

November 12, 2015

In the Matter of  
The Securities Legislation of  
Saskatchewan and Ontario (the Jurisdictions)

and

In the Matter of  
The Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of  
Greystone Managed Investments Inc. (the Filer)

and

In the Matter of  
The Top Funds (as defined below)

## **Decision**

### **Background**

The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer, on behalf of each of the Filer, the Filer's affiliates, Greystone Bond Plus Fund and each of Greystone 2020 Target Date Fund, Greystone 2025 Target Date Fund, Greystone 2030 Target Date Fund, Greystone 2035 Target Date Fund, Greystone 2040 Target Date Fund, Greystone 2045 Target Date Fund, Greystone 2050 Target Date Fund, Greystone 2055 Target Date Fund and Greystone Target Date Retirement Fund (collectively, the Target Date Funds and, together with Greystone Bond Plus Fund, the First Top Funds) and any other existing or future mutual fund that is not, or will not be, a reporting issuer, that is, or will be, managed by the Filer or its affiliates (the Future Top Funds and, together with the First Top Funds, the Top Funds) and that invests, or will invest, its assets in:

1. one or more of Greystone High Yield Fund, Greystone Mortgage Fund, Greystone Canadian Fixed Income Fund, Greystone Long Bond Fund, Greystone Real Return Bond Fund, Greystone Three Year Target Duration Fund, Greystone Canadian Equity Fund, Greystone Global Equity Fund and/or Greystone Global Income & Growth Fund (collectively, the First Underlying Funds) or in any other existing or

future investment fund that is not, or will not be, a reporting issuer and that is, or will be, managed by the Filer or its affiliates (the Future Underlying Funds and, together with the First Underlying Funds, the Underlying Funds), for a decision under the securities legislation of the Jurisdictions (the Legislation):

- (a) exempting the Top Funds from the restriction in the Legislation which prohibits:
    - (i) an investment fund from knowingly making an investment in a person or company in which the investment fund, alone or together with one or more related investment funds, is a substantial security holder; and
    - (ii) an investment fund from knowingly making an investment in an issuer in which:
      - (1) any officer or director of the investment fund, its management company or distribution company or an associate of any of them, or
      - (2) any person or company who is a substantial security holder of the investment fund, its management company or its distribution company,has a significant interest; and
    - (iii) an investment fund, its management company or its distribution company from knowingly holding an investment described in paragraph (i) or (ii) above (the restrictions described above are, collectively, the Related Issuer Restrictions)(the Related Issuer Relief); and
  - (b) exempting the Filer and its affiliates, with respect to each of the Top Funds that invests in an Underlying Fund, from the restriction in subsection 13.5(2)(a) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103) which prohibits a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as adviser, to invest in securities of any issuer in which a responsible person or an associate of a responsible person is a partner, officer or director, unless the fact is disclosed to the client and the written consent of the client to the investment is obtained before the purchase (such restriction, the Consent Requirement Restriction) (the Consent Requirement Relief); and/or
2. one or both of Greystone Real Estate LP Fund (the Real Estate Fund) and/or Greystone Infrastructure Fund (Canada) L.P. II (the Infrastructure Fund) for a decision under the Legislation:
- (a) exempting the Top Funds from the Related Issuer Restrictions (the Non-Investment Fund Related Issuer Relief); and

- (b) exempting the Filer and its affiliates, with respect to each of the Top Funds that invests in Real Estate Fund and/or Infrastructure Fund, from the Consent Requirement Restriction (the Non-Investment Fund Consent Requirement Relief)

(the Related Issuer Relief, the Consent Requirement Relief, the Non-Investment Fund Related Issuer Relief and the Non-Investment Fund Consent Requirement Relief are herein referred to collectively as the Requested Relief).

Under National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* (for a dual application):

- (a) the Financial and Consumer Affairs Authority of Saskatchewan is the principal regulator for this application;
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon:
  - (i) in respect of the Related Issuer Relief and the Non-Investment Fund Related Issuer Relief, in Alberta; and
  - (ii) in respect of the Consent Requirement Relief and the Non-Investment Fund Consent Requirement Relief, in British Columbia, Alberta, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador; and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

### **Interpretation**

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

### **Representations**

This decision is based on the following facts represented by the Filer:

#### ***The Filer***

1. The Filer is a corporation amalgamated under the laws of Canada with its head office located in Regina, Saskatchewan.
2. The Filer is registered in Saskatchewan as an investment fund manager (IFM), portfolio manager (PM) and exempt market dealer. The Filer is also registered as:
  - (a) an IFM in Newfoundland and Labrador, Ontario and Québec;
  - (b) a PM in each of the provinces in Canada; and
  - (c) an exempt market dealer in each of the provinces in Canada.

3. The Filer is the IFM of the First Top Funds and the First Underlying Funds and the Filer or an affiliate of the Filer will be the IFM of the Future Top Funds and the Future Underlying Funds. To the extent that the Filer or an affiliate of the Filer is the IFM of any Future Top Fund or Future Underlying Fund, the representations set out in this decision will apply to the same extent to such Future Top Fund and/or Future Underlying Fund.
4. The Filer or an affiliate of the Filer is, or will be, the PM for the Top Funds, the Underlying Funds, the Real Estate Fund and the Infrastructure Fund. The Filer or an affiliate of the Filer may also act as a distributor of the securities of the Top Funds, the Underlying Funds, the Real Estate Fund and the Infrastructure Fund not otherwise sold through another registered dealer. The Filer or its affiliates are, or will be, “responsible persons” of the Top Funds, the Underlying Funds, the Real Estate Fund and the Infrastructure Fund, as that term is defined in NI 31-103.
5. The Filer offers investment funds and other investment products to accredited investors, such as pension funds, large corporations and other institutional investors that are not individuals. The minimum investment in a fund managed by the Filer is \$5 million, unless waived by the Filer. Each investor is responsible for making its own investment decisions regarding its purchases and/or redemptions of securities in the investment funds and products offered by the Filer.
6. The Filer is not a reporting issuer in any jurisdiction of Canada and is not in default of the securities legislation of any jurisdiction of Canada.
7. An officer and/or director of the Filer or an affiliate of the Filer may have a significant interest in an Underlying Fund, the Real Estate Fund or the Infrastructure Fund from time to time. A person or company who is a substantial security holder of a Top Fund, the Filer, or an affiliate of the Filer may also have a significant interest in an Underlying Fund, the Real Estate Fund or the Infrastructure Fund from time to time.

### *The Top Funds*

8. Greystone Bond Plus Fund is an investment trust established by the Filer on May 30, 2014 and governed by the laws of Ontario. Each of the Target Date Funds is an investment trust established by the Filer on December 8, 2014 and governed by the laws of Ontario. Any Future Top Fund will be established and governed by the laws of either Saskatchewan or Ontario.
9. The investment objective of Greystone Bond Plus Fund is to seek superior long-term total returns (current income and capital appreciation) by investing in Canadian fixed-income securities, commercial mortgages and high-yield debt. To achieve its investment objective, Greystone Bond Plus Fund may invest in one or both of Greystone High Yield Fund and/or Greystone Mortgage Fund, which investment or investments will be consistent with Greystone Bond Plus Fund’s investment objective and strategies.

10. The investment objective of each Target Date Fund is to provide a diversified investment vehicle that seeks to provide superior long-term investment returns and reduce the volatility of the fund as the applicable maturity date approaches. To achieve its investment objective, a Target Date Fund will invest in different asset classes, including equity, fixed income and alternative assets, and may invest in one or more of the Underlying Funds, the Real Estate Fund and/or the Infrastructure Fund. The investment strategy of each Target Date Fund establishes minimum and maximum percentages, measured at the time of purchase, of its net asset value (NAV) that will be invested in any particular asset class.
11. None of the First Top Funds are in default of the securities legislation of any jurisdiction of Canada.
12. The securities of each of the Top Funds are, or will be, sold solely to accredited investors that are not individuals pursuant to exemptions from the prospectus requirements in accordance with National Instrument 45-106 *Prospectus and Registration Exemptions* (NI 45-106). Each such investor is, or will be, responsible for making its own investment decisions regarding its purchases and/or redemptions of securities of a Top Fund.
13. Each of the Top Funds is, or will be, a “mutual fund” as defined in securities legislation of the jurisdictions in which the Top Funds are distributed.
14. To achieve its investment objective, a Top Fund may invest in one or more of the Underlying Funds, the Real Estate Fund and/or the Infrastructure Fund from time to time, which investment or investments will be consistent with the Top Fund’s investment objectives and strategies.
15. None of the Top Funds is, or will be, a reporting issuer in any jurisdiction of Canada.

### ***The Underlying Funds***

16. Each of the First Underlying Funds is an investment trust currently established under the laws of either Saskatchewan or Ontario.
17. The investment objective of Greystone High Yield Fund is to seek superior long term total returns by investing primarily in high yield, collateralized debt obligation and collateralized loan obligation fixed income securities.
18. The investment objective of Greystone Mortgage Fund is to provide a vehicle to invest in Canadian commercial real estate mortgage and to achieve superior long-term total returns while maintaining long-term stability of capital.
19. The investment objective of Greystone Canadian Fixed Income Fund is to seek superior long-term total returns (current income and capital appreciation) by investing in Canadian fixed income securities.

20. The investment objective of Greystone Long Bond Fund is to seek superior long-term total returns (current income and capital appreciation) by investing in Canadian fixed income securities that have a term to maturity greater than 9 years.
21. The investment objective of Greystone Real Return Bond Fund is to invest in fixed income securities that provide a rate of return that is adjusted for inflation.
22. The investment objective of Greystone Three Year Target Duration Fund is to maintain a modified duration of three years and to have a relatively consistent cash flow profile by investing in Canadian fixed income securities.
23. The investment objective of Greystone Canadian Equity Fund is to seek superior long-term capital appreciation by investing in the equity securities of Canadian companies.
24. The investment objective of Greystone Global Equity Fund is to seek superior long-term capital appreciation by investing in the equity securities of global companies.
25. The investment objective of Greystone Global Income & Growth Fund is to generate dividend income superior to that generally available in the global equity market and to seek long-term capital appreciation.
26. None of the First Underlying Funds is in default of the securities legislation of any jurisdiction of Canada.
27. Each of the Underlying Funds is, or will be, a “mutual fund” as defined in securities legislation of the jurisdictions in which the Top Funds and the Underlying Funds are distributed.
28. Each Underlying Fund is, or will be, structured as a limited partnership, a trust or a corporation governed by the laws of a jurisdiction of Canada.
29. Each of the Underlying Funds has, or will have, separate investment objectives and investment strategies.
30. In addition to the Top Funds, securities of each Underlying Fund are, or will be, sold solely to accredited investors that are not individuals pursuant to exemptions from the prospectus requirements in accordance with NI 45-106. Each such investor is, or will be, responsible for making its own investment decisions regarding its purchases and/or redemptions of securities of an Underlying Fund.
31. None of the Underlying Funds is, or will be, a reporting issuer in any jurisdiction of Canada.

***Real Estate Fund***

32. The Real Estate Fund is an investment product established as a limited partnership under the laws of Ontario.

33. The investment objective of the Real Estate Fund is to seek superior long-term total returns by investing in a diversified Canadian real estate portfolio. Under its investment strategy, the Real Estate Fund may invest in equity interests in, and mortgages of, Canadian real estate, securities or bonds where the underlying asset is a mortgage or real estate equity, cash and short-term investments.
34. The Real Estate Fund is not considered to be an investment fund. Nevertheless, the Real Estate Fund is operated in a manner similar to how the Filer operates its investment funds. The Real Estate Fund is administered by the Filer, as manager, its assets are managed by a PM and it calculates a NAV that is used for purposes of determining the purchase and redemption price of its units.
35. The Real Estate Fund is not in default of the securities legislation of any jurisdiction of Canada.
36. In addition to the Top Funds, units of the Real Estate Fund are sold solely to accredited investors that are not individuals pursuant to exemptions from the prospectus requirements in accordance with NI 45-106. Each such investor is responsible for making its own investment decisions regarding its purchases and/or redemptions of units of the Real Estate Fund.
37. The Real Estate Fund is not a reporting issuer in any jurisdiction of Canada.

### ***Infrastructure Fund***

38. The Infrastructure Fund will be an investment product established as a limited partnership under the laws of Ontario.
39. The investment objective of the Infrastructure Fund will be to earn income from infrastructure assets by investing in units of Greystone Infrastructure Fund (Master) L.P. (Master Infrastructure Fund), a limited partnership formed under the laws of the Cayman Islands. The investment objective of the Master Infrastructure Fund is to invest in and to earn income directly or indirectly from infrastructure assets, specifically:
  - (a) transportation, including roads, rail, ports and airports;
  - (b) contracted generation;
  - (c) power transmission and distribution;
  - (d) renewable energy, including wind, hydro, solar and waste-to-energy;
  - (e) pipelines, including oil, gas and refined products;
  - (f) utilities, including water, wastewater and energy;
  - (g) telecommunications;
  - (h) social infrastructure, including hospitals, prisons and schools;
  - (i) rolling stock and parking; and

- (j) other assets that are expected to generate predictable cash flows over the long-term and exhibit sustainable competitive advantages.
- 40. The Infrastructure Fund and the Master Infrastructure Fund will have substantially similar investment objectives, in that they will both seek to earn income from infrastructure assets.
- 41. The Infrastructure Fund and the Master Infrastructure Fund are not considered to be investment funds. Nevertheless, the Infrastructure Fund will be, and the Master Infrastructure Fund is, operated in a manner similar to how the Filer operates its investment funds. The Infrastructure Fund and the Master Infrastructure Fund are, or will be, administered by the Filer, as manager, their assets are managed, or will be managed, by a PM and they calculate, or will calculate, a NAV that is used, or will be used, for purposes of determining the purchase and redemption price of their units.
- 42. Units of the Infrastructure Fund will be sold solely to the Top Funds pursuant to exemptions from the prospectus requirements in accordance with NI 45-106. Other investors who wish to obtain exposure to the assets of the Master Infrastructure Fund will purchase units of another Canadian infrastructure limited partnership managed by the Filer that has an investment mandate similar to the investment mandate of the Master Infrastructure Fund pursuant to exemptions from the prospectus requirements in accordance with NI 45-106.
- 43. The Infrastructure Fund will not be a reporting issuer in any jurisdiction of Canada.

***Fund-on-Underlying Fund Structure***

- 44. An investment by a Top Fund in an Underlying Fund is, or will be, compatible with the investment objectives of the Top Fund and will allow the Top Fund to obtain exposure to securities in which the Top Fund may otherwise invest directly (the Fund-on-Underlying Fund Structure). The Filer believes that the Fund-on-Underlying Fund Structure provides the Top Funds with an efficient and cost-effective manner of pursuing portfolio diversification instead of purchasing securities directly. The Fund-on-Underlying Fund Structure also provides the Top Funds with access to the investment expertise of the portfolio adviser of the applicable Underlying Funds.
- 45. Investments by a Top Fund in an Underlying Fund will be effected at an objective price. According to the Filer's policies and procedures, an objective price, for this purpose, shall be the NAV of the Underlying Fund. Each Underlying Fund holds, or will hold, primarily liquid assets. To the extent that such Underlying Fund holds any assets that are "illiquid assets", as that term is defined in National Instrument 81-102 *Investment Funds* (NI 81-102), such illiquid assets will comprise no more than 10% of the Underlying Fund's NAV.
- 46. Each Top Fund is, or will be, valued and redeemable daily and each Underlying Fund is, or will be, valued and redeemable daily.



### *Fund-on-Real Estate Fund Structure*

47. An investment by a Top Fund in the Real Estate Fund is compatible with the investment objectives of the Top Fund and will allow the Top Fund to obtain exposure to an asset class in which the Top Fund may invest (the Fund-on-Real Estate Fund Structure). The Filer believes that the Fund-on-Real Estate Fund Structure provides the Top Funds with an efficient and cost-effective manner of pursuing portfolio diversification. The Fund-on-Real Estate Fund Structure also provides the Top Funds with access to the investment expertise of the portfolio adviser of the Real Estate Fund.
48. The Real Estate Fund is valued and redeemable monthly, although “significant” redemptions (a redemption request that is for greater than \$1,000,000 and 10% of the Real Estate Fund’s liquidity available for investment) may only be made on a quarterly basis.
49. Investments by a Top Fund in the Real Estate Fund will be effected at an objective price. According to the Filer’s policies and procedures, an objective price, for this purpose, shall be the NAV of the Real Estate Fund. The investments of the Real Estate Fund, which will consist primarily of interests in real property, are primarily illiquid, and the Real Estate Fund’s units will have limited liquidity.
50. The value of the portfolio assets of the Real Estate Fund is independently determined by recognized accounting firms and/or appraisal firms accredited through the Appraisal Institute of Canada that are arm’s length to the Filer or an affiliate of the Filer, the Real Estate Fund and all other investment funds or vehicles managed by the Filer (RE Independent Appraisers) on at least an annual basis, which annual valuations may be refreshed by a RE Independent Appraiser if the Filer determines that a significant valuation event has occurred. The auditor of the Real Estate Fund will not act as an RE Independent Appraiser. The Real Estate Fund’s NAV is based on the valuation of the portfolio assets determined by the RE Independent Appraiser(s).
51. To the extent feasible and practicable, each RE Independent Appraiser will be rotated on three-year intervals.
52. A Top Fund will not invest in the Real Estate Fund unless the PM of the Top Fund believes that the liquidity of the Top Fund’s portfolio is adequately managed through other strategies. As part of such strategies, a Top Fund will not invest more than 10% of its NAV, at the time of purchase, in units of the Real Estate Fund and it will not invest in units of the Real Estate Fund that represent, at the time of purchase, more than 10% of the units of the Real Estate Fund.
53. In addition, a Top Fund will not invest in the Real Estate Fund unless, at the time of purchase, at least 20% of the units of the Real Estate Fund are held by unitholders that are not affiliated or associated with the Filer.

54. None of the Top Funds will actively participate in the business or operations of the Real Estate Fund.

#### *Fund-on-Infrastructure Fund Structure*

55. An investment by a Top Fund in the Infrastructure Fund will be compatible with the investment objectives of the Top Fund and will allow the Top Fund to indirectly obtain exposure to an asset class in which the Top Fund may invest (the Fund-on-Infrastructure Fund Structure). The Filer believes that the Fund-on-Infrastructure Fund Structure will provide the Top Funds with an efficient and cost-effective manner of pursuing portfolio diversification. The Fund-on-Infrastructure Fund Structure will also provide the Top Funds with indirect access to the investment expertise of the portfolio adviser of the Master Infrastructure Fund.
56. Investments by a Top Fund in the Infrastructure Fund will be effected at an objective price. According to the Filer's policies and procedures, an objective price, for this purpose, shall be the NAV of the Infrastructure Fund. The investments of the Infrastructure Fund will consist primarily of units of the Master Infrastructure Fund. The investments of the Master Infrastructure Fund, which will consist primarily of infrastructure assets, are primarily illiquid, and the units of both the Infrastructure Fund and the Master Infrastructure Fund will have limited liquidity.
57. The Infrastructure Fund is valued and redeemable semi-annually.
58. The Master Infrastructure Fund is valued and redeemable semi-annually. The value of the portfolio assets of the Master Infrastructure Fund is determined by one or more internationally recognized accounting firms and/or appraisal firms that are arm's length to the Filer or an affiliate of the Filer, the Infrastructure Fund, the Master Infrastructure Fund and all other investment funds or vehicles managed by the Filer (Infrastructure Independent Appraisers) who independently value such portfolio assets on a semi-annual basis. A semi-annual valuation of one or more of such assets may be refreshed by an Infrastructure Independent Appraiser during an interim period if the portfolio adviser of the Master Infrastructure Fund determines that a significant valuation event has occurred. Neither the auditor of the Infrastructure Fund nor the auditor of the Master Infrastructure Fund will act as an Infrastructure Independent Appraiser. The Infrastructure Fund will invest in the Master Infrastructure Fund at the NAV of the Master Infrastructure Fund, which is based on the valuation prepared by the Infrastructure Independent Appraisers.
59. To the extent feasible and practicable, each of the Infrastructure Independent Appraisers will be rotated on three-year intervals.
60. A Top Fund will not invest in the Infrastructure Fund unless the PM of the Top Fund believes that the liquidity of the Top Fund's portfolio is adequately managed through other strategies. As part of such strategies, a Top Fund will not invest more than 10% of its NAV, at the time of purchase, in units of the Infrastructure Fund

- and it will not invest in units of the Infrastructure Fund that indirectly represent, at the time of purchase, more than 10% of the units of the Master Infrastructure Fund.
61. In addition, a Top Fund will not invest in the Infrastructure Fund unless, at the time of purchase, at least 20% of the units of the Master Infrastructure Fund are directly or indirectly held by unitholders that are not affiliated or associated with the Filer (not including any holdings made through a Top Fund).
  62. None of the Top Funds will actively participate in the business or operations of the Infrastructure Fund.

*Generally*

63. The amount invested from time to time in an Underlying Fund, the Real Estate Fund and/or the Infrastructure Fund by a Top Fund, either alone, in the case of the Underlying Funds, or together with one or more other Top Funds, may exceed 20% of the outstanding voting securities of the Underlying Fund, the Real Estate Fund or the Infrastructure Fund, as the case may be. As a result, each Top Fund could, either alone, in the case of the Underlying Funds, or together with one or more other Top Funds, become a substantial security holder of an Underlying Fund, the Real Estate Fund and/or the Infrastructure Fund, as the case may be. The Top Funds, are, or will be, related mutual funds by virtue of common management by the Filer or an affiliate of the Filer.
64. In addition, the Fund-on-Underlying Fund Structure, the Fund-on-Real Estate Fund Structure and/or the Fund-on-Infrastructure Fund Structure, as applicable, may result in a Top Fund investing in an Underlying Fund, the Real Estate Fund and/or the Infrastructure Fund, respectively, in which an officer or director of the Filer or of an affiliate of the Filer has a significant interest and/or a Top Fund investing in an Underlying Fund, the Real Estate Fund and/or the Infrastructure Fund, respectively, in which a person or company who is a substantial security holder of the Top Fund, the Filer or an affiliate of the Filer has a significant interest.
65. Since the Top Funds do not offer their securities under a simplified prospectus, they are not subject to NI 81-102 and therefore the Top Funds are unable to rely upon the exemption codified under subsection 2.5(7) of NI 81-102.
66. In the absence of the Related Issuer Relief and the Non-Investment Fund Related Issuer Relief, each Top Fund would be precluded from purchasing and holding securities of an Underlying Fund, the Real Estate Fund and/or the Infrastructure Fund due to the investment restrictions contained in the Legislation.
67. The Fund-on-Underlying Fund Structure, the Fund-on-Real Estate Fund Structure and/or the Fund-on-Infrastructure Fund Structure, as applicable, may also result in a Top Fund investing in an Underlying Fund, the Real Estate Fund and/or the Infrastructure Fund, respectively, in which a responsible person or an associate of a responsible person is a partner, officer or director, or performs a similar function or occupies a similar position.

68. In the absence of the Consent Requirement Relief and the Non-Investment Fund Consent Requirement Relief, the Filer or its affiliates would be precluded from causing each Top Fund to invest in an Underlying Fund, the Real Estate Fund and/or the Infrastructure Fund in these circumstances unless the consent of each investor in the Top Fund is obtained.
69. A Top Fund's investment in an Underlying Fund, the Real Estate Fund and/or the Infrastructure Fund, as the case may be, will represent the business judgment of a responsible person uninfluenced by considerations other than the best interests of the investment funds concerned.

### **Decision**

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

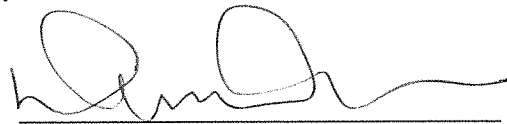
The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that:

- (a) securities of the Top Funds, the Underlying Funds, the Real Estate Fund and the Infrastructure Fund are distributed in Canada solely to accredited investors that are not individuals pursuant to exemptions from the prospectus requirements in NI 45-106 and each investor is responsible for making its own investment decisions regarding its purchases and/or redemptions of securities of such investment products;
- (b) the investment by a Top Fund in an Underlying Fund, the Real Estate Fund and/or the Infrastructure Fund, as the case may be, is compatible with the fundamental investment objectives of the Top Fund;
- (c) at the time of the purchase by a Top Fund of securities of an Underlying Fund, the Real Estate Fund and/or the Infrastructure Fund, as the case may be, either the Underlying Fund, the Real Estate Fund or the Infrastructure Fund, as applicable, holds no more than 10% of its NAV in securities of other investment funds unless the Underlying Fund, the Real Estate Fund or the Infrastructure Fund, as the case may be:
  - (i) has adopted a fundamental investment objective to track the performance of another investment fund or similar investment product;
  - (ii) purchases or holds securities of investment funds that are "money market funds" (as such term is defined in NI 81-102); or
  - (iii) purchases or holds securities that are "index participation units" (as such term is defined in NI 81-102) issued by an investment fund;
- (d) no management fees or incentive fees are payable by a Top Fund that, to a reasonable person, would duplicate a fee payable by its Underlying Fund,

the Real Estate Fund or the Infrastructure Fund, as applicable, for the same service;

- (e) no sales fees or redemption fees are payable by a Top Fund in relation to its purchases or redemptions of securities of an Underlying Fund, the Real Estate Fund or the Infrastructure Fund, as applicable;
- (f) the securities of an Underlying Fund, the Real Estate Fund and/or the Infrastructure Fund, as the case may be, held by a Top Fund will not be voted at any meeting of the security holders of the Underlying Fund, the Real Estate Fund or the Infrastructure Fund, as applicable, except that the Top Fund may arrange for the securities of the Underlying Fund, the Real Estate Fund and/or the Infrastructure Fund it holds to be voted by the beneficial holders of securities of the Top Fund;
- (g) the statement of investment policies and procedures or other similar document provided to each investor in a Top Fund will disclose:
  - (i) that the Top Fund may purchase securities of one or more Underlying Funds, the Real Estate Fund and/or the Infrastructure Fund, as applicable;
  - (ii) the fact that the Filer or an affiliate of the Filer is the IFM, if applicable, and the PM of the Top Fund and the Underlying Funds, the Real Estate Fund and the Infrastructure Fund, as applicable;
  - (iii) the approximate or maximum percentage of the Top Fund's net assets that is intended to be invested in securities of the Underlying Funds, the Real Estate Fund and/or the Infrastructure Fund, as the case may be;
  - (iv) each officer, director or substantial securityholder of the Filer, an affiliate of the Filer or of a Top Fund that also has a significant interest in an Underlying Fund, the Real Estate Fund and/or the Infrastructure Fund, as applicable, the approximate amount of the significant interest they hold, on an aggregate basis, expressed as a percentage of the applicable fund's NAV, and the potential conflicts of interest which may arise from such relationships;
  - (v) the fees and expenses payable by the Underlying Fund(s), the Real Estate Fund and/or the Infrastructure Fund, as the case may be, that the Top Fund may invest in, including any incentive fee;
  - (vi) that securityholders of the Top Fund are entitled to receive from the Filer or an affiliate of the Filer, on request and free of charge a copy of the offering memorandum or other disclosure document, if any, and the annual and interim financial statements of any Underlying Fund, the Real Estate Fund or the Infrastructure Fund, as applicable, in which the Top Fund invests; and

- (vii) the process or criteria used to select the Underlying Funds, the Real Estate Fund and the Infrastructure Fund, if applicable;
- (h) no Top Fund will invest more than 10% of its NAV, at the time of purchase, in units of the Real Estate Fund and no Top Fund will invest in units of the Real Estate Fund that represent, at the time of purchase, more than 10% of the units of the Real Estate Fund;
- (i) no Top Fund will invest in the Real Estate Fund unless, at the time of purchase, at least 20% of the units of the Real Estate Fund are held by unitholders that are not affiliated or associated with the Filer;
- (j) no Top Fund will invest more than 10% of its NAV, at the time of purchase, in units of the Infrastructure Fund and no Top Fund will invest in units of the Infrastructure Fund that indirectly represent, at the time of purchase, more than 10% of the units of the Master Infrastructure Fund;
- (k) no Top Fund will invest in the Infrastructure Fund unless, at the time of purchase, at least 20% of the units of the Master Infrastructure Fund are directly or indirectly held by unitholders that are not affiliated or associated with the Filer (not including any holdings made through a Top Fund); and
- (l) if a Top Fund invests in units of the Real Estate Fund or the Infrastructure Fund, it will invest in such funds at the NAV of the Real Estate Fund or the Infrastructure Fund, as the case may be, based on the valuation of the applicable portfolio assets by the RE Independent Appraiser or the Independent Appraiser, respectively.



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Dean Murrison  
Director, Securities Division  
Financial and Consumer Affairs  
Authority of Saskatchewan