

ANNEX D

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. *Form 81-101F1 - Contents of Simplified Prospectus is amended:*
 - (a) *in Item 5 of Part B by repealing paragraph (e);*
 - (b) *in Item 7 of Part B by:*
 - (i) *replacing “if the mutual fund may hold other mutual funds,” in paragraph (1)(c) with “if the mutual fund may hold securities of other mutual funds,”;*
 - (ii) *replacing “net assets” in subparagraph (1)(c)(iii) with “the net asset value”;*
 - (iii) *replacing subsection (4) with the following:*

(4) State whether any, and if so what proportion, of the assets of the mutual fund may or will be invested in foreign securities.;
 - (iv) *adding the following subsection:*

(10) If the mutual fund intends to sell securities short under section 2.6.1 of National Instrument 81-102 *Mutual Funds*,

 - (a) state that the mutual fund may sell securities short; and
 - (b) briefly describe
 - (i) the short selling process, and
 - (ii) how short sales of securities are or will be entered into in conjunction with other strategies and investments of the mutual fund to achieve the mutual fund’s investment objectives.;

- (i) **replacing** “If more than 10% of the securities of a mutual fund” **in subsection (1.1) with** “If securities of a mutual fund representing more than 10% of the net asset value of the mutual fund”;
- (ii) **replacing** “securities held by the securityholder” **in paragraph (1.1)(a) with** “the net asset value of the mutual fund that those securities represent”;
- (iii) **replacing** “net assets” **in subsection (5) with** “net asset value”;
- (iv) **adding** “that is 30 days before the date” **after** “preceding the date”, **in subsection (6)**;
- (v) **replacing** “net assets” **with** “net asset value” **in subsection (6), wherever the expression occurs**;
- (vi) **replacing subsection (7) with the following:**

(7) As applicable, describe the risks associated with the mutual fund entering into

- (a) derivative transactions for non-hedging purposes;
- (b) securities lending, repurchase or reverse repurchase transactions; and
- (c) short sales of securities.; **and**

(vii) **repealing Instruction (5).**

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

- (a) **in Item 4 by:**
 - (i) **repealing paragraph 3 of subsection (4)**;
 - (ii) **adding “ or” at the end of paragraph (5)(a)**;
 - (iii) **replacing “; or” at the end of paragraph (5)(b) with “.”; and**
 - (iv) **repealing paragraph (5)(c)**;
- (b) **in Item 7 by adding the following subsection:**

(2.1) Describe the manner in which the net asset value and net asset value per security of the mutual fund will be made available to the public and state that the information will be available at no cost to the public.; **and**

(c) **in Item 12 by:**

(i) **replacing subsection (2) with the following:**

(2) If the mutual fund intends to use derivatives or sell securities short, describe the policies and practices of the mutual fund to manage the risks associated with engaging in those types of transactions.;

(ii) **replacing paragraph (3)(a) with the following:**

(a) whether there are written policies and procedures in place that set out the objectives and goals for derivatives trading and short selling and the risk management procedures applicable to those transactions; ; **and**

(iii) **replacing paragraph (3)(c) with the following:**

(c) whether there are trading limits or other controls on derivative trading or short selling in place and who is responsible for authorizing the trading and placing limits or other controls on the trading;.

4. This Instrument comes into force on April 30, 2012.