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REGULATION 81-107 RESPECTING INDEPENDENT REVIEW COMMITTEE FOR INVESTMENT FUNDS

Securities Act
(chapter V-1.1, s. 331.1)

PART 1
DEFINITIONS AND APPLICATION

1.1. Investment funds subject to Regulation

(1) This Regulation applies to an investment fund that is a reporting issuer.

(2) In Québec, this Regulation does not apply to a reporting issuer organized under

(a) an Act to establish the *Fonds de solidarité des travailleurs du Québec* (F.T.Q.) (Chapter F-3.2.1);

(b) an Act to establish *Fondaction, le Fonds de dévelopement de la Confédération des syndicats nationaux pour la coopération et l'emploi* (Chapter F-3.1.2); and

(c) an Act constituting *Capital régional et coopératif Desjardins* (Chapter C-6.1).

(3) Despite subsection (1), sections 6.1 to 6.5 also apply to an investment fund that is not a reporting issuer.

(4) Despite subsection (1), sections 6.1 and 6.5 also apply in respect of a managed account.

M.O. 2006-02, s. 1.1; M.O. 2021-15, s. 1.

1.2. Definition of "conflict of interest matter"

In this Regulation, "a conflict of interest matter" means

(a) a situation where a reasonable person would consider a manager, or an entity related to the manager, to have an interest that may conflict with the manager's ability to act in good faith and in the best interests of the investment fund; or

(b) a conflict of interest or self-dealing provision listed in Appendix A that restricts or prohibits an investment fund, a manager or an entity related to the manager from proceeding with a proposed action.

M.O. 2006-02, s. 1.2.

1.3. Definition of "entity related to the manager"

In this Regulation, "entity related to the manager" means

(a) a person that can direct or materially affect the direction of the management and policies of the manager or the investment fund, other than as a member of the independent review committee; or

(b) an associate, affiliate, partner, director, officer or subsidiary of the manager or of a person referred to in paragraph (a).

M.O. 2006-02, s. 1.3; M.O. 2009-05, s. 4.

1.4. Definition of "independent"

(1) In this Regulation, a member of the independent review committee is "independent" if the member has no material relationship with the manager, the investment fund, or an entity related to the manager.

(2) For the purposes of subsection (1), a material relationship means a relationship which could reasonably be perceived to interfere with the member's judgment regarding a conflict of interest matter.

M.O. 2006-02, s. 1.4.

1.5. Definition of "inter-fund self-dealing investment prohibitions"

In this Regulation, "inter-fund self-dealing investment prohibitions" means the provisions listed in Appendix B that prohibit

(a) a portfolio manager from knowingly causing any investment portfolio managed by it to purchase or sell, or

(b) an investment fund from purchasing or selling,

the securities of an issuer from or to the account of a responsible person, an associate of a responsible person or the portfolio manager.

M.O. 2006-02, s. 1.5.

1.6. Definition of "manager"

In this Regulation, "manager" means a person that directs the business, operations and affairs of an investment fund.

M.O. 2006-02, s. 1.6; M.O. 2009-05, s. 4.

1.7. Definition of "standing instruction"

In this Regulation, "standing instruction" means a written approval or recommendation from the independent review committee that permits the manager to proceed with a proposed action under section 5.2 or 5.3 on an ongoing basis.

M.O. 2006-02, s. 1.7.

1.8. Definition of “designated website”

In this Regulation, “designated website” has the meaning ascribed to that term in Regulation 81-106 respecting Investment Fund Continuous Disclosure (chapter V-1.1, r. 42).

M.O. 2021-17, s. 1.

PART 2
FUNCTIONS OF THE MANAGER

2.1. Manager standard of care

A manager in exercising its powers and discharging its duties related to the management of the investment fund must

(a) act honestly and in good faith, and in the best interests of the investment fund; and

(b) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

M.O. 2006-02, s. 2.1.

2.2. Manager to have written policies and procedures

(1) Before proceeding with a conflict of interest matter or any other matter that securities legislation requires the manager to refer to the independent review committee, the manager must

(a) establish written policies and procedures that it must follow on that matter or on that type of matter, having regard to its duties under securities legislation; and

(b) refer the policies and procedures to the independent review committee for its review and input.

(2) In establishing the written policies and procedures described in subsection (1), the manager must consider the input of the independent review committee, if any.

(3) The manager may revise its policies and procedures if it provides the independent review committee with a written description of any significant changes for the independent review committee's review and input before implementing the revisions.

M.O. 2006-02, s. 2.2.

2.3. Manager to maintain records

A manager must maintain a record of any activity that is subject to the review of the independent review committee, including

(a) a copy of the policies and procedures that address a matter referred to the independent review committee;

(b) minutes of its meetings, if any; and

(c) copies of materials, including any written reports, provided to the independent review committee.

M.O. 2006-02, s. 2.3.

2.4. Manager to provide assistance

(1) When a manager refers to the independent review committee a conflict of interest matter or any other matter that securities legislation requires it to refer, or refers its policies and procedures related to such matters, the manager must

(a) provide the independent review committee with information sufficient for the independent review committee to properly carry out its responsibilities, including

(i) a description of the facts and circumstances giving rise to the matter;

(ii) the manager's policies and procedures;

(iii) the manager's proposed course of action, if applicable; and

(iv) all further information the independent review committee reasonably requests;

(b) make its officers who are knowledgeable about the matter available to attend meetings of the independent review committee or respond to inquiries of the independent review committee about the matter; and

(c) provide the independent review committee with any other assistance it reasonably requests in its review of the matter.

(2) A manager must not prevent or attempt to prevent the independent review committee, or a member of the independent review committee, from communicating with the securities regulatory authority.

M.O. 2006-02, s. 2.4.

2.5. Manager to prepare report on related party transactions

A manager must prepare, for each financial year of an investment fund, and no later than the date the investment fund files its annual financial statements, a report that includes, under the heading “Manager’s Report on Related Party Transactions”, all of the following:

(a) a list containing the following information regarding any report filed by the investment fund with the securities regulatory authority or, except in Québec, the regulator in the most recent financial year that pertains to a transaction involving the investment fund and an entity related to the manager:

(i) the title of the report;

(ii) a brief description of the type of transactions to which the re-port pertains;

(iii) the date of the report;

(b) a statement that a report referred to in paragraph (a) is available at www.sedarplus.com;

(c) for a transaction involving the investment fund and an entity related to the manager that is not identified in any report referred to in paragraph (a), a brief description of the type of transaction.

M.O. 2026-06, s. 1.

PART 3
INDEPENDENT REVIEW COMMITTEE

3.1. Independent review committee for an investment fund

An investment fund must have an independent review committee.

M.O. 2006-02, s. 3.1.

3.2. Initial appointments

The manager must appoint each member of an investment fund's first independent review committee.

M.O. 2006-02, s. 3.2.

3.3. Vacancies and reappointments

(1) An independent review committee must fill a vacancy on the independent review committee as soon as practicable.

(2) A member whose term has expired, or will soon expire, may be reappointed by the other members of the independent review committee.

(3) In filling a vacancy on the independent review committee or reappointing a member of the independent review committee, the independent review committee must consider the manager's recommendations, if any.

(4) A member may not be reappointed for a term or terms of office that, if served, would result in the member serving on the independent review committee for longer than 6 years, unless the manager agrees to the reappointment.

(5) If, for any reason, an independent review committee has no members, the manager must appoint a member to fill each vacancy as soon as practicable.

M.O. 2006-02, s. 3.3.

3.4. Term of office

The term of office of a member of an independent review committee must be not less than 1 year and not more than 3 years, and must be set by the manager or the independent review committee, as the case may be, at the time the member is appointed.

M.O. 2006-02, s. 3.4.

3.5. Nominating criteria

Before a member of the independent review committee is appointed, the manager or the independent review committee, as the case may be, must consider

(a) the competencies and skills the independent review committee, as a whole, should possess;

(b) the competencies and skills of each other member of the independent review committee; and

(c) the competencies and skills the prospective member would bring to the independent review committee.

M.O. 2006-02, s. 3.5.

3.6. Written charter

(1) The independent review committee must adopt a written charter that includes its mandate, responsibilities and functions, and the policies and procedures it will follow when performing its functions.

(2) If the independent review committee and the manager agree in writing that the independent review committee will perform functions other than those prescribed by securities legislation, the charter must include a description of the functions that are the subject of the agreement.

(3) In adopting the charter, the independent review committee must consider the manager's recommendations, if any.

M.O. 2006-02, s. 3.6.

3.7. Composition

(1) An independent review committee must have at least 3 members.

(2) The size of the independent review committee is to be determined by the manager, with a view to facilitating effective decision-making, and may only be changed by the manager.

(3) Every independent review committee member must be independent.

(4) An independent review committee must appoint a member as Chair.

(5) The Chair of an independent review committee is responsible for managing the mandate, and responsibilities and functions, of the independent review committee.

M.O. 2006-02, s. 3.7.

3.8. Compensation

(1) The manager may set the initial compensation and expenses of an independent review committee that is appointed under section 3.2 or subsection 3.3(5).

(2) The independent review committee must set reasonable compensation and proper expenses for its members.

(3) When setting its compensation and expenses under subsection (2), the independent review committee must consider

(a) the independent review committee's most recent assessment of its compensation under paragraph 4.2(2)(b); and

(b) the manager's recommendations, if any.

M.O. 2006-02, s. 3.8.

3.9. Standard of care

(1) Every member of an independent review committee, in exercising his or her powers and discharging his or her duties related to the investment fund, and, for greater certainty, not to any other person, as a member of the independent review committee must

(a) act honestly and in good faith, with a view to the best interests of the investment fund; and

(b) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(2) Every member of an independent review committee must comply with this Regulation and the written charter of the independent review committee required under section 3.6.

(3) A member of the independent review committee does not breach paragraph (1)(b), if the member exercised the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, including reliance in good faith on

(a) a report or certification represented as full and true to the independent review committee by the manager or an entity related to the manager; or

(b) a report of a person whose profession lends credibility to a statement made by the person.

(4) A member of the independent review committee has complied with his or her duties under paragraph (1)(a) if the member has relied in good faith on

(a) a report or certification represented as full and true to the independent review committee by the manager or an entity related to the manager; or

(b) a report of a person whose profession lends credibility to a statement made by the person.

M.O. 2006-02, s. 3.9.

3.10. Ceasing to be a member

(1) An individual ceases to be a member of an independent review committee when

(a) the investment fund terminates;

(b) the manager of the investment fund changes, unless the new manager is an affiliate of the former manager; or

(c) there is a change of control of the manager of the investment fund.

(2) An individual ceases to be a member of an independent review committee if

(a) the individual resigns;

(b) the individual's term of office expires and the member is not reappointed;

(c) a majority of the other members of the independent review committee vote to remove the individual; or

(d) a majority of the securityholders of the investment fund vote to remove the individual at a special meeting called for that purpose by the manager.

(3) An individual ceases to be a member of the independent review committee if the individual is

(a) no longer independent within the meaning of section 1.4 and the cause of the member's non-independence is not temporary for which the member can recuse himself or herself;

(b) incapable or of unsound mind and has been so found by a court in Canada or elsewhere;

(c) bankrupt;

(d) prohibited from acting as a director or officer of any issuer in Canada;

(e) subject to any penalties or sanctions made by a court relating to provincial and territorial securities legislation; or

(f) a party to a settlement agreement with a provincial or territorial securities regulatory authority.

(4) If an individual ceases to be a member of the independent review committee due to a circumstance described in subsection (2), the manager must, as soon as practicable, notify the securities regulatory authority of the date and the reason the individual ceased to be a member.

(5) The notification referred to in subsection (4) is satisfied if it is made to the investment fund's principal regulator.

(6) The notice of a meeting of securityholders of an investment fund called to consider the removal of a member under paragraph (2)(d) must comply with the notice requirements set out in section 5.4 of Regulation 81-102 respecting Investment Funds (chapter V-1.1, r. 39).

(7) For any member of the independent review committee who receives notice or otherwise learns of a meeting of securityholders called to consider the removal of the member under paragraph (2)(d),

(a) the member may submit to the manager a written statement giving reasons for opposing the removal; and

(b) the manager must, as soon as practicable, send a copy of the statement referred to in paragraph (a) to every securityholder entitled to receive notice of the meeting and to the member unless the statement is included in or attached to the notice documents required by subsection (6).

M.O. 2006-02, s. 3.10; M.O. 2014-05, s. 2.

3.11. Authority

(1) An independent review committee has authority to

(a) request information it determines useful or necessary from the manager and its officers to carry out its duties;

(b) engage independent counsel and other advisors it determines useful or necessary to carry out its duties;

(c) set reasonable compensation and proper expenses for any independent counsel and other advisors engaged by the independent review committee; and

(d) delegate to a subcommittee of at least 3 members of the independent review committee any of its functions, except the removal of a member under paragraph 3.10(2)(c).

(2) If the independent review committee delegates to a subcommittee under paragraph (1)(d) any of its functions, the subcommittee must report on its activities to the independent review committee at least annually.

(3) Despite any other provision in this Regulation, an independent review committee may communicate directly with the securities regulatory authority with respect to any matter.

M.O. 2006-02, s. 3.11.

3.12. Decisions

(1) A decision by the independent review committee on a conflict of interest matter or any other matter that securities legislation requires the independent review committee to review requires the agreement of a majority of the independent review committee's members.

(2) If, for any reason, an independent review committee has 2 members, a decision by the independent review committee must be unanimous.

(3) An independent review committee with one member may not make a decision.

M.O. 2006-02, s. 3.12.

3.13. Fees and expenses to be paid by the investment fund

The investment fund must pay from the assets of its fund all reasonable costs and expenses reasonably incurred in the compliance of this Regulation.

M.O. 2006-02, s. 3.13.

3.14. Indemnification and insurance

(1) In this section, "member" means:

(a) a member of the independent review committee;

(b) a former member of the independent review committee; and

(c) the heirs, executors, administrators or other legal representatives of the estate of an individual in (a) or (b).

(2) An investment fund and manager may indemnify a member against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the person in respect of any civil, criminal, administrative, investigative or other proceeding in which the member is involved because of being or having been a member.

(3) An investment fund and manager may advance moneys to a member for the costs, charges and expenses of a proceeding referred to in subsection (2). The member must repay the moneys if the member does not fulfill the conditions of subsection (4).

(4) An investment fund and manager may not indemnify a member under subsection (2) unless

(a) the member acted honestly and in good faith, with a view to the best interests of the investment fund; and

(b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the member had reasonable grounds for believing that the individual's conduct was lawful.

(5) Despite subsection (2), a member referred to in that subsection is entitled to an indemnity from the investment fund in respect of all costs, charges and expenses reasonably incurred by the member in connection with the defence of any civil, criminal, administrative, investigative or other proceeding to which the member is subject because of the member's association with the investment fund as described in subsection (2), if the member seeking indemnity

(a) was not judged by the court or other competent authority to have committed any fault or omitted to do anything that ought to have been done; and

(b) fulfills the conditions set out in subsection (4).

(6) An investment fund and manager may purchase and maintain insurance for the benefit of any member referred to in subsection (2) against any liability incurred by the member in his or her capacity as a member.

M.O. 2006-02, s. 3.14.

3.15. Orientation and continuing education

(1) The manager and independent review committee must provide orientation consisting of educational or informational programs that enable a new independent review committee member to understand

(a) the role of the independent review committee and its members collectively; and

(b) the role of the individual member.

(2) The manager may provide a member of the independent review committee with educational or informational programs, as the manager considers useful or necessary, that enable the member to understand the nature and operation of the manager's and investment fund's businesses.

(3) The independent review committee may reasonably supplement the educational and informational programs provided to its members under this section.

M.O. 2006-02, s. 3.15.

PART 4
FUNCTIONS OF INDEPENDENT REVIEW COMMITTEE

4.1. Review of matters referred by manager

(1) The independent review committee must review and provide its decision under section 5.2 or under section 5.3 to the manager on a conflict of interest matter that the manager refers to the independent review committee for review.

(2) The independent review committee must perform any other function required by securities legislation.

(3) The independent review committee has the authority to choose whether to deliberate and decide on a matter referred to in subsection (1) and (2) in the absence of the manager, any representative of the manager and any entity related to the manager.

(4) Despite subsection (3), an independent review committee must hold at least one meeting annually at which the manager, any representative of the manager or any entity related to the manager are not in attendance.

(5) The independent review committee has no power, authority or responsibility for the operation of the investment fund or the manager except as provided in this section.

M.O. 2006-02, s. 4.1.

4.2. Regular assessments

(1) At least annually, the independent review committee must review and assess the adequacy and effectiveness of

(a) the manager's written policies and procedures required under section 2.2;

(b) any standing instruction it has provided to the manager under section 5.4;

(c) the manager's and the investment fund's compliance with any conditions imposed by the independent review committee in a recommendation or approval it has provided to the manager; and

(d) any subcommittee to which the independent review committee has delegated, under paragraph 3.11(1)(d), any of its functions.

(2) At least annually, the independent review committee must review and assess

(a) the independence of its members; and

(b) the compensation of its members.

(3) At least annually, the independent review committee must review and assess its effectiveness as a committee, as well as the effectiveness and contribution of each of its members.

(4) The review by the independent review committee required under subsection (3) must include a consideration of

(a) the independent review committee's written charter referred to in section 3.6;

(b) the competencies and knowledge each member should bring to the independent review committee;

(c) the level of complexity of the issues reasonably expected to be raised by members in connection with the matters under review by the independent review committee; and

(d) the ability of each member to contribute the necessary time required to serve effectively on the independent review committee.

M.O. 2006-02, s. 4.2.

4.3. Reporting to the manager

The independent review committee must as soon as practicable deliver to the manager a written report of the results of an assessment under subsection 4.2(1) and (2) that includes

(a) a description of each instance of a breach of any of the manager's policies or procedures of which the independent review committee is aware, or that it has reason to believe has occurred;

(b) a description of each instance of a breach of a condition imposed by the independent review committee in a recommendation or approval it has provided to the manager, of which the independent review committee is aware, or that it has reason to believe has occurred; and

(c) recommendations for any changes the independent review committee considers should be made to the manager's policies and procedures.

M.O. 2006-02, s. 4.3.

4.4. Reporting to securityholders

(1) An independent review committee must prepare, for each financial year of the investment fund and no later than the date the investment fund files its annual financial statements, a report to securityholders of the investment fund that describes the independent review committee and its activities for the financial year and includes

(a) the name of each member of the independent review committee at the date of the report, with

(i) the member's length of service on the independent review committee;

(ii) the name of any other fund family on whose independent review committee the member serves; and

(iii) if applicable, a description of any relationship that may cause a reasonable person to question the member's independence and the basis upon which the independent review committee determined that the member is independent;

(b) the percentage of securities of each class or series of voting or equity securities beneficially owned, directly or indirectly, in aggregate, by all the members of the independent review committee of the investment fund

(i) in the investment fund if the aggregate level of ownership exceeds 10%;

(ii) in the manager; or

(iii) in any person that provides services to the investment fund or the manager;

(c) the identity of the Chair of the independent review committee;

(d) any changes in the composition or membership of the independent review committee during the period;

(e) the aggregate compensation paid to the independent review committee and any indemnities paid to members of the independent review committee by the investment fund during the period;

(f) a description of the process and criteria used by the independent review committee to determine the appropriate level of compensation of its members and any instance when, in setting the compensation and expenses of its members, the independent review committee did not follow the recommendation of the manager, including

(i) a summary of the manager's recommendation; and

(ii) the independent review committee's reasons for not following the recommendation;

(g) if known, a description of each instance when the manager acted in a conflict of interest matter referred to the independent review committee for which the independent review committee did not give a positive recommendation, including

(i) a summary of the recommendation; and

(ii) if known, the manager's reasons for proceeding without following the recommendation of the independent review committee and the result of proceeding;

(h) if known, a description of each instance when the manager acted in a conflict of interest matter but did not meet a condition imposed by the independent review committee in its recommendation or approval, including

(i) the nature of the condition;

(ii) if known, the manager's reasons for not meeting the condition; and

(iii) whether the independent review committee is of the view that the manager has taken, or proposes to take, appropriate action to deal with the matter; and

(i) a brief summary of any recommendations and approvals the manager relied upon during the period;

(j) in an appendix, the report prepared by the manager under section 2.5.

(2) The report required under subsection (1) must as soon as practicable

(a) be sent by the investment fund, without charge, to a securityholder of the investment fund, upon the securityholder's request;

(b) be made available and prominently displayed by the manager on the investment fund’s designated website;

(c) be filed by the investment fund with the securities regulatory authority; and

(d) be delivered by the independent review committee to the manager.

M.O. 2006-02, s. 4.4; M.O. 2009-05, s. 4; M.O. 2021-17, s. 2; M.O. 2026-06, s. 2.

4.5. Reporting to securities regulatory authorities

(1) If the independent review committee is aware of an instance where the manager acted in a conflict of interest matter under subsection 5.2(1) but did not comply with a condition or conditions imposed by securities legislation or the independent review committee in its approval, the independent review committee must, as soon as practicable, notify in writing the securities regulatory authority.

(2) The notification referred to in subsection (1) is satisfied if it is made to the investment fund's principal regulator.

M.O. 2006-02, s. 4.5.

4.6. Independent review committee to maintain records

An independent review committee must maintain records, including

(a) a copy of its current written charter;

(b) minutes of its meetings;

(c) copies of any materials and written reports provided to it;

(d) copies of materials and written reports prepared by it; and

(e) the decisions it makes.

M.O. 2006-02, s. 4.6.

PART 5
CONFLICT OF INTEREST MATTERS

5.1. Manager to refer conflict of interest matters to independent review committee

(1) When a conflict of interest matter arises, and before taking any action in the matter, the manager must

(a) determine what action it proposes to take in respect of the matter, having regard to

(i) its duties under securities legislation; and

(ii) its written policies and procedures on the matter; and

(b) refer the matter, along with its proposed action, to the independent review committee for its review and decision.

(2) If a manager must hold a meeting of securityholders to obtain securityholder approval before taking an action in a conflict of interest matter, the manager must include a summary of the independent review committee's decision under subsection (1) in the notice of the meeting.

M.O. 2006-02, s. 5.1.

5.2. Matters requiring independent review committee approval

(1) A manager may not proceed with a proposed action under section 5.1 without the approval of the independent review committee if the action is

(a) an inter-fund trade as described in subsection 6.1(2) of this Regulation or a transaction as described in subsection 4.2(1) of Regulation 81-102 respecting Investment Funds (chapter V-1.1, r. 39);

(b) a transaction in securities of an issuer described in any of the following:

(i) subsection 6.2(1);

(ii) subsection 6.3(1);

(iii) subsection 6.4(1);

(iv) subsection 6.5(1);

(c) an investment in a class of securities of an issuer underwritten by an entity related to the manager as described in subsection 4.1(1) of Regulation 81-102 respecting Investment Funds; or

(d) a transaction in which an investment fund intends to borrow cash from a person that is an associate or affiliate of the investment fund manager.

(2) An independent review committee must not approve an action unless it has determined, after reasonable inquiry, that the action

(a) is proposed by the manager free from any influence by an entity related to the manager and without taking into account any consideration relevant to an entity related to the manager;

(b) represents the business judgment of the manager uninfluenced by considerations other than the best interests of the investment fund;

(c) is in compliance with the manager's written policies and procedures relating to the action; and

(d) achieves a fair and reasonable result for the investment fund.

M.O. 2006-02, s. 5.2; M.O. 2014-05, s. 2; M.O. 2018-07, s. 1; M.O. 2021-15, s. 3.

5.3. Matters subject to independent review committee recommendation

(1) Before a manager may proceed with a proposed action under section 5.1 other than those set out in subsection 5.2(1),

(a) the independent review committee must provide a recommendation to the manager as to whether, in the committee's opinion after reasonable inquiry, the proposed action achieves a fair and reasonable result for the investment fund; and

(b) the manager must consider the recommendation of the independent review committee.

(2) If the manager decides to proceed with an action in a conflict of interest matter that, in the opinion of the independent review committee after reasonable inquiry, does not achieve a fair and reasonable result for the investment fund under paragraph (1)(a), the manager must notify in writing the independent review committee before proceeding with the proposed action.

(3) Upon receiving the notification described in subsection (2), the independent review committee may require the manager to notify securityholders of the investment fund of the manager's decision.

(4) A notification to securityholders under subsection (3) must

(a) sufficiently describe the proposed action of the manager, the recommendation of the independent review committee and the manager's reasons for proceeding;

(b) state the date of the proposed implementation of the action; and

(c) be sent by the manager to each securityholder of the investment fund at least 30 days before the effective date of the proposed action.

(5) The investment fund must, as soon as practicable, file the notification referred to in subsection (4) with the securities regulatory authority upon the notice being sent to securityholders.

M.O. 2006-02, s. 5.3.

5.4. Standing instructions by the independent review committee

(1) Despite section 5.1, the manager is not required to refer a conflict of interest matter nor its proposed action to the independent review committee if the manager complies with the terms of a standing instruction that is in effect.

(2) For any action for which the independent review committee has provided a standing instruction, at the time of the independent review committee's regular assessment described in subsection 4.2(1),

(a) the manager must provide a written report to the independent review committee describing each instance that it acted in reliance on a standing instruction; and

(b) the independent review committee must

(i) review and assess the adequacy and effectiveness of the manager's written policies and procedures on the matter or on that type of matter with respect to all actions permitted by each standing instruction;

(ii) review and assess the manager's and investment fund's compliance with any conditions imposed by it in each standing instruction;

(iii) reaffirm or amend each standing instruction;

(iv) establish new standing instructions, if necessary; and

(v) advise the manager in writing of all changes to the standing instructions.

(3) A manager may continue to rely on a standing instruction under subsection (1) until such time as the independent review committee notifies the manager that the standing instruction has been amended or is no longer in effect.

M.O. 2006-02, s. 5.4.

PART 6
EXEMPTED TRANSACTIONS

6.1. Inter-fund trades

(1) In this section

(a) "current market price of the security" means,

(i) if the security is an exchange-traded security or a foreign exchange-traded security,

(A) the closing sale price on the day of the transaction as reported on the exchange upon which the security is listed or the quotation trade reporting system upon which the security is quoted, or

(B) if there are no reported transactions for the day of the transaction, the average of the highest current bid and lowest current ask for the security as displayed on the exchange upon which the security is listed or the quotation trade reporting system upon which the security is quoted, or

(C) if the closing sale price on the day of the transaction is outside of the closing bid and closing ask, the average of the highest current bid and lowest current ask for the security as displayed on the exchange upon which the security is listed or the quotation trade reporting system upon which the security is quoted, or

(D) the “last sale price” as defined under the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada, as amended from time to time; or,

(ii) for all other securities, the average of the highest current bid and lowest current ask determined on the basis of reasonable inquiry; and

(a.1) “managed account” means an account, or an investment portfolio, that is managed by a portfolio manager or portfolio adviser on behalf of a client under an investment management agreement but does not include

(i) an account of a “responsible person”, as defined under Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations (chapter V 1.1, r. 10), or

(ii) an account of an investment fund, and

(b) "market integrity requirements" means

(i) if the security is an exchange-traded security, the purchase or sale

(A) is printed on a marketplace that executes trades of the security; and

(B) complies with the market conduct and display requirements of the marketplace, its regulation services provider and securities regulatory authorities; or

(ii) if the security is a foreign exchange-traded security, the purchase or sale complies with the requirements that govern transparency and trading of foreign exchange-traded securities on the foreign exchange or foreign quotation and trade reporting system; or

(iii) for all other securities, the purchase or sale is through a dealer, if the purchase or sale is required to be reported by a registered dealer under applicable securities legislation.

(2) A portfolio manager of a managed account or a portfolio manager of an investment fund, including, for greater certainty, an investment fund that is not a reporting issuer, may purchase a security of an issuer from, or sell a security of an issuer to, another investment fund, including, for greater certainty, an investment fund that is not a reporting issuer, managed by the same manager or an affiliate of the manager, if, at the time of the transaction,

(a) the portfolio manager, on behalf of the investment fund or managed account, is purchasing from or selling to another investment fund that is a reporting issuer or, if the investment fund is not a reporting issuer, the manager has appointed an independent review committee that complies with sections 3.7 and 3.9 for the purpose of approving the transaction,

(b) the independent review committee has approved the transaction under subsection 5.2(2),

(c) the investment management agreement for the managed account authorizes the purchase or sale of the security,

(d) the bid and ask price of the security is readily available,

(e) the investment fund receives no consideration and the only cost for the transaction is the nominal cost incurred by the investment fund to print or otherwise display the trade,

(f) the transaction is executed at the current market price of the security, and

(g) the transaction is subject to market integrity requirements.

(2.1) An investment fund, or a portfolio manager on behalf of a managed account, referred to in subsection (2), must keep records in accordance with the record-keeping requirements applicable to registered firms set out in sections 11.5 and 11.6 of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations (chapter V-1.1, r. 10).

(3) With respect to a purchase or sale of a security referred to in subsection (2), Regulation 21-101 respecting Marketplace Operation (chapter V-1.1, r. 5), and Parts 6 and 8 of Regulation 23-101 respecting Trading Rules (chapter V-1.1, r. 6), do not apply to any of the following:

(a) a portfolio manager or portfolio adviser of an investment fund, including for greater certainty, an investment fund that is not a reporting issuer;

(b) a portfolio manager or portfolio adviser of a managed account;

(c) an investment fund, including for greater certainty, an investment fund that is not a reporting issuer;

(d) a managed account.

(4) With respect to a purchase or sale of a security referred to in subsection (2), the inter-fund self-dealing investment prohibitions do not apply to any of the following:

(a) a portfolio manager or portfolio adviser of an investment fund, including for greater certainty, an investment fund that is not a reporting issuer;

(b) a portfolio manager or portfolio adviser of a managed account;

(c) an investment fund, including for greater certainty, an investment fund that is not a reporting issuer;

(d) a managed account.

(5) With respect to a purchase or sale of a security referred to in subsection (2), the dealer registration requirement does not apply to a portfolio manager or portfolio adviser of an investment fund, including, for greater certainty, an investment fund that is not a reporting issuer.

(6) In subsection (5), "dealer registration requirement" has the meaning ascribed to that term in Regulation 14-101 respecting Definitions (chapter V-1.1, r. 3).

M.O. 2006-02, s. 6.1; M.O. 2021-15, s. 4.

6.2. Transactions in securities of related issuers

(1) An investment fund, including for greater certainty, an investment fund that is not a reporting issuer, may make or hold an investment in the security of an issuer related to it, to its manager or to an entity related to its manager, if,

(a) at the time the investment is made,

(i) in the case of an investment made by an investment fund that is not a reporting issuer,

(A) the manager of the investment fund has appointed an independent review committee that complies with sections 3.7 and 3.9 for the purpose of approving the investment, and

(B) the independent review committee has approved the investment in compliance with subsection 5.2(2), and

(ii) in the case of an investment made by an investment fund that is a reporting issuer, the investment fund’s independent review committee has approved the investment in compliance with subsection 5.2(2), and

(b) the purchase is made on an exchange on which the securities of the issuer are listed and traded.

(2) After an investment referred to in subsection (1) is made, and no later than the time the investment fund files its annual financial statements, the manager of the investment fund must file the particulars of the investment with the regulator, except in Québec, or the securities regulatory authority in a report prepared in accordance with Form 81-107A.

(3) The investment fund conflict of interest investment restrictions do not apply to an investment fund, including, for greater certainty, an investment fund that is not a reporting issuer, with respect to an investment fund referred to in subsection (1) if the investment is made in accordance with that subsection.

(4) For the purpose of subsection (3), "investment fund conflict of interest investment restrictions" has the meaning ascribed to that term in Regulation 81-102 respecting Investment Funds (chapter V 1.1, r. 39).

(5) The investment fund conflict of interest reporting requirements do not apply to an investment fund that files a report under subsection (2).

(6) For the purpose of subsection (5), "investment fund conflict of interest reporting requirements" has the meaning ascribed to that term in Regulation 81-102 respecting Investment Funds.

M.O. 2006-02, s. 6.2; M.O. 2009-05, s. 1; M.O. 2014-05, s. 1; M.O. 2021-15, s. 5; M.O. 2026-06, s. 3.

6.3. Transactions in securities of related issuers – Secondary market non-exchange traded debt securities

(1) An investment fund, including, for greater certainty, an investment fund that is not a reporting issuer, may make an investment in the secondary market in a non-exchange traded debt security of an issuer related to it, to its manager or to an entity related to the manager, and continue to hold the debt security, if the conditions set out in subsection (2) are satisfied.

(2) For the purposes of subsection (1), an investment fund may make an investment in a debt security referred to in subsection (1) if,

(a) at the time the investment is made,

(i) in the case of an investment made by an investment fund that is not a reporting issuer,

(A) the manager of the investment fund has appointed an independent review committee that complies with sections 3.7 and 3.9 for the purpose of approving the investment, and

(B) the independent review committee has approved the investment in compliance with subsection 5.2(2), and

(ii) in the case of an investment made by an investment fund that is a reporting issuer, the investment fund's independent review committee has approved the investment in compliance with subsection 5.2(2),

(b) at the time the investment is made, the debt security has a designated rating as defined in paragraph (b) of the definition of "designated rating" in Regulation 44-101 respecting Short Form Prospectus Distributions (chapter V-1.1, r. 16),

(c) in the case of an investment made on a marketplace, the price paid for the debt security is not more than the price for the debt security determined in accordance with the requirements of that marketplace,

(d) in the case of an investment that is not made on a marketplace, the price paid for the debt security is not more than

(i) the price at which an arm's length seller is willing to sell the debt security,

(ii) the price quoted publicly, immediately before the investment is made, by an independent marketplace, or

(iii) the price quoted, immediately before the investment is made, by an arm's length purchaser or seller of the debt security, and

(e) the investment is subject to the applicable "market integrity requirements" as defined in section 6.1, if any.

(3) After an investment referred to in subsection (2) is made, and no later than the time the investment fund files its annual financial statements, the manager of the investment fund must file the particulars of the investment with the regulator, except in Québec, or the securities regulatory authority in a report prepared in accordance with Form 81-107A.

(4) The investment fund conflict of interest investment restrictions do not apply to an investment fund, including, for greater certainty, an investment fund that is not a reporting issuer, with respect to an investment referred to in subsection (2) if the investment is made in accordance with that subsection.

(5) For the purpose of subsection (4), "investment fund conflict of interest investment restrictions" has the meaning ascribed to that term in Regulation 81-102 respecting Investment Funds (chapter V-1.1, r. 39).

(6) The investment fund conflict of interest reporting requirements do not apply to an investment fund that prepares and files a report referred to in subsection (3).

(7) For the purpose of subsection (6), “investment fund conflict of interest reporting requirements” has the meaning ascribed to that term in Regulation 81-102 respecting Investment Funds.

M.O. 2021-15, s. 6; M.O. 2026-06, s. 4.

6.4. Transactions in securities of related issuers – Primary market distributions of long-term debt securities

(1) An investment fund, including, for greater certainty, an investment fund that is not a reporting issuer, may make an investment in a long-term debt security of an issuer related to it, to its manager or to an entity related to the manager, if the investment is made under a distribution of the long-term debt security of that issuer, and continue to hold the debt security, if,

(a) at the time the investment is made,

(i) in the case of an investment made by an investment fund that is not a reporting issuer,

(A) the manager of the investment fund has appointed an independent review committee that complies with sections 3.7 and 3.9 for the purpose of approving the investment, and

(B) the independent review committee has approved the investment in compliance with subsection 5.2(2), and

(ii) in the case of an investment made by an investment fund that is a reporting issuer, the investment fund’s independent review committee has approved the investment in compliance with subsection 5.2(2),

(iii) the debt security has a term to maturity greater than 365 days,

(iv) the debt security is not asset-backed commercial paper,

(v) the debt security has a designated rating as defined in paragraph (b) of the definition of “designated rating” in Regulation 44-101 respecting Short Form Prospectus Distributions (chapter V-1.1, r. 16);

(vi) the distribution is for at least $100 million, and

(vii) at least 2 purchasers that are arm’s length purchasers, including, for greater certainty, “independent underwriters” within the meaning of Regulation 33-105 respecting Underwriting Conflicts (chapter V-1.1, r. 11), have collectively purchased at least 20% of the distribution,

(b) the price paid for the long-term debt security is not higher than the lowest price paid by any arm’s length purchaser that participates in the distribution, and

(c) immediately after the investment is made,

(i) the investment fund holds no more than 5% of its net assets in long-term debt securities of the issuer, and

(ii) the investment fund, together with other investment funds managed by the manager, hold no more than 20% of the long-term debt securities issued in the distribution.

(2) After an investment referred to in subsection (1) is made, and no later than the time the investment fund files its annual financial statements, the manager of the investment fund must file the particulars of the investment with the regulator, except in Québec, or the securities regulatory authority in a report prepared in accordance with Form 81-107A.

(3) The investment fund conflict of interest investment restrictions do not apply to an investment fund, including, for greater certainty, an investment fund that is not a reporting issuer, with respect to an investment referred to in subsection (2) if the investment is made in accordance with that subsection.

(4) For the purpose of subsection (3), “investment fund conflict of interest investment restrictions” has the meaning ascribed to that term in Regulation 81-102 respecting Investment Funds (chapter V-1.1, r. 39).

(5) The investment fund conflict of interest reporting requirements do not apply to an investment fund that prepares and files the report referred to in subsection (2).

(6) For the purpose of subsection (5), “investment fund conflict of interest reporting requirements” has the meaning ascribed to that term in Regulation 81-102 respecting Investment Funds.

M.O. 2021-15, s. 6; M.O. 2026-06, s. 5.

6.5. Transactions in debt securities with a related dealer – principal trades in debt securities

(1) A portfolio manager or portfolio adviser, acting on behalf of an investment fund, including, for greater certainty, an investment fund that is not a reporting issuer, or acting on behalf of a managed account as defined in section 6.1, may cause the investment fund or managed account to purchase a debt security of any issuer from, or sell a debt security of any issuer to, a dealer related to the portfolio manager, acting for its own account, if at the time of the transaction,

(a) in the case of an investment fund that is not a reporting issuer,

(i) the manager of the investment fund has appointed an independent review committee that complies with sections 3.7 and 3.9 for the purpose of approving the transaction, and

(ii) the independent review committee has approved the transaction in compliance with subsection 5.2(2),

(b) in the case of an investment fund that is a reporting issuer, the investment fund's independent review committee has approved the transaction in compliance with subsection 5.2(2);

(c) the investment management agreement for the managed account authorizes the purchase or sale of the debt security,

(d) the bid and ask price of the security transacted is readily available,

(e) the purchase is not executed at a price that is higher than the available ask price or the sale is not executed at a price that is lower than the available bid price, and

(f) the purchase or sale is subject to the applicable market integrity requirements as defined in section 6.1.

(2) An investment fund, or a portfolio manager on behalf of a managed account referred to in subsection (1), must keep records in accordance with the record-keeping requirements applicable to registered firms set out in sections 11.5 and 11.6 of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations (chapter V-1.1, r. 10).

(3) With respect to a purchase or sale of a security referred to in subsection (1), the inter-fund self-dealing investment prohibitions do not apply to any of the following:

(a) a portfolio manager or portfolio adviser of an investment fund, including for greater certainty, an investment fund that is not a reporting issuer;

(b) a portfolio manager or portfolio adviser of a managed account;

(c) an investment fund, including for greater certainty, an investment fund that is not a reporting issuer;

(d) a managed account.

M.O. 2021-15, s. 6.

PART 7
EXEMPTIONS

7.1. Exemptions

(1) The securities regulatory authority may grant an exemption from this Regulation, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario only the regulator may grant such an exemption.

(3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of Regulation 14-101 respecting Definitions (chapter V-1.1, r. 3), opposite the name of the local jurisdiction.

M.O. 2006-02, s. 7.1.

7.2. Existing exemptions, waivers or approvals

Any exemption, waiver or approval under a provision of securities legislation that was effective before November 15, 2006 and that deals with the matters that this Regulation regulates, will expire on November 15, 2007.

M.O. 2006-02, s. 7.2.

PART 8
TRANSITION AND EFFECTIVE DATE 8.1. MEANING OF INVESTMENT FUND

In Québec, the term "investment fund", wherever it occurs, means "unincorporated mutual fund" or "mutual fund".

M.O. 2006-02, s. 8.1.

8.2. Transition

(1) This Regulation does not apply to an investment fund until the earlier of

(a) the date on which the manager provides to the securities regulatory authority the notification referred to in subsection (4); and

(b) November 1, 2007.

(2) Despite subsection (1), before May 1, 2007, the manager must appoint the first members of the independent review committee under section 3.2 in compliance with this Regulation.

(3) Despite section 4.4, the independent review committee's first report to securityholders must be completed by the 120th day after the end of the first financial year of the investment fund to which this Regulation applies.

(4) A manager of an investment fund must notify the securities regulatory authority or regulator in writing if it intends to comply with this Regulation prior to the expiration of the transition period under subsection (1).

(5) The notification referred to in subsection (4) is satisfied if the notification is made to the investment fund's principal regulator.

M.O. 2006-02, s. 8.2.

8.3. Effective date

(Omitted).

M.O. 2006-02, s. 8.3.

APPENDIX A
CONFLICT OF INTEREST OR SELF-DEALING PROVISIONS

JURISDICTION	SECURITIES LEGISLATION REFERENCE
Alberta	Part 15 - Insider Trading and Self-Dealing of the Securities Act (Alberta)
British Columbia	BC Instrument 81-513 Self-Dealing
Manitoba	Part XI - Insider Trading of the Securities Act (Manitoba)
Newfoundland and Labrador	Part XX Insider Trading and Self-Dealing of the Securities Act (Newfoundland and Labrador)
New Brunswick	Part 10 - Insider Trading and Self-Dealing of the Securities Act (New Brunswick)
Northwest Territories	Part 11 -Insider Reporting and Early Warning of the Securities Act (Northwest Territories)
Nova Scotia	Sections 112 - 128 of the Securities Act (Nova Scotia)
Nunavut	Part 11 Insider Reporting and Early Warnign to the Securities Act (Nunavut)
Ontario	Part XXI Insider Trading and Self-Dealing of the Securities Act (Ontario)
Prince Edwars Island	Part 11 Insider Reporting and Early Warning of the Securities Act (Prince Edward Island)
Saskatchewan	Part XVII - Insider Trading and Self-Dealing - Mutual Funds of the Securities Act (Saskatchewan)
Yukon	Part 11 Insider Reporting and Early Warning of the Securities Act (Yukon)
Alberta, British Columbia, Manitoba, Newfoundland and Labrador, New Brunswick, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon	Part 4 of Regulation 81-102 respecting Investment Funds (chapter V-1.1, r. 39) and section 13.5 of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations (chapter V-1.1, r. 10)

M.O. 2006-02, Sch. A; M.O. 2009-05, s. 2; M.O. 2014-05, s. 2; M.O. 2026-06, s. 6.

APPENDIX B
INTER-FUND SELF-DEALING CONFLICT OF INTEREST PROVISIONS

JURISDICTION	LEGISLATION REFERENCE
Alberta	Paragraph 13.5(2)(b) of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations Section 4.2 of Regulation 81-102 respecting Investment Funds
British Columbia	Paragraph 13.5(2)(b) of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations Section 4.2 of Regulation 81-102 respecting Investment Funds
Manitoba	Paragraph 13.5(2)(b) of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations Section 4.2 of Regulation 81-102 respecting Investment Funds
New Brunswick	Paragraph 144(1)(b) of the Securities Act (SNB 2004, c S-5.5) Subsection 11.7(6) of Local Rule 31-501 Registration Requirements Paragraph 13.5(2)(b) of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations Section 4.2 of Regulation 81-102 respecting Investment Funds
Newfoundland and Labrador	Paragraph 119(2)(b) of the Securities Act (R.S.N.L. 1990, c. S-13) Subsection 103(6) of Reg. 805/96 (C.N.L.R. 805/96) Paragraph 13.5(2)(b) of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations Section 4.2 of Regulation 81-102 respecting Investment Funds
Northwest Territories	Paragraph 13.5(2)(b) of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations Section 4.2 of Regulation 81-102 respecting Investment Funds
Nova Scotia	Paragraph 126(2)(b) of the Securities Act (R.S.N.S. 1989, c. 418) Subsection 32(6) of the General Securities Rules of Nova Scotia Securities Commission (N.S. Reg. 51/96) Paragraph 13.5(2)(b) of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations Section 4.2 of Regulation 81-102 respecting Investment Funds
Nunavut	Paragraph 13.5(2)(b) of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations Section 4.2 of Regulation 81-102 respecting Investment Funds
Ontario	Paragraph 13.5(2)(b) of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations

JURISDICTION	LEGISLATION REFERENCE
	Section 4.2 of Regulation 81-102 respecting Investment Funds
Prince Edward Island	Paragraph 13.5(2)(b) of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations Section 4.2 of Regulation 81-102 respecting Investment Funds
Quebec	Paragraph 13.5(2)(b) of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations Section 4.2 of Regulation 81-102 respecting Investment Funds
Saskatchewan	Paragraph 13.5(2)(b) of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations Section 4.2 of Regulation 81-102 respecting Investment Funds
Yukon	Paragraph 13.5(2)(b) of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations Section 4.2 of Regulation 81-102 respecting Investment Funds

M.O. 2006-02, Sch. B; M.O. 2009-05, s. 3; M.O. 2021-15, s. 7.

FORM 81-107A
CONFLICT REPORTING FORM FOR RELATED ISSUER PURCHASES

GENERAL INSTRUCTIONS

Form

(1) A report prepared in accordance with this Form must include the disclosure required in this Form, as applicable. Instructions for providing this disclosure are in italic type.

(2) Terms used and not defined in this Form that are defined or interpreted in Regulation 81-101 respecting Mutual Fund Prospectus Disclosure (chapter V-1.1, r. 38), Regulation 81-102 respecting Investment Funds (chapter V-1.1, r. 39), Regulation 81-105 respecting Mutual Fund Sales Practices (chapter V-1.1, r. 41), Regulation 81-106 respecting Investment Fund Continuous Disclosure (chapter V-1.1, r. 42), and the Regulation have the same meanings as in those regulations.

Responses

(3) A report prepared in accordance with this Form must state the required information concisely and in plain language.

(4) Responses must be as simple and direct as is reasonably possible and include only as much information as is necessary for readers to understand the matters for which disclosure is being provided.

(5) A report prepared in accordance with this Form must contain only the information that is required or permitted under this Form.

(6) All applicable items in this Form must be responded to.

(7) Omit from Items answers that are not applicable or respond to them with the words "not applicable", unless otherwise required under this Form.

(8) Prepare a report in accordance with this Form in respect of one or more investment funds. If the report combines information in respect of more than one investment fund, information under Item 4 must be presented in the form of a single table, ordered alphabetically by name of each applicable investment fund and, for each applicable investment fund, ordered chronologically by date of purchase of an investment by the investment fund.

Presentation

(9) A report prepared in accordance with this Form must be prepared in a font that is legible and on letter-size paper. If a report is made available online, the information in the report must be presented in a way that allows that information to be printed in a readable format.

(10) Each item in a report prepared in accordance with this Form must be presented in the order and under the heading or sub-heading stipulated in this Form.

(11) If the report prepared in accordance with this Form contains design elements, including, for greater certainty, graphics, photos or artwork, the elements must not detract from the information disclosed in the document.

(12) For the purposes of paragraph (i) of Item 4,

(a) in British Columbia, "related person" means a related person as defined in BC Instrument 81-513 Self Dealing except that "mutual fund", as it appears in the definition of "related person" in that Instrument, is to be read as "investment fund", and

(b) in New Brunswick, "related person" means a related person as defined in section 134.1 of the Securities Act (S.N.B. 2004, c. S-5.5), except that "mutual fund", as it appears in the definition of "related person" in that section, is to be read as "investment fund".

Item 1 Fund Details

(1) Provide the name of each investment fund to which this report pertains.

(2) Provide the name of the manager for each investment fund identified in subsection (1).

Item 2 Securities Legislation and Exemptive Relief

Identify the provisions of securities legislation under which this report is being prepared, including, for greater certainty, any exemptions relied on by the investment fund.

Item 3 Financial Year Covered

Identify the financial year to which this report pertains.

Item 4 Related Issuer Investments

In the form of a table, provide the following information, as applicable, for each type of investment referred to in sections 6.2, 6.3 and 6.4 of the Regulation for the financial year referred to in Item 3:

(a) the name of the investment fund to which this report relates;

(b) the date of the investment;

(c) the name of the issuer of the security in which the investment was made;

(d) the class or series of the security in which the investment was made;

(e) the coupon rate and maturity date of the security in which the investment was made;

(f) the number of securities purchased in the investment;

(g) the price per security purchased in the investment;

(h) the settlement amount of the investment;

(i) the name of any related person that has received, or will receive, a fee, commission or other form of compensation in respect of the investment made;

(j) if the investment fund made the investment through a dealer and the dealer is an entity related to the manager, the name of the dealer;

(k) whether the investment was made in the primary market or the secondary market.

M.O. 2026-06, s. 7

TRANSITIONNAL PROVISIONS

M.O. 2026-06, 2026 G.O. 2, 1078

Transition

8. Before 1 January 2027, if an investment fund complies with parts 4 to 7 of Regulation 81-106 respecting Investment Fund Continuous Disclosure as they were in force on 21 April 2026 and parts 2 and 4 of the Regulation as they were in force on 21 April 2026, parts 2 and 4 of the Regulation as amended by this Regulation do not apply to the investment fund.

9. Before 1 January 2027, if an investment fund complies with part 6 of the Regulation as it was in force on 21 April 2026, the investment fund is not required to comply with part 6 of the Regulation as amended by this Regulation.

M.O. 2021-17, 2021 G.O. 2, 5163

3. Transition

Before 6 September 2022, an investment fund is not required to comply with the Regulation, as amended by this Regulation, if the investment fund complies with

(a) the Regulation as it was in force on 5 January 2022,

(b) in the case of a mutual fund to which Regulation 81-101 respecting Mutual Fund Prospectus Disclosure (chapter V-1.1, r. 38) applies, Regulation 81-101 respecting Mutual Fund Prospectus Disclosure as it was in force on 5 January 2022, and

(c) in the case of an investment fund not referred to in paragraph (b), Regulation 41-101 respecting General Prospectus Requirements (chapter V-1.1, r. 14) as it was in force on 5 January 2022.

Decision 2006-PDG-0181, 2006-10-19
Bulletin de l'Autorité: 2006-11-17, Vol. 3 n° 46
M.O. 2006-02, 2006 G.O. 2, 3593

Decision 2009-PDG-0123, 2009-09-04
Bulletin de l'Autorité: 2009-09-25, Vol. 6 n° 38
M.O. 2009-05, 2009 G.O. 2, 3362A

Decision 2018-PDG-0073, 2018-11-14
Bulletin de l'Autorité: 2018-12-20, Vol. 15 n° 50
M.O. 2018-07, 2018 G.O. 2, 5308

Decision 2021-PDG-0056, 2021-11-17
Bulletin de l'Autorite : 2021-12-23, Vol. 18 n° 51
M.O. 2021-15, 2021 G.O. 2, 5222

Decision 2021-PDG-0061, 2021-11-17
Bulletin de l'Autorite : 2021-12-23, Vol. 18 n° 51
M.O. 2021-17, 2021 G.O. 2, 5163

Décision 2026-PDG-0005, 2026-02-25
Bulletin de l'Autorite : 2026-04-02, Vol. 23, n°13
M.O. 2026-06, 2026 G.O. 2, 107