

## AMENDMENT TO POLICY STATEMENT TO REGULATION 81-102 MUTUAL FUNDS

1. Policy Statement to Regulation 81-102 Mutual Funds is amended by the following.
2. Section 3.4 is amended by repealing subsection (1) and (2) and substituting the following:

“(1) Paragraph 2.5(2)(c) of the Regulation provides that a mutual fund may not invest in another mutual fund unless the securities of both mutual funds are qualified for distribution in the local jurisdiction. This requirement does not however preclude an investment by a mutual fund in an unqualified class or series of another mutual fund, provided this class or series is referable to the same portfolio of assets of a class or series that is qualified in the local jurisdiction.”
3. Section 6.3 **Calculation of fees** is amended by renumbering the existing section as subsection (1) and by adding the following as subsection (2):

“(2) The Canadian securities regulatory authorities are also of the view that the requirement of subsection 5.1(a) would not apply in instances where the change to the basis of the calculation is the result of separate individual agreements between the manager of the mutual fund and individual securityholders of the mutual fund, and the resulting increase in charges is payable directly or indirectly by those individual securityholders only.
4. Section 16.2 is amended by adding the following after subsection (2):

“(3) The CSA are of the view that the new provisions of the Regulation relating to mutual funds investing in other mutual funds introduced on December 31, 2003 are not “substantially similar” to those of the Regulation which they replace.”
5. Section 16.3 **Waivers and orders concerning “Fund of Funds”** is amended by renumbering its first paragraph as subsection (1) and by adding the following as subsection (2):

“(2) For greater certainty, note that the coming into force of Regulation 81-102 did not trigger the “sunset” of those waivers and orders. However, the coming into force of section 19.3 of the Regulation will effectively cause those waivers and orders to expire one year after its coming into force.”
6. This amendment comes into force on the date of the publication of the National Instrument 81-102 mutual funds amendments regulation in the official Gazette of Québec.