate Fund.

    (c) Each Continuing Trust Fund will acquire the investment portfolio and other assets of the applicable Corporate Fund in exchange for securities of the Continuing Trust Fund.

    (d) The securities of each Continuing Trust Fund received by the applicable Corporate Fund will have an aggregate net asset value equal to the value of the portfolio assets and other assets that the Continuing Trust Fund is acquiring from the Corporate Fund, and the securities of the Continuing Trust Fund will be issued at the applicable series net asset value per security as of the close of business on the Effective Date.

    (e) Each Continuing Trust Fund will not assume any liabilities of the applicable Corporate Fund and the Corporate Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the Effective Date.

    (f) Each Corporate Fund may pay ordinary dividends or capital gains dividends to securityholders of the Corporate Fund.

    (g) Immediately thereafter, securities of each Continuing Trust Fund received by the applicable Corporate Fund will be distributed to securityholders of the Corporate Fund in exchange for their securities in the Corporate Fund on a dollar-for-dollar and series-by-series basis, as applicable.

(h) As soon as reasonably possible following each Merger, the applicable Corporate Fund will be wound up and dissolved.

24. The proposed High Conviction Mergers will be structured as follows:

(a) Prior to effecting a Merger, if required, each Terminating Trust Fund will settle all currency forwards such that its sole investments will be the securities of the Continuing Trust Fund and sufficient assets to satisfy its estimated liabilities, if any, as of the Effective Date.

(b) The Terminating Trust Funds will distribute a sufficient amount of their net income and net realized capital gains, if any, to securityholders to ensure that they will not be subject to tax for their current tax year.

(c) Immediately thereafter, securities of each Continuing Trust Fund received by the applicable Terminating Trust Fund will be distributed to securityholders of the Terminating Trust Fund in exchange for their securities in the Terminating Trust Fund on a dollar-for-dollar and series-by-series basis, as applicable.

(d) As soon as reasonably possible following each Merger, and in any case within 90 days following the Effective Date, the applicable Terminating Trust Fund will be wound up.

25. The High Conviction Mergers and the Merger of NBI Westwood Global Equity Fund into NBI Global Equity Fund cannot be implemented on a tax-deferred basis. The remaining Taxable Mergers will be effected as taxable transactions due to the Filer's assessment of the impact of such transaction on each of the Terminating Funds and Continuing Funds and upon the securityholders in the Terminating Funds. In deciding to proceed with the Taxable Mergers on a taxable basis, the Filer weighed the impact of the applicable Merger on each of the Terminating Fund and Continuing Fund, and on the securityholders in the Terminating Fund and the Continuing Fund, and determined that the negative effects of the applicable Taxable Merger were greater on the Continuing Fund and the securityholders of the Continuing Fund than on the Terminating Fund and the securityholders of the Terminating Fund should the Merger proceed on a tax-deferred basis.

26. The capital gains and capital losses on the portfolio assets of the Terminating Funds involved in the Taxable Mergers will be realized, and any net capital gains will be distributed to securityholders of such Terminating Funds. The securityholders of such Terminating Funds will realize any accrued capital gain or capital loss on their units (or shares) of such Terminating Funds.

27. The Filer will pay for the costs of the Mergers. These costs consist mainly of brokerage charges associated with the Merger-related trades that occur both before and after the effective date of the Mergers and legal, proxy solicitation, printing, mailing and regulatory fees.

28. No sales charges, redemption fees or other fees or commissions will be payable in connection with the acquisition by a Continuing Fund of the investment portfolio of its applicable Terminating Fund.

29. The investment portfolio and other assets of each Terminating Fund to be acquired by the applicable Continuing Fund in order to effect the Mergers are currently, or will be, acceptable, on or prior to the Effective Date, to the portfolio manager(s) of the applicable Continuing Fund and are, or will be, consistent with the investment objectives of the applicable Continuing Fund.

30. The Mergers do not require approval of securityholders of the Continuing Funds as the Filer has determined that each Merger does not constitute a material change to any Continuing Fund.

Benefits of Mergers

31. The Filer believes that the Mergers are beneficial to securityholders of each Terminating Fund and Continuing Fund for the following reasons:

(a) the Mergers will result in a more streamlined and simplified product line-up that is easier for investors to understand;

(b) the Mergers may eliminate similar fund offerings which may have the effect of reducing the administrative and regulatory costs of operating each Terminating Fund and Continuing Fund as separate funds;

(c) following the Mergers, each Continuing Fund will have a portfolio of greater value, which may allow for increased portfolio diversification opportunities if desired; and

(d) each Continuing Fund, as a result of its greater size, may benefit from its larger profile in the marketplace by potentially attracting more securityholders and enabling it to maintain a "critical mass".

32. In addition to the reasons set out in paragraph 31, the Filer believes that the Mergers are beneficial to securityholders of each of the Terminating Funds and the Continuing Funds for the following reasons (identified in Schedule A of this decision as applicable to each relevant Merger):

    (a) in certain cases, the Continuing Funds have delivered stronger long term performance than the applicable Terminating Funds;

    (b) in certain cases, the Continuing Funds may offer a more broad approach to investing;

    (c) in certain cases, there is significant overlap between portfolio holdings of the Terminating Fund and portfolio holdings of the Continuing Fund; and

    (d) in certain cases, management fees and/or fixed administration fees will be lower for the Continuing Fund.

33. The Approval Sought is not detrimental to the protection of investors.

Decision

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

Hugo Lacroix
Senior Director Investment Funds
Autorité des marches financiers

Schedule A

	Terminating Fund	Continuing Fund	Effective Date	Not Substantially Similar		Taxable Merger	Delivery of Preliminary Fund Facts	Stronger Long Term Performance	Broader Investment Approach	Overlap in Portfolio Holdings	Lower Continuing Fund Fees
				Investment Objective	Fee Structure						
1.	NBI Long Term Bond Fund	NBI Bond Fund	May 19, 2017	X	X		X				
2.	NBI U.S. $ Global Tactical Bond Fund	NBI Global Tactical Bond Fund	May 19, 2017			X	X			X	
3.	NBI Monthly Secure Income Fund	NBI Secure Portfolio	May 19, 2017	X			X		X		
4.	NBI Monthly Conservative Income Fund	NBI Conservative Portfolio	May 19, 2017				X		X		
5.	NBI Monthly Moderate Income Fund	NBI Moderate Portfolio	May 19, 2017				X		X		
6.	NBI Monthly Balanced Income Fund	NBI Balanced Portfolio	May 19, 2017	X			X		X		
7.	NBI Monthly Growth Income Fund	NBI Growth Portfolio	May 19, 2017		X		X		X		
8.	NBI Asset Allocation Fund	NBI Growth Portfolio	May 19, 2017		X		X		X		
9.	NBI Monthly Equity Income Fund	NBI Equity Portfolio	May 19, 2017	X			X		X		
10	National Bank Dividend Income Fund Inc.	NBI Dividend Fund	May 19, 2017			X	X				X
11	NBI High Dividend Fund	NBI Canadian Equity Fund	May 19, 2017	X			X				
12	National Bank AltaFund Investment Corp.	NBI Canadian Equity Growth Fund	May 19, 2017			X	X	X		X	X
13	NBI Westwood Global Dividend Fund	NBI Global Equity Fund	May 19, 2017	X			X	X			x(1)

14	NBI Westwood Global Equity Fund	NBI Global Equity Fund	May 19, 2017			X	X	X			x(1)
15	NBI European Equity Fund	NBI Global Equity Fund	May 19, 2017	X			X	X	X		X
16	NBI Asia Pacific Fund	NBI Global Equity Fund	May 19, 2017	X			X	X	X		X
17	NBI Japanese Equity Fund	NBI Global Equity Fund	May 19, 2017	X			X	X	X		X
18	NBI Global Small Cap Fund	NBI Global Equity Fund	May 19, 2017	X			X	X	X		X
19	NBI Science and Technology Fund	NBI Global Equity Fund	May 19, 2017	X			X		X		X
20	NBI Health Sciences Fund	NBI Global Equity Fund	May 12, 2017	X					X		
21	NBI Energy Fund	NBI Resource Fund	May 12, 2017	X		X				X	X
22	NBI Precious Metals Fund	NBI Resource Fund	May 12, 2017	X		X		X			
23	NBI Currency-Hedged U.S. High Conviction Equity Private Portfolio	NBI U.S. High Conviction Equity Private Portfolio	May 12, 2017			X				X	x(1)
24	NBI Currency-Hedged International High Conviction Equity Private Portfolio	NBI International High Conviction Equity Private Portfolio	May 12, 2017			X				X	x(1)

(1) applicable for certain series only.

2.1.2 Mackenzie Financial Corporation and Mackenzie Cundill US Class

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – approval of investment fund mergers – approval required because mergers do not meet the criteria for pre-approved reorganizations and transfers in National Instrument 81-102 Investment Funds – terminating funds and continuing fund do not have substantially similar fundamental investment objectives – mergers will not be a "qualifying exchange" or a tax-deferred transaction under the Income Tax Act – mergers to otherwise comply with pre-approval criteria, including securityholder vote, IRC approval – securityholders provided with timely and adequate disclosure regarding the mergers.

Applicable Legislative Provisions

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

November 19, 2019

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

AND

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

AND

IN THE MATTER OF
MACKENZIE FINANCIAL CORPORATION
(the Filer)

AND

MACKENZIE CUNDILL US CLASS
(the Terminating Fund)

DECISION

BACKGROUND

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Terminating Fund, for a decision under the securities legislation of the Jurisdiction (the **Legislation**) approving the proposed merger of the Terminating Fund into the Continuing Fund (each as defined below), pursuant to subsection 5.5(1)(b) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) (the **Approval Sought**).

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

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

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

INTERPRETATION

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

Continuing Fund means Mackenzie US Growth Class.

Effective Date means on or about February 7, 2020, the anticipated date of the Merger.

Exempt Merger means the Merger with respect to Series J of the Terminating Fund and the Continuing Fund which are not currently offered for purchase and are not currently qualified for distribution under a simplified prospectus.

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

Merger means the proposed merger of the Terminating Fund into the Continuing Fund.

New Series Merger means the Merger with respect to Series F5, Series PWT5 and Series T5 securities of the Continuing Fund which will be created to facilitate the Merger.

Terminating Fund means Mackenzie Cundill US Class.

REPRESENTATIONS

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

The Filer

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

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

The Funds

3. The Funds are separate classes of securities of Mackenzie Financial Capital Corporation (**Capitalcorp**), a mutual fund corporation governed by the laws of the Jurisdiction.

4. The Funds are reporting issuers under the securities legislation of the Canadian Jurisdictions and are subject to the requirements of NI 81-102 and National Instrument 81-101 *Mutual Fund Prospectus Disclosure*. Neither the Filer nor the Funds are in default of securities legislation in any of the Canadian Jurisdictions.

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

6. Securities of the Funds are qualified for sale under the simplified prospectus, annual information form and fund facts each dated September 27, 2019, as amended (collectively, the **Offering Documents**). Series J of the Funds is only offered on an exempt distribution basis. Series F5, Series PWT5 and Series T5 securities of the Continuing Fund will be newly created and will be qualified for distribution under a prospectus.

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

8. The Continuing Fund has substantially similar valuation procedures to those of the Terminating Fund.

9. Securities of the Funds are qualified investments under the *Income Tax Act* (Canada) (**Tax Act**) for the following registered plans: registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, life income funds, locked-in retirement accounts, locked-in retirement income funds, locked-in retirement savings plans, prescribed retirement income funds, restricted life income funds, restricted locked-in savings plans, registered disability savings plans and tax-free savings accounts.

Reasons for the Approval Sought

10. Approval of the Merger is required because the Merger does not satisfy all of the criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102. The pre-approval criteria are not satisfied in the following ways:

    (i) the Merger cannot be completed as a "qualifying exchange" or a tax-deferred transaction under the Tax Act given the structure of the Funds;

    (ii) the fundamental investment objectives of the Continuing Fund are not, or may be considered not to be, "substantially similar" to the investment objectives of the Terminating Fund; and

    (iii) as described below, the materials to be sent to securityholders of the Terminating Fund in respect of the New

Series Merger and Exempt Merger will not include the current simplified prospectus or the most recently filed fund facts documents for the applicable series of the Continuing Fund.

11. Pursuant to the Merger, securityholders of the Terminating Fund would become securityholders of the Continuing Fund.

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

13. The Filer is of the view that the Merger will not constitute a "material change" for the Continuing Fund.

14. As required by National Instrument 81-107 *Independent Review Committee for Investment Funds*, the Independent Review Committee (**IRC**) has been appointed for the Funds. The Filer presented the terms of the Merger to the IRC for a recommendation. On September 19, 2019, the IRC reviewed the Merger and provided a positive recommendation for the Merger, having determined that the Merger, if implemented, would achieve a fair and reasonable result for the Funds and their respective securityholders.

15. In accordance with National Instrument 81-106 - *Investment Fund Continuous Disclosure* (**NI 81-106**), a press release announcing the Merger was issued and filed via SEDAR on September 24, 2019. A material change report and amendments to the Offering Documents with respect to the Merger, were filed in accordance with NI 81-106.

16. By way of order dated October 21, 2016, the Filer was granted relief (the **Notice-and-Access Relief**) from the requirement set out in paragraph 12.2(2)(a) of NI 81-106 to send a printed management information circular to securityholders while proxies are being solicited. Subject to certain conditions, the Notice-and-Access Relief instead allows a notice-and-access document to be sent to such securityholders. Pursuant to the requirements of the Notice-and-Access Relief, the notice-and-access document, a form of proxy in connection with the special meeting of securityholders of the Terminating Fund will be mailed to securityholders of the Terminating Fund commencing on or about December 13, 2019 and will be concurrently filed on SEDAR. The management information circular and forms of proxy (collectively, the **Meeting Materials**) in connection with the special meeting of securityholders of the Terminating Fund will be posted on the Filer's website at www.mackenzieinvestments.com. The Meeting Materials will also appear on the SEDAR website at www.sedar.com.

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

18. Fund facts documents relating to the applicable series of the Continuing Fund will be mailed to securityholders of the corresponding series of the Terminating Fund in all instances other than in respect of the New Series Merger and Exempt Merger.

19. In respect of the New Series Merger, because a current simplified prospectus and fund facts document are not available for Series F5, Series PWT5 and Series T5 of the Continuing Fund, securityholders of Series F5, Series PWT5 and Series T5 of the Terminating Fund will be sent a fund facts document relating to Series F8, Series PWT8 and Series T8 securities, respectively, of the Continuing Fund as the fees and features of the corresponding series are closely aligned.

20. In respect of the Exempt Merger, Series J securities of the Continuing Fund are no longer offered for purchase, as is the case with Series J securities of the Terminating Fund.

21. In order to effect the Exempt Merger, securities of Series J of the Continuing Fund will be distributed to applicable securityholders of the Terminating Fund in reliance on the prospectus exemption contained in section 2.11 of National Instrument 45-106 - Prospectus Exemptions.

22. The Filer will pay for the costs of the Merger. These costs consist mainly of brokerage charges associated with the trades that occur both before and after the date of the Merger and legal, proxy solicitation, printing, mailing and regulatory fees. There are no charges payable by securityholders of the Funds as a result of the Merger.

23. Securityholders of the Terminating Fund will be asked to approve the Merger at a special meeting of securityholders scheduled to be held on or about January 17, 2020.

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

25. Securityholders may change or cancel any systematic plan at any time as long as the Filer receives at least three business days' notice and securityholders of the Terminating Fund who wish to establish one or more systematic plans in respect of their holdings in the Continuing Fund may do so following the implementation of the Merger.

26. The Merger will be completed as a taxable transaction under the Tax Act. Securityholders of the Terminating Fund will be provided with information about the income tax consequences of the Merger in the information circular and will have the opportunity to consider such information prior to voting on the Merger.

27. If the necessary securityholder approval is obtained, the Terminating Fund will merge into the Continuing Fund at or about the close of business on the Effective Date, and the Continuing Fund will continue as a class of Capitalcorp.

Merger Steps

28. If the necessary approvals are obtained, the Filer will carry out the following steps to complete the Merger:

    (i) Prior to effecting the Merger, if required, Capitalcorp will sell any securities in the portfolio of the Terminating Fund that do not meet the investment objectives and investment strategies of the Continuing Fund and purchase other securities so that, as of the Effective Date, the portfolio of the Terminating Fund is substantially similar to that of the Continuing Fund. As a result, the Terminating Fund may temporarily hold cash, money market instruments or investments that are not consistent with its investment objectives, and it may not be fully invested in accordance with its investment objectives for a brief period of time prior to the Merger being effected.

    (ii) The Funds may pay taxable dividends and/or capital gains dividends to their securityholders, but only to the extent required to manage the tax liability of Capitalcorp in a manner that the Board of Directors of Capitalcorp, in consultation with the Filer, determines to be fair and reasonable.

    (iii) The value of each Fund's portfolio and other assets will be determined at the close of business on the Effective Date in accordance with the constating documents of the Funds.

    (iv) The Continuing Fund will not assume any liabilities of the Terminating Fund and the Terminating Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the Effective Date.

    (v) All of the issued and outstanding securities of the Terminating Fund will be exchanged for securities of the Continuing Fund on a dollar-for-dollar and series-by-series basis, so that securityholders of the Terminating Fund become securityholders of the Continuing Fund.

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

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

30. Following the implementation of the Merger, a press release and material change report announcing the results of the securityholder meetings in respect of the Merger will be issued and filed.

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

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

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

Merger Benefits

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

(i) **Superior performance of the Continuing Fund:** The Continuing Fund has generated significantly better past performance than the Terminating Fund (although past performance is not a guarantee of future returns and may not be repeated);

(ii) **Better future return potential:** The Merger is being proposed to reflect the Filer's belief that the Continuing Fund will provide better return potential over the long term; and

(iii) **Same fees:** Management fees and/or fixed administration fees will be the same for the Continuing Fund.

DECISION

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision. The decision of the principal regulator under the Legislation is that the Approval Sought is granted, provided that the Filer obtains the prior approval of the securityholders of the Terminating Fund for the Merger at a special meeting held for that purpose.

"Neeti Varma"
Manager
Investment Funds and Structured Products Branch
Ontario Securities Commission

2.1.3 Baskin Financial Services 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.

November 21, 2019

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

AND

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

AND

IN THE MATTER OF
BASKIN FINANCIAL SERVICES 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, New Brunswick, 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, New Brunswick, 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 and Québec.

3. The Filer's principal business is that of an adviser (portfolio manager) and currently manages $1.2 billion of assets under administration. It is an independently owned firm providing customized wealth management solutions to families and foundations with $1 million or more to invest.

4. 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

5. 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

6. The Filer wishes to manage certain classes of assets for its Managed Account clients within a Pooled Fund in order to achieve greater efficiencies for its Managed Account clients, including through reduced transaction costs and the ability to acquire larger blocks of securities, as well as a more diversified portfolio of securities. Initially, the Filer intends to create the Initial Pooled Fund with an investment objective to invest in fixed income securities. Securities of the Initial Pooled Fund will be suitable for Managed Account clients with strategies that include at least some exposure to fixed income securities. Future Pooled Funds may be created with other specific investment objectives and will be designed to be suitable for some or all of the Filer's Managed Account clients.

7. 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.

8. 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

9. The Filer proposes to cause those Managed Accounts that today invest a portion of their assets in fixed income securities to subscribe for units of the Initial Pooled Fund and transfer sufficient of those fixed income securities held by that Managed Account to the Initial Pooled Fund as required as payment for those units, where the Filer considers this action to be in the best interests of the Managed Account clients. The Filer may do this in the future with the Managed Accounts for Future Pooled Funds. Additionally, the Filer may cause a Pooled Fund to effect an *In-specie* Transfer of assets to a Managed Account in payment of proceeds of any redemption of securities of the Pooled Fund held by the Managed Account. As such, the Filer wishes to use the Exemption Sought to

(a) effect a one-time *In-specie* Transfer of assets held by Managed Account clients with respect to the establishment of the Initial Pooled Fund and any Future Pooled Funds where those assets are appropriate for the Initial Pooled Fund and Future Pooled Fund (as the case may be) and where it is appropriate for the Managed Account to invest in the applicable Pooled Fund;

(b) effect future *In-specie* Transfers with respect to Managed Account clients where it is appropriate for them to invest in a Pooled Fund and transfer assets held in the Managed Account to pay the subscription price for the securities so acquired; and

(c) effect *In-specie* Transfers from a Pooled Fund to a Managed Account in order to pay the proceeds of any redemption of securities of the Pooled Fund held by the Managed Account.

10. The purpose of the *In-specie* Transfers will be to allow the Filer to reduce transaction costs for the existing and future Managed Account clients. By pooling the applicable securities held by the Managed Accounts in the applicable Pooled Fund through the *In-specie* Transfers, the Filer may be able to reduce market impact costs, which can be detrimental to the Managed Accounts. The *In-specie* Transfer of assets will allow the Filer to retain within its control institutional-sized blocks of securities that otherwise would need to be broken and re-assembled.

11. The only cost which will be incurred by a Pooled Fund or Managed Account in connection with any *In-specie* Transfer will be a nominal administrative charge levied by the custodian of the Pooled Fund.

12. The Filer, as manager of the Pooled Funds, will value the securities transferred under an *In-specie* Transfer on the same valuation day on which the purchase or redemption price of the Fund Securities is determined. With respect to the purchase of Fund Securities of a Pooled Fund, the securities transferred to a Pooled Fund under an *In-specie* Transfer in satisfaction of all or part of the purchase price of those Fund Securities will be valued as if the securities were portfolio assets of the Pooled Fund, as contemplated by section 9.4(2)(b)(iii) of NI 81-102 for public mutual funds subject to NI 81-102. With respect to the redemption of Fund Securities of a Pooled Fund, the securities transferred to a Managed Account in satisfaction of the redemption price of those Fund Securities will have a value equal to the amount at which those securities were valued in calculating the net asset value per security used to establish the redemption price of the Fund Securities of the Pooled Fund, as contemplated by section 10.4(3)(b) of NI 81-102 for public mutual funds subject to NI 81-102.

13. The Filer will ensure that each Managed Account client consents to an *In-specie* Transfer prior to the *In-specie* Transfer taking place. The account statement next prepared for the Managed Account will describe the portfolio securities delivered to the Pooled Fund or received by the Managed Account, as the case may be, and the value assigned to the portfolio securities.

14. The Filer will rely on the dealer exemption set out in section 8.6 of NI 31-103 with respect of the trades in the Fund Securities to the Managed Accounts.

15. Absent the Exemption Sought, neither the Managed Accounts nor the Pooled Funds, or 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.

16. At the time of each *In-specie* Transfer, the Filer will have in place policies and procedures governing such transactions, including the following:

(a) the Filer has obtained the consent of the applicable Managed Account client before it engages in any *In-specie* Transfer and will report on the *In-specie* Transfer in the next account statement for the Managed Account;

(b) 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;

(c) the portfolio securities transferred in an *In-specie* Transfer will be valued on the same valuation day using the same valuation principles as are used to calculate the net asset value for the purpose of the issue price or redemption price of securities of the Pooled Fund;

(d) the valuation of any illiquid securities which would be the subject of an *In-specie* Transfer will be carried out according to the Filer's policies and procedures for the fair valuation of portfolio securities, including illiquid securities. 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;

(e) if any illiquid securities are the subject of an *In-specie* Transfer, the illiquid securities will be transferred on a pro rata basis. The Pooled Funds generally invest in liquid securities The Filer will not cause any Pooled Fund

to engage in an *In-specie* Transfer if the applicable Pooled Fund or Managed Account is not in compliance with the portfolio restrictions on the holding of illiquid securities described in section 2.4 of NI 81-102; and

(f) the Filer will keep written records of each *In-specie* Transfer, including records of each purchase and redemption of portfolio securities and the terms thereof for a period of at least five years commencing after the end of the financial year in which the trade occurred, the most recent two years in a reasonably accessible place.

17. *In-specie* Transfers will be subject to:

(a) compliance with the written policies and procedures of the Filer respecting *In-specie* Transfers that are consistent with applicable securities legislation and the Exemption Sought; and

(b) the oversight of the Filer's Chief Compliance Officer to ensure that the *In-specie* Transfers represent the business judgment of the Filer acting in its discretionary capacity with respect to a Pooled Fund and the Managed Account, uninfluenced by considerations other than the best interests of the Pooled Fund and the Managed Account. Any issues detected in the oversight and review by the Filer will be reported in the Chief Compliance Officer's annual report to the board of directors of the Filer.

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 Managed Account client has consented to the *In-specie* Transfer before the Filer carries out 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 the Fund Securities for which they are used as payment, valued as if the securities were portfolio assets of the Pooled Fund;

(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) the Pooled Funds keep written records of all *In-specie* Transfers during the financial year of the Pooled Fund, reflecting details of the securities delivered to the Pooled Funds and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;

(b) if the *In-specie* Transfer is in respect of the redemption of Fund Securities by a Managed Account:

(i) the Managed Account client has consented to the *In-specie* Transfer before the Filer carries out 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 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, in respect of any delivery of securities further to an *In-specie* Transfer, the only charge paid by the Managed Account or Pooled Fund, as the case may be, if any, is any administrative charge levied by the custodian of the assets of the Managed Account or Pooled Fund; 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*).

"Neeti Varma"
Manager, Investment Funds and Structured Products
Ontario Securities Commission

2.1.4 NGAM Canada LP

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief to allow re-designated series to show performance and financial information from predecessor series in simplified prospectus, fund facts and sales communications.

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief to allow re-designated series to show performance and financial information from predecessor series in annual and interim management reports of fund performance.

Applicable Legislative Provisions

National Instrument 81-101 Mutual Fund Prospectus Disclosure, s. 6.1.
Form 81-101F1, Instruction (1) of Item 5, Item 13.2 of Part B.
Form 81-101F3, Instruction (1) of Item 2, Items 5(2), 5(3), 5(4), Instruction (1) of Item 5 of Part I.
National Instrument 81-102 Investment Funds, ss. 15.3(2), 15.3(4)(c), 15.6(1)(a)(i), 15.6(1)(d), 15.8(2)(a), 15.8(2)(a.1), 15.8(3)(a), 15.8(3)(a.1).
National Instrument 81-106 Investment Fund Continuous Disclosure, s. 4.4.
Form 81-106F1, Items 3.1(7), 4.1(1), 4.1(2), 4.2(1), 4.3(1) and 4.3(2) of Part B, Items 3(1), 4 of Part C.

June 27, 2017

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
NGAM CANADA LP
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of each mutual fund listed in Schedule "A" (the **NexGen Trust Funds**) and Schedule "B" (the **NexGen Tax Managed Funds**, together with the NexGen Trust Funds, the **NexGen Funds** and each, a **NexGen Fund**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting the NexGen Funds from the requirement in section 4.4 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**), such that the NexGen Funds may deviate from Items 3.1, 4.1(1) (in respect of the requirement to comply with subsections 15.3(2) and 15.3(4)(c) of National Instrument 81-102 *Investment Funds* (**NI 81-102**)), 4.1(2), 4.2(1), 4.3(1) and 4.3(2) of Part B of Form 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance* (**Form 81-106F1**) and Items 3(1) and 4 of Part C of Form 81-106F1, to permit the annual and interim management reports of fund performance of Series A securities to show:

(a) as the financial highlights and past performance of Series A securities of the NexGen Funds (other than NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund), the financial highlights and past performance of Regular Front End Load series securities of the same NexGen Fund; and

(b) as the financial highlights and past performance of Series A securities of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund, the financial highlights and past performance of Deferred Load series securities of the same NexGen Fund,

in each case, where the financial highlights and past performance relate to the time period prior to the date on which Series A securities first became available to the public (**Series A Inception Date**),
(paragraphs (a) and (b), 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 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 Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec, Saskatchewan and Yukon (together with the Jurisdiction, the **Jurisdictions**).

Interpretation

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

Representations

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

The Filer

1. The Filer is a limited partnership established under the laws of Ontario with its head office based in Toronto, Ontario. The general partner of the Filer is NGAM Canada Limited, a corporation incorporated under the laws of the Province of Ontario.

2. The Filer is registered as an investment fund manager in Ontario, Québec and Newfoundland and Labrador, an exempt market dealer in each of the Jurisdictions and a portfolio manager and mutual fund dealer in Ontario.

3. The Filer is the manager, promoter and portfolio manager of the NexGen Funds and the trustee of the NexGen Trust Funds.

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

The NexGen Funds

5. Each NexGen Trust Fund is an open-end mutual fund formed as a trust and each NexGen Tax Managed Fund is an open-end mutual fund consisting of multiple classes (the **NexGen Tax Classes**) and series of NGAM Canada Investment Corporation, an open-end mutual fund corporation established under the laws of Ontario.

6. Each NexGen Fund is a reporting issuer under the laws of Alberta, British Columbia, Newfoundland, Ontario and Quebec and will be a reporting issuer in each of the remaining Jurisdictions. Each NexGen Fund is subject to NI 81-102. The securities of the NexGen Funds are qualified for distribution pursuant to a simplified prospectus, annual information form and fund facts that have been prepared and filed in accordance with NI 81-101, subject to any exemptions therefrom that have been, or may in the future be, granted by the securities regulatory authorities.

7. The Filer has filed a consolidated preliminary and pro forma simplified prospectus, annual information form and fund facts for the NexGen Funds and certain other mutual funds on May 10, 2017, which will (i) qualify for distribution the existing series of the NexGen Funds in each of Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, Saskatchewan, Northwest Territories, Nunavut and Yukon, (ii) qualify for distribution the new Series A securities of the NexGen Funds in all of the Jurisdictions, and (iii) cease to qualify for distribution Regular Front End Load, Deferred Load and Low Load series securities of the NexGen Funds.

8. Each of the NexGen Funds offers units or shares, as applicable, issued in multiple series. Each of the NexGen Funds currently offers, among other series, Regular Front End Load, Deferred Load and Low Load series securities.

9. Regular Front End Load series securities are offered under the front end load purchase option (the **Front End Load Option**), Deferred Load series securities are offered under the deferred load purchase option (the **Deferred Load Option**) and Low Load series securities are offered under the low load purchase option (the **Low Load Option**). Under the Front End Load Option, investors pay a negotiated commission to their dealer at the time they purchase securities, while under the Deferred Load Option and Low Load Option no commission is paid by the investor at the time of purchase, but the investor will be required to pay a redemption fee if he or she redeems within a certain period of time from the date of purchase.

10. The NexGen Funds are not in default of securities legislation in any of the Jurisdictions.

Regular Front End Load, Deferred Load and Low Load Series Re-Designations

11. In order to simplify the number of series offered by each NexGen Fund and to reduce the costs payable by investors in the NexGen Funds of having multiple series, the Filer will re-designate all outstanding Regular Front End Load, Deferred Load and Low Load series securities of each NexGen Fund as Series A securities of the same NexGen Fund (the **Re-Designations**), effective on or about June 20, 2017 (the **Re-Designation Date**). Series A securities will be available for purchase under the Front End Load Option, Deferred Load Option and Low Load Option.

12. The Re-Designations will be neutral to Regular Front End Load, Deferred Load and Low Load series investors and, in the case of investors who hold Deferred Load and Low Load series of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund, will result in a benefit to such investors:

    (a) investors who hold Regular Front End Load, Deferred Load and Low Load series securities (which will be re-designated as Series A securities) will continue to hold securities of the same NexGen Fund with the same underlying pool of assets, the same investment objectives and investment strategies and the same valuation procedures and will continue to have the same rights as securityholders as they did prior to the Re-Designations;

    (b) there will be no increase in charges to investors who hold Regular Front End Load, Deferred Load and Low Load series securities of the NexGen Funds as a result of the Re-Designations and, for investors who hold Deferred Load and Low Load series securities of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund, these investors will experience a management fee decrease as a result of the Re-Designations, as Series A securities of such NexGen Funds will be subject to a lower management fee, which is equal to the current lower management fee paid in respect of Regular Front End Load series securities of such NexGen Funds; and

    (c) implementation of the Re-Designations will have no adverse tax consequences on investors under current Canadian tax legislation.

13. The start dates of Regular Front End Load, Deferred Load and Low Load series securities are the same for each NexGen Fund, with the exception of NexGen Canadian Cash Fund, where the start dates of Regular Front End Load and Deferred Load series securities is September 5, 2006, while the start date of Low Load series securities is March 8, 2010.

14. The only differences between Regular Front End Load, Deferred Load and Low Load series securities of a NexGen Fund and Series A securities of the same NexGen Fund are that: (i) Regular Front End Load series securities are available for purchase under the Front End Load Option, Deferred Load series securities are available for purchase under the Deferred Load Option and Low Load series securities are available for purchase under the Low Load Option, while Series A securities will be available for purchase under any of the three purchase options; and (ii) in the case of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund, Deferred Load and Low Load series securities are subject to a higher management fee than the management fee to which the Series A securities of the same NexGen Fund will be subject (the **Series Differences**).

15. The Filer will deliver or will arrange for the delivery of Series A fund facts to holders of Regular Front End Load, Deferred Load and Low Load series securities prior to the Re-Designation Date. Notice of the Re-Designations will be provided in a letter accompanying the Series A fund facts.

Series A Start Dates, Expense Information, Performance Data and Financial Highlights

16. Series A securities will be a new series of securities. Being new, Series A securities will not have their own expense information, performance data and financial highlights derived from financial statements. However, each Series A security, prior to the Re-Designation Date, was a Regular Front End Load, Deferred Load or Low Load series security of the same NexGen Fund.

17. The Filer proposes to show:

    (a) as the expense information for Series A securities of the NexGen Funds (other than NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund), in the section of the simplified prospectus entitled “Fund Expenses Indirectly Borne by Investors”, the expense information of Regular Front End Load series securities where the expense information for Regular Front End Load series securities relates to the time period prior to the Series A Inception Date;

    (b) as the expense information for Series A securities of NexGen Canadian Cash Fund and NexGen Canadian

Preferred Share Registered Fund, in the section of the simplified prospectus entitled "Fund Expenses Indirectly Borne by Investors", the expense information of Deferred Load series securities where the expense information for Deferred Load series securities relates to the time period prior to the Series A Inception Date;

(c) as the start date for Series A securities of the NexGen Funds (other than NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund) in the simplified prospectus and the fund facts, the start date of Regular Front End Load series securities;

(d) as the start date for Series A securities of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund in the simplified prospectus and the fund facts, the start date of Deferred Load series securities;

(e) as the performance data for Series A securities of the NexGen Funds (other than NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund), in the sections of the fund facts entitled "Year-by-year returns", "Best and worst 3-month returns" and "Average return", the performance data of Regular Front End Load series securities where the performance data for Regular Front End Load series securities relates to the time period prior to the Series A Inception Date;

(f) as the performance data for Series A securities of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund, in the sections of the fund facts entitled "Year-by-year returns", "Best and worst 3-month returns" and "Average return", the performance data of Deferred Load series securities where the performance data for Deferred Load series securities relates to the time period prior to the Series A Inception Date;

(g) as the performance data for Series A securities of the NexGen Funds (other than NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund), in the sales communications, the performance data of Regular Front End Load series securities where the performance data for Regular Front End Load series securities relates to the time period prior to the Series A Inception Date;

(h) as the performance data for Series A securities of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund, in the sales communications, the performance data of Deferred Load series securities where the performance data for Deferred Load series securities relates to the time period prior to the Series A Inception Date;

(i) in the annual and interim management reports of fund performance of Series A securities of the NexGen Funds (other than NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund), the financial highlights and past performance of Regular Front End Load series securities where the financial highlights and past performance for Regular Front End Load series securities relate to the time period prior to the Series A Inception Date; and

(j) in the annual and interim management reports of fund performance of Series A securities of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund, the financial highlights and past performance of Deferred Load series securities where the financial highlights and past performance for Deferred Load series securities relate to the time period prior to the Series A Inception Date.

18. There will be no difference between the expense information, performance data and financial highlights of Regular Front End Load, Deferred Load and Low Load series securities of a NexGen Fund (other than NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund) and Series A securities of the same NexGen Fund, as the fees and expenses of Regular Front End Load, Deferred Load and Low Load series securities prior to the Series A Inception Date will be identical to the fees and expenses of Series A securities of the same NexGen Fund upon the Series A Inception Date. The management expense ratio (**MER**) of Regular Front End Load series securities of the NexGen Funds (other than NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund), prior to the Series A Inception Date, will be directly applicable to Series A securities of the same NexGen Fund.

19. In the case of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund, the expense information and financial highlights for Deferred Load and Low Load series securities will be higher than that of Series A securities of the same NexGen Fund and the performance data of Deferred Load and Low Load series securities will be lower than that of Series A securities of the same NexGen Fund, as the fees and expenses of Deferred Load and Low Load series securities prior to the Series A Inception Date were higher than the fees and expenses of Series A securities. Notwithstanding the higher management fee paid in respect of Deferred Load and Low Load series securities of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund, the MER of Deferred Load series securities of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund prior to the Series A Inception Date still will be directly applicable to Series A securities of the same NexGen Fund and, if anything will reflect that the historical MERs of these NexGen Funds were higher than they would have been had the new Series A structure existed during the relevant period.

20. The Filer has sought the advice of the auditor of the NexGen Funds in respect of the presentation of the Series A expense information, performance data and financial highlights in the MRFPs of the NexGen Funds and the auditor has confirmed that it is comfortable with the proposed presentation (i.e. carrying over the expense information, performance data and financial highlights), as described in this decision.

21. Expense information, performance data and other financial data are significant and meaningful pieces of information for existing investors holding Regular Front End Load, Deferred Load and Low Load series securities, which will be re-designated upon the Re-Designation Date as Series A securities, and for prospective investors in Series A securities.

22. Investors re-designated from Regular Front End Load, Deferred Load and Low Load series securities will continue to hold securities of the same NexGen Fund with the same underlying pool of assets, the same investment objectives and investment strategies and the same valuation procedures. Such series of securities will be identical to Series A securities of the same NexGen Fund, except for the Series Differences.

23. The Filer has filed a separate application for exemptive relief from certain provisions of NI 81-101 and NI 81-102 to enable the NexGen Funds to show the start dates, expense information and performance data described in paragraphs 20(a) to (h) above (the **NI 81-102 and NI 81-101 Relief**).

24. In absence of the Requested Relief, the NexGen Funds' annual and interim management reports of fund performance and financial statements cannot include, as the financial highlights and past performance of Series A securities, the financial highlights and past performance of Regular Front End Load or Deferred Load series securities of the same NexGen Fund, as applicable, where the financial highlights and past performance for Regular Front End Load or Deferred Load series securities relate to the time period prior to the Series A Inception Date.

Decision

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

The decision of the principal regulator under the Legislation is that the Requested Relief is granted provided that, for any Series A management reports of fund performance presenting information for a time period prior to the Series A Inception Date, the management report of fund performance discloses the Re-Designations, including that the information presented in the management report of fund performance is derived from historical information related to Regular Front End Load series securities or Deferred Load series securities, as applicable.

"Vera Nunes"
Manager,
Investment Funds and Structured Products Branch
Ontario Securities Commission

Schedule "A"
NexGen Trust Funds

Natixis Canadian Cash Fund *(formerly NexGen Canadian Cash Fund)*
Natixis Canadian Bond Fund *(formerly NexGen Canadian Bond Fund)*
Loomis Sayles Global Diversified Corporate Bond Fund
Natixis Strategic Balanced Registered Fund
Natixis Intrinsic Balanced Registered Fund *(formerly NexGen Intrinsic Balanced Registered Fund)*
Natixis Canadian Dividend Registered Fund *(formerly NexGen Canadian Dividend Registered Fund)*
Natixis Intrinsic Growth Registered Fund *(formerly NexGen Intrinsic Growth Registered Fund)*
Natixis U.S. Dividend Plus Registered Fund *(formerly NexGen U.S. Dividend Plus Registered Fund)*
Natixis U.S. Growth Registered Fund *(formerly NexGen U.S. Growth Registered Fund)*
Natixis Global Equity Registered Fund *(formerly NexGen Global Equity Registered Fund)*
Natixis Canadian Preferred Share Registered Fund *(formerly NexGen Canadian Preferred Share Registered Fund)*

Schedule "B"
NexGen Tax Managed Funds

Natixis Canadian Bond Class *(formerly NexGen Canadian Bond Tax Managed Fund)**
Loomis Sayles Global Diversified Corporate Bond Class *(formerly Loomis Sayles Global Diversified Corporate Bond Tax Managed Fund)**
Natixis Strategic Balanced Class *(formerly Natixis Strategic Balanced Tax Managed Fund)**
Natixis Intrinsic Balanced Class *(formerly NexGen Intrinsic Balanced Tax Managed Fund)**
Natixis Canadian Dividend Class *(formerly NexGen Canadian Dividend Tax Managed Fund)**
Natixis Intrinsic Growth Class *(formerly NexGen Intrinsic Growth Tax Managed Fund)**
Natixis U.S. Dividend Plus Class *(formerly NexGen U.S. Dividend Plus Tax Managed Fund)**
Natixis U.S. Growth Class *(formerly NexGen U.S. Growth Tax Managed Fund)**
Natixis Global Equity Class *(formerly NexGen Global Equity Tax Managed Fund)**
Natixis Canadian Preferred Share Class *(formerly NexGen Canadian Preferred Share Tax Managed Fund)**

* An investment portfolio consisting of certain classes and series of NGAM Canada Investment Corporation, an open-ended mutual fund corporation.

2.1.5 NGAM Canada LP

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief to allow re-designated series to show performance and financial information from predecessor series in simplified prospectus, fund facts and sales communications.

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief to allow re-designated series to show performance and financial information from predecessor series in annual and interim management reports of fund performance.

Applicable Legislative Provisions

National Instrument 81-101 Mutual Fund Prospectus Disclosure, s. 6.1.
Form 81-101F1, Instruction (1) of Item 5, Item 13.2 of Part B.
Form 81-101F3, Instruction (1) of Item 2, Items 5(2), 5(3), 5(4), Instruction (1) of Item 5 of Part I.
National Instrument 81-102 Investment Funds, ss. 15.3(2), 15.3(4)(c), 15.6(1)(a)(i), 15.6(1)(d), 15.8(2)(a), 15.8(2)(a.1), 15.8(3)(a), 15.8(3)(a.1).
National Instrument 81-106 Investment Fund Continuous Disclosure, s. 4.4.
Form 81-106F1, Items 3.1(7), 4.1(1), 4.1(2), 4.2(1), 4.3(1) and 4.3(2) of Part B, Items 3(1), 4 of Part C.

June 12, 2017

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
NGAM CANADA LP
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of each mutual fund listed in Schedule "A" (the **NexGen Trust Funds**) and Schedule "B" (the **NexGen Tax Managed Funds**, together with the NexGen Trust Funds, the **NexGen Funds** and each, a **NexGen Fund**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting the NexGen Funds from:

(a) the requirement in section 2.1 of NI 81-101 to prepare a prospectus in the form of Form 81-101F1 *Contents of Simplified Prospectus* (**Form 81-101F1**), such that the NexGen Funds may deviate from:

1) Instruction (1) of Item 5 of Part B of Form 81-101F1 to permit:

(a) Series A securities of each NexGen Fund (other than NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund) to use, as their start date, the start date of Regular Front End Load series securities of the same NexGen Fund, and

(b) Series A securities of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund to use, as their start date, the start date of Deferred Load series securities of the same NexGen Fund; and

2) Item 13.2 of Part B of Form 81-101F1 to permit:

(a) Series A securities of each NexGen Fund (other than NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund) to show, as their expense information in the section entitled "Fund Expenses Indirectly Borne by Investors" of the simplified prospectus, the expense information of Regular Front End Load series securities of the same NexGen Fund, and

(b) Series A securities of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund to show, as their expense information in the section entitled "Fund Expenses Indirectly Borne by Investors" of the simplified prospectus, the expense information of Deferred Load series securities of the same NexGen Fund,

in each case, where the expense information relates to the time period prior to the date on which Series A securities first became available to the public (**Series A Inception Date**),

(paragraphs (a)(1) and (a)(2), collectively, the **Form 81-101F1 Relief**);

(b) the requirement in section 2.1 of NI 81-101, to prepare fund facts in the form of Form 81-101F3 *Contents of Fund Facts Document* (**Form 81-101F3**), such that the NexGen Funds may deviate from:

1) Instruction (1) of Item 2 of Part I of Form 81-101F3 to permit:

(a) Series A securities of each NexGen Fund (other than NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund) to use, as their start date, the start date of Regular Front End Load series securities of the same NexGen Fund, and

(b) Series A securities of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund to use, as their start date, the start date of Deferred Load series securities of the same NexGen Fund; and

2) Items 5(2), 5(3) and 5(4) and Instruction (1) of Item 5 of Part I of Form 81-101F3 (in respect of the requirement to comply with sections 15.3(2), 15.3(4)(c), 15.6(1)(a)(i), 15.6(1)(d), 15.8(2)(a), 15.8(2)(a.1), 15.8(3)(a) and 15.8(3)(a.1) of NI 81-102) to permit:

(a) Series A securities of each NexGen Fund (other than NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund) to show, as their performance data, the performance data of Regular Front End Load series securities of the same NexGen Fund, and

(b) Series A securities of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund to show, as their performance data, the performance data of Deferred Load series securities of the same NexGen Fund,

in each case, where the performance data relates to the time period prior to the Series A Inception Date,

(paragraphs (b)(1) and (b)(2), collectively, the **Form 81-101F3 Relief**); and

(c) the requirements in subsections 15.3(2), 15.3(4)(c), 15.6(1)(a)(i), 15.6(1)(d), 15.8(2)(a), 15.8(2)(a.1), 15.8(3)(a) and 15.8(3)(a.1) of NI 81-102, to permit:

1) Series A securities of each NexGen Fund (other than NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund) to show, as their performance data, the performance data of Regular Front End Load series securities of the same NexGen Fund, and

2) Series A securities of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund to show, as their performance data, the performance data of Deferred Load series securities of the same NexGen Fund,

in each case where the performance data relates to the time period prior to the Series A Inception Date (the **Sales Communication Relief**),

(the Sales Communication Relief, collectively with the Form 81-101F1 Relief and the Form 81-101F3 Relief, the **Requested Relief**).

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

1. the Ontario Securities Commission is the principal regulator for this application; and

2. the Filer has provided notice that 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 the Jurisdiction, the **Jurisdictions**).

Interpretation

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

Representations

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

The Filer

1. The Filer is a limited partnership established under the laws of Ontario with its head office based in Toronto, Ontario. The general partner of the Filer is NGAM Canada Limited, a corporation incorporated under the laws of the Province of Ontario.

2. The Filer is registered as an investment fund manager in Ontario, Québec and Newfoundland and Labrador, an exempt market dealer in each of the Jurisdictions and a portfolio manager and mutual fund dealer in Ontario.

3. The Filer is the manager, promoter and portfolio manager of the NexGen Funds and the trustee of the NexGen Trust Funds.

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

The NexGen Funds

5. Each NexGen Trust Fund is an open-end mutual fund formed as a trust and each NexGen Tax Managed Fund is an open-end mutual fund consisting of multiple classes (the **NexGen Tax Classes**) and series of NGAM Canada Investment Corporation, an open-end mutual fund corporation established under the laws of Ontario.

6. Each NexGen Fund is a reporting issuer under the laws of Alberta, British Columbia, Newfoundland, Ontario and Quebec and will be a reporting issuer in each of the remaining Jurisdictions. Each NexGen Fund is subject to NI 81-102. The securities of the NexGen Funds are qualified for distribution pursuant to a simplified prospectus, annual information form and fund facts that have been prepared and filed in accordance with NI 81-101, subject to any exemptions therefrom that have been, or may in the future be, granted by the securities regulatory authorities.

7. The Filer has filed a consolidated preliminary and pro forma simplified prospectus, annual information form and fund facts for the NexGen Funds and certain other mutual funds on May 10, 2017, which will (i) qualify for distribution the existing series of the NexGen Funds in each of Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, Saskatchewan, Northwest Territories, Nunavut and Yukon, (ii) qualify for distribution the new Series A securities of the NexGen Funds in all of the Jurisdictions, and (iii) cease to qualify for distribution Regular Front End Load, Deferred Load and Low Load series securities of the NexGen Funds.

8. Each of the NexGen Funds offers units or shares, as applicable, issued in multiple series. Each of the NexGen Funds currently offers, among other series, Regular Front End Load, Deferred Load and Low Load series securities.

9. Regular Front End Load series securities are offered under the front end load purchase option (the **Front End Load Option**), Deferred Load series securities are offered under the deferred load purchase option (the **Deferred Load Option**) and Low Load series securities are offered under the low load purchase option (the **Low Load Option**). Under the Front End Load Option, investors pay a negotiated commission to their dealer at the time they purchase securities, while under the Deferred Load Option and Low Load Option no commission is paid by the investor at the time of purchase, but the investor will be required to pay a redemption fee if he or she redeems within a certain period of time from the date of purchase.

10. The NexGen Funds are not in default of securities legislation in any of the Jurisdictions.

Regular Front End Load, Deferred Load and Low Load Series Re-Designations

11. In order to simplify the number of series offered by each NexGen Fund and to reduce the costs payable by investors in the NexGen Funds of having multiple series, the Filer will re-designate all outstanding Regular Front End Load, Deferred Load and Low Load series securities of each NexGen Fund as Series A securities of the same NexGen Fund (the **Re-Designations**), effective on or about June 20, 2017 (the **Re-Designation Date**). Series A securities will be available for purchase under the Front End Load Option, Deferred Load Option and Low Load Option.

12. The Re-Designations will be neutral to Regular Front End Load, Deferred Load and Low Load series investors and, in the case of investors who hold Deferred Load and Low Load series of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund, will result in a benefit to such investors:

    (a) investors who hold Regular Front End Load, Deferred Load and Low Load series securities (which will be re-designated as Series A securities) will continue to hold securities of the same NexGen Fund with the same underlying pool of assets, the same investment objectives and investment strategies and the same valuation procedures and will continue to have the same rights as securityholders as they did prior to the Re-Designations;

    (b) there will be no increase in charges to investors who hold Regular Front End Load, Deferred Load and Low Load series securities of the NexGen Funds as a result of the Re-Designations and, for investors who hold Deferred Load and Low Load series securitiesof NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund, these investors will experience a management fee decrease as a result of the Re-Designations, as Series A securities of such NexGen Funds will be subject to a lower management fee, which is equal to the current lower management fee paid in respect of Regular Front End Load series securities of such NexGen Funds; and

    (c) implementation of the Re-Designations will have no adverse tax consequences on investors under current Canadian tax legislation.

13. The start dates of Regular Front End Load, Deferred Load and Low Load series securities are the same for each NexGen Fund, with the exception of NexGen Canadian Cash Fund, where the start dates of Regular Front End Load and Deferred Load series securities is September 5, 2006, while the start date of Low Load series securities is March 8, 2010.

14. The only differences between Regular Front End Load, Deferred Load and Low Load series securities of a NexGen Fund and Series A securities of the same NexGen Fund are that: (i) Regular Front End Load series securities are available for purchase under the Front End Load Option, Deferred Load series securities are available for purchase under the Deferred Load Option and Low Load series securities are available for purchase under the Low Load Option, while Series A securities will be available for purchase under any of the three purchase options; and (ii) in the case of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund, Deferred Load and Low Load series securities are subject to a higher management fee than the management fee to which the Series A securities of the same NexGen Fund will be subject (the **Series Differences**).

15. The Filer will deliver or will arrange for the delivery of Series A fund facts to holders of Regular Front End Load, Deferred Load and Low Load series securities prior to the Re-Designation Date. Notice of the Re-Designations will be provided in a letter accompanying the Series A fund facts.

Series A Start Dates, Expense Information, Performance Data and Financial Highlights

16. Series A securities will be a new series of securities. Being new, Series A securities will not have their own expense information, performance data and financial highlights derived from financial statements. However, each Series A security, prior to the Re-Designation Date, was a Regular Front End Load, Deferred Load or Low Load series security of the same NexGen Fund.

17. The Filer proposes to show:

    (a) as the expense information for Series A securities of the NexGen Funds (other than NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund), in the section of the simplified prospectus entitled “Fund Expenses Indirectly Borne by Investors”, the expense information of Regular Front End Load series securities where the expense information for Regular Front End Load series securities relates to the time period prior to the Series A Inception Date;

    (b) as the expense information for Series A securities of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund, in the section of the simplified prospectus entitled “Fund Expenses Indirectly Borne by Investors”, the expense information of Deferred Load series securities where the expense information for Deferred Load series securities relates to the time period prior to the Series A Inception Date;

    (c) as the start date for Series A securities of the NexGen Funds (other than NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund) in the simplified prospectus and the fund facts, the start date of Regular Front End Load series securities;

    (d) as the start date for Series A securities of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund in the simplified prospectus and the fund facts, the start date of Deferred Load series

securities;

(e) as the performance data for Series A securities of the NexGen Funds (other than NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund), in the sections of the fund facts entitled "Year-by-year returns", "Best and worst 3-month returns" and "Average return", the performance data of Regular Front End Load series securities where the performance data for Regular Front End Load series securities relates to the time period prior to the Series A Inception Date;

(f) as the performance data for Series A securities of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund, in the sections of the fund facts entitled "Year-by-year returns", "Best and worst 3-month returns" and "Average return", the performance data of Deferred Load series securities where the performance data for Deferred Load series securities relates to the time period prior to the Series A Inception Date;

(g) as the performance data for Series A securities of the NexGen Funds (other than NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund), in the sales communications, the performance data of Regular Front End Load series securities where the performance data for Regular Front End Load series securities relates to the time period prior to the Series A Inception Date;

(h) as the performance data for Series A securities of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund, in the sales communications, the performance data of Deferred Load series securities where the performance data for Deferred Load series securities relates to the time period prior to the Series A Inception Date;

(i) in the annual and interim management reports of fund performance of Series A securities of the NexGen Funds (other than NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund), the financial highlights and past performance of Regular Front End Load series securities where the financial highlights and past performance for Regular Front End Load series securities relate to the time period prior to the Series A Inception Date; and

(j) in the annual and interim management reports of fund performance of Series A securities of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund, the financial highlights and past performance of Deferred Load series securities where the financial highlights and past performance for Deferred Load series securities relate to the time period prior to the Series A Inception Date.

18. There will be no difference between the expense information, performance data and financial highlights of Regular Front End Load, Deferred Load and Low Load series securities of a NexGen Fund (other than NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund) and Series A securities of the same NexGen Fund, as the fees and expenses of Regular Front End Load, Deferred Load and Low Load series securities prior to the Series A Inception Date will be identical to the fees and expenses of Series A securities of the same NexGen Fund upon the Series A Inception Date. The management expense ratio (**MER**) of Regular Front End Load series securities of the NexGen Funds (other than NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund), prior to the Series A Inception Date, will be directly applicable to Series A securities of the same NexGen Fund.

19. In the case of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund, the expense information and financial highlights for Deferred Load and Low Load series securities will be higher than that of Series A securities of the same NexGen Fund and the performance data of Deferred Load and Low Load series securities will be lower than that of Series A securities of the same NexGen Fund, as the fees and expenses of Deferred Load and Low Load series securities prior to the Series A Inception Date were higher than the fees and expenses of Series A securities. Notwithstanding the higher management fee paid in respect of Deferred Load and Low Load series securities of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund, the MER of Deferred Load series securities of NexGen Canadian Cash Fund and NexGen Canadian Preferred Share Registered Fund prior to the Series A Inception Date still will be directly applicable to Series A securities of the same NexGen Fund and, if anything will reflect that the historical MERs of these NexGen Funds were higher than they would have been had the new Series A structure existed during the relevant period.

20. To the extent that any differences between the Regular Front End Load, Deferred Load and Low Load series securities and the Series A securities of the same NexGen Fund could have materially affected the performance data of Series A, the Filer will comply with subsection 15.9(1) of NI 81-102 in the preparation of the Fund Facts and any sales communication and provide a summary disclosure of the Re-Designations and of how the Re-Designations could have affected performance had those changes been in effect throughout the performance measurement period.

21. Expense information, performance data and other financial data are significant and meaningful pieces of information for existing investors holding Regular Front End Load, Deferred Load and Low Load series securities, which will be re-designated upon the Re-Designation Date as Series A securities, and for prospective investors in Series A securities.

22. Investors re-designated from Regular Front End Load, Deferred Load and Low Load series securities will continue to hold securities of the same NexGen Fund with the same underlying pool of assets, the same investment objectives and investment strategies and the same valuation procedures. Such series of securities will be identical to Series A securities of the same NexGen Fund, except for the Series Differences.

23. The Filer has filed a separate application for exemptive relief from certain provisions of National Instrument 81-106 *Investment Fund Continuous Disclosure* to enable the NexGen Funds to include in their annual and interim management reports of fund performance of the Series A securities, the financial highlights and past performance of Regular Front End Load or Deferred Load series securities of the same NexGen Fund, as applicable, where the financial highlights and past performance for Series A securities relate to the time period prior to the Series A Inception Date (the **NI 81-106 Relief**).

24. In the absence of the Requested Relief, the NexGen Funds' simplified prospectus, fund facts and sales communications cannot show, as the start dates, expense information, performance data and financial highlights of Series A securities, the start dates, expense information, performance data and financial highlights of Regular Front End Load or Deferred Load series securities, as applicable, where such information relates to the time period prior to the Series A Inception Date.

Decision

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

The decision of the principal regulator under the Legislation is that the Requested Relief is granted.

"Vera Nunes"
Manager, Investment Funds and Structured Products Branch
Ontario Securities Commission

Schedule "A"
NexGen Trust Funds

NexGen Canadian Cash Fund (*to be renamed Natixis Canadian Cash Fund*)
NexGen Canadian Bond Fund *(to be renamed Natixis Canadian Bond Fund)*
Loomis Sayles Global Diversified Corporate Bond Fund
Natixis Strategic Balanced Registered Fund
NexGen Intrinsic Balanced Registered Fund *(to be renamed Natixis Intrinsic Balanced Registered Fund)*
NexGen Canadian Dividend Registered Fund *(to be renamed Natixis Canadian Dividend Registered Fund)*
NexGen Intrinsic Growth Registered Fund (*to be renamed Natixis Intrinsic Growth Registered Fund)*
NexGen U.S. Dividend Plus Registered Fund (*to be renamed Natixis U.S. Dividend Plus Registered Fund)*
NexGen U.S. Growth Registered Fund *(to be renamed Natixis U.S. Growth Registered Fund)*
NexGen Global Equity Registered Fund *(to be renamed Natixis Global Equity Registered Fund)*
NexGen Canadian Preferred Share Registered Fund *(to be renamed Natixis Canadian Preferred Share Registered Fund)*

Schedule "B"
NexGen Tax Managed Funds

NexGen Canadian Bond Tax Managed Fund *(to be renamed Natixis Canadian Bond Class)**
Loomis Sayles Global Diversified Corporate Bond Tax Managed Fund *(to be renamed Loomis Sayles Global Diversified Corporate Bond Class)**
Natixis Strategic Balanced Tax Managed Fund *(to be renamed Natixis Strategic Balanced Class)**
NexGen Intrinsic Balanced Tax Managed Fund *(to be renamed Natixis Intrinsic Balanced Class)**
NexGen Canadian Dividend Tax Managed Fund *(to be renamed Natixis Canadian Dividend Class)**
NexGen Intrinsic Growth Tax Managed Fund *(to be renamed Natixis Intrinsic Growth Class)**
NexGen U.S. Dividend Plus Tax Managed Fund *(to be renamed Natixis U.S. Dividend Plus Class)**
NexGen U.S. Growth Tax Managed Fund *(to be renamed Natixis U.S. Growth Class)**
NexGen Global Equity Tax Managed Fund *(to be renamed Natixis Global Equity Class)**
NexGen Canadian Preferred Share Tax Managed Fund *(to be renamed Natixis Canadian Preferred Share Class)**

* An investment portfolio consisting of certain classes and series of NGAM Canada Investment Corporation, an open-ended mutual fund corporation.

2.1.6 Starlight U.S. Multi-Family (No. 1) Value-Add Fund

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions – application for relief from requirement to obtain separate minority approval for each class of units – no difference of interest between holders of each class of units in connection with the proposed business combination transaction – safeguards include independent committee, fairness opinions – limited partnership agreement provides that unitholders will vote as a single class unless the nature of the business affects holders of one class of units in a manner materially different from another class – requiring a class-by-class vote could give a de facto veto right to a very small group of unitholders.

Applicable Legislative Provisions

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

November 21, 2019

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

AND

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

AND

IN THE MATTER OF
STARLIGHT U.S. MULTI-FAMILY (NO. 1) VALUE-ADD FUND
(the "Filer")

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the "**Application**") from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") exempting the Filer, pursuant to section 9.1 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), from the requirement in subsection 8.1(1) of MI 61-101 to obtain minority approval for the Transaction (as defined below) from the unitholders of every class of affected securities of the Filer voting separately as a class, and requiring instead that minority approval be obtained from all Disinterested Unitholders (as defined below) voting together as single class (the "**Exemption Sought**"). The Application is being made in connection with an acquisition agreement between the Filer and Clearwater U.S. Multi-Family (No. 2) Holding LP (the "**Purchaser**"), among others, pursuant to which the Purchaser will acquire all of issued and outstanding limited partnership interests and membership interests in certain of the Filer's subsidiaries, thereby indirectly acquiring ownership of the interests in the multi-family real estate properties currently owned by the Filer.

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in Québec, Alberta, Manitoba, and New Brunswick.

Interpretation

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

Representations

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

1. The Filer is a reporting issuer or the equivalent thereof in each province of Canada. The Filer is not in default of any requirement of the securities legislation in any jurisdiction in which it is a reporting issuer.

2. The Filer is a limited partnership established on April 24, 2017 under the laws of the Province of Ontario and is governed by an amended and restated limited partnership agreement dated June 12, 2017 (the "**LPA**").

3. The Filer's investment objectives are to: (a) indirectly acquire, own, and operate a portfolio primarily comprised of value-add, income-producing multi-family properties that can achieve significant increases in rental rates as a result of undertaking high return, light value-add capital expenditures and active asset management, and are located primarily in the States of Arizona, Colorado, Florida, Georgia, Nevada, North Carolina, Tennessee and Texas; (b) make stable monthly cash distributions; and (c) increase rental rates through light value-add capital expenditures, revenue management software, enhance revenue through ancillary income opportunities and reduce operating expenses through active asset management, best-in-class property management and economies of scale, with the goal of ultimately directly or indirectly disposing of its interests in the assets by the end of the Filer's pre-determined term of existence unless extended in accordance with the terms of the LPA.

4. The Filer currently owns interests in a portfolio of 1,193 suites in three properties located in the United States.

5. The Filer completed its initial public offering on June 16, 2017.

6. The limited partnership interests in the Filer are divided into seven classes of limited partnership units (collectively, the "**Units**"): Class A units ("**Class A Units**"), Class C units ("**Class C Units**"), Class D units ("**Class D Units**"), Class E units ("**Class E Units**"), Class F units ("**Class F Units**"), Class H units ("**Class H Units**") and Class U units ("**Class U Units**").

7. As at September 30, 2019, there were 8,182,469 Units issued and outstanding, comprised of 1,729,193 Class A Units, 1,622,500 Class C Units, 1,797,286 Class D Units, 1,082,800 Class E Units, 1,724,710 Class F Units, 0 Class H Units and 225,980 Class U Units.

8. The holders of the Class A Units, Class C Units, Class D Units, Class E Units, Class F Units, Class H Units and Class U Units have the same rights and obligations, and no holder of Units is entitled to any privilege, priority or preference in relation to any other such holder, subject to the following:

    (a) The Class A Units, Class C Units, Class D Units, Class F Units and Class H Units are denominated in Canadian dollars, while the Class U Units and Class E Units are denominated in U.S. dollars.

    (b) The Class H Units are required to account for the costs of any hedging instruments acquired by the Filer to provide holders of Class H Units with some protection against the weakening of the U.S. dollar as compared to the Canadian dollar.

    (c) The proportionate entitlement of the holders of Class A Units, Class C Units, Class D Units, Class E Units, Class F Units, Class H Units and Class U Units to participate in distributions made by the Filer and to receive proceeds upon termination or dissolution of the Filer is determined based on the net U.S. dollar proceeds received by the Filer in respect of such class of Units at the time of the Filer's initial public offering.

    (d) The proportionate allocation of income or loss of the Filer is determined in accordance with the LPA.

    (e) The Class A Units and Class U Units are listed on the TSX Venture Exchange under the symbols "SUVA.A" and "SUVA.U" respectively. The Class C Units, Class D Units, Class F Units and Class H Units are not listed on any stock exchange, but may be converted into Class A Units at the option of the holders thereof at a rate determined by the relative net U.S. dollar proceeds received by the Filer for each Unit, by class, at the time of its initial public offering. The Class A Units are convertible into Class D Units on a similar basis.

    (f) The Class E Units are not listed on any stock exchange, but may be converted into Class U Units at the option of the holders thereof at a rate determined by the relative net U.S. dollar proceeds received by the Filer for each Unit, by class, at the time of its initial public offering. The Class U Units are convertible into Class E Units on a similar basis.

(g) If a formal take-over bid is made for a class of Units other than the Class A Units and the Class U Units, then the Class A Units and the Class U Units have coattail rights to convert into the class of Units that are the subject of the formal take-over bid at a rate determined by the relative net U.S. dollar proceeds received by the Filer for each Unit, by class, at the time of its initial public offering.

9. The LPA provides that the unitholders vote as a single class in respect of any matter to be voted upon unless the nature of the business to be transacted at the meeting affects holders of one class of Units in a manner materially different from its effect on holders of another class of Units, in which case the Units of the affected class will vote separately as a class.

10. The Purchaser is a limited partnership governed by the laws of the State of Delaware, with its head and registered office located in Wilmington, Delaware.

11. Starlight Group Property Holdings Inc. ("**Starlight Group**"), a corporation which is wholly-owned by Daniel Drimmer, who is an officer and director of Starlight U.S. Multi-Family (No. 1) Value-Add GP, Inc., the general partner of the Filer ("**General Partner**"), together with one or more of its affiliates, established the Purchaser, with a subsidiary of Starlight Group initially being the sole general partner of the Purchaser.

12. At the time of the Transaction (as defined below) closing, the Public Sector Pension Investment Board ("**PSP**"), an arm's length unrelated third party to the Filer, will beneficially own and control 90% of the limited partnership interest in the Purchaser and Mr. Drimmer will beneficially own and control the remaining 10% limited partnership interest in the Purchaser.

13. The Purchaser and the Filer entered into an acquisition agreement (the "**Acquisition Agreement**"), pursuant to which the Purchaser will acquire all of the issued and outstanding limited partnership interests and membership interests in certain of the Filer's subsidiaries (the "**Interests**"), thereby indirectly acquiring ownership of the interests in the multi-family real estate properties currently owned by the Filer (the "**Transaction**").

14. The Purchaser intends to satisfy the purchase price for the Interests with a cash payment to the selling subsidiaries of the Filer in an amount that is in part based on the appraised value of the interest in the multi-family real estate properties held, indirectly, by the Filer. Following closing of the Transaction, the General Partner will distribute the net, after tax proceeds from the sale of the Interests to unitholders of the Filer and in connection therewith, the Filer will cancel all issued and outstanding Units and dissolve, all in accordance with and pursuant to the dissolution provisions provided in the LPA.

15. Mr. Drimmer, as principal of Starlight Investments US AM Group LP (the "**Manager**"), the manager of the Filer, together with Evan Kirsh, Martin Liddell and David Hanick, who are officers of the General Partner, each have direct or indirect interests in the "carried interest" that provides for a portion (25%) of an amount related to the Filer's distributable cash to be paid to the holders of interests in the "carried interest" provided that the Filer has sufficient distributable cash to provide unitholders with a return of their capital, a reference internal rate of return has been met (7.5% per annum) and the remaining percentage (75%) is distributed to the Filer's unitholders. In connection with the Transaction, the accumulated value of "carried interest" will be monetized based on the agreed Transaction value and extinguished in exchange for (i) cash payable to Messrs. Kirsh, Liddell and Hanick, and (ii) limited partnership units of the Purchaser issuable to or at the direction of Mr. Drimmer, subject to adjustment based on the terms of the arrangements between such parties and PSP.

16. The Transaction is a "business combination" as such term is defined in MI 61-101 and is therefore subject to the applicable requirements of MI 61-101. Such requirements include, among other things, obtaining approval for the Transaction by a majority of votes cast by the holders of each class of Units, excluding the votes attached to Units beneficially owned, or over which control or direction is exercised, by any party specified in subsection 8.1(2) of MI 61-101 (the "**Disinterested Unitholders**"), at a unitholder meeting held by the Filer. The Disinterested Unitholders in respect of the Transaction include all of the unitholders of the Filer with the exception of Mr. Drimmer and the directors and officers of each of the General Partner and the Manager.

17. As at September 30, 2019, Mr. Drimmer, Director and Chief Executive Officer of the General Partner and principal of the Manager, beneficially owned, or exercised control or direction over: 500,000 Class C Units and 2,100 Class U Units, representing a voting interest in the Filer of approximately 6.14%.

18. As at September 30, 2019, Mr. Kirsh, President of the General Partner, beneficially owned, or exercised control or direction over: 11,000 Class A Units, 40,000 Class C Units and 500 Class U Units, representing a voting interest in the Filer of approximately 0.63%.

19. As at September 30, 2019, Mr. Liddell, Chief Financial Officer of the General Partner, beneficially owned, or exercised control or direction over: 40,000 Class C Units, representing a voting interest in the Filer of approximately 0.49%.

20. As at September 30, 2019, Mr. Hanick, Corporate Secretary of the General Partner, beneficially owned, or exercised control or direction over: 3,000 Class A Units, representing a voting interest in the Filer of less than 0.04%.

21. As at September 30, 2019, Graham Rosenberg, Director of the General Partner, beneficially owned, or exercised control or direction over 25,000 Class F Units, representing a voting interest in the Filer of approximately 0.31%.

22. As at September 30, 2019, Harry Rosenbaum, Director of the General Partner, beneficially owned, or exercised control or direction over 26,500 Class A Units, representing a voting interest in the Filer of approximately 0.32%.

23. As at September 30, 2019, the Disinterested Unitholders held:

    (a) 1,688,693 Class A Units (or approximately 97.66% of the Class A Units);

    (b) 223,800 Class U Units (or approximately 98.85% of the Class U Units);

    (c) 1,797,286 Class D Units (or 100% of the Class D Units);

    (d) 1,082,800 Class E Units (or 100% of the Class E Units);

    (e) 1,699,170 Class F Units (or approximately 98.55% of the Class F Units);

    (f) 1,042,500 Class C Units (or approximately 64.25% of the Class C Units).

24. MI 61-101 was adopted to ensure the fair treatment of all security holders and the perception of such in the context of insider bids, issuer bids, business combinations and related party transactions.

25. The Transaction is subject to a number of mechanisms to ensure that the collective interests of the Filer's unitholders are protected, including the following:

    (a) Negotiation of the Transaction was overseen by an independent committee of the board of directors of the General Partner (the "**Independent Committee**"), which is comprised solely of directors that are independent of the Filer, the Manager and PSP, being Messrs. Rosenberg and Rosenbaum.

    (b) Origin Merchant Partners ("**Origin**") provided the Independent Committee and the board of directors of the General Partner with a fairness opinion (the "**Fairness Opinion**") concluding that, as of the date of such opinion and based upon and subject to the limitations, qualifications, assumptions and other matters set out therein, the consideration to be received by public unitholders (which excludes, among others, directors and senior officers of the Filer, the General Partner and their affiliates, as well as the Purchaser and its affiliates) pursuant to the Transaction and the related special distribution to unitholders is fair, from a financial point of view to the public unitholders of the Filer, which will be included in the Information Circular (as defined below). Such opinion complies with and the associated disclosure will comply with the provisions of CSA Multilateral Staff Notice 61-302 – *Staff Review and Commentary on Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions*.

    (c) The Independent Committee has retained Wildeboer Dellelce LLP to act as counsel for the Independent Committee.

    (d) The General Partner exercised the requisite standard of care in accordance with the terms of the LPA with respect to the Transaction, with Mr. Drimmer recusing himself from any resolutions passed by the directors of the General Partner.

    (e) The Filer will hold a special meeting of all unitholders of the Filer in order for the Filer's unitholders to consider and, if deemed advisable, approve the Transaction by a majority of votes cast by the Disinterested Unitholders (which, for greater clarity, will exclude the votes attached to all of the Units beneficially owned, or over which control or direction is exercised, by Messrs. Drimmer, Kirsh, Liddell, Hanick, Rosenbaum and Rosenberg), voting together as a single class of the Filer.

    (f) The preparation and delivery by the Filer to its unitholders of an information circular (the "**Information Circular**") prepared in accordance with the applicable securities law requirements in order to provide sufficient information to allow the unitholders to make an informed decision in respect of the Transaction.

    (g) The filing on SEDAR of appraisals, by an independent appraiser obtained by the Filer in contemplation of the Transaction, concerning each of the multi-family real estate properties currently owned by the Filer, which appraisals will be summarized in the Information Circular.

26. The General Partner and the Manager are of the view that these are the optimal mechanisms to ensure that the public interest is well protected and that the unitholders of the Filer are treated fairly and in accordance with their voting and economic entitlements under the LPA.

27. The LPA provides that unitholders vote as a single class in respect of any matter to be voted upon unless the nature of the business to be transacted at the meeting affects holders of one class of units in a manner materially different from its effect on holders of another class of units, in which case the units of the affected class will vote separately as a class. Each of the General Partner, the Manager and the Independent Committee have determined that the Transaction does not affect holders of one class of Units in a manner materially different from its effect on holders of another class of Units.

28. The division of the Filer's limited partnership units into various classes was related to the use of different currencies, to accommodate a number investment account differences, and the establishment of differing economic entitlements to participate in distributions made by the Filer and to receive proceeds upon termination or dissolution of the Filer, in each case, strictly pursuant to formulas determined at the time of the issuance of the Units pursuant to the initial public offering of the Filer and provided for in the LPA.

29. Each Unit entitles the holder to the same rights and obligations and no unitholder of the Filer is entitled to any privilege, priority or preference in relation to any other holder of Units, subject to: (a) the proportionate entitlement of each holder to participate in distributions made by the Filer and to receive proceeds upon termination of the Filer, is based on such holder's share of the "Proportionate Class Interest"; and (b) a proportionate allocation of income or loss of the Filer in accordance with the terms of the LPA. The Proportionate Class Interest is essentially the proportion of: (a) the aggregate net proceeds of the initial public offering (being the gross proceeds less the agents' fee) for all classes of Units; and (b) the aggregate subscription amount deemed to have been received by the Filer for the issuance of such class of Units at the time of the Filer's initial public offering that is attributable to a specific class of Units. A specific class' proportionate interest would be greater than another class' if Units of that first class had a lower applicable agents' fee in the initial public offering.

30. The relative returns as between classes within the Filer are fixed pursuant to a formula for the Filer that was determined at the time of the Filer's initial public offering when investors selected their preferred class and purchased their Units. The economic impact of the Transaction will be determined pursuant to the formulas established in the LPA, and the Transaction will not alter such entitlements or otherwise provide for the payment of cash or assets to unitholders in a manner that differs from the pre-established entitlements in the LPA, as each holder of a class of Units will receive distribution proceeds representative of its proportionate interest. Therefore, the interests of the holders of each class of Units are aligned in respect of the Transaction.

31. Each of the Filer' unlisted classes of Units may be converted into a listed class, as follows: the Class D Units, Class F Units, Class H Units and Class C Units can be converted at any time into Class A Units at the option of the holders thereof, while the Class E Units can be converted at any time into Class U Units at the option of the holders thereof. Each of the Filer's listed classes of Units (being the Class A Units and Class U Units) can be converted at any time into an unlisted class of Units, being the Class D Units and Class E Units, respectively.

32. Separate class votes by the unitholders of the Filer would have the effect of granting disproportionate importance to a small group of Disinterested Unitholders of each of the Class U Units (2.76% of issued and outstanding Units), Class E Units (13.23% of issued and outstanding Units) and Class C Units (19.83% of issued and outstanding Units). Despite their relatively small holdings, voting unitholders in each of these groups would be afforded a *de facto* veto right in respect of the Transaction that could be exercised against all other unitholders of the Filer. Because the quorum for a meeting of a class of unitholders is only 10% for each class, it is possible that a holder of less than 1% of the Units could "veto" the Transaction. Such an outcome would not be in accordance with the reasonable expectations of the unitholders of the Filer.

33. To the best of the knowledge of the Manager and the General Partner, there is no reason to believe that the Filer's unitholders of any particular class would not approve the Transaction.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that the following mechanisms are implemented and remain in place:

1. a special meeting of the unitholders of the Filer is held in order for the Disinterested Unitholders of the Filer to consider and, if deemed advisable, approve the Transaction, such approval to be obtained with the Disinterested Unitholders of the Filer voting together as a single class of the Filer;

2. the Information Circular is prepared and delivered by the Filer to its unitholders in accordance with applicable securities law requirements; and

3. the Fairness Opinion prepared by Origin concluding that the consideration to be received by the Filer is fair from a financial point of view to the Disinterested Unitholders is included in its entirety in the Information Circular.

"Naizam Kanji"
Director, Office of Mergers & Acquisitions
Ontario Securities Commission

2.2 Orders

2.2.1 1212771 B.C. Ltd. (formerly Cobalt 27 Capital Corp.)

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The issuer ceased to be a reporting issuer under securities legislation.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).

November 20, 2019

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

AND

IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS

AND

IN THE MATTER OF
1212771 B.C. LTD.
(formerly Cobalt 27 Capital Corp., the Filer)

ORDER

Background

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

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

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland, North West Territories, Yukon and Nunavut.

Interpretation

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

Representations

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

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 Issuers Quoted in the U.S. *Over-the-Counter Markets*;

2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;

3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and

5. the Filer is not in default of securities legislation in any jurisdiction.

Order

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

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

"Winnie Sanjoto"
Manager, Corporate Finance
Ontario Securities Commission

2.2.2 AGT Foods and Ingredients Inc. – s. 1(6) of the OBCA

Headnote

Applicant deemed to have ceased to be offering its securities to the public under the Business Corporations Act (Ontario).

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16 as am., s. 1(6).

IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT (ONTARIO),
R.S.O. 1990, c. B.16, AS AMENDED
(the OBCA)

AND

IN THE MATTER OF
AGT FOODS AND INGREDIENTS INC.
(the Applicant)

ORDER
(Subsection 1(6) of the OBCA)

UPON the application of the Applicant to the Ontario Securities Commission (the **Commission**) for an order pursuant to subsection 1(6) of the OBCA to be deemed to have ceased to be offering its securities to the public;

AND UPON the Applicant representing to the Commission that:

1. The Applicant is an "offering corporation" as defined in the OBCA; and

2. On June 21, 2019 the Applicant was granted an order (the **June 21 Order**) pursuant to subclause 1(10)(a)(ii) of the *Securities Act* (Ontario) that it is not a reporting issuer in Ontario and is not a reporting issuer or the equivalent in any other jurisdiction in Canada in accordance with the procedure set out in National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*. The representations set out in the June 21 Order continue to be true.

AND UPON the Commission being satisfied to do so would be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission, pursuant to subsection 1(6) of the OBCA, that the Applicant is deemed to have ceased to be offering its securities to the public.

DATED at Toronto on this 2nd day of August, 2019.

"Ray Kindiak"
Commissioner
Ontario Securities Commission

"Heather Zordel"
Commissioner
Ontario Securities Commission

2.2.3 Sun Life Global Investments (Canada) Inc. et al. – ss. 78(1), 80 of the CFA

Headnote

Section 80 of the Commodity Futures Act (Ontario) (the CFA) – Relief from the adviser registration requirement of paragraph 22(1)(b) of the CFA granted to sub-advisers headquartered in foreign jurisdictions in respect of advice regarding trades in commodity futures contracts and commodity futures options, subject to certain terms and conditions – Relief mirrors exemption available in section 8.26.1 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations made under the Securities Act (Ontario) – Relief is subject to a sunset clause.

Subsection 78(1) of the Commodity Futures Act (Ontario) – Order also revokes prior order of the Commission dated September 1, 2015, In the Matter of Sun Life Global Investments (Canada) Inc. and MFS Institutional Advisors, Inc. that would otherwise have expired on September 1, 2020.

Applicable Legislative Provisions

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 1(1), 22(1)(b), 78(1) and 80.
Securities Act, R.S.O. 1990, c. S.5, as am., s. 25(3).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 8.26.1.
Ontario Securities Commission Rule 35-502 Non-Resident Advisers, s. 7.11.

Applicable Orders

In the Matter of Sun Life Global Investments (Canada) Inc. and MFS Institutional Advisors, Inc., (2015), 38 OSCB 7838

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

AND

IN THE MATTER OF
SUN LIFE GLOBAL INVESTMENTS (CANADA) INC.,
SUN LIFE CAPITAL MANAGEMENT (CANADA) INC.,
PRIME ADVISORS, INC.,
RYAN LABS ASSET MANAGEMENT INC.,
SUN LIFE CAPITAL MANAGEMENT (U.S.) LLC

AND

MFS INSTITUTIONAL ADVISORS, INC.

ORDER
(Subsection 78(1) and Section 80 of the CFA)

UPON the application (the **Application**) of Sun Life Global Investments (Canada) Inc. (**SLGIC**), Sun Life Capital Management (Canada) Inc. (**SLC Management Canada**, and together with SLGIC, the **Principal Advisers** and each a **Principal Adviser**), Prime Advisors, Inc. (Prime Advisors), Ryan Labs Asset Management Inc. (**Ryan Labs**), Sun Life Capital Management (U.S.) LLC (**SLC Management US**) and MFS Institutional Advisors, Inc. (**MFS** and together with Prime Advisors, Ryan Labs and SLC Management US, the **Sub-Advisers** and each a **Sub-Adviser**) to the Ontario Securities Commission (the **Commission**) for an order:

(a) pursuant to subsection 78(1) of the CFA revoking the exemption order granted by the Commission to SLGIC and MFS on September 1, 2015 (the **Previous Order**); and

(b) pursuant to section 80 of the CFA, that each Sub-Adviser and any individuals engaging in, or holding themselves out as engaging in, the business of advising others when acting on behalf of their respective Sub-Adviser in respect of the Sub-Advisory Services (as defined below) (the **Representatives**) be exempt, for a period of five years, from the adviser registration requirements of paragraph 22(1)(b) of the CFA when acting as a sub-adviser to the Principal Advisers for the benefit of the Clients (as defined below) regarding commodity futures contracts and commodity futures options (collectively, the **Contracts**) traded on commodity futures exchanges and cleared through clearing corporations (the **Relief Sought**);

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

AND UPON the Principal Advisers and the Sub-Advisers having represented to the Commission that:

Principal Advisers

1. SLGIC is a corporation established under the federal laws of Canada with its head office in Toronto, Ontario.

2. SLGIC is registered as a mutual fund dealer in Ontario, Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec, Saskatchewan, and Yukon, as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador, and as a commodity trading manager and portfolio manager in Ontario.

3. SLC Management Canada is a corporation established under the federal laws of Canada with its head office in Toronto, Ontario.

4. SLC Management Canada is registered as an investment fund manager, an exempt market

dealer and a portfolio manager in each of Ontario, Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec, Saskatchewan and Yukon, and as a commodity trading manager in Ontario.

5. SLGIC and SLC Management Canada are affiliates as each is an indirect wholly-owned subsidiary of Sun Life Financial Inc. (**SFI**), a company the shares of which are listed on, among others, the Toronto Stock Exchange.

Sub-Advisers

6. Each Sub-Adviser is organized under the laws of a jurisdiction other than Canada or the provinces or territories thereof.

7. Prime Advisors is a company formed under the laws of Washington State, United States with its head office and principal place of business in Redmond, Washington, United States. Prime Advisors is an indirect wholly-owned subsidiary of SFI.

8. Prime Advisors provides asset and portfolio management services to institutional investors across multiple strategies and financial instruments. Prime Advisors is registered as an investment adviser with the Securities and Exchange Commission of the United States (**SEC**). It is exempted from registration as a commodity trading adviser and commodity pool operator with the U.S. Commodity Futures Trading Commission (**CFTC**).

9. Ryan Labs is a company formed under the laws of the State of Delaware, United States, with its head office and principal place of business in New York, New York, United States. Ryan Labs is an indirect wholly-owned subsidiary of SFI.

10. Ryan Labs provides asset and portfolio management services to institutional investors across multiple strategies and financial instruments. Ryan Labs is registered as an investment adviser with the SEC and as a commodity trading adviser and commodity pool operator with the CFTC.

11. Ryan Labs also currently relies on the exemption from the requirement to register as an adviser under the *Securities Act* (Ontario) (**OSA**) pursuant to the international sub-adviser exemption in section 8.26.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**).

12. SLC Management US is a limited liability company formed under the laws of the State of Delaware, United States with its head office and principal place of business in Wellesley Hills, Massachusetts, United States. SLC Management US is an indirect wholly-owned subsidiary of SFI.

13. SLC Management US provides asset and portfolio management services to institutional investors across multiple strategies and financial instruments. SLC Management US is registered as an investment adviser with the SEC and as a commodity trading adviser and commodity pool operator with the CFTC.

14. SLC Management US also currently relies on the exemption from the requirement to register as an adviser under the OSA pursuant to the international adviser exemption in section 8.26 of NI 31-103.

15. Each of Ryan Labs and SLC Management US currently relies on an exemption from the adviser registration requirement in paragraph 22(1)(b) of the CFA to provide advice to permitted clients (as defined in section 1.1 of NI 31-103) in respect of Contracts primarily traded on one or more organized exchanges that are located outside of Canada and primarily cleared through one or more clearing corporations that are located outside of Canada. These exemptions will expire on March 14, 2022 and October 29, 2023 in the case of Ryan Labs and SLC Management US, respectively.

16. On or about December 31, 2019, it is expected that Ryan Labs and Prime Advisors will merge with SLC Management US and the resulting entity will be named Sun Life Capital Management (U.S.) LLC.

17. MFS is a limited liability company formed under the laws of the State of Delaware, United States, with its head office and principal place of business in Boston, Massachusetts, United States. MFS is an indirect wholly-owned subsidiary of SFI.

18. MFS provides asset and portfolio management services to institutional investors across multiple strategies and financial instruments. MFS is registered as an investment adviser with the SEC. It is exempted from registration as a commodity trading adviser and commodity pool operator with the CFTC.

19. MFS also currently relies on the exemption from the requirement to register as an adviser under the OSA pursuant to the international adviser exemption in section 8.26 of NI 31-103.

20. Each Sub-Adviser is registered in a category of registration, or operates under an exemption from registration, under the commodity futures or other applicable legislation of the United States that permits it to carry on activities in that jurisdiction that registration as an adviser under the CFA would permit it to carry on in Ontario. As such, each Sub-Adviser is authorized and permitted to

carry on the Sub-Advisory Services (as defined below) in the jurisdiction outside of Canada in which its head office or principal place of business is located.

21. None of the Sub-Advisers is registered in any capacity under the CFA or the OSA, nor are any of the Sub-Advisers registered in any capacity under the securities law, commodity futures law or derivatives law of any other jurisdiction of Canada.

22. Other than as described in paragraphs 11, 14, 15 and 19 above, none of the Sub-Advisers is currently relying on any exemptions from the requirement to register under securities law, commodity futures law or derivatives law of any jurisdiction of Canada.

23. Each Sub-Adviser engages in the business of an adviser in respect of Contracts in its principal jurisdiction.

24. None of the Sub-Advisers is a resident of any province or territory of Canada.

25. The Sub-Advisers and the Principal Advisers are affiliates, as defined in the OSA. Each of the Sub-Advisers and the Principal Advisers are indirectly wholly-owned by their parent company, SFI.

26. Each Sub-Adviser is in compliance in all material respects with the securities laws, commodity futures laws and derivatives laws in each jurisdiction outside of Canada in which its head office or principal place of business is located.

27. None of the Principal Advisers or the Sub-Advisers is in default of securities legislation, commodity futures legislation or derivatives legislation in any jurisdiction of Canada.

28. Each of SLGIC and MFS relied on the Previous Order and have complied with all the terms and conditions of the Previous Order.

The Clients

29. The Principal Advisers provide, or may provide discretionary and/or non-discretionary portfolio management services in Ontario to the following clients (each referred to individually as a **Client** and collectively as the **Clients**):

    (a) investment funds, the securities of which are qualified by prospectus for distribution to the public in Ontario and the other provinces and territories of Canada (the **Investment Funds**);

    (b) investment funds, the securities of which are sold on a private placement basis in Ontario and the other provinces and territories of Canada pursuant to prospectus exemptions (where available) contained in National Instrument 45-106 *Prospectus Exemptions* and applicable securities legislation (the **Pooled Funds**);

    (c) clients who have entered into investment management agreements with a Principal Adviser to establish managed accounts (the **Managed Accounts**); and

    (d) other Investment Funds, Pooled Funds and Managed Accounts that may be established or retained in the future in respect of which a Principal Adviser will engage a Sub-Adviser to provide portfolio advisory services (the **Future Clients**).

30. Certain of the Clients may, as part of their investment program, invest in Contracts. The Principal Advisers act, or will act, as a commodity trading manager in respect of such Clients.

Proposed Advisory Services

31. In connection with the Principal Advisers acting as advisers to Clients in respect of the purchase or sale of Contracts, each Principal Adviser, pursuant to a written agreement made between the Principal Adviser and each respective Sub-Adviser, has retained (or will retain) the respective Sub-Adviser to act as a sub-adviser to the Principal Adviser in respect of Contracts in which that Sub-Adviser has experience and expertise in respect of all or a portion of the assets of the investment portfolio of the respective Client, including discretionary or non-discretionary authority to buy or sell Contracts for the Client (the **Sub-Advisory Services**), provided that such investments are consistent with the investment objectives and strategies of the applicable Client.

32. Paragraph 22(1)(b) of the CFA prohibits a person or company from acting as an adviser unless the person or company is registered as an adviser under the CFA, or is registered as a representative or as a partner or an officer of a registered adviser and is acting on behalf of such registered adviser.

33. By providing the Sub-Advisory Services, each Sub-Adviser and its Representatives will be engaging in, or holding themselves out as engaging in, the business of advising others in respect of Contracts and, in the absence of being granted the Relief Sought, would be required to register as an adviser or a representative of an adviser, as the case may be, under the CFA.

34. There is presently no rule or regulation under the CFA that provides an exemption from the adviser registration requirement in paragraph 22(1)(b) of the CFA that is similar to the exemption from the adviser registration requirement in subsection 25(3) of the OSA provided under section 8.26.1 of NI 31-103.

35. The relationship among any Principal Adviser, any Sub-Adviser and any Client is, and will be, consistent with the requirements of section 8.26.1 of NI 31-103.

36. A Sub-Adviser will only provide the Sub-Advisory Services to a Principal Adviser as long as that Principal Adviser is, and remains, registered under the CFA as an adviser in the category of commodity trading manager.

37. As would be required under section 8.26.1 of NI 31-103:

    (a) the obligations and duties of each Sub-Adviser are, or will be, set out in a written agreement with the relevant Principal Adviser(s); and

    (b) the relevant Principal Adviser(s) have entered into, or will enter into, a written contract with each Client, agreeing to be responsible for any loss that arises out of the failure of any Sub-Adviser:

        (i) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Principal Adviser and each Client; or

        (ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances (together with (i), the **Assumed Obligations**).

38. The written agreement between a Principal Adviser and each Sub-Adviser sets out, or will set out, the obligations and duties of each party in connection with the Sub-Advisory Services and permits, or will permit, the Principal Adviser to exercise the degree of supervision and control it is required to exercise over the applicable Sub-Adviser in respect of the Sub-Advisory Services.

39. Each Principal Adviser will deliver to its Clients all required reports and statements under applicable securities, commodity futures and derivatives legislation.

40. The prospectus or other offering document, if any, (in either case, the **Offering Document**) of each Client that is an Investment Fund or a Pooled Fund and for which a Principal Adviser engages one or more Sub-Advisers to provide the Sub-Advisory Services includes, or will include, the following disclosure (the **Required Disclosure**):

    (a) a statement that the Principal Adviser is responsible for any loss that arises out of the failure of any Sub-Adviser to meet the Assumed Obligations; and

    (b) a statement that there may be difficulty in enforcing any legal rights against the Sub-Advisers (or any of their Representatives) because the Sub-Advisers are resident outside of Canada and all or substantially all of their assets are situated outside of Canada.

41. Prior to purchasing any securities of one or more of the Clients that are Investment Funds or Pooled Funds directly from a Principal Adviser, all investors in these Investment Funds or Pooled Funds who are Ontario residents will receive, or have received, the Required Disclosure in writing (which may be in the form of an Offering Document).

42. Each Client that is a Managed Account for which a Principal Adviser engages one or more Sub-Advisers to provide the Sub-Advisory Services will receive, or has received, the Required Disclosure in writing prior to the purchasing of any Contracts for such Client.

AND UPON the Commission being satisfied that it would not be prejudicial to the public interest for the Commission to make this Order;

IT IS ORDERED pursuant to subsection 78(1) of the CFA that the Previous Order is revoked;

AND IT IS ORDERED pursuant to section 80 of the CFA, that each Sub-Adviser and its Representatives is exempt from the adviser registration requirements of paragraph 22(1)(b) of the CFA when acting as a sub-adviser to a Principal Adviser in respect of the Sub-Advisory Services, provided that at the time that such activities are engaged in:

(a) the Principal Adviser is registered under the CFA as an adviser in the category of commodity trading manager;

(b) the Sub-Adviser's head office or principal place of business is in a jurisdiction outside of Canada;

(c) the Sub-Adviser is registered in a category of registration, or operates under an exemption from registration, under the commodities futures or other applicable legislation of the jurisdiction outside of Canada in which its head office or principal place of business is located, that permits it to carry on the activities in that jurisdiction that registration as an adviser under the CFA would permit it to carry on in Ontario;

(d) the Sub-Adviser engages in the business of an adviser in respect of Contracts in the jurisdiction outside of Canada in which its head office or principal place of business is located;

(e) the obligations and duties of the Sub-Adviser are set out in a written agreement with the Principal Adviser;

(f) the Principal Adviser has entered into a written agreement with each Client, agreeing to be responsible for any loss that arises out of the failure of the Sub-Adviser to meet the Assumed Obligations;

(g) the Offering Document of each Client that is an Investment Fund or a Pooled Fund and for which the Principal Adviser engages the Sub-Adviser to provide the Sub-Advisory Services includes the Required Disclosure;

(h) prior to purchasing any securities of a Client that is an Investment Fund or a Pooled Fund directly from the Principal Adviser, each investor in any of these Investment Funds or Pooled Funds who was or is an Ontario resident received, or will receive, the Required Disclosure in writing; and

(i) each Client that is a Managed Account Client for which the Principal Adviser engages the Sub-Adviser to provide the Sub-Advisory Services received, or will receive, the Required Disclosure in writing prior to the purchasing of any Contracts for such Client;

AND IT IS FURTHER ORDERED that this Order will terminate on the earliest of:

(a) the expiry of any transition period as may be provided by law, after the effective date of the repeal of the CFA;

(b) six months, or such other transition period as may be provided by law, after the coming into force of any amendment to Ontario commodity futures law (as defined in the CFA) or Ontario securities law (as defined in the OSA) that affects the ability of any Sub-Adviser to act as a sub-adviser to the Principal Advisers in respect of the Sub-Advisory Services; and

(c) five years after the date of this Order.

Dated at Toronto, Ontario, this 15th day of November, 2019.

Craig Hayman
Commissioner
Ontario Securities Commission

Lawrence Haber
Commissioner
Ontario Securities Commission

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
Elementos Limited	20 November 2019	
Lifestyle Global Brands Limited	01 November 2019	22 November 2019

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
CannTrust Holdings Inc.	15 August 2019	
Voyager Digital (Canada) Ltd.	05 November 2019	

This page intentionally left blank

Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.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

Investment Funds for the week ending November 29, 2019 will be published in next week's issue, volume 42, issue 49.

NON-INVESTMENT FUNDS

Issuer Name:
Agnico Eagle Mines Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated November 19, 2019
NP 11-202 Preliminary Receipt dated November 19, 2019
Offering Price and Description:
Debt Securities
Common Shares
Warrants
US$1,000,000,000.00
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2988307

Issuer Name:
Allied Properties Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated November 19, 2019
NP 11-202 Receipt dated November 19, 2019
Offering Price and Description:
$2,000,000,000.00 - Debt Securities Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2982021

Issuer Name:
Aphria Inc. (formerly, Black Sparrow Capital Corp.)
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated November 22, 2019
NP 11-202 Receipt dated November 22, 2019
Offering Price and Description:
US$500,000,000.00
COMMON SHARES
WARRANTS
SUBSCRIPTION RECEIPTS
DEBT SECURITIES
CONVERTIBLE SECURITIES
UNITS
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2955437

Issuer Name:
Canadian Apartment Properties Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated November 22, 2019
NP 11-202 Preliminary Receipt dated November 22, 2019
Offering Price and Description:
$425,048,000.00
7,930,000 Units
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
TD SECURITIES INC.
CIBC WORLD MARKETS INC.
SCOTIA CAPITAL INC.
BMO NESBITT BURNS INC.
NATIONAL BANK FINANCIAL INC.
CANACCORD GENUITY CORP.
INDUSTRIAL ALLIANCE SECURITIES INC.
RAYMOND JAMES
DESJARDINS SECURITIES INC.
ECHELON WEALTH PARTNERS INC.
Promoter(s):
-
Project #2987948

Issuer Name:
Chartwell Retirement Residences
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated November 22, 2019
NP 11-202 Preliminary Receipt dated November 25, 2019
Offering Price and Description:
$2,000,000,000.00
Units
Subscription Receipts
Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2990025

Issuer Name:
Chorus Aviation Inc.
Principal Regulator - Nova Scotia
Type and Date:
Preliminary Short Form Prospectus dated November 22, 2019
NP 11-202 Preliminary Receipt dated November 22, 2019
Offering Price and Description:
$75,000,000.00
5.75% Senior Unsecured Debentures due December 31, 2024
Price: $1,000.00 per Debenture
Underwriter(s) or Distributor(s):
CIBCWORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
NATIONAL BANK FINANCIAL INC.
TD SECURITIES INC.
BMO NESBITT BURNS INC.
CANACCORD GENUITY CORP.
CORMARK SECURITIES INC.
PARADIGM CAPITAL INC.
Promoter(s):
-
Project #2987688

Issuer Name:
Firm Capital Property Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated November 18, 2019
NP 11-202 Preliminary Receipt dated November 19, 2019
Offering Price and Description:

$250,000,000.00
Trust Units
Debt Securities
Subscription Receipts
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2987843

Issuer Name:
First Responder Technologies Inc.
Principal Regulator - British Columbia
Type and Date:
Final Long Form Prospectus dated November 14, 2019
NP 11-202 Receipt dated November 19, 2019
Offering Price and Description:
Minimum Public Offering: $3,500,000.00 / 10,000,000 Units
Maximum Public Offering: $7,000,000.00 / 20,000,000 Units
Price: C$0.35 per Unit
Underwriter(s) or Distributor(s):
PI FINANCIAL CORP.
Promoter(s):
Kulwant Malhi
Project #2968468

Issuer Name:
Integra Resources Corp. (formerly, Mag Copper Limited)
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated November 19, 2019
NP 11-202 Preliminary Receipt dated November 19, 2019
Offering Price and Description:
19,130,000 Common Shares
$1.15 per Common Share
Underwriter(s) or Distributor(s):
RAYMOND JAMES LTD.
NATIONAL BANK FINANCIAL INC.
PI FINANCIAL CORP.
ECHELON WEALTH PARTNERS INC.
GMP SECURITIES L.P.
Promoter(s):
-
Project #2988322

Issuer Name:
Integra Resources Corp. (formerly, Mag Copper Limited)
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated November 19, 2019
NP 11-202 Preliminary Receipt dated November 19, 2019
Offering Price and Description:
19,130,000 Common Shares
$1.15 per Common Share
Underwriter(s) or Distributor(s):
RAYMOND JAMES LTD.
NATIONAL BANK FINANCIAL INC.
PI FINANCIAL CORP.
ECHELON WEALTH PARTNERS INC.
GMP SECURITIES L.P.
Promoter(s):
-
Project #2988322

Issuer Name:
LaSalle Exploration Corp.
Principal Regulator - British Columbia
Type and Date:
Amended and Restated Final Long Form Prospectus dated November 18, 2019
Received on November 19, 2019
Offering Price and Description:

5,500,000 Units for $550,000.00
Price: $0.10 per Unit

5,200,000 Flow-Through Units for $722,800.00
Price: $0.139 per Flow-Through Unit

3,300,000 Ontario Flow-Through Units ("OFT Units") for $468,600.00
Price: $0.142 per OFT Unit
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
Ian Campbell
Daniel Innes
Project #2942260

Issuer Name:
LaSalle Exploration Corp.
Principal Regulator - British Columbia
Type and Date:
Amendment dated November 18, 2019 to Final Long Form Prospectus dated October 15, 2019
NP 11-202 Receipt dated November 21, 2019
Offering Price and Description:

5,500,000 Units for $550,000.00
Price: $0.10 per Unit

5,200,000 Flow-Through Units for $722,800.00
Price: $0.139 per Flow-Through Unit

3,300,000 Ontario Flow-Through Units ("OFT Units") for $468,600.00
Price: $0.142 per OFT Unit
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
Ian Campbell
Daniel Innes
Project #2942260

Issuer Name:
Organigram Holdings Inc.
Principal Regulator - New Brunswick
Type and Date:
Final Shelf Prospectus dated November 22, 2019
NP 11-202 Receipt dated November 25, 2019
Offering Price and Description:
$175,000,000.00
Common Shares
Preferred Shares
Debt Securities
Subscription Receipts
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2981991

Issuer Name:
Turmalina Metals Corp.
Principal Regulator - British Columbia
Type and Date:
Final Long Form Prospectus dated November 21, 2019
NP 11-202 Receipt dated November 25, 2019
Offering Price and Description:
14,000,000 Common Shares issuable upon deemed exercise of 14,000,000 outstanding Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
Rohan Wolfe
Francisco Azvedo
Project #2951892

Issuer Name:
Uranium Royalty Corp.
Principal Regulator - British Columbia
Type and Date:
Final Long Form Prospectus dated November 22, 2019
NP 11-202 Receipt dated November 22, 2019
Offering Price and Description:
13,340,000 Units
$20,010,000.00
1,733,334 Special Warrant Units on the automatic exercise of the 1,733,334 Qualifying Special Warrants
Underwriter(s) or Distributor(s):
HAYWOOD SECURITIES INC.
BMO NESBITT BURNS INC.
TD SECURITIES INC.
SPROTT CAPITAL PARTNERS LP
CANACCORD GENUITY CORP.
Promoter(s):
-
Project #2978195

Issuer Name:
Wajax Corporation
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated November 21, 2019
NP 11-202 Receipt dated November 22, 2019
Offering Price and Description:
$400,000,000.00
Common Shares
Convertible Securities
Debt Securities
Preferred Shares
Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2986340

Issuer Name:
Zymeworks Inc.
Principal Regulator - British Columbia
Type and Date:
Final Shelf Prospectus dated November 18, 2019
NP 11-202 Receipt dated November 19, 2019
Offering Price and Description:
US$350,000,000
Common Shares
Preferred Shares
Debt Securities
Warrants
Subscription Receipts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2982674

This page intentionally left blank

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	Equium Capital Management Inc.	Portfolio Manager and Exempt Market Dealer	November 19, 2019
Consent to Suspension (Pending Surrender)	DPN Capital Inc.	Exempt Market Dealer	November 22, 2019
Voluntary Surrender	ForStar Capital Limited	Exempt Market Dealer	November 22, 2019
Consent to Suspension (Pending Surrender)	Extuple Management Inc.	Exempt Market Dealer, Portfolio Manager, and Investment Fund Manager	November 22, 2019
Change in Registration Category	Community Forward Fund Assistance Corp.	From: Restricted Dealer, Restricted Portfolio Manager and Investment Fund Manager To: Exempt Market Dealer, Restricted Portfolio Manager and Investment Fund Manager	November 22, 2019
Amalgamation	Greystone Capital Management Inc., Greystone Managed Investments Inc. and TD Asset Management Inc. To form: TD Asset Management Inc.	Exempt Market Dealer, Portfolio Manager, Investment Fund Manager and Commodity Trading Manager	November 1, 2019

This page intentionally left blank

Index

This page intentionally left blank