

General Order 81-506
Reducing Regulatory Burden for Investment Fund Issuers Part 1

In the Matter of
The Securities Act, 1988

Order

WHEREAS Securities Division staff (**Staff**) of the Financial and Consumer Affairs Authority of Saskatchewan (the **FCAA**) has applied to the FCAA for an Order pursuant to section 160 of *The Securities Act, 1988* (the **Act**) exempting certain investment fund issuers from certain requirements as outlined below;

AND WHEREAS the FCAA has assigned to the Executive Director of the Securities Division, FCAA (the **Executive Director**) the power to make exemption orders under the provision of the Act including orders of general application;

AND WHEREAS terms defined in the Act, National Instrument 14-101 *Definitions* (**NI 14-101**), National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*, Multilateral Instrument 13-102 *System Fees for Sedar and NRD*, National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**), National Instrument 45-106 *Prospectus Exemptions*, National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (**NI 52-107**), National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (**NI 54-101**), National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**), National Instrument 81-102 *Investment Funds* (**81-102**), National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**) and National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**), have the same meaning in this Order, unless otherwise defined;

AND WHEREAS in this Order:

“**automatic switch**” means a purchase of securities of a class or series of securities of a mutual fund, immediately following a redemption of the same value of securities of another class or series of securities of that mutual fund, if the only material differences between the two classes or series are both of the following:

- a. a difference in the management fees;

- b. a difference in the purchaser's minimum investment amounts;

“automatic switch program” means an agreement under which automatic switches are to be made on predetermined dates for a purchaser of securities of a class or series of a mutual fund as a result of the purchaser:

- a. satisfying the minimum investment amount for the class or series, and
- b. failing to satisfy, in whole or in part, the minimum investment amount for the class or series of securities of the mutual fund that were subject to the automatic switch because those securities were redeemed;

“current market price of the security” has the same definition of that phrase in paragraph 6.1(1)(a) of NI 81-107 except that the following is added after clause (1)(a)(i)(C):

“(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 ;”

“information circular” means a document prepared in accordance with Form 51-102F5 *Information Circular*;

“inter-fund self-dealing investment prohibitions” means paragraphs 13.5(2)(b) of NI 31-103 and subsection 4.2 of NI 81-102 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;

“investment fund conflict of interest investment restrictions” means paragraphs 13.5(2)(a) and (b) of NI 31-103, subsection 4.1(2) of NI 81-102 and subsections 120(2) and (3) of the Act;

“managed account” in sections 7 and 11 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:

- a. an account of a “responsible person” as defined in NI 31-103, or
- b. an account of an investment fund;

“**meeting**” in section 1 means a meeting of securityholders of an investment fund,

“**notice-and-access**” means the delivery procedures referred to in section 1 of this Order,

“**portfolio rebalancing plan**” means an agreement, that can be terminated at any time, under which a purchaser:

- a. selects,
 - (i) a portfolio of securities of two or more mutual funds, and
 - (ii) target weightings for securities of each of those mutual funds held by the purchaser, and
- b. on predetermined dates, purchases or redeems securities referred to in paragraph a. in order to bring the holdings of each of those securities within the applicable target weighting;

“**proxy-related materials**” means securityholder materials relating to a meeting that a person or company that solicits proxies is required under corporate law or securities legislation to send to a registered holder or beneficial owner of the securities of an investment fund;

“**significant interest**” and “**substantial security holder**” each have the same meaning ascribed to those terms in the investment fund conflict of interest investment restrictions;

“**stratification**” means procedures whereby a paper copy of the information circular and, if applicable, the financial statements of the investment fund are included with the documents required to be sent in order to use notice-and-access under section 1.

AND WHEREAS it has been represented to the Executive Director that:

- (a) The Canadian Securities Administrators are adopting amendments (**Amendments**) to multiple instruments related to investment fund issuers in order to reduce the regulatory burden on investment fund issuers without compromising investor protection or efficiency of the markets;
- (b) Staff understands that members of the Canadian Securities Administrators intend to ensure that the Amendments are to come into force on January 5, 2022 in each of the respective jurisdictions.
- (c) Staff understands that the Amendments will not come into force via regulation in Saskatchewan on January 5, 2022, and, to allow for harmonization with other member jurisdictions of the Canadian Securities Administrators, submit that it is appropriate to

grant conditional relief to investment fund issuers prior to the coming into force of the Amendments in Saskatchewan.

AND WHEREAS the Executive Director is of the opinion that it would not be prejudicial to the public interest to make this Order;

IT IS ORDERED under section 160 of the Act:

1. A person or company that solicits proxies from a registered holder of securities of an investment fund under section 12.2(a) of NI 81-106 or a person or company that sends proxy-related materials to beneficial owners of an investment fund under section 2.7 of NI 54-101 is exempt from the requirement to send an information circular to each registered holder or beneficial owner of an investment fund and instead use notice-and-access provided that, it satisfies all of the following:
 - (a) the registered holder of beneficial owner is sent a notice that contains only the following information:
 - (i) the date, time and location of the meeting,
 - (ii) a description of each matter or group of related matters identified in the form of proxy to be voted on, unless that information is included in the form of proxy, in Form 54-101F6 *Request for Voting Instructions Made by Reporting Issuer (Form 54-101F6)* or in Form 54-101F7 *Request for Voting Instructions Made by Intermediary (Form 54-101F7)*, that is sent to the registered holder or beneficial owner under paragraph (b),
 - (iii) the website addresses for SEDAR and the non-SEDAR website where the proxy-related materials are posted,
 - (iv) a reminder to review the information circular before voting,
 - (v) an explanation of how to obtain a paper copy of the information circular and, if applicable, the financial statements of the investment fund, from the person or company soliciting proxies,
 - (vi) a plain-language explanation of notice-and-access that includes the following information:
 - (A) if stratification is used, a list of the types of registered holders or beneficial owners who will receive paper copies of the information circular and, if applicable, the financial statements of the investment fund,

- (B) the estimated date and time by which a request for a paper copy of the information circular and, if applicable, the financial statements of the investment fund, is to be received in order for the registered holder or beneficial owner to receive the paper copy in advance of any deadline for the submission of the proxy or the voting instructions for the meeting, and the date of the meeting,
 - (C) an explanation of how the registered holder or beneficial owner is to return the proxy or the voting instructions, including any deadline for return of the proxy or the voting instructions,
 - (D) the sections of the information circular where disclosure regarding each matter or group of related matters identified in the notice can be found,
 - (E) a toll-free telephone number the registered holder or beneficial owner can call to get information about notice-and-access,
- (b) by prepaid mail, courier or the equivalent,
 - (i) the registered holder is sent the notice, and a form of proxy for use at the meeting, at least 30 days before the date of the meeting, and
 - (ii) the beneficial owner is sent the notice and a Form 54-101F6 or Form 54-101F7 using the procedures referred to in section 2.9 or 2.12 of NI 54-101, as applicable,
 - (c) the proxy-related materials are sent at least 30 days, and no more than 50 days, before the date of the meeting,
 - (d) if proxy-related materials are sent directly to a NOBO using notice-and-access, the notice and, if applicable, any paper copies of information circulars and financial statements, are sent at least 30 days before the date of the meeting;
 - (e) if proxy-related materials are sent indirectly to a beneficial owner using notice-and-access, the notice and, if applicable, any paper copies of information circulars or financial statements are sent to any proximate intermediary,
 - (i) at least 3 business days before the 30th day before the date of the meeting, in the case of proxy-related materials that are to be sent on by the proximate intermediary by first class mail, courier or the equivalent, and
 - (ii) at least 4 business days before the 30th day before the date of the meeting, in

the case of proxy-related materials that are to be sent on by the proximate intermediary using any other type of prepaid mail,

- (f) in the case of a solicitation by or on behalf of management of the investment fund, or if another person or company soliciting proxies has requested a meeting, the notification of meeting and record dates is filed on SEDAR and that filing occurs on the same date that the notification of meeting and record dates is sent under subsection 2.2(1) of NI 54-101,
- (g) public electronic access to the information circular, the notice and the form of proxy is provided on or before the date that the notice is sent to the registered holder or beneficial owner, as follows:
 - (i) the documents are filed on SEDAR,
 - (ii) the documents are posted for no less than one year on,
 - (A) the investment fund's website, in the case of a solicitation by or on behalf of management of the investment fund, and
 - (B) a website other than SEDAR, in the case of a solicitation by or on behalf of any other person or company,
- (h) a toll-free telephone number is provided for use by the registered holder or beneficial owner to request a paper copy of the information circular and, if applicable, the financial statements of the investment fund at any time,
 - (i) following the date that the notice is sent to the registered holder or beneficial owner, and
 - (ii) on or before the date of the meeting, including any adjournment,
- (i) if a request for a paper copy of the information circular and, if applicable, the financial statements of the investment fund is received by telephone using the toll-free telephone number provided in the notice or by any other means, a paper copy of the document requested is sent free of charge by the person or company to the registered holder or beneficial owner at the address specified in the request,
 - (i) in the case of a request received before the date of the meeting, within 3 business days after receiving the request, by first class mail, courier or the equivalent, and
 - (ii) in the case of a request received on or after the date of the meeting, within one

year of the date the information circular is filed on SEDAR, within 10 calendar days after receiving the request, by prepaid mail, courier or the equivalent,

- (j) the notice is not sent with any other document other than the following:
 - (i) a form of proxy, Form 54-106F6 or Form 54-101F7,
 - (ii) if financial statements of the Fund to be presented at the meeting, the financial statements,
 - (iii) if the meeting is to approve a reorganization of the investment fund with another investment fund as contemplated by paragraph 5.1(1)(f) of NI-81-102, Form 81-101F3 *Contents of Fund Facts Document* or Form 41-101F4 *Information Required in an ETF Facts Document* for the continuing investment fund,
- (k) the notice is not combined with any document other than a form of proxy, Form 54-106F6 or Form 54-101F7,
- (l) the information circular discloses that proxy-related materials are being sent to registered holders or beneficial owners of the investment fund using notice-and-access, and if stratification is used, the types of registered holders or beneficial owners who will receive paper copies of the information circular and, if applicable, the financial statements of the investment fund,
- (m) the cost of sending the information circular and, if applicable, the financial statements of the investment fund, to a registered holder or beneficial owner, if a paper copy is requested by the registered holder or beneficial owner, is paid by the manager of the investment fund or other person or company soliciting proxies that is not the investment fund,
- (n) if a request for a paper copy of the information circular or the financial statements of the investment fund is received through the toll-free telephone number provide in the notice or by any other means, a person or company soliciting proxies must not,
 - (i) ask for any information about the person or company making the request, other than the name and address to which the information circular and, if applicable, the financial statements are to be sent, or
 - (ii) disclosure or use the name or address of the person or company making the request for any purpose other than sending the information circular or the

financial statements of the investment fund,

- (o) a person or company that posts proxy-related materials to a website must not collect information that can be used to identify a person or company that has accessed the website,
- (p) a person or company that posts proxy-related materials to a website must also post on the website all of the following:
 - (i) any disclosure regarding the meeting that the person or company has sent to registered holders or beneficial owners,
 - (ii) any written communications the person or company has made available to the public regarding each matter or group of matters to be voted on at the meeting, whether or not the communications were sent to registered holders or beneficial owners,
- (q) materials that are posted on a website pursuant to subparagraph 1(g)(ii) must do so in a manner and format that permits an individual with a reasonable level of computer skill and knowledge to easily do all of the following:
 - (i) access, read and search the materials,
 - (ii) download and print the materials,
- (r) in the case of solicitation of proxies by or on behalf of management of an investment fund, must a person or company using notice-and-access must,
 - (i) despite paragraph 2.1(b) of NI 54-101, set or request a record date for notice of the meeting that is no fewer than 40 days before the date of the meeting,
 - (ii) specify in the notification of meeting and record dates sent under s.2.2 of NI 54-101 that proxy-related materials are being sent to registered holders or beneficial owners using notice-and-access, and
 - (iii) not abridge the time prescribed under paragraph 2.1(b), subsection 2.2(1) or subsection 2.5(1) of NI 54-101 unless the person or company,
 - (A) complies with paragraphs 2.20 (a) to (c) of NI 54-101, and
 - (B) sends the notification of meeting and record dates sent under section 2.2 of NI 54-101 at least 3 business days before the record date for notice of the meeting,

- (s) in the case of solicitation of proxies by or on behalf of a person or company not referred to in subsection (r) that requests a meeting using notice-and-access, the person or company must request the following:
 - (i) a record date for notice of the meeting that is no fewer than 40 days before the date of the meeting,
 - (ii) that the notification of meeting and record dates sent under section 2.2 of NI 54-101 state that proxy-related materials are being sent to registered holders or beneficial owners using notice-and-access.
2. An investment fund issuer is exempt from the requirement to deliver a personal information form for a specified individual, at the time the investment fund files a preliminary or pro forma long form prospectus under Part 9 of NI 44-101 provided that, at the time the investment fund files the preliminary or pro forma prospectus, it satisfies all of the following:
- (t) the specified individual is:
 - (i) a director or executive officer of the issuer,
 - (ii) a promotor of the issuer, or
 - (iii) if the promotor is not an individual or a manager of the investment fund, each director and executive officer of the promotor;
 - (u) the specified individual has submitted a Form 33-109F4 *Registration of Individuals and Review of Permitted Individuals* under National Instrument 33-109 *Registration Information*;
3. A mutual fund is exempt from the requirement to deliver a personal information form for a specified individual, at the time the mutual fund files a preliminary simplified prospectus or *pro forma* prospectus under Part 2 of NI 88-101 provided that, at the time the mutual fund files the simplified prospectus or *pro forma* prospectus, it satisfies all of the following:
- (a) the specified individual is:
 - (i) a director or executive officer of the mutual fund,
 - (ii) a promotor of the mutual fund, or
 - (iii) if the promotor is not an individual or a manager of the mutual fund, each director and executive officer of the promotor;

- (b) the specified individual has submitted a Form 33-109F4 *Registration of Individuals and Review of Permitted Individuals* under National Instrument 33-109 *Registration Information*;
4. An investment fund that is not a reporting issuer and that purchases or holds securities of another investment fund that is not a reporting issuer is exempt from the application of the investment fund conflict of interest investment restrictions and the investment fund conflict of interest reporting requirements if:
- a. the investment fund's securities are distributed solely under an exemption from the prospectus requirement,
 - b. the purchase or holding is in accordance with paragraphs 2.5(2)(b), (d), (e) and (f) of NI 81-102,
 - c. the other investment fund prepares annual financial statements for its most recently completed financial year, and obtains an auditor's report with respect to those statements, within 90 days after the end of that financial year,
 - d. the other investment fund prepares interim financial statements for its most recently completed interim period within 60 days after the end of that interim period,
 - e. the audited annual financial statements referred to in paragraph (c) and the interim financial statements referred to in paragraph (d) are prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises, IFRS or U.S. GAAP,
 - f. the audited annual financial statements referred to in paragraph (c) are audited in accordance with Canadian GAAS, International Standards on Auditing, U.S. AICPA GAAS or U.S. PCAOB GAAS and the auditor's report referred to in paragraph (c) expresses an unmodified or unqualified opinion, as applicable,
 - g. the other investment fund complies with section 2.4 of NI 81-102,
 - h. the other investment fund has the same redemption and valuation dates as the investment fund,
 - i. any purchase of the other fund's securities is made at a price that equals the net asset value per security of the other fund calculated in accordance with section 14.2 of NI 81-106,
 - j. before an investor purchases securities of the investment fund, the investor is

provided a document that discloses:

- (i) that the fund may purchase securities of other related funds from time to time,
- (ii) that the manager of the fund is any of the following, as applicable:
 - A. the manager of each of the other funds,
 - B. the portfolio adviser of each of the other funds,
 - C. an affiliate of the manager of each of the other funds,
 - D. an affiliate of the portfolio adviser of each of the other funds,
- (iii) the approximate or maximum percentage of net assets of the fund that is intended to be invested in securities of the other fund,
- (iv) the fees, expenses and any performance or special incentive distributions payable by the other fund,
- (v) the process or criteria used to select the other fund,
- (vi) for each officer, director or substantial security holder of the fund's manager, or of the fund, that has a significant interest in the other fund, the approximate amount of the significant interest that each officer, director or substantial securityholder holds in the other fund expressed as a percentage of the other fund's net asset value, and any conflicts of interest or potential conflicts of interest,
- (vii) if the officers, directors and substantial securityholders of the fund's manager or of the fund, in aggregate, hold a significant interest in the other fund,
 - A. the actual or approximate amount of the significant interest they hold, on an aggregate basis, expressed as a percentage of the other fund's net asset value, and
 - B. any conflicts of interest or potential conflicts of interest, and
- (viii) that investors are entitled to receive, on request and free of charge,
 - A. a copy of the offering memorandum or other similar disclosure document of each other fund, if available, and

- B. the audited annual financial statements, accompanied by an auditor's report, and interim financial statements, if any, relating to each other fund, and
 - k. investors are informed annually of their right to receive, on request and free of charge, a copy of the documents referred to in subparagraph (j)(viii).
5. An investment fund that is not a reporting issuer and that purchases or holds securities of another investment fund is exempt from the application of the investment fund conflict of interest investment restrictions and the investment fund conflict of interest reporting requirements if the other investment fund is a reporting issuer and the purchase or holding is in accordance with section 2.5 of NI 81-102.
 6. A dealer managed investment fund is exempt from the application of subsection 4.1(1) of 81-102 for an investment in a class of securities of a reporting issuer if:
 - a. at the time of the investment,
 - (i) the independent review committee of the dealer managed investment fund has approved the transaction in accordance with subsection 5.2(2) of NI 81-107, and
 - (ii) the distribution of securities of the reporting issuer is made by prospectus or under an exemption from the prospectus requirement,
 - b. during the 60 days after the period referred to in subsection 4.1(1), any of the following apply:
 - (i) the investment is made on an exchange on which the securities of the reporting issuer are listed and traded,
 - (ii) if the security is a debt security that does not trade on an exchange, the ask price is readily available and the price paid is not higher than the available ask price of the debt security at the time of the investment, and
 - c. no later than the time the dealer managed investment fund files its annual financial statements, the manager of the dealer managed investment fund files the particulars of each investment made by the dealer managed investment fund during its most recently completed financial year.
 7. The following are exempt from National Instrument 21-101 *Marketplace Operation*, parts 6 and 8 of National Instrument 23-101 *Trading Rules*, the inter-fund self-dealing

investment prohibitions and the dealer registration requirement:

- 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,

when 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, purchases a security of an issuer from, or sells 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:

- e. 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 of NI 81-107 for the purpose of approving the transaction,
 - f. the independent review committee has approved the transaction under subsection 5.2(2) of NI 81-107,
 - g. the investment management agreement for the managed account authorizes the purchase or sale of the security,
 - h. the bid and ask price of the security is readily available,
 - i. 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,
 - j. the transaction is executed at the current market price of the security,
 - k. the transaction is subject to market integrity requirements,
 - l. the investment fund, or a portfolio manager on behalf of a managed account keeps records in accordance with the record-keeping requirements applicable to registered firms set out in sections 11.5 and 11.6 of NI 31-103.
8. An investment fund, including, for greater certainty, an investment fund that is not a

reporting issuer, is exempt from the investment fund conflict of interest investment restrictions when it makes or holds 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 NI 81-107 for the purpose of approving the investment, and
 - B. the independent review committee has approved the investment in compliance with subsection 5.2(2) NI 81-107,
 - (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) of NI 81-107,
 - b. the purchase is made on an exchange on which the securities of the issuer are listed and traded, and
 - c. not later than the time the investment fund files its annual financial statements, the manager of the investment fund files the particulars of the investment with the securities regulatory authority or regulator.
9. An investment fund, including, for greater certainty, an investment fund that is not a reporting issuer, is exempt from the investment fund conflict of interest investment restrictions when it makes or holds 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, 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 of NI 81-107 for the purpose of approving the investment, and
 - B. the independent review committee has approved the investment in compliance with subsection 5.2(2) of NI 81-107, 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) of NI 81-107,

- 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 National Instrument 44-101 *Short Form Prospectus Distributions* (NI 44-101),
 - 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,
 - e. the investment is subject to the applicable "market integrity requirements" as defined in section 6.1 of NI 81-107, if any, and
 - f. not later than the time the investment fund files its annual financial statements, the manager of the investment fund files the particulars of the investment with the securities regulatory authority or regulator.
10. An investment fund, including, for greater certainty, an investment fund that is not a reporting issuer, is exempt from the investment fund conflict of interest investment restrictions when it makes or holds 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 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 of NI 81-107 for the purpose of approving the investment, and
 - B. the independent review committee has approved the investment in compliance with subsection 5.2(2) NI 81-107, 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) NI 81-107,

- (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 NI 44-101,
 - (vi) the distribution is for at least \$100 million, and
 - (vii) at least two purchasers that are arm's length purchasers, including, for greater certainty, "independent underwriters" within the meaning of National Instrument 33-105 Underwriting Conflicts, 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,
 - 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,
 - d. not later than the time the investment fund files its annual financial statements, the manager of the investment fund files the particulars of the investment with the securities regulatory authority or regulator.

11. The following are exempt from the inter-fund self-dealing investment prohibitions:

- 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,

when 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, causes 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,

- e. 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 of NI 81-107 for the purpose of approving the transaction, and
 - (ii) the independent review committee has approved the transaction in compliance with subsection 5.2(2) of NI 81-107,
 - f. 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) of NI 81-107,
 - g. the investment management agreement for the managed account authorizes the purchase or sale of the debt security,
 - h. the bid and ask price of the security transacted is readily available,
 - i. 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,
 - j. the purchase or sale is subject to the applicable market integrity requirements as defined in section 6.1 of NI 81-107; and
 - k. an investment fund, or a portfolio manager on behalf of a managed account keeps records in accordance with the record-keeping requirements applicable to registered firms set out in sections 11.5 and 11.6 of NI 31-103.
12. A transaction referred to in paragraph 5.5(1)(b) of NI 81-102 is exempt from the requirement for securities regulatory authority or regulator approval if all of paragraphs 5.6(1)(c) through 5.6(1)(k) apply to the transaction, in addition to the following:
- a. the investment fund is being reorganized with, or its assets are being transferred to, another investment fund to which this Instrument applies, and all of the following apply:
 - (i) the other investment fund is managed by the manager, or an affiliate of the manager, of the investment fund;
 - (ii) either of the following apply:
 - A. a reasonable person would consider the other investment fund to

have substantially similar fundamental investment objectives and valuation procedures, and a substantially similar fee structure, to those of the investment fund;

B. if the other investment fund has different fundamental investment objectives or valuation procedures or a different fee structure, the following apply:

(I) the manager reasonably believes that the transaction is in the best interests of the investment fund despite the differences;

(II) the circular referred to in subparagraph 5.6(1)(f)(i) includes disclosure of the differences and explains why the manager is of the belief that the transaction is in the best interests of the investment fund despite the differences;

(iii) the other investment fund is not in default of any requirement of securities legislation;

(iv) the other investment fund is a reporting issuer in the local jurisdiction and, if it is a mutual fund, has a current prospectus in the local jurisdiction; and

b. either of the following apply:

(i) the transaction is a "qualifying exchange" within the meaning of section 132.2 of the ITA or is a tax-deferred transaction under subsection 85(1), 85.1(1), 86(1) or 87(1) of the ITA;

(ii) if the transaction is not a "qualifying exchange" within the meaning of section 132.2 of the ITA or a tax-deferred transaction under subsection 85(1), 85.1(1), 86(1) or 87(1) of the ITA, the following apply:

A. the manager reasonably believes that the transaction is in the best interests of the investment fund despite the tax treatment of the transaction;

B. the circular referred to in subparagraph 5.6(1)(f)(i):

(I) discloses that the transaction is not a "qualifying exchange" within the meaning of section 132.2 of the ITA or a tax-deferred transaction under subsection 85(1), 85.1(1), 86(1) or 87(1) of the ITA,

(II) discloses the reason why the transaction is not structured so that subparagraph (i) applies, and

(III) explains why the manager is of the belief that the transaction is in the best interests of the investment fund

despite the tax treatment of the transaction.

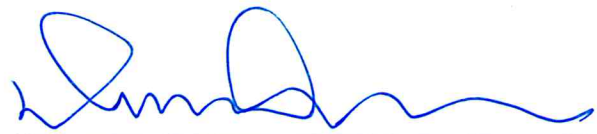
13. Transactions referred to in paragraphs 5.5(1)(a), (a.1) and (c) of NI 81-102 are exempt from the requirement for securities regulatory authority or regulator approval.
14. A dealer is exempt from the requirement in subsection 3C.2(2) of NI 41-101 to deliver or send to the purchaser the most recently filed ETF facts document for the applicable class or series of securities of the ETF in connection with a purchase of a security of an ETF made pursuant to a pre-authorized purchase plan or a portfolio rebalancing plan if:
 - a. the purchase is not the first purchase under the plan;
 - b. the dealer has provided a notice to the purchaser that states,
 - (i) that the purchaser will not receive an ETF facts document after the date of the notice, unless the purchaser specifically requests the document,
 - (ii) that the purchaser is entitled to receive upon request, at no cost to the purchaser, the most recently filed ETF facts document by calling a specified toll-free number, or by sending a request by mail or e-mail to a specified address or e-mail address,
 - (iii) how to access the ETF facts document electronically,
 - (iv) that the purchaser will not have a right of withdrawal under securities legislation for subsequent purchases of a security of an ETF under the plan, but will continue to have a right of action if there is a misrepresentation in the prospectus or any document incorporated by reference into the prospectus, and
 - (v) that the purchaser may terminate the plan at any time;
 - c. at least annually during the term of the plan, the dealer notifies the purchaser in writing of how the purchaser can request the most recently filed ETF facts document, and
 - d. the dealer delivers or sends the most recently filed ETF facts document to the purchaser if the purchaser requests the document.
15. A dealer is exempt from the requirement in subsection 3C.2(2) of NI 41-101 to deliver or send to the purchaser the most recently filed ETF facts document for the applicable class or series of securities of the ETF in connection with a purchase of a security of an ETF if either of the following apply:

- a. the purchase is made in a “managed account” (as that term is defined in section 1.1 of NI 31-103), or
 - b. the purchaser is a “permitted client” (as that term is defined in section 1.1 of NI 31-103) that is not an individual.
16. A dealer is exempt from the requirement in subsection 3C.2(2) of NI 41-101 to deliver or send to the purchaser the most recently filed ETF facts document for the applicable class or series of securities of the ETF in connection with a purchase of a security of an ETF made as an automatic switch pursuant to an automatic switch program if all of the following apply:
 - a. the purchase is not the first purchase under the automatic switch program;
 - b. the dealer has provided a notice to the purchaser that states
 - (i) that the purchaser will not receive an ETF facts document after the date of the notice, unless the purchaser specifically requests the document,
 - (ii) that the purchaser is entitled to receive upon request, at no cost to the purchaser, the most recently filed ETF facts document by calling a specified toll-free number, or by sending a request by mail or e-mail to a specified address or e-mail address,
 - (iii) how to access the ETF facts document electronically, and
 - (iv) that the purchaser will not have a right of withdrawal under securities legislation for subsequent purchases of a security of an ETF under the automatic purchase program, but will continue to have a right of action if there is a misrepresentation in the prospectus or any document incorporated by reference into the prospectus;
 - c. at least annually, the dealer notifies the purchaser in writing of how the purchaser can request the most recently filed ETF facts document;
 - d. the dealer delivers or sends the most recently filed ETF facts document to the purchaser if the purchaser requests the document;
 - e. with respect to the first purchase under the automatic switch program, the ETF facts document delivered or sent to the purchaser included the ETF facts automatic switch program information as defined in Appendix A.
17. A dealer is exempt from the requirement in subsection 3.2.01(1) of NI 81-101 to deliver or send to the purchaser the most recently filed fund facts document for the applicable class or series of securities of the mutual fund in connection with a purchase of a security of the mutual fund made pursuant to a pre-authorized purchase plan or a portfolio rebalancing plan if all of the following apply:

- a. the purchase is not the first purchase under the plan;
 - b. the dealer has provided a notice to the purchaser that states:
 - (i) that the purchaser will not receive a fund facts document after the date of the notice unless the purchaser specifically requests the document,
 - (ii) that the purchaser is entitled to receive upon request, at no cost to the purchaser, the most recently filed fund facts document by calling a specified toll-free number, or by sending a request by mail or e-mail to a specified address or e-mail address,
 - (iii) how to access the fund facts document electronically,
 - (iv) that the purchaser will not have a right of withdrawal under securities legislation for subsequent purchases of a security of a mutual fund under the plan, but will continue to have a right of action if there is a misrepresentation in the prospectus or any document incorporated by reference into the prospectus, and
 - (v) that the purchaser may terminate the plan at any time;
 - c. at least annually during the term of the plan, the dealer notifies the purchaser in writing of how the purchaser can request the most recently filed fund facts document;
 - d. the dealer delivers or sends the most recently filed fund facts document to the purchaser if the purchaser requests the document.
18. A dealer is exempt from the requirement in subsection 3.2.01(1) of NI 81-101 to deliver or send to the purchaser the most recently filed fund facts document for the applicable class or series of securities of the mutual fund in connection with the purchase of a security of the mutual fund if either of the following apply:
- a. the purchase is made in a “managed account” (as that term is defined in section 1.1 of NI 31-103), or
 - b. the purchaser is a “permitted client” (as that term is defined in section 1.1 of NI 31-103) that is not an individual.
19. A dealer is exempt from the requirement in subsection 3.2.01(1) of NI 81-101 to deliver or send to the purchaser the most recently filed fund facts document for the applicable class or series of securities of the mutual fund in connection with the purchase of a security of the mutual fund made as an automatic switch pursuant to an automatic switch program if all of the following apply:
- a. the purchase is not the first purchase under the automatic switch program;

- b. the dealer has provided a notice to the purchaser that states:
 - (i) that the purchaser will not receive a fund facts document after the date of the notice unless the purchaser specifically requests the document,
 - (ii) that the purchaser is entitled to receive upon request, at no cost to the purchaser, the most recently filed fund facts document by calling a specified toll-free number, or by sending a request by mail or e-mail to a specified address or e-mail address,
 - (iii) how to access the fund facts document electronically, and
 - (iv) that the purchaser will not have a right of withdrawal under securities legislation for subsequent purchases of a security of a mutual fund under the automatic purchase program, but will continue to have a right of action if there is a misrepresentation in the prospectus or any document incorporated by reference into the prospectus,
 - c. at least annually, the dealer notifies the purchaser in writing of how the purchaser can request the most recently filed fund facts document;
 - d. the dealer delivers or sends the most recently filed fund facts document to the purchaser if the purchaser requests the document;
 - e. with respect to the first purchase under the automatic switch program, the fund facts document delivered or sent to the purchaser included the fund facts automatic switch program information as defined in Appendix B.
20. This Order comes into effect on January 5, 2022 and expires on the effective date of an amendments that address substantially the same subject matter as this Order.

Dated January 5, 2022.



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

GENERAL ORDER 81-506
APPENDIX A

The “ETF facts automatic switch program information” means a completed Form 41-101F4 *Information Required in an ETF Facts Document* modified as follows:

- (a) the heading under item 1(d) of Part I includes the name of each class or series of securities of the ETF in the automatic switch program;
- (b) the brief introduction to the ETF facts document under item 1(h) of Part I includes the name of each class or series of securities of the ETF in the automatic switch program;
- (c) item 2(1) of Part I includes, for each class or series of securities of the ETF in the automatic switch program, the date the securities of the class or series first became available to the public;
- (d) item 2(1) of Part I includes the management expense ratio of only the class or series of securities of the ETF in the automatic switch program with the highest management fee;
- (e) the “Quick Facts” table referred to in item 2(1) of Part 1 includes a footnote that states all of the following:
 - (i) that the ETF facts document pertains to all of the classes or series of securities of the ETF in the automatic switch program;
 - (ii) that further details about the automatic switch program are disclosed in the “How much does it cost?” section of the ETF facts document;
 - (iii) that further details, about the minimum investment amount applicable to each of the classes or series of securities of the ETF in the automatic switch program, are disclosed in the fee decrease table under the sub-heading “ETF expenses” of the ETF facts document;
 - (iv) that the management expense ratio of each of the classes or series of securities of the ETF in the automatic switch program is disclosed in the “ETF expenses” section of the ETF facts document;
- (f) item 2(2) of Part I includes the ticker symbols of each of class or series of securities of the ETF in the automatic switch program;
- (g) item 2(2) of Part I includes the average daily volume of only the class or series of securities of the ETF in the automatic switch program with the highest management fee;
- (h) item 2(2) of Part I includes the number of days traded of only the class or series of securities of the ETF in the automatic switch program with the highest management fee;
- (i) item 2(3) of Part I includes the market price of only the class or series of securities of the ETF in the automatic switch program with the highest management fee;

- (j) item 2(3) of Part I includes the net asset value of only the class or series of securities of the ETF in the automatic switch program with the highest management fee;
- (k) item 2(3) of Part I includes the average bid-ask spread of only the class or series of securities of the ETF in the automatic switch program with the highest management fee;
- (l) item 5(1) of Part I includes all of the following as part of the introduction:
 - (i) under the heading “How has the ETF performed?”, the name of only the class or series of securities of the ETF with the highest management fees;
 - (ii) a statement explaining that the performance for each of the classes or series of securities of the ETF in the automatic switch program will be similar to the performance of the class or series of securities of the ETF with the highest management fee, but will vary as a result of the difference in fees, as set out in the fee decrease table under the sub-heading “ETF expenses”;
- (m) item 5(3), (4) and (5) of Part I, under the sub-headings “Year-by-year returns,” “Best and worst 3-month returns,” and “Average return”, includes the required performance data relating only to the class or series of securities of the ETF with the highest management fee;
- (n) item 1(1.1) of Part II includes all of the following:
 - (i) under the heading “How much does it cost?”, in the introductory statement, the name of each class or series of securities of the ETF in the automatic switch program;
 - (ii) as a part of the introductory statement, a summary of the automatic switch program that includes all of the following:
 - (A) an explanation that the automatic switch program offers separate classes or series of securities of the ETF that charge progressively lower management fees;
 - (B) an explanation of the scenarios in which the automatic switches will be made, including, for greater certainty, the scenario in which automatic switches will be made due to the purchaser no longer meeting the minimum investment amount for a particular class or series of securities of the ETF;
 - (C) a statement that a purchaser will not pay higher management fees as a result of the automatic switches than those charged to the class or series of securities of the ETF with the highest management fee;
 - (D) a statement that information about the progressively lower management fees for the classes or series of securities of the ETF in the automatic switch program is available in the fee decrease table under the sub-heading “ETF expenses” of the ETF facts document;
 - (E) a statement that further details about the automatic switch program are disclosed in specific sections of the prospectus of the ETF;
 - (F) a statement that purchasers should speak to their representative for more information about the automatic switch program;

- (o) if the ETF is not newly established, item 1(1.3)(2) of Part II includes all of the following:
 - (i) the management expense ratio and ETF expenses of each of the classes or series of securities of the ETF in the automatic switch program or, if certain expense information is not available for a particular class or series of securities, the words “not available” in the corresponding part of the table;
 - (ii) a row in the “Annual rate” table
 - (A) in which the first column states “For every \$1,000 invested, this equals:”, and
 - (B) that discloses the respective equivalent dollar amounts of the ETF expenses of each class or series of securities of the ETF in the automatic switch program included in the table for every \$1,000 invested;

- (p) item 1(1.3)(2) of Part II includes, at the end of the disclosure under the sub-heading “ETF expenses”, all of the following:
 - (i) a table that includes,
 - (A) the name of, and minimum investment amounts associated with, each class or series of securities of the ETF in the automatic switch program, and
 - (B) the combined management and administration fee decrease of each class or series of securities of the ETF in the automatic switch program from the management fee of the class or series of securities of the ETF with the highest management fee, disclosed as a percentage;
 - (ii) an introduction to the table referred to in subparagraph (i) stating that the table sets out the combined management and administration fee decrease of each class or series of securities the ETF in the automatic switch program from the management fee of the class or series of securities of the ETF with the highest management fee;

- (q) if all the classes or series of securities of the ETF in the automatic switch program are not newly established, item 1(1.3)(3) of Part II includes all of the following:
 - (i) a statement that the class or series of securities of the ETF with the highest management fee has the highest management fee among all of the classes or series of securities of the ETF in the automatic switch program;
 - (ii) a statement above the “Annual rate” table required under item 1(1.3)(2) of Part II stating “As of [the date of the most recently filed management report of fund performance], the ETF expenses were as follows:”;

- (r) if some of the classes or series of securities of the ETF in the automatic switch program are newly established, item 1(1.3)(3) of Part II includes all of the following:
 - (i) a statement that the class or series of securities of the ETF with the highest management fee has the highest management fee among all of the classes or series of securities of the ETF in the automatic switch program;

- (ii) a statement disclosing that the ETF expenses information is not available for certain classes or series of securities of the ETF in the automatic switch program because they are new;
 - (iii) a statement above the “Annual rate” table required under item 1(1.3)(2) of Part II stating “As of [the date of the most recently filed management report of fund performance], the ETF expenses were as follows:”;
- (s) if the ETF is newly established, item 1(1.3)(4) of Part II includes all of the following:
 - (i) a statement that the class or series of securities of the ETF with the highest management fee has the highest management fee among all of the classes or series of securities of the ETF in the automatic switch program;
 - (ii) the rate of the management fee of only the class or series of securities of the ETF with the highest management fee;
 - (iii) a statement that the operating expenses and trading costs are not yet available because the ETF is new.

GENERAL ORDER 81-506
APPENDIX B

“fund facts automatic switch program information” means a completed Form 81-101F3 *Contents of Fund Facts Document* modified as follows:

- (a) the heading under item 1(c.1) of Part I includes the name of each class or series of securities of the mutual fund in the automatic switch program;
- (b) the brief introduction to the fund facts document under item 1(e) of Part I includes the name of each class or series of securities of the mutual fund in the automatic switch program;
- (c) item 2 of Part I includes the fund codes of each of the classes or series of securities of the mutual fund in the automatic switch program;
- (d) item 2 of Part I includes, for each class or series of securities of the mutual fund in the automatic switch program, the date the securities of the class or series first became available to the public;
- (e) item 2 of Part I includes the management expense ratio of only the class or series of securities of the mutual fund in the automatic switch program with the highest management fee;
- (f) item 2 of Part I includes the minimum investment amount and each additional investment amount of only the class or series of securities of the mutual fund in the automatic switch program with the highest management fee;
- (g) the “Quick Facts” table referred to in item 2 of Part I includes a footnote that states all of the following:
 - (i) that the fund facts document pertains to all of the classes or series of securities of the mutual fund in the automatic switch program;
 - (ii) that further details about the automatic switch program are disclosed in the “How much does it cost?” section of the fund facts document;
 - (iii) that further details about the minimum investment amount applicable to each of the classes or series of securities of the mutual fund in the automatic switch program are disclosed in the fee decrease table under the sub-heading “Fund expenses” of the fund facts document;
 - (iv) that the management expense ratio of each of the classes or series of securities of the mutual fund in the automatic switch program is disclosed in the “Fund expenses” section of the fund facts document;
- (h) item 5(1) of Part I includes all of the following as part of the introduction:
 - (i) under the heading “How has the fund performed?”, the name of only the class or series of securities of the mutual fund with the highest management fees;
 - (ii) a statement explaining that the performance for each of the classes or series of securities of the mutual fund in the automatic switch program will be similar to the performance of the class or series of securities of the mutual fund with the highest management fee, but will vary as a result of the difference in fees, as set out in the fee decrease table under the sub-heading “Fund expenses”;
- (i) item 5(2), (3) and (4) of Part I, under the sub-headings “Year-by-year returns,” “Best and worst 3-month returns,” and “Average return”, includes the required performance data relating only to the class or series of securities of the mutual fund with the highest management fee;
- (j) item 1(1.1) of Part II includes all of the following:
 - (i) under the heading “How much does it cost?”, in the introductory statement, the name of each class or series of securities of the mutual fund in the automatic switch program;
 - (ii) as a part of the introductory statement, a summary of the automatic switch program that includes all of the following:

- (A) an explanation that the automatic switch program offers separate classes or series of securities of the mutual fund that charge progressively lower management fees;
 - (B) an explanation of the scenarios in which the automatic switches will be made, including, for greater certainty, the scenario in which automatic switches will be made due to the purchaser no longer meeting the minimum investment amount for a particular class or series of securities of the mutual fund;
 - (C) a statement that a purchaser will not pay higher management fees as a result of the automatic switches than those charged to the class or series of securities of the mutual fund with the highest management fee;
 - (D) a statement that information about the progressively lower management fees for the classes or series of securities of the mutual fund in the automatic switch program is available in the fee decrease table under the sub-heading “Fund expenses” of the fund facts document;
 - (E) a statement that further details about the automatic switch program are disclosed in specific sections of the simplified prospectus of the mutual fund;
 - (F) a statement that purchasers should speak to their representative for more information about the automatic switch program;
- (k) item 1(1.2) of Part II, under the sub-heading “Sales charges”, includes the names of each class or series of securities of the mutual fund in the automatic switch program in the introduction, if applicable;
- (l) if the mutual fund is not newly established, item 1(1.3)(2) of Part II includes all of the following:
- (i) the management expense ratio and fund expenses of each of the classes or series of securities of the mutual fund in the automatic switch program or, if certain expense information is not available for a particular class or series of securities, the words “not available” in the corresponding part of the table;
 - (ii) a row in the “Annual rate” table
 - (A) in which the first column states “For every \$1,000 invested, this equals:”, and
 - (B) that discloses the respective equivalent dollar amounts of the fund expenses of each class or series of securities of the mutual fund in the automatic switch program included in the table for every \$1,000 invested;
- (m) item 1(1.3)(2) of Part II includes, at the end of the disclosure under the sub-heading “Fund expenses”, all of the following:
- (i) a table that includes
 - (A) the name of, and minimum investment amounts associated with, each class or series of securities of the mutual fund in the automatic switch program, and
 - (B) the combined management and administration fee decrease of each class or series of securities of the mutual fund in the automatic switch program from the management fee of the class or series of securities of the mutual fund with the highest management fee, disclosed as a percentage;
 - (ii) an introduction to the table referred to in subparagraph (i) stating that the table sets out the combined management and administration fee decrease of each class or series of securities of the mutual fund in the automatic switch program from the management fee of the class or series of securities of the mutual fund with the highest management fee;
- (n) if all the classes or series of securities of the mutual fund in the automatic switch program are not newly established, item 1(1.3)(3) of Part II includes all of the following:
- (i) a statement that the class or series of securities of the mutual fund with the highest management fee has the highest management fee among all of the classes or series of securities of the mutual fund

in the automatic switch program;

- (ii) a statement above the “Annual rate” table required under item 1(1.3)(2) of Part II stating “As of [the date of the most recently-filed management report of fund performance], the fund expenses were as follows:”;
- (o) if some of the classes or series of securities of the mutual fund in the automatic switch program are newly established, item 1(1.3)(3) of Part II includes all of the following:
 - (i) a statement that the class or series of securities of the mutual fund with the highest management fee has the highest management fee among all of the classes or series of securities of the mutual fund in the automatic switch program;
 - (ii) a statement disclosing that the fund expenses information is not available for certain classes or series of securities of the mutual fund in the automatic switch program because they are new;
 - (iii) a statement above the “Annual rate” table required under item 1(1.3)(2) of Part II stating “As of [the date of the most recently filed management report of fund performance], the fund expenses were as follows:”;
- (p) if the mutual fund is newly established, item 1(1.3)(4) of Part II includes all of the following:
 - (i) a statement that the class or series of securities of the mutual fund with the highest management fee has the highest management fee among all of the classes or series of securities of the mutual fund in the automatic switch program;
 - (ii) the rate of the management fee of only the class or series of securities of the mutual fund with the highest management fee;
 - (iii) a statement that the operating expenses and trading costs are not yet available because the mutual fund is new.