

## ANNEX C-2

### CHANGES TO COMMENTARY TO NATIONAL INSTRUMENT 81-102 INVESTMENT FUNDS

1. *National Instrument 81-102 Investment Funds is changed by this document.*
2. *The Commentary to Item 1 of Appendix F – Investment Risk Classification Methodology is changed by adding the following after Commentary (2):*

*(3) In deciding whether to exercise the discretion to increase a mutual fund's investment risk level as permitted in subsection (2) above, consideration should be given as to whether the standard deviation calculation applied under the Investment Risk Classification Methodology may result in a risk level that is below the manager's own expectations for the mutual fund. This can occur, for example, when a mutual fund employs investment strategies that produce an atypical or non-normal distribution of performance results. In such circumstances mutual funds are encouraged to consider supplementing the Investment Risk Classification Methodology with other factors or risk metrics in order to determine whether it would be appropriate to make an upward adjustment of the mutual fund's risk level to better reflect the features of the mutual fund..*

3. This change becomes effective on January 3, 2019.