

ANNEX F

AMENDMENTS TO NATIONAL INSTRUMENT 81-101 MUTUAL FUND PROSPECTUS DISCLOSURE

1. *National Instrument 81-101 Mutual Fund Prospectus Disclosure is amended by this Instrument.*
2. *Section 1.1 is amended by repealing the definitions of “commodity pool” and “precious metals fund”.*
3. *Section 1.3 is amended by adding “or” at the end of paragraph (a) and by repealing paragraph (b).*
4. *Section 5.1 is amended by adding the following subsection:*
 - (4) Despite subsection (1), a simplified prospectus for an alternative mutual fund must not be consolidated with a simplified prospectus of another mutual fund if the other mutual fund is not an alternative mutual fund..
5. *Subsection 6.1(3) is amended by adding “Alberta and” before “Ontario”.*
6. *Form 81-101F1 Contents of Simplified Prospectus is amended*
 - (a) *by adding the following under the general instructions:*
 - (14.1) *Subsection 5.1(4) of National Instrument 81-101 states that a simplified prospectus of an alternative mutual fund must not be consolidated with a simplified prospectus of another mutual fund that is not an alternative mutual fund.,*
 - (b) *by adding the following after Item 1.1(2) of Part A:*
 - (2.1) If the mutual fund to which the simplified prospectus pertains is an alternative mutual fund, indicate that fact on the front cover.,
 - (c) *by adding the following after Item 1.2(2) of Part A:*
 - (2.1) If the mutual funds to which the document pertains are alternative mutual funds, indicate that fact on the front cover.,
 - (d) *by adding the following after instruction (3) to Item 6 of Part B:*
 - (4) *If the mutual fund is an alternative mutual fund, describe the features of the mutual fund that cause it to fall within the definition of “alternative mutual fund” in National Instrument 81-102 Investment Funds. If those features include*

the use of leverage, disclose the sources of leverage (e.g., cash borrowing, short selling, use of derivatives) that the fund is permitted to use as well as the maximum aggregate exposure to those sources of leverage the alternative mutual fund is permitted to have, as a percentage calculated in accordance with section 2.9.1 of National Instrument 81-102 Investment Funds.,

(e) by adding the following after Item 7(10) of Part B:

- (11) In the case of an alternative mutual fund that borrows cash pursuant to subsection 2.6 (2) of National Instrument 81-102 *Investment Funds*
 - (a) state that the alternative mutual fund is permitted to borrow cash and the maximum amount the fund is permitted to borrow, and
 - (b) briefly describe how borrowing will be used in conjunction with other strategies of the alternative mutual fund to achieve its investment objectives.,

(f) by adding the following after Item 9(2) of Part B:

- (2.1) In the case of an alternative mutual fund, include disclosure explaining that the alternative mutual fund is permitted to invest in asset classes and use investment strategies that are not permitted for other types of mutual funds and explain how these investment strategies could affect investors' risk of losing money on their investment in the fund.,

(g) by deleting “and” at the end of paragraph (b) of Item 9(7) of Part B,

(h) by replacing “.” at the end of paragraph (c) of Item 9(7) of Part B with “; and”, and

(i) by adding the following after paragraph (c) of Item 9(7) of Part B:

- (d) borrowing arrangements..

7. Form 81-101F2 Contents of Annual Information Form is amended

(a) by adding the following after Item 1.1(2):

- (2.1) If the mutual fund to which the annual information form pertains is an alternative mutual fund, indicate that fact on the front cover., **and**

(b) by adding the following after Item 10.9.1:

10.9.2 Cash Lender

- (1) In the case of an alternative mutual fund, state the name of each person or

company that has entered into an agreement to lend money to the alternative mutual fund or provides a line of credit or similar lending arrangement to the alternative mutual fund.

- (2) State whether any person or company named in subsection (1) is an affiliate or associate of the manager of the alternative mutual fund..

8. Form 81-101F3 Contents of Fund Facts Document is amended

- (a) *by deleting “and” at the end of paragraph (e) of Item 1 of Part I,*
- (b) *by replacing “risk.” with “risk; and” at the end of paragraph (f) of Item 1 of Part I,*
- (c) *by adding the following after paragraph (f) of Item 1 of Part I:*

- (g) if the fund facts document pertains to an alternative mutual fund, textbox disclosure using wording substantially similar to the following:

This mutual fund is an alternative mutual fund. It is permitted to invest in asset classes or use investment strategies that are not permitted for other types of mutual funds.

The specific strategies that differentiate this fund from other types of mutual funds include: *[list the features of the alternative mutual fund that cause it to fall within the definition of “alternative mutual fund” in National Instrument 81-102 Investment Funds].*

[Explain how the listed investment strategies could affect investors’ risk of losing money on their investment in the alternative mutual fund.],

- (d) *by adding the following after Item 3(1) of Part I:*
- (1.1) In the case of an alternative mutual fund that uses leverage,
- (a) disclose the sources of leverage, and
- (b) disclose the maximum aggregate exposure to those sources of leverage the alternative mutual fund is permitted to have., **and**
- (e) *by adding the following after subsection (3) of the instructions to Item 3 of Part I:*
- (3.1) *The alternative mutual fund’s aggregate exposure to the sources of*

leverage must be expressed as a percentage calculated in accordance with section 2.9.1 of National Instrument 81-102 Investment Funds..

Transition

9. If a commodity pool, as that term was defined in National Instrument 81-104 *Commodity Pools* on January 2, 2019, has filed a prospectus for which a receipt was granted on or before that date, this Instrument does not apply to that commodity pool until July 4, 2019.

Effective Date

10. This Instrument comes into force on January 3, 2019.