The Ontario Securities Commission

OSC Bulletin

May 23, 2024

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The Ontario Securities Commission carries out the powers, duties and functions given to it pursuant to the *Securities Commission Act, 2021* (S.O. 2021, c. 8, Sched. 9).

The Ontario Securities Commission exercises its regulatory oversight function through the administration and enforcement of Ontario's *Securities Act* (R.S.O. 1990, c. S.5) and *Commodity Futures Act* (R.S.O. 1990, c. C.20), and administration of certain provisions of the *Business Corporations Act* (R.S.O. 1990, c. B.16).

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ZHEN (STEVEN) PANG, AND
RIKESH MODI,
File No. 2023-38

TORONTO – The Tribunal issued an Order in the above-named matter.

A copy of the Order dated May 15, 2024 is available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

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media_inquiries@osc.gov.on.ca

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A.2.2 Bridging Finance Inc. et al.

FOR IMMEDIATE RELEASE
May 21, 2024

BRIDGING FINANCE INC.,
DAVID SHARPE,
NATASHA SHARPE AND
ANDREW MUSHORE,
File No. 2022-9

TORONTO – The Tribunal issued its Reasons for Decision in the above-named matter.

A copy of the Reasons for Decision dated May 17, 2024 is available at capitalmarketstribunal.ca.

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A.2.3 Kallo Inc. et al.

FOR IMMEDIATE RELEASE
May 21, 2024

KALLO INC.,
JOHN CECIL AND
SAMUEL PYO,
File No. 2023-12

TORONTO – The Tribunal issued its Reasons for Decision in the above-named matter.

A copy of the Reasons for Decision dated May 17, 2024 is available at capitalmarketstribunal.ca.

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A.3
Orders

A.3.1 Oasis World Trading Inc. et al.

IN THE MATTER OF
OASIS WORLD TRADING INC.,
ZEHN (STEVEN) PANG, AND
RIKESH MODI

File No. 2023-38

Adjudicators: Mary Condon (chair of the panel)
Timothy Moseley

May 15, 2024

ORDER

WHEREAS on May 15, 2024, the Capital Markets Tribunal held a hearing by videoconference;

ON HEARING the submissions of the representative for the Ontario Securities Commission and for the respondents;

IT IS ORDERED THAT:

1. the respondents shall serve and file a motion, if any, regarding the sufficiency of the Commission's witness summaries, by 4:30 p.m. on June 10, 2024;

2. the respondents shall serve and file a witness list, and serve a summary of each witness's anticipated testimony on the Commission, and indicate any intention to call an expert witness, including by providing the expert's name and the issues on which the expert will give evidence, by 4:30 p.m. on June 17, 2024; and

3. a further case management hearing in this matter is scheduled for July 12, 2024, at 10:00 a.m., by videoconference, or as may be agreed to by the parties and set by the Governance & Tribunal Secretariat.

"Mary Condon"

"Timothy Moseley"

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A.4
Reasons and Decisions

A.4.1 Bridging Finance Inc. et al. – Rules 24(2) and 34(1) of CMT Rules of Procedure

Citation: *Bridging Finance Inc (Re)*, 2024 ONCMT 12
Date: 2024-05-17
File No. 2022-9

IN THE MATTER OF
BRIDGING FINANCE INC.,
DAVID SHARPE,
NATASHA SHARPE AND
ANDREW MUSHORE

REASONS FOR DECISION
(Rules 24(2) and 34(1) of the *Capital Markets Tribunal Rules of Procedure*)

Adjudicators:	Russell Juriansz (chair of the panel) Timothy Moseley Sandra Blake	
Hearing:	By videoconference, May 1, 2024	
Appearances:	Mark Bailey Adam Gotfried	For Staff of the Ontario Securities Commission
	Lawrence Thacker Jonathan Chen Mari Galloway	For Natasha Sharpe
	Erin Pleet	For the receiver of Bridging Finance Inc.
	No one appearing for David Sharpe or Andrew Mushore	

REASONS FOR DECISION

1. OVERVIEW

[1] On February 13, 2024, after the close of evidence, the tribunal set a timetable for the completion of this long and complex merits hearing. The respondents' written submissions were to be filed by May 6, and oral submissions were scheduled for May 24 and 28.

[2] On May 1, 2024, Natasha Sharpe brought a motion to vary the timetable for closing submissions, because of her current inability to pay outstanding or anticipated further legal fees. Natasha characterized her indefinite adjournment request as a "short pause". Lenczner Slaght LLP sought, as alternative relief, to be removed as Natasha's counsel of record due to unpaid legal fees. When the timetable was originally set, counsel did not hint that there might be a request for the schedule to be changed because of outstanding legal fees.

[3] We denied the request to vary the timetable for closing submissions as requested. However, we ordered that all respondents file written closing submissions by noon on May 15 rather than May 6, the date originally agreed upon. We dismissed the motion to remove Lenczner Slaght LLP as counsel of record for Natasha. These are our reasons.

2. BACKGROUND

[4] Lenczner Slaght LLP is counsel for Natasha and has represented her since this proceeding began on March 31, 2022.

[5] In August 2021, in the proceeding in the Superior Court of Justice in which the receiver for Bridging Finance Inc. had been appointed, Natasha and the receiver agreed to an order (**Consent Preservation Order**) freezing all of Natasha's assets worldwide, subject to certain terms including an exclusion to pay reasonable living expenses and reasonable legal fees and disbursements. Up to May 4, 2023, the receiver approved and paid legal fees that Natasha incurred.

[6] Since then, Lenczner Slaght LLP has accrued approximately $900,000 in fees with respect to this and other proceedings. Those fees remain unpaid. The receiver has taken the position that any payments for legal fees must come out of her own assets, excluding assets that are traceable to Bridging.

[7] On April 10, 2024, Natasha asked the Court to approve Lenczner Slaght LLP's unpaid invoices as being reasonable. The Court found the legal fees to be reasonable but noted that it was still unclear from where the fees would be paid.[1]

[8] As of the hearing of this motion, counsel for Natasha was in the process of trying to schedule time before the Court to resolve the payment issue (including, potentially, by mediation) but no dates had yet been set.

3. ANALYSIS

3.1 Natasha's request for an adjournment

[9] Rule 34(1) of the Capital Markets Tribunal's *Rules of Procedure* (the ***Rules***) provides that every merits hearing shall proceed on the scheduled dates unless the party requesting an adjournment "satisfies the Panel that there are exceptional circumstances requiring an adjournment".

[10] The standard in rule 34(1) is a "high bar" that reflects the important objective set out in rule 1, that Tribunal proceedings be conducted in a "just, expeditious and cost-effective manner". We must balance that objective against the parties' ability to participate meaningfully in the hearing and present their case.[2]

[11] A determination about whether to grant a request to adjourn a merits hearing is necessarily dependent on the particular facts and circumstances of the case.[3]

[12] Counsel for Natasha submits that an adjournment is needed so that there is time to argue pending motions and to take other steps required to gain access to Natasha's assets, to allow Natasha to pay legal fees owed and to pay a retainer for fees and disbursements required to complete all remaining steps in this and other proceedings.

[13] The Commission submits that there are no Tribunal decisions granting an adjournment for non-payment of legal fees at any stage of a proceeding, let alone cases where an adjournment was granted during or near the conclusion of a merits hearing. It further submits that even if non-payment of legal fees could, in extraordinary circumstances, justify an adjournment, the circumstances of this case dictate that Natasha's adjournment request should be rejected.

[14] Specifically, Natasha has failed to take timely steps to deal with this issue. Back in December 2022, the receiver expressly required that Natasha access only those funds that were not traceable back to Bridging. That was months before the merits hearing began. It was clear at that time that if the receiver's position were to be upheld, Natasha would be in the exact situation in which she now finds herself.

[15] Because of Natasha's delay in seeking to resolve the issue, we are not satisfied that the unpaid legal fees in this case meet the test of "exceptional circumstances" for an adjournment.

3.2 Lenczner Slaght's request to be removed as Natasha's representative

[16] We turn now to consider the unpaid fees in the context of Lenczner Slaght's request to be removed as Natasha's representative.

[17] Rule 24(2) of the *Rules* gives the Tribunal discretion to order the removal of a representative as the representative of record.

[18] As Commission counsel noted, there are no Tribunal cases dealing with opposed requests to remove counsel from the record. We therefore consider other relevant case law.

[19] Courts have held that such motions go beyond the interests of the client and the lawyer seeking to get off the record and include "the impact on the other parties to the proceedings and the effect on the administration of justice."[4]

[20] In *Todd Family* Holdings *Inc. v. Gardiner,* the Court considered a request by counsel to be removed from the record mid-trial for non-payment of fees. The Court rejected counsel's request, finding that it "would not only cause significant prejudice to the clients but … would bring the administration of justice into serious disrepute."[5]

1 *Ontario Securities Commission v Bridging Finance Inc,* 2024 ONSC 2291 at para 49
2 *First Global Data Ltd (Re)*, 2022 ONCMT 23 (***First Global***) at paras 7 and 8
3 *First Global* at para 8
4 *25162116 Ontario Ltd (Numbrs) v Abledocs Inc*, 2023 ONCA 727 at para 6
5 *Todd Family Holdings Inc v Gardiner,* 2015 ONSC 6590 at para 15

[21] Counsel for Natasha submits that this proceeding could possibly have permanent, and significantly life-altering consequences for Natasha and her minor son. They further submit that there is no possibility that Natasha will be able to retain any other legal counsel because she has no assets available to be used to pay any other legal counsel.

[22] The Commission submits that since Natasha did not attend, watch or follow this merits hearing (as stated in her motion materials), she would likely seek a lengthy adjournment if her counsel were removed from the record.

[23] Counsel has proceeded for more than a year confident their fees would eventually be paid. In the year during which the receiver has refused to approve counsel's fees, there has been, until now, no effort to obtain a court order that they be paid.

[24] We note, as well, that we have not been told that counsel's fees will not be paid. We have been told only that it is necessary to obtain a court order for the outstanding fees to be paid, and that no source of payment that the receiver would approve has been identified. We also consider that while defence counsel and the receiver are committed to obtaining a court resolution quickly, an appeal of any court decision is possible. There is no certainty that the "pause" will be as short as counsel anticipates.

[25] Natasha will remain represented until the completion of this merits hearing, because we are not prepared to allow counsel to withdraw. It is not feasible for Natasha to represent herself or to obtain other counsel now, at this stage of the merits hearing, without causing significant disruption and delay. The interests of all the other parties and of the administration of justice are to complete this merits hearing as scheduled, particularly because it has already been much delayed.

[26] We conclude that defence counsel's interest does not outweigh the harm to the administration of justice that would be occasioned by granting the indefinite "pause" sought. We do not allow counsel to withdraw. As counsel will remain on the record, no "pause" in the timetable is necessary.

3.3 Confidentiality

[27] Natasha Sharpe also requested that the unredacted version of her Motion Record be kept confidential and only the redacted version be available to the public. As none of the parties objected, and to protect commercially sensitive information, we granted this request.

4. CONCLUSION

[28] For these reasons we ordered:

a. Natasha Sharpe's motion to vary the timetable is dismissed;

b. Lenczner Slaght LLP's request to be removed as counsel of record is dismissed;

c. all respondents shall each serve and file their written closing submissions by no later that noon on May 15, 2024;

d. pursuant to s. 2(2) of the *Tribunal Adjudicative Records Act, 2019*, SO 2019, c 7, Sch 60 and Rule 8(4) of the Tribunal's *Rules of Procedure*:

   i. Exhibit 1, the unredacted Motion Record of Natasha Sharpe is confidential; and

   ii. Exhibit 2, the redacted Motion Record of Natasha Sharpe is available to the public.

Dated at Toronto this 17th day of May, 2024

"Russell Juriansz"

"Timothy Moseley"

"Sandra Blake"

A.4.2 Kallo Inc. et al. – ss. 127(1), 127.1

Citation: *Kallo (Re)*, 2024 ONCMT 13
Date: 2024-05-17
File No. 2023-12

IN THE MATTER OF
KALLO INC.,
JOHN CECIL AND
SAMUEL PYO

REASONS FOR DECISION
(Subsection 127(1) and Section 127.1 of the *Securities Act*, RSO 1990, c S.5)

Adjudicators:	James Douglas (chair of the panel) Russell G. Juriansz Dale R. Ponder	
Hearing:	April 25, 2024	
Appearances:	Sarah McLeod John M. Piccone	For the Commission For Samuel Pyo

REASONS FOR DECISION

I. OVERVIEW

[1] These are the reasons for our order, which was made orally on April 25, 2024, at the close of the hearing of a motion brought by Samuel Pyo.

[2] Pyo moved for an order striking out the Commission's statement of allegations (SOA) and dismissing or staying the proceeding against him as an abuse of process. In his motion to strike, Pyo contended that the Commission's allegations against him, even if taken to be true, present an insufficient basis to establish he had committed the alleged breaches of the Securities Act .

[3] We ordered the Commission to provide particulars of the material facts relied upon to support the allegation that Pyo, in his personal capacity, breached section 126.1(1)(b) of the Act. Section 126.1(1)(b) prohibits a person from directly or indirectly engaging or participating "in any act, practice or course of conduct relating to securities" that "perpetrates a fraud on any person or company". We declined to order the Commission to provide particulars of the allegation that Pyo made false and misleading statements during the course of the Commission's investigation contrary to s.122(1)(a) of the Act.

II. BACKGROUND

[4] This matter is an enforcement proceeding in which the Commission seeks various orders in the public interest pursuant to s. 127(1) of the Act. Rule 14(1) and Appendix A of the Tribunal's Rules of Procedure (the Rules) prescribe that the SOA (now referred to as an Application for Enforcement Proceeding in the Rules that came into effect on March 19, 2024), sets out "each allegation of material fact relied on to substantiate the alleged breaches of Ontario securities … law … justifying an order under s. 127(1) of the [Act]".

[5] The SOA alleges that Pyo, along with the other respondents in this matter, misled investors and committed fraud. It states that the corporate respondent, Kallo Inc., entered into contracts to provide €5.9 billion of healthcare goods and services to five African countries, that the respondents "knew or reasonably ought to have known that the contracts were not real, and that the contracts could not and would not be performed."

[6] Counsel for Pyo points out that while the SOA makes allegations about what Pyo knew, it fails to set out any act, practice or course of conduct relating to securities in which Pyo engaged or participated. He observes that where the SOA does set out acts done in the furtherance of the fraud, it attributes those acts only to Kallo and its CEO, the respondent John Cecil.

III. ANALYSIS AND CONCLUSION

[7] When asked to do so, Commission counsel did not identify any specific allegations of acts by Pyo in the SOA; instead, she submitted that the SOA's allegations against Kallo should be understood as allegations against Pyo. She submitted that this was logical because Pyo, as one of Kallo's only two full time employees, must have been heavily involved in

carrying out the acts of Kallo alleged in the SOA. We reject this argument, both on a plain reading of the SOA and as a matter of legal principle. There is no allegation in the SOA that Pyo and Kallo are one and the same "person or company" for the purposes of s. 126.1(1)(b) of the Act and, indeed, general principles of corporate law presume the contrary: see Salomon v Salomon[1] which stands for the principle that corporations are legally separate and distinct from their shareholders, officers and directors. We therefore conclude the SOA fails to set out the material facts upon which it relies to support the allegation that Pyo breached s. 126.1(1)(b) of the Act.

[8] In oral argument, counsel for Pyo recognized that a stay is a remedy of last resort and did not press for one. Instead, he invoked s. 23(1) of the Statutory Powers Procedures Act, s. 26 of the Act, and rule 36(1)(a) of the Tribunal's Rules to urge that the SOA should be struck out against Pyo. Rule 36(1)(a) allows the Tribunal to dismiss an application without a hearing on the ground that it is frivolous, vexatious, or commenced in bad faith. Counsel for Pyo also referred extensively to the Rules of Civil Procedure[2] that govern the striking of a pleading in a civil action. We did not find reference to the civil rules helpful. The Tribunal now has detailed Rules governing its procedures and the exercise of its jurisdiction. Where the Tribunal's Rules deal with a matter, it is those we must apply.

[9] While there may well be a case in which the deficiencies in a SOA might warrant a panel exercising its discretion to dismiss a proceeding or application on the grounds that it is frivolous or vexatious, we do not find that such an order is warranted at this stage. In this case the deficiencies can be cured by particulars that will ensure fairness in the proceeding is preserved. We are therefore satisfied the appropriate rule to apply in this case is Rule 22(2) of the Tribunal's Rules. Rule 22(2) provides:

> At any stage of the proceeding, the Tribunal may order an applicant to provide particulars necessary for a satisfactory understanding of the subject of the proceeding, including:
>
> …
>
> (a) the grounds on which a remedy or order is being sought; and
>
> (b) a general statement of the facts being relied on.

[10] As the SOA fails to provide Pyo with a satisfactory understanding of the grounds on which the Commission is seeking an order finding him in breach of 126.1(1)(b), we ordered that:

1. within 30 days of April 26, 2024, the Commission shall provide particulars of the material facts relied upon to support the allegation that Pyo, in his personal capacity, breached subsection 126.1(1)(b) of the Act; and

2. this Order is made without prejudice to Pyo renewing the Motion to Strike or to Pyo otherwise seeking directions or further relief from the Tribunal after receiving the particulars provided by the Commission.

[11] We take a different view of Pyo's contention that the SOA fails to provide him with a satisfactory understanding of the Commission's allegation that he made false or misleading statements to the Commission's investigators contrary to s. 122(1)(a) of the Act.

[12] The SOA, in paragraph 41, alleges that Pyo maintained that the 2020 contracts were authentic, made misleading statements regarding the negotiations of the 2020 contracts, stated that Kallo had conversations with African government officials, made misleading statements about his own and Kallo's financial statements, claimed that he did not receive any payments from Kallo, stated that Kallo did not make payments to any of its partners or agents, and said that he was not aware of any issues with the authenticity of the 2020 contracts.

[13] Recognizing that the Commission is not required to provide notice of the evidence that it intends to call, we are satisfied these allegations enable Pyo to understand and respond to the s. 122(1)(a) case against him.

Dated at Toronto this 17th day of May, 2024.

"James Douglas"

"Russell G. Juriansz"

"Dale R. Ponder"

1 *Salomon v Salomon*, [1896] UKHL 1, [1897] AC 22
2 *Rules of Civil Procedure*, RRO 1990, Reg 194

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B. Ontario Securities Commission

B.1
Notices

B.1.1 CSA Notice of Publication – Amendments to National Instrument 81-102 Investment Funds and Changes to Companion Policy 81-102CP to National Instrument 81-102 Investment Funds to Accommodate a Range of Settlement Cycles for Mutual Funds

CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

CSA NOTICE OF PUBLICATION

AMENDMENTS TO
NATIONAL INSTRUMENT 81-102 INVESTMENT FUNDS
AND CHANGES TO
COMPANION POLICY 81-102CP TO NATIONAL INSTRUMENT 81-102
INVESTMENT FUNDS TO ACCOMMODATE A RANGE OF SETTLEMENT CYCLES FOR MUTUAL FUNDS

May 23, 2024

Introduction

The Canadian Securities Administrators (**CSA** or **we**) are adopting amendments (the **Final Amendments**) to National Instrument 81-102 *Investment Funds* (**NI 81-102**) and changes (the **Final Changes**) to Companion Policy 81-102CP to National Instrument 81-102 *Investment Funds* (**81-102CP**).

Provided all necessary regulatory and ministerial approvals are obtained, the Final Amendments will come into force on August 31, 2024.

The text of the Final Amendments and the Final Changes is contained in Annexes B and C of this notice and will also be available on the websites of the following CSA jurisdictions:

www.lautorite.qc.ca
www.asc.ca
www.bcsc.bc.ca
nssc.novascotia.ca
www.fcnb.ca
www.osc.gov.on.ca
www.fcaa.gov.sk.ca
www.msc.gov.mb.ca

Summary, Substance and Purpose

The purpose of the Final Amendments and the Final Changes is to accommodate a range of settlement cycles and particularly for those mutual funds that voluntarily decide to shorten the settlement cycle for purchases and redemptions of their securities from T+2 to T+1 when the underlying assets held by the fund move to a T+1 settlement cycle.

The Final Amendments introduce changes to clarify that payments must be made no later than the reference settlement date of the purchase order. The reference settlement date of the purchase order is the business day determined by the mutual fund and made available in writing to the principal distributor, the participating dealer, or the person or company providing services to the principal distributor or participating dealer, which must be on or before the second business day after the pricing date.

The Final Amendments also introduce a change to paragraph 9.4(4)(a) of NI 81-102 to require a mutual fund that voluntarily decides to shorten the settlement cycle for purchase or redemption of its securities from T+2 to T+1 to redeem its securities for non-payment on the next business day after the reference settlement date of the purchase order, which would be on T+2 rather than T+3 as currently required.

The Final Changes provide guidance clarifying that examples that could satisfy the requirement for a mutual fund to make available in writing the business day it determines as the reference settlement date under subsection 9.4(0.1)(a) of NI 81-102 include (a) providing the mutual fund's settlement cycle via a clearing agency or a clearing house recognized by a securities regulatory authority in a jurisdiction, which includes Fundserv Inc., or a successor, through an electronic file or otherwise, and (b) posting the mutual fund's settlement cycle on the mutual fund's designated website.

Background

On October 19, 2023, we published for a 90-day comment period proposed amendments to NI 81-102 to facilitate a voluntary decision by a mutual fund to shorten the settlement cycle for purchases and redemptions of its securities from two days after the date of a trade to one day after the date of a trade in anticipation of the settlement cycle for equity and long-term debt market trades in Canada to T+1.

We received two comments. Both comments support the Final Amendments. After considering the comments, we made the Final Changes. We also changed the requirement that the reference settlement date be "disclosed" in the version of paragraph 9.4(0.1)(a) published for comment to a requirement that the reference settlement date be "made available" in the Final Amendments to better align these amendments with the Final Changes.

Content of Annexes

This Notice contains the following annexes:

- Annex A: List of Commenters and Summary of Comments and CSA Responses
- Annex B: Final Amendments to National Instrument 81-102 *Investment Funds*
- Annex C: Final Changes to Companion Policy 81-102CP to National Instrument 81-102 *Investment Funds*
- Annex D: Local Matters

Questions

Please refer your questions to any of the following:

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ANNEX A

AMENDMENTS TO
NATIONAL INSTRUMENT 81-102 INVESTMENT FUNDS
AND CHANGES TO
COMPANION POLICY 81-102CP TO NATIONAL INSTRUMENT 81-102
INVESTMENT FUNDS TO ACCOMMODATE A RANGE OF SETTLEMENT CYCLES FOR MUTUAL FUNDS

LIST OF COMMENTERS AND SUMMARY OF COMMENTS AND CSA RESPONSES

No.	Commenter	Date
1.	Borden Ladner Gervais (Whitney Wakeling, Roma Lotay, Donna Spagnolo, Melissa Ghislanzoni)	January 16, 2024
2.	The Investment Funds Institute of Canada (Andy Mitchell, President & CEO)	January 17, 2024

No.	Subject	Summarized Comment	Response
GENERAL COMMENTS			
1	General Support	Two commenters are supportive of the Final Amendments.	We thank the commenters for their support.
SPECIFIC COMMENTS			
2	The Final Changes	Two commenters recommend that guidance be added to 81-102CP to provide examples of what constitutes “in writing” to facilitate compliance. Two commenters recommend that the CSA provide examples that would satisfy the requirement under subsection 9.4(0.1) of NI 81-102.	We are adding subsection 10.2(4) to 81-102CP to clarify that examples that could satisfy the requirement for a mutual fund to make available in writing the business day it determines as the reference settlement date under subsection 9.4(0.1) of NI 81-102 include (a) providing the mutual fund’s settlement cycle via a clearing agency or clearing house recognized by a securities regulatory authority in a jurisdiction, which includes Fundserv Inc., or a successor, through an electronic file or otherwise, and (b) posting the mutual fund’s settlement cycle on the mutual fund’s designated website. To better align the Final Amendments with the addition of subsection 10.2(4) to 81-102CP, the requirement to “disclose” the reference settlement date in the version of paragraph 9.4(0.1)(a) published for comment has been changed to “made available” in the Final Amendments.
3	Other Comments	One commenter asked the CSA to affirm the continued applicability of certain exemptive relief decisions, which permit certain exchange-traded funds (**ETFs**) that invest in securities that settle three days after the trade date to continue to settle primary trades of ETF securities three days after the trade date. The commenter notes that these ETFs will technically be unable to satisfy a condition of the decisions, which require these ETFs to disclose that primary market trades of their securities settle two days after the trade	The rulemaking process is not an appropriate forum to provide the affirmation requested by the commenter.

No.	Subject	Summarized Comment	Response
		date because primary market trades of their securities will settle one day after the trade date following the transition to a T+1 settlement cycle.	

ANNEX B

AMENDMENTS TO
NATIONAL INSTRUMENT 81-102 *INVESTMENT FUNDS*

1. National Instrument 81-102 Investment Funds is amended by this Instrument.

2. Section 9.4 is amended

(a) by adding the following subsection:

(0.1) In subsections (1), (2) and (4), "reference settlement date" means the earlier of

(a) the business day determined by the mutual fund and made available in writing to the principal distributor or participating dealer referred to in subsection (1), or to the person or company referred to in subsection (1) providing services to the principal distributor or participating dealer, and

(b) the second business day after the pricing date.***,***

(b) in subsections (1), (2) and (4), by replacing "second business day after the pricing date***" with "***reference settlement date***", and***

(c) in paragraph 4(a), by replacing "third business day after the pricing date***" with "***next business day after the reference settlement date***".***

Effective Date

3. (1) This Instrument comes into force on August 31, 2024.

(2) In Saskatchewan, despite subsection (1), if this Instrument is filed with the Registrar of Regulations after August 31, 2024, this Instrument comes into force on the day on which it is filed with the Registrar of Regulations.

ANNEX C

CHANGES TO
COMPANION POLICY 81-102CP TO NATIONAL INSTRUMENT 81-102 *INVESTMENT FUNDS*

1. Companion Policy 81-102CP to National Instrument 81-102 Investment Funds is changed by this Document.

2. Section 10.2 is changed by adding the following subsection:

(4) Examples that could satisfy the requirement for a mutual fund to make available in writing the business day it determines as the reference settlement date under subsection 9.4(0.1) of the Instrument include

(a) providing the mutual fund's settlement cycle via a clearing agency or a clearing house recognized by a securities regulatory authority in a jurisdiction, which includes Fundserv Inc., or a successor, through an electronic file or otherwise, and

(b) posting the mutual fund's settlement cycle on the mutual fund's designated website..

3. These changes become effective on August 31, 2024.

ANNEX D

LOCAL MATTERS

1. Introduction

The Ontario Securities Commission (the **Commission**) is publishing this Annex to supplement the CSA Notice of Publication (the **CSA Notice**) and to set out matters required to be addressed by the *Securities Act* (Ontario) (the **Act**).

The CSA have made amendments and changes to existing rules and policies to accommodate a range of settlement cycles for mutual funds. Specifically, the CSA has made amendments (the **Final Amendments**) to National Instrument 81-102 *Investment Funds*, and changes (the **Final Changes**) to Companion Policy 81-102CP to National Instrument 81-102 *Investment Funds*.

Please refer to the CSA Notice for a discussion of the substance and purpose of the Final Amendments.

Please refer to Annex A of the CSA Notice for a summary of comments received during the comment period and corresponding responses of the CSA.

2. Ministerial Approval

The Final Amendments, the Final Changes and other required materials were delivered to the Minister of Finance on May 22, 2024. The Minister may approve or reject the Final Amendments or return them to the Commission for further consideration. If the Minister approves the Final Amendments or does not take any further action by July 21, 2024, they will come into force on August 31, 2024.

B.1.2 OSC Staff Notice 81-735 Cash Collateral Use for Delayed Basket Securities in ETF Subscriptions

ONTARIO SECURITIES COMMISSION STAFF NOTICE 81-735
CASH COLLATERAL USE FOR DELAYED BASKET SECURITIES IN ETF SUBSCRIPTIONS

May 22, 2024

Introduction

Staff (**staff** or **we**) of the Ontario Securities Commission are publishing this notice to set out our views regarding the use of cash collateral for ETF in-kind subscriptions where one or more securities from a basket of securities comprising payment cannot be delivered on the settlement date (**Delayed Basket Securities**). This issue was brought to our attention in a letter to staff from the Canadian Capital Markets Association (**CCMA**) and the Canadian ETF Association (**CETFA**) dated April 23, 2024 (the **CCMA/CETFA Letter**), which can be accessed through the IFSP eNews article titled "Use of cash collateral for delayed basket securities in ETF subscriptions" that is being published concurrently with this Staff Notice.

At the time of entering into an in-kind subscription agreement for ETF units, a purchaser (i.e., a designated broker or authorized participant) agrees to deliver a basket of specified securities (**Basket Securities**) to an ETF manager in satisfaction of payment for the subscribed ETF units. These purchases are made pursuant to either a designated broker or authorized participant agreement. On occasion, a purchaser may not be able to deliver all of the Basket Securities by the subscription settlement date. Delayed Basket Securities could arise from a mismatch between the settlement cycle of Basket Securities and an ETF's primary market settlement cycle. Delays in deliveries from transactions such as purchases from market participants, sales by their clients, or securities loans recalls, may occur. Other deliver delays may be the result of corporate action events (such as a takeover) where the security has been submitted to a tender process and cannot be released on a timeline to satisfy the delivery obligations. We understand that some fund managers in these situations do not issue the ETF units until all of the Basket Securities are received by the ETF manager. We have been told that these participants view the use of cash collateral as not expressly permitted under section 9.4 of National Instrument 81-102 *Investment Funds* (**NI 81-102**).

The delay in the delivery of the subscribed ETF units (**Delayed ETF Units**) to the purchaser can result in onward market disruptions, including failed trades in the secondary market. To prevent such failed subscription transactions, we understand that other participants choose to employ a cash collateral process to temporarily satisfy the payment obligation until the securities are delivered. This approach allows the ETF units to be delivered to the purchaser on the settlement date. We have been told that these participants interpret NI 81-102 such that cash collateral is permitted under section 9.4 of NI 81-102 as their view is that it is a form of adequate consideration, temporarily replacing the Basket Securities to be delivered at a later date. Furthermore, the arrangement is in certain respects analogous to a securities lending arrangement that is permitted under NI 81-102 in that there is an exchange of collateral. These participants require cash collateral of at least 102% of the obligation and that the cash collateral is marked to market daily. In their view, this approach does not result in the adverse delivery risks to the ETF if the terms of the cash collateral are consistent with certain requirements applicable to securities lending arrangements as set out in subsection 2.12(1) of NI 81-102.

Staff agrees with the second view that using cash collateral to facilitate the issuance of ETF units in the case of Delayed Basket Securities is permissible under NI 81-102 and are of the view that the fund manager should ensure that the use of cash collateral does not adversely affect delivery risks to the ETF.

Purpose

As set out in the CCMA/CETFA Letter, the use of cash collateral as a mechanism to facilitate ETF in-kind subscriptions is a practice used in other jurisdictions, including the United States. It is viewed as a risk management tool, to reduce failed trades and disruptions in the capital markets. An additional benefit of the use of cash collateral is that the purchaser can deliver individual basket securities on an on-going basis through the day, knowing that they will receive ETF units even if there are Delayed Basket Securities. Without cash collateral, the purchaser will postpone delivery until they have collected all of the Basket Securities, typically delivering them at the end of the day because if one security is missing, the ETF unit cannot be issued. The flexibility provided by using cash collateral reduces the risk of settlement failure at the end of the day.

Where the parties agree to the use of cash collateral for ETF in-kind subscriptions in Delayed Basket Securities situations, delivery risks to the ETF should not be increased and the ETF should benefit from the settlement risk being reduced. Staff are of the view that to minimize delivery risks to the ETF, the ETF should ensure that the use of cash collateral is consistent with certain requirements applicable to securities lending arrangements as set out in subsection 2.12(1) of NI 81-102, including that the cash collateral is:

- at least 102 percent of the market value of Delayed Basket Securities,
- provided under a written agreement between the purchaser and the ETF (setting out the terms of the cash collateral, including those described in these bullets),

- transferred by the purchaser to the ETF and immediately available for good delivery,
- received by the ETF either before or at the same time as it delivers the ETF units to the purchaser,
- marked to market on each business day, and the amount of collateral in the possession of the ETF is adjusted on each business day to ensure that the market value of collateral maintained by the ETF in connection with the transaction is at least 102 percent of the market value of the Delayed Basket Securities, and
- held by the custodian of the ETF in the name of the ETF.

Staff's views are that the ETF should be entitled to realize on the cash collateral in good faith at any time, and that the cash collateral should be held for not more than 10 business days.

Questions

Please refer your questions to any of the following:

Michael Tang
Senior Legal Counsel, Investment Management Division
416-593-2330
mtang@osc.gov.on.ca

Darren McKall
Manager, Investment Management Division
416-593-8118
dmckall@osc.gov.on.ca

B.2
Orders

B.2.1 Contact Gold Corp.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – Following an arrangement, all of the issuer's common shares were acquired by another company that is a reporting issuer and in compliance with its continuous disclosure obligations; the issuer has convertible securities that are beneficially owned by more than 15 persons in a jurisdiction in Canada; the convertible securities are exercisable for securities of the acquirer or redeemable based on the value of the shares of the acquirer; the issuer is not required under the terms of the convertible securities to provide any continuous disclosure to the holders of the convertible securities or to remain a reporting issuer; the issuer is not required under the terms of the convertible securities to provide any continuous disclosure to the holders of the convertible securities or to remain a reporting issuer; the issuer is not in default of securities legislation except it has not filed certain continuous disclosure documents.

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – Securities Act s. 88 – Cease to be a reporting issuer in BC – The securities of the issuer are beneficially owned by not more than 50 persons and are not traded through any exchange or market – Following an arrangement, all of the issuer's common shares were acquired by another company that is a reporting issuer and in compliance with its continuous disclosure obligations; the issuer has convertible securities that are beneficially owned by more than 15 persons in a jurisdiction of Canada; the convertible securities are exercisable for securities of the acquirer or redeemable based on the value of the shares of the acquirer; the issuer is not required under the terms of the convertible securities to provide any continuous disclosure to the holders of the convertible securities or to remain a reporting issuer; the issuer is not required under the terms of the convertible securities to provide any continuous disclosure to the holders of the convertible securities or to remain a reporting issuer; the issuer is not in default of securities legislation except it has not filed certain continuous disclosure documents.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(10)(a)(ii).

Citation: 2024 BCSECCOM 220

May 15, 2024

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA
AND
ONTARIO
(the Jurisdictions)

AND

IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS

AND

IN THE MATTER OF
CONTACT GOLD CORP.
(the Filer)

ORDER

Background

¶1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

(a) the British Columbia Securities Commission is the principal regulator for this application,

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Manitoba, Saskatchewan, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut and Yukon, and

(c) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

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

Representations

¶3 This order is based on the following facts represented by the Filer:

1. the Filer is a corporation existing under the laws of British Columbia with its head office located in Vancouver, British Columbia;

2. the Filer is a reporting issuer under the securities legislation in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut and Yukon;

3. the Filer's authorized share capital consists of an unlimited number of common shares (the Filer Common Shares); prior to the Effective Time (as defined below), the Filer had the following securities issued and outstanding: (i) 352,525,806 Filer Common Shares; (ii) 14,699,266 deferred share units (Filer DSUs); (iii) 280,000 restricted share units (Filer RSUs); (iv) 9,087,500 stock options (Filer Options); and (v) and 50,000,000 Filer Common Share purchase warrants, each without vesting requirements, having an exercise price of $0.05 per Filer Common Share and expiring at 5:00 p.m. (Vancouver time) on February 23, 2026 (Filer Warrants);

4. the Filer Common Shares were listed on the TSX Venture Exchange (the TSXV) under the symbol "C" prior to the close of trading on April 30, 2024 and were listed on the OTCQB Venture Market (the OTCQB) under the symbol "CGOLF" prior to the opening of the OTCQB on May 1, 2024;

5. Orla Mining Ltd. (Orla) is a corporation existing under the federal law of Canada and a reporting issuer or the equivalent in all of the provinces and territories of Canada; the common shares of Orla (Orla Common Shares) are listed and trade on the Toronto Stock Exchange under the symbol "OLA" and on the NYSE American under the symbol "ORLA";

6. on February 25, 2024, the Filer entered into an arrangement agreement with Orla, to complete a transaction by way of a statutory plan of arrangement under Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) (the Arrangement); under the Arrangement, Orla acquired all of the issued and outstanding Filer Shares and the Filer became a wholly-owned subsidiary of Orla;

7. in the management information circular (the Circular) of the Filer dated March 20, 2024 with respect to the special meeting (the Meeting) of the holders of Filer Common Shares (Filer Shareholders) and Filer Options (Filer Optionholders, and together with the Filer Shareholders, the Filer Securityholders) held on April 23, 2024, the Filer disclosed that it will make an application to seek to have the Filer cease to be a reporting issuer in each of the jurisdictions of Canada in which it is a reporting issuer;

8. in connection with the Arrangement and the Meeting, and in accordance with the interim order (the Interim Order) granted by the Supreme Court of British Columbia (the Court) on March 20, 2024, the Circular was delivered to the Filer Securityholders and the holders of the Filer DSUs, the Filer RSUs and the Filer Warrants;

9. the special resolution in respect of the Arrangement (the Arrangement Resolution) was approved by the requisite majority in accordance with the Interim Order;

10. on April 25, 2024, the final order approving the Arrangement was granted by the Court;

11. the Arrangement became effective at 12:01 a.m. (Vancouver time) (the Effective Time) on April 29, 2024 (the Effective Date);

12. under the Plan of Arrangement, at the Effective Time on the Effective Date:

    (a) all of the Filer DSUs and Filer RSUs were deemed to be unconditionally vested, assigned and transferred to the Filer in exchange for an aggregate amount of cash payment to holders thereof, and cancelled;

    (b) all of the Filed Options were deemed to be unconditionally vested and exercisable, assigned and transferred to the Filer in exchange for an aggregate amount of cash payment in respect of only the in-the-money Filed Options, and cancelled; and

    (c) all of the Filer Common Shares were exchanged for Orla Common Shares on a 1-to-0.0063 basis;

13. in accordance with the terms of the Filer Warrants, upon the completion of the Arrangement, all holders of the Filer Warrants (Filer Warrantholders) became entitled to receive, and Orla became obligated to issue, upon exercise of such Filer Warrants, such number of Orla Common Shares which the Filer Warrantholders would have been entitled to receive if the Filer Warrantholders had exercised their Filer Warrants immediately prior to the Effective Time; for certainty, from the Effective Time, the Filer Warrants represent the right to receive Orla Common Shares and not Filer Common Shares; each Filer Warrant will continue to be governed by and be subject to the terms of the applicable warrant certificate, subject to any supplemental exercise documents issued by Orla to the Filer Warrantholders and the payment of the corresponding portion of the exercise price with each of them; the Filer is not required under the terms of the applicable warrant certificate to provide any continuous disclosure to the Filer Warrantholders;

14. the Filer Warrants are not listed on any stock exchange for trading and will not be listed;

15. the Filer is not required to remain a reporting issuer in any jurisdiction under any contractual arrangement between the Filer and the Filer Warrantholders;

16. the Filer Common Shares were delisted from the TSXV effective as at the close of trading on April 30, 2024 and were removed from the OTCQB effective prior to the opening of the OTCQB on May 1, 2024, and are no longer available for trading; as of May 1, 2024, the “CGOLF” ticker symbol has been deleted;

17. the Filer is not in default of its obligations as a reporting issuer under the securities legislation of any jurisdiction, except that the Filer has not filed its annual financial statements, accompanying management’s discussion and analysis and certification of annual filings for the year ended December 31, 2023 by April 29, 2024 (the Financial Statement Default);

18. according to the Filer’s records, there are a maximum of 22 Filer Warrantholders, of which 18 are in British Columbia, one is in Ontario, one is in Alberta, one is in the United States and one is in Belgium.

19. the Filer is not eligible to use the simplified procedure under section 19 of National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* (NP 11-206) because of the Financial Statement Default and that the outstanding Filer Warrants are not beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada; the Filer is not eligible to use the modified procedure under section 20 of NP 11-206 because, among other things, it is not incorporated or organized under the laws of a foreign jurisdiction;

20. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;

21. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

22. the Filer has no intention to seek public financing by way of an offering of securities and has no intention of issuing any securities;

23. the Filer is applying for an order that it has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and

24. upon granting of the Order Sought, the Filer will not be a reporting issuer or the equivalent in any jurisdiction of Canada.

Order

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

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

“Noreen Bent”
Chief, Corporate Finance Legal Services
British Columbia Securities Commission

OSC File #: 2024/0207

B.3
Reasons and Decisions

B.3.1 L'Oréal

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for relief from the prospectus and registration requirements for certain trades made in connection with an employee share offering by a French issuer – The issuer cannot rely on the employee exemption in section 2.24 of Regulation 45-106 respecting Prospectus Exemptions as the securities are not being offered to Canadian employees directly but rather through special purpose entities – Canadian participants will receive disclosure documents – The special purpose entities or FCPEs are subject to the supervision of the local securities regulator – There is no market for the securities of the issuer in Canada – Relief granted, subject to conditions – 5 years sunset clause.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25(1), 53(1) and 74(1).
Ontario Securities Commission Rule 72-503 Distributions Outside Canada, s. 2.8(1).

[Original text in French]

SEDAR+ filing Nº : 06097643

May 13, 2024

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUÉBEC
AND
ONTARIO
(the "Jurisdictions")

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
L'ORÉAL
(the "Filer")

DECISION

Background

The securities regulatory authority or regulator of each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for:

1. an exemption from the prospectus requirement (the **Prospectus Relief**) so that such requirement does not apply to:

   (a) trades of:

      (i) units (the **Principal Classic Units**) of a *fonds commun de placement d'entreprise* or "FCPE", a form of collective shareholding vehicle commonly used in France for the custody of shares held by employee-investors, named "L'Oréal Employee Share Plan" (the **Principal Classic Fund**);

      (ii) units (the **2024 Units**) of a temporary FCPE (the **2024 Fund**); and

(iii) units (together with the 2024 Units, the **Temporary Classic Units**, and together with the 2024 Units and the Principal Classic Units, the **Units**) of future temporary FCPEs established for Subsequent Employee Offerings (as defined below) (together with the 2024 Fund, the **Temporary Classic Funds**),

made pursuant to an Employee Offering (as defined below) to or with Qualifying Employees (as defined below) resident in the Jurisdictions, Alberta, British Columbia, Manitoba and Nova Scotia (collectively, the **Canadian Employees**, and Canadian Employees who subscribe for Units, the **Canadian Participants**);

(b) trades of ordinary shares of the Filer (the **Shares**) by the Classic Fund to or with Canadian Participants upon the redemption of Units as requested by Canadian Participants (the term "Classic Fund" used herein means, prior to the Merger (as defined below), a Temporary Classic Fund and, following the Merger, the Principal Classic Fund); and

2. an exemption from the dealer registration requirement (the **Registration Relief**, and together with the Prospectus Relief, the **Exemption Sought**) so that such requirement does not apply to the Filer and its Local Related Entities (as defined below), the Classic Fund and Amundi Asset Management (the **Management Company**) in respect of:

(a) trades in Units made pursuant to an Employee Offering to or with Canadian Employees; and

(b) trades in Shares by the Classic Fund to or with Canadian Participants upon the redemption of Units as requested by Canadian Participants.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

(a) the Autorité des marchés financiers is the principal regulator for this application;

(b) the Filer has provided notice that section 4.7(1) of *Regulation 11-102 respecting Passport System*, CQLR, c. V-1.1, r. 1 (**Regulation 11-102**) is intended to be relied upon in Alberta, British Columbia, Manitoba and Nova Scotia; 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 *Regulation 14-101 respecting Definitions,* CQLR, c. V-1.1, r. 3, Regulation 11-102 and *Regulation 45-106 respecting Prospectus Exemptions*, CQLR, c. V-1.1, r. 21 (**Regulation 45-106**) 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:

1. The Filer is a corporation formed under the laws of France. It is not and has no current intention of becoming a reporting issuer under the securities legislation of any jurisdiction of Canada. The head office of the Filer is located in France and the Shares are listed on Euronext Paris.

2. The Filer has established a global employee share offering (the **2024 Employee Offering**) and expects to establish subsequent global employee share offerings following 2024 for the next four years that are substantially similar (**Subsequent Employee Offerings**, and together with the 2024 Employee Offering, the **Employee Offerings**) for Qualifying Employees of the Filer and its participating related entities, including related entities that employ Canadian Employees (**Local Related Entities**, and together with the Filer and other related entities of the Filer, the **L'Oréal Group**). Each Local Related Entity is a direct or indirect controlled subsidiary of the Filer and no Local Related Entity is a reporting issuer nor has any current intention of becoming a reporting issuer under the securities legislation of any jurisdiction of Canada. The head office of the L'Oréal Group in Canada is located in Québec and the greatest number of employees of the L'Oréal Group in Canada reside in Québec.

3. As of the date hereof, L'Oréal Canada Inc. is the only "Local Related Entity". For any Subsequent Employee Offering, the list of "Local Related Entities" may change.

4. As of the date hereof and after giving effect to any Employee Offering, the Filer is and will be a "foreign issuer" as such term is defined in section 2.15(1) of *Regulation 45-102 respecting Resale of Securities*, CQLR, c. V-1.1, r. 20 (**Regulation 45-102**), section 2.8(1) of Ontario Securities Commission Rule 72-503 - *Distributions Outside Canada* (**OSC Rule 72-503**), and section 11(1) of Alberta Securities Commission Rule 72-501 - *Distributions to Purchasers Outside Alberta* (**ASC Rule 72-501**).

5. Each Employee Offering involves an offering of Shares to be subscribed through a Temporary Classic Fund, which will be merged with the Principal Classic Fund following completion of the Employee Offering (the **Classic Plan**), subject to the decision of the supervisory boards of the Classic Funds and the approval of the Autorité des marchés in France (the **French AMF**).

6. Only persons who are employees of an entity forming part of the L'Oréal Group during the subscription period for an Employee Offering and who meet other employment criteria (the **Qualifying Employees**) will be allowed to participate in the relevant Employee Offering.

7. The 2024 Fund was established for the purpose of implementing the 2024 Employee Offering. The Principal Classic Fund was established for the purpose of implementing the Employee Offerings generally. There is no current intention for the 2024 Fund or Principal Classic Fund to become a reporting issuer under the securities legislation of any jurisdiction of Canada. There is no current intention for any Temporary Classic Fund that will be established for the purpose of implementing Subsequent Employee Offerings to become a reporting issuer under the securities legislation of any jurisdiction of Canada.

8. The 2024 Fund was registered with, and has been approved by, the French AMF, as of January 12, 2024. It is expected that each Temporary Classic Fund established for Subsequent Employee Offerings will be an FCPE and will be registered with, and approved by, the French AMF.

9. The total amount that may be invested by a Canadian Employee in an Employee Offering cannot exceed 25% of his or her gross annual compensation. The value of the Bonus Shares (as defined below) is not included in this calculation.

10. The maximum number of Shares that may be subscribed for by the Qualifying Employees under the 2024 Employee Offering worldwide is 275,000 Shares. A different maximum offering size may apply to Subsequent Employee Offerings. If subscriptions received from Qualifying Employees under an Employee Offering would result in an acquisition of value of Shares by the relevant Temporary Classic Fund in excess of the maximum offering size, the largest individual subscription or subscriptions will be reduced until the aggregate number of Shares subscribed for under the Employee Offering is below the maximum offering size.

11. Under the Classic Plan, each Employee Offering will be made as follows:

    (a) Canadian Participants will subscribe for Units of the relevant Temporary Classic Fund. The Temporary Classic Fund will then apply the cash received from Canadian Participants to subscribe for Shares on behalf of Canadian Participants at a subscription price that is the Canadian dollar equivalent of the average opening price of Shares (expressed in Euros) on Euronext Paris for the 20 trading days preceding the date of the fixing of the subscription price (the **Reference Price**) by the chief executive officer of the Filer, less a specified discount to the Reference Price.

    (b) Following the completion of an Employee Offering, the relevant Temporary Classic Fund will be merged with the Principal Classic Fund (subject to the approval of the supervisory board of the FCPEs and the French AMF). The Temporary Classic Units held by Canadian Participants will be replaced with Principal Classic Units on a *pro rata* basis and the Shares subscribed for will be held in the Principal Classic Fund (such transaction being referred to as the **Merger**). The Merger is made by the transfer of all assets held in the relevant Temporary Classic Fund into the Principal Classic Fund and the liquidation of the relevant Temporary Classic Fund after such transfer.

    (c) The Units will be subject to a hold period of approximately five years (the **Lock-Up Period**), subject to certain exceptions provided for under French law and adopted for an Employee Offering (such as death, disability or termination of employment).

    (d) Any dividends paid on the Shares held in the Classic Fund will be contributed to the Classic Fund and used to purchase additional Shares. New Units (or fractions thereof) will be issued to the Canadian Participants in order to reflect this reinvestment.

    (e) At the end of the relevant Lock-Up Period, a Canadian Participant may (i) request the redemption of Units in the Classic Fund in consideration for the underlying Shares or a cash payment equal to the then market value of the Shares, or (ii) continue to hold Units in the Classic Fund and request the redemption of those Units at a later date in consideration for the underlying Shares or a cash payment equal to the then market value of the Shares.

    (f) In the event of an early exit resulting from a Canadian Participant exercising one of the exceptions to the Lock-Up Period and meeting the applicable criteria, the Canadian Participant may request the redemption of Units in the Classic Fund in consideration for a cash payment equal to the then market value of the underlying Shares.

(g) In addition, each Employee Offering provides that the Filer will also contribute additional Shares (**Bonus Shares**) into the Classic Plan based on predetermined matching contribution rules, for the benefit of, and at no cost to, Canadian Participants. Canadian Participants will receive Temporary Classic Units representing their interest in the Bonus Shares upon closing of the relevant Employee Offering. Bonus Shares will be delivered to Canadian Participants upon redemption at the end of the Lock-Up Period, subject to certain conditions being satisfied (as provided for in the L'Oréal International Employee Shareholding Plan).

12. For the 2024 Employee Offering, the number of Bonus Shares which a Canadian Participant is eligible to receive will be determined according to the following matching schedule:

Canadian Participant's Subscription	Matching Ratio
1–2 Shares	1 Bonus Share
3–5 Shares	2 Bonus Shares
6 or more shares	3 Bonus Shares

Under the matching schedule for the 2024 Employee Offering, a Canadian Participant who subscribed for 6 or more Shares would receive a maximum of 3 Bonus Shares. For each Subsequent Employee Offering, the matching contribution rules may change.

13. Under French law, an FCPE is a limited liability entity. The portfolio of the Classic Funds will consist almost entirely of Shares, but may, from time to time, also include cash in respect of dividends paid on the Shares which will be reinvested in Shares and cash or cash equivalents pending investments in Shares and for the purposes of Unit redemptions.

14. The Classic Funds are managed by the Management Company, which is a portfolio management company governed by the laws of France. The Management Company is registered with the French AMF as an investment manager and complies with the rules of the French AMF. The Management Company is not, and has no current intention of becoming, a reporting issuer under the securities legislation of any jurisdiction of Canada. For any Subsequent Employee Offering, the "Management Company" may change. In the event of such a change, the successor to the Management Company will comply with the terms and conditions described in this paragraph.

15. The Management Company's portfolio management activities in connection with an Employee Offering and the Classic Funds are limited to subscribing for Shares, selling such Shares as necessary in order to fund redemption requests and investing available cash in cash equivalents.

16. The Management Company is also responsible for preparing accounting documents and publishing periodic informational documents of the Classic Funds. The Management Company's activities will not affect the underlying value of the Shares.

17. None of the entities forming part of the L'Oréal Group, the Classic Fund or the Management Company, or any of their directors, officers, employees, agents or representatives will provide investment advice to Canadian Employees with respect to an investment in Shares or Units.

18. None of the entities forming part of the L'Oreal Group, the Classic Funds or the Management Company is currently in default of securities legislation of any jurisdiction of Canada.

19. Shares issued pursuant to an Employee Offering will be deposited in the Classic Fund through CACEIS Bank (the **Depositary**), a large French commercial bank subject to French banking legislation. For any Subsequent Employee Offering, the "Depositary" may change. In the event of such a change, the successor to the Depositary will remain a large French commercial bank subject to French banking legislation. The Depositary carries out orders to purchase, trade and sell securities in the portfolio and takes all necessary action to allow the Classic Fund to exercise the rights relating to the securities held in their portfolio.

20. The Management Company and the Depositary are obliged to act exclusively in the best interests of the holders of the Units (including Canadian Participants) and are jointly and severally liable to them under French legislation for any violation of the rules and regulations governing FCPEs, any violation of the rules of the Classic Funds, or for any self-dealing or negligence.

21. Participation in an Employee Offering is voluntary, and Canadian Employees will not be induced to participate in an Employee Offering by expectation of employment or continued employment.

22. The Unit value of the Classic Fund will be calculated and reported to the French AMF on a regular basis, based on the net assets of the Classic Fund divided by the number of Units outstanding. The value of the Units will be based on the value of the underlying Shares.

23. The Shares and Units are not currently listed for trading on any stock exchange in Canada and there is no intention to have the Shares or the Units so listed.

24. All management charges relating to the Classic Fund will be paid from the assets of the Classic Fund or by the Filer, as provided in the regulations of the Classic Fund.

25. Canadian Employees will receive an information package in the French or English language, according to their preference, which will include a summary of the terms of the relevant Employee Offering and a description of the relevant Canadian income tax consequences of subscribing for and holding Units of the Classic Fund and requesting the redemption of such Units at the end of the applicable Lock-Up Period. The information package will be made available to Canadian Employees through a link that will be emailed to each Canadian Employee. Canadian Employees will also have access to the Filer's French *Document d'Enregistrement Universel* filed with the French AMF and a copy of the rules of the relevant Temporary Classic Fund and the Principal Classic Fund. Canadian Employees will also have access to the continuous disclosure materials relating to the Filer that are furnished to holders of the Shares. Canadian Participants will receive an initial statement of their holdings under the Classic Plan, together with an updated statement, at least once per year.

26. As at February 13, 2024, for the 2024 Employee Offering, there are approximately 1,638 Qualifying Employees resident in Canada, with the greatest number resident in Québec (1320), and the remainder in the provinces of Ontario (203), British Columbia (70), Alberta (35), Manitoba (8) and Nova Scotia (2), who represent, in the aggregate, approximately 2% of the number of employees in the L'Oréal Group worldwide.

27. Units are not transferable by holders of such Units except upon redemption and other than as reflected in the decision document.

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 Exemption Sought is granted provided that:

1. with respect to the 2024 Employee Offering, the prospectus requirement will apply to the first trade in any Units or Shares acquired by Canadian Participants pursuant to this decision unless the following conditions are met:

    a) the issuer of the security:

        i) was not a reporting issuer in any jurisdiction of Canada at the distribution date, or

        ii) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;

    b) the issuer of the security was a foreign issuer on the distribution date, as such term is defined in section 2.15(1) of Regulation 45-102, section 2.8(1) of OSC Rule 72-503 and section 11(1) of ASC Rule 72-501; and

    c) the first trade is made:

        i) through an exchange, or a market, outside of Canada, or

        ii) to a person outside of Canada; and

2. for any Subsequent Employee Offering completed within five years from the date of this decision:

    a) the representations other than those in paragraphs 3, 12, and 27 remain true and correct in respect of that Subsequent Employee Offering, and

    b) the conditions set out in paragraph 1 apply to any such Subsequent Employee Offering (varied such that any references therein to the 2024 Employee Offering are read as references to the relevant Subsequent Employee Offering); and

3. in the Provinces of Ontario and Alberta, the prospectus exemption above, for the first trade in any Units or Shares acquired by Canadian Participants pursuant to this decision, is not available with respect to any transaction or series of transactions that is part of a plan or scheme to avoid the prospectus requirements in connection with a trade to a person or company in Canada.

"Hugo Lacroix"
Surintendant des marchés de valeurs et de la distribution
Autorité des marchés financiers

OSC File #: 2024/0138

B.3.2 Coveo Solutions Inc.

Headnote

Dual application – Issuer bid – Modified Dutch auction – Application for relief from the requirement that the Offer not be extended if all the terms and conditions of the Offer have been complied with or waived unless the issuer first takes up all Shares deposited under the Offer and not withdrawn (Section 2.32 of R62-104).

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption from the extension take up requirements in subsection 2.32(4) of National Instrument 62-104 Take-Over Bids and Issuer Bids – an issuer conducting an issuer bid requires relief from the requirement not to extend its issuer bid if all terms and conditions are met unless the issuer first takes up all securities validly deposited and not withdrawn under the issuer bid – requested relief granted, subject to conditions.

Applicable Legislative Provisions

National Instrument 62-104 Take-Over Bids and Issuer Bids, ss. 2.32(4) and 6.1.

[Original text in French]

July 6,2023

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUÉBEC
AND
ONTARIO
(the "Jurisdictions")

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE
RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
COVEO SOLUTIONS INC.
(the "Filer")

DECISION

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for, in connection with the proposed purchase by the Filer of a portion of its outstanding subordinate voting shares (the **Subordinate Voting Shares**) pursuant to an issuer bid (the **Offer**), an exemption (the **Exemption Sought**), subject to the conditions set forth herein, from the requirements in Section 2.32 of *Regulation 62-104 respecting Take-over Bids and Issuer Bids,* CQLR, c. V-1.1 r. 35 (**Regulation 62-104**) that an issuer bid not be extended if all the terms and conditions of the issuer bid have been complied with or waived unless the issuer first takes up all securities deposited under the issuer bid and not withdrawn (collectively, the **Extension Take Up Requirement**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

(a) the *Autorité des marchés financiers* is the principal regulator for this application;

(b) the Filer has provided notice that subsection 4.7(1) of *Regulation 11-102 respecting Passport System,* CQLR, c. V-1-1, r. 1 (**Regulation 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, the Northwest Territories, Yukon and Nunavut; 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 *Regulation 14-101 respecting Definitions*, CQLR, c. V-1.1, r. 3 and Regulation 11-102 have the same meaning if used in this decision, unless otherwise defined herein.

Representations

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

1. The Filer is a corporation validly existing under the *Canada Business Corporations Act* and is in good standing.

2. The head office and registered office of the Filer is located at 3175 des Quatre-Bourgeois, Suite 200, Quebec, Quebec G1W 2K7.

3. The Filer is a reporting issuer in each of the jurisdictions of Canada and the Subordinate Voting Shares are listed for trading on the Toronto Stock Exchange (the **TSX**) under the symbol "CVO". The Filer is not in default of any requirement of the securities legislation in any jurisdiction in which it is a reporting issuer.

4. The Filer's authorized share capital consists of (i) an unlimited number of Subordinate Voting Shares, (ii) an unlimited number of multiple voting shares (the **Multiple Voting Shares**), and (iii) an unlimited number of preferred shares, issuable in series. As of May 29, 2023, 54,163,351 Subordinate Voting Shares, 51,522,578 Multiple Voting Shares and no preferred shares were issued and outstanding.

5. Each Multiple Voting Share may at any time, at the option of the holder, be converted into one

Subordinate Voting Share. The Multiple Voting Shares are not listed for trading on any stock exchange.

6. On May 29, 2023, the closing price of the Subordinate Voting Shares on the TSX was C$6.69. On the basis of this closing price, on such date the Subordinate Voting Shares had an aggregate market value of approximately C$351.4 million (on a non-diluted basis).

7. The Filer commenced the Offer on June 2, 2023. Pursuant to the Offer, the Filer offers to purchase that number of Subordinate Voting Shares having an aggregate maximum purchase price of C$40,000,000 (the **Specified Maximum Dollar Amount**).

8. The board of directors of the Filer has determined that the Offer is in the best interests of the Filer and its Shareholders given, among other things, its significant level of cash on hand, expectations around achieving positive operating cash flow, and the current market price of the Subordinate Voting Shares, which the board of directors of the Filer believes does not currently reflect the fundamental value of the Filer. The Offer allows the Filer to return up to C$40,000,000 of capital to Shareholders who elect to tender their Subordinate Voting Shares or Multiple Voting Shares, while at the same time increasing the proportionate equity ownership of Shareholders who elect not to tender.

9. Holders of Multiple Voting Shares will be entitled to participate in the Offer by depositing their Multiple Voting Shares to the Offer. Multiple Voting Shares deposited under the Offer will be considered as Subordinate Voting Shares (i.e. on an as-converted basis) for purposes of all calculations under the Offer. Only those Multiple Voting Shares proposed to be taken up by the Filer will be converted into Subordinate Voting Shares immediately prior to take up.

10. The purchase price per Subordinate Voting Share will be determined by the Filer through a modified "Dutch auction" procedure in the manner described below, but will not be less than C$7.00 and not more than C$8.50 per Subordinate Voting Share (the **Price Range**).

11. The Offer is made only for Subordinate Voting Shares and is not made for any convertible securities. Pursuant to Section 2.8(b) of Regulation 62-104, the Filer also made the Offer to each holder of convertible securities that, before the expiry of the deposit period of the Offer, are convertible into or exchangeable for Subordinate Voting Shares. Such convertible securities may, at the option of the holder, be converted for Subordinate Voting Shares in accordance with the terms of such convertible securities prior to the expiry of the deposit period of the Offer. Subordinate Voting Shares issued upon the conversion of the convertible securities may be tendered to the Offer in accordance with the terms of the Offer.

12. Both the Specified Maximum Dollar Amount and the Price Range are specified in the issuer bid circular dated May 30, 2023 (the **Circular**).

13. The Filer will fund the purchase of Subordinate Voting Shares pursuant to the Offer, together with the fees and expenses of the Offer, using available cash on hand. The Offer will not be conditional upon the receipt of financing.

14. A holder of Subordinate Voting Shares or Multiple Voting Shares (each, a **Shareholder**, and collectively, the **Shareholders**) wishing to tender to the Offer will be able to do so in one of two ways:

    (a) by making an auction tender pursuant to which it agrees to tender a specified number of Subordinate Voting Shares to the Filer at a specified price per Subordinate Voting Share (an **Auction Price**) within the Price Range in increments of C$0.10 per Subordinate Voting Share (an **Auction Tender**); or

    (b) by making a Purchase Price Tender pursuant to which it agrees to sell a number of Subordinate Voting Shares to the Filer at the Purchase Price.

15. Shareholders may deposit some of their Subordinate Voting Shares and Multiple Voting Shares pursuant to an Auction Tender and deposit different Subordinate Voting Shares or Multiple Voting Shares pursuant to a Purchase Price Tender. Shareholders may not deposit the same Subordinate Voting Shares or Multiple Voting Shares pursuant to more than one method of tender or pursuant to an Auction Tender at more than one price.

16. Any Shareholder who owns fewer than 100 Subordinate Voting Shares or Multiple Voting Shares and tenders all of such Shareholder's Subordinate Voting Shares or Multiple Voting Shares pursuant to an Auction Tender at or below the Purchase Price or pursuant to a Purchase Price Tender will be considered to have made an **Odd Lot Tender**.

17. The Filer will determine the purchase price payable per Subordinate Voting Share (the **Purchase Price**) promptly after the expiry of the Offer based on the Auction Prices and the number of Subordinate Voting Shares and Multiple Voting Shares specified in valid Auction Tenders and Purchase Price Tenders (considered for purposes of determining the Purchase Price to have been tendered at the minimum price per Subordinate Voting Share offered). The Purchase Price will be the lowest price that enables the Filer to purchase that number of Subordinate Voting Shares

tendered pursuant to valid Auction Tenders and Purchase Price Tenders having an aggregate purchase price not to exceed the Specified Maximum Dollar Amount.

18. If the aggregate purchase price for Subordinate Voting Shares and Multiple Voting Shares validly tendered and not properly withdrawn pursuant to Auction Tenders (at Auction Prices at or below the Purchase Price) and Purchase Price Tenders is less than or equal to the Specified Maximum Dollar Amount, the Filer will purchase, at the Purchase Price, all Subordinate Voting Shares (including Subordinate Voting Shares underlying Multiple Voting Shares) so deposited pursuant to Auction Tenders at or below the Purchase Price and Purchase Price Tenders.

19. If the aggregate purchase price for Subordinate Voting Shares and Multiple Voting Shares validly tendered and not properly withdrawn pursuant to Auction Tenders (at Auction Prices at or below the Purchase Price) and Purchase Price Tenders is greater than the Specified Maximum Dollar Amount, the Filer will purchase a portion of the Subordinate Voting Shares (including Subordinate Voting Shares underlying Multiple Voting Shares) so deposited pursuant to Auction Tenders (at or below the Purchase Price) and Purchase Price Tenders, determined as follows: (i) the Filer will purchase all such Subordinate Voting Shares tendered by Shareholders pursuant to Odd Lot Tenders; and (ii) the Filer will purchase on a *pro rata* basis that portion of such Subordinate Voting Shares having an aggregate purchase price, based on the Purchase Price, equal to (A) the Specified Maximum Dollar Amount, less (B) the aggregate amount paid by the Filer for Subordinate Voting Shares tendered pursuant to Odd Lot Tenders, in each of the cases set forth in clauses (i) and (ii) of this paragraph, at the Purchase Price.

20. The number of Subordinate Voting Shares that the Filer will purchase pursuant to the Offer and the aggregate purchase price will vary depending on whether the aggregate purchase price payable in respect of Subordinate Voting Shares required to be purchased pursuant to Auction Tenders (at or below the Purchase Price) and Purchase Price Tenders (the **Aggregate Tender Purchase Amount**) is equal to or less than the Specified Maximum Dollar Amount. If the Aggregate Tender Purchase Amount is equal to the Specified Maximum Dollar Amount, the Filer will purchase Subordinate Voting Shares pursuant to the Offer for an aggregate purchase price equal to the Specified Maximum Dollar Amount; if the Aggregate Tender Purchase Amount is less than the Specified Maximum Dollar Amount, the Filer will purchase proportionately fewer Subordinate Voting Shares in the aggregate, with a proportionately lower aggregate purchase price.

21. All Subordinate Voting Shares purchased by the Filer pursuant to the Offer (including Subordinate Voting Shares and Multiple Voting Shares tendered at Auction Prices at or below the Purchase Price) will be purchased at the Purchase Price. Shareholders will receive the Purchase Price in cash. All Auction Tenders and Purchase Price Tenders will be subject to adjustment to avoid the purchase of fractional Subordinate Voting Shares (rounding down to the nearest whole number of Subordinate Voting Shares). All payments to Shareholders will be subject to deduction of applicable withholding taxes.

22. Subordinate Voting Shares validly deposited by a Shareholder pursuant to an Auction Tender will not be purchased by the Filer pursuant to the Offer if the Auction Price per Subordinate Voting Share or Multiple Voting Shares specified by the Shareholder is greater than the Purchase Price. After the expiry of the deposit period of the Offer, the Filer will not extend the Offer if all terms and conditions of the Offer have been complied with or waived by the Filer and the aggregate Purchase Price is equal to or greater than the Specified Maximum Dollar Amount.

23. All Subordinate Voting Shares and Multiple Voting Shares tendered to the Offer and not taken up will be returned to the appropriate Shareholders.

24. All deposited Subordinate Voting Shares and Multiple Voting Shares not purchased under the Offer (including shares deposited pursuant to Auction Tenders at prices in excess of the Purchase Price, shares not purchased because of proration and shares not accepted for purchase), or properly withdrawn before the Expiration Date (as defined below), will be returned or replaced (in the case of tenders where only a partial number of the tendered Subordinate Voting Shares or Multiple Voting Shares are purchased) promptly after the Expiration Date or termination of the Offer or the date of proper withdrawal of the shares, without expense to the Shareholder. In the case of Subordinate Voting Shares or Multiple Voting Shares tendered through book-entry transfer, such shares will be credited to the appropriate account, without expense to the Shareholder.

25. Until expiry of the Offer, all information about the number of Subordinate Voting Shares and Multiple Voting Shares tendered and the prices at which the Subordinate Voting Shares and Multiple Voting Shares are tendered will be required to be kept confidential by the depositary and the Filer until the Purchase Price has been determined.

26. Shareholders who do not accept the Offer will continue to hold the number of Subordinate Voting Shares or Multiple Voting Shares owned before the Offer and their proportionate Subordinate Voting Share and Subordinate Share and Multiple Voting

Share ownership will increase following completion of the Offer.

27. Fonds de solidarité des travailleurs du Québec (F.T.Q.) (**FSTQ**) beneficially owns, controls or exercises control or direction over 903,333 Subordinate Voting Shares and 13,646,624 Multiple Voting Shares (representing approximately 24.13% of the total voting power with respect to all Subordinate Voting Shares and Multiple Voting Shares, as a single class, as of May 29, 2023). If the Purchase Price is determined to be C$7.00 (being the minimum Purchase Price under the Offer) and the maximum number of Subordinate Voting Shares are repurchased, FSTQ will exercise control or direction over 903,333 Subordinate Voting Shares and 13,646,624 Multiple Voting Shares, representing approximately 24.37% of the total voting power with respect to the then outstanding Subordinate Voting Shares and Multiple Voting Shares, as a single class, immediately following the Offer. If the Purchase Price is determined to be C$8.50 (being the maximum Purchase Price under the Offer) and the maximum number of Subordinate Voting Shares are repurchased, FSTQ will exercise control or direction over 903,333 Subordinate Voting Shares and 13,646,624 Multiple Voting Shares, representing approximately 24.33% of the total voting power with respect to the then outstanding Subordinate Voting Shares and Multiple Voting Shares, as a single class, immediately following the Offer.

28. Investissement Québec (**IQ**) beneficially owns, controls or exercises control or direction over 1,280,000 Subordinate Voting Shares and 10,944,254 Multiple Voting Shares (representing approximately 19.45% of the total voting power with respect to all Subordinate Voting Shares and Multiple Voting Shares, as a single class, as of May 29, 2023). If the Purchase Price is determined to be C$7.00 (being the minimum Purchase Price under the Offer) and the maximum number of Subordinate Voting Shares are repurchased, IQ will exercise control or direction over 1,280,000 Subordinate Voting Shares and 10,944,254 Multiple Voting Shares, representing approximately 19.64% of the total voting power with respect to the then outstanding Subordinate Voting Shares and Multiple Voting Shares, as a single class, immediately following the Offer. If the Purchase Price is determined to be C$8.50 (being the maximum Purchase Price under the Offer) and the maximum number of Subordinate Voting Shares are repurchased, IQ will exercise control or direction over 1,280,000 Subordinate Voting Shares and 10,944,254 Multiple Voting Shares, representing approximately 19.61% of the total voting power with respect to the then outstanding Subordinate Voting Shares and Multiple Voting Shares, as a single class, immediately following the Offer.

29. Al-Rayyan Holding LLC (**Al-Rayyan**) beneficially owns, controls or exercises control or direction over nil Subordinate Voting Shares and 7,415,859 Multiple Voting Shares (representing approximately 13.02% of the total voting power with respect to all Subordinate Voting Shares and Multiple Voting Shares, as a single class, as of May 29, 2023). If the Purchase Price is determined to be C$7.00 (being the minimum Purchase Price under the Offer) and the maximum number of Subordinate Voting Shares are repurchased, Al-Rayyan will exercise control or direction over nil Subordinate Voting Shares and 7,415,859 Multiple Voting Shares, representing approximately 13.16% of the total voting power with respect to the then outstanding Subordinate Voting Shares and Multiple Voting Shares, as a single class, immediately following the Offer. If the Purchase Price is determined to be C$8.50 (being the maximum Purchase Price under the Offer) and the maximum number of Subordinate Voting Shares are repurchased, Al-Rayyan will exercise control or direction over nil Subordinate Voting Shares and 7,415,859 Multiple Voting Shares, representing approximately 13.13% of the total voting power with respect to the then outstanding Subordinate Voting Shares and Multiple Voting Shares, as a single class, immediately following the Offer.

30. OGE Holdings Inc. (**OGE**) beneficially owns, controls or exercises control or direction over nil Subordinate Voting Shares and 7,203,916 Multiple Voting Shares (representing approximately 12.65% of the total voting power with respect to all Subordinate Voting Shares and Multiple Voting Shares, as a single class, as of May 29, 2023). If the Purchase Price is determined to be C$7.00 (being the minimum Purchase Price under the Offer) and the maximum number of Subordinate Voting Shares are repurchased, OGE will exercise control or direction over nil Subordinate Voting Shares and 7,203,916 Multiple Voting Shares, representing approximately 12.78% of the total voting power with respect to the then outstanding Subordinate Voting Shares and Multiple Voting Shares, as a single class, immediately following the Offer. If the Purchase Price is determined to be C$8.50 (being the maximum Purchase Price under the Offer) and the maximum number of Subordinate Voting Shares are repurchased, OGE will exercise control or direction over nil Subordinate Voting Shares and 7,203,916 Multiple Voting Shares, representing approximately 12.76% of the total voting power with respect to the then outstanding Subordinate Voting Shares and Multiple Voting Shares, as a single class, immediately following the Offer.

31. To the knowledge of the Filer, after reasonable inquiry, no person or company other than FSTQ, IQ, Al-Rayyan and OGE beneficially owns, or exercises control or direction over, more than 10% of the voting rights attached to all of the Filer's outstanding Subordinate Voting Shares and Multiple Voting Shares, as a single class.

32. As of May 29, 2023, to the knowledge of the Filer and its directors and officers after reasonable inquiry, no director or officer of the Filer, no associate or affiliate of the Filer or of an insider of the Filer, no person or company that beneficially owns, controls or exercises control or direction over more than 10% of the voting rights attached to all of the Issuer's outstanding Subordinate Voting Shares and Multiple Voting Shares, as a single class, and no person or company acting jointly or in concert with the Filer, has indicated any present intention to deposit any of such person's or company's Subordinate Voting Shares or Multiple Voting Shares pursuant to the Offer, with the exception of FSTQ, which has informed Coveo that it intends to tender Subordinate Voting Shares (but no Multiple Voting Shares) owned by it at a price and for a number of Subordinate Voting Shares to be determined prior to the Expiration Date.

33. The Offer is schedule to expire at 5:00 p.m. (Montreal time) on July 10, 2023 (the **Expiration Date**).

34. The Filer may elect to extend the bid without first taking up all the Subordinate Voting Shares (including Subordinate Voting Shares underlying the Multiple Voting Shares) deposited and not withdrawn under the Offer if the aggregate purchase price for Subordinate Voting Shares and Multiple Voting Shares validly tendered pursuant to Auction Tenders and Purchase Price Tenders is less than the Specified Maximum Dollar Amount. Under the Extension Take Up Requirement, an issuer may not extend an issuer bid if all the terms and conditions of the issuer bid have been complied with or waived unless the issuer first takes up all the securities deposited and not withdrawn under the issuer bid.

35. As the determination of the Purchase Price requires that all Auction Prices and the number of Subordinate Voting Shares and Multiple Voting Shares deposited pursuant to both Auction Tenders and Purchase Price Tenders be known and taken into account, the Filer will be unable to take up the Subordinate Voting Shares (including Subordinate Voting Shares underlying Multiple Voting Shares) deposited and not withdrawn under the Offer as of the Expiration Date prior to extending the Offer because the Purchase Price will not and cannot be known as additional Auction Tenders and Purchase Price Tenders may be made during the extension period that will impact the calculation of the Purchase Price. Accordingly, the Exemption Sought is required in connection with an extension of the Offer to enable the Filer to make a final determination regarding the Purchase Price, taking into account all Subordinate Voting Shares and Multiple Voting Shares tendered prior to the Expiration Date and those tendered during any extension period.

36. Subordinate Voting Shares and Multiple Voting Shares deposited pursuant to the Offer, including those deposited prior to the Expiration Date, may be withdrawn by the Shareholder at any time prior to the expiration of any extension period in respect of the Offer.

37. The Filer intends to rely on the exemption from the formal valuation requirements applicable to issuer bids under Regulation 61-101 *respecting Protection of Minority Security Holders in Special Transactions CQLR c V-1.1, r 33* (**Regulation 61-101**) set out in subsection 3.4(b) of Regulation 61-101 (the **Liquid Market Exemption**).

38. There was a "liquid market" for the Subordinate Voting Shares, as such term is defined in Regulation 61-101, as of the date of the Circular because the test in paragraph 1.2(1)(a) of Regulation 61-101 was satisfied. In addition, an opinion was voluntarily sought by the Filer and obtained from BMO Nesbitt Burns Inc. confirming that a liquid market exists for the Subordinate Voting Shares as of the date of the Circular and such opinion is included in the Circular (the **Liquidity Opinion**).

39. Based on the maximum number of Subordinate Voting Shares that may be purchased under the Offer, as of the date of the Circular, it is reasonable to conclude (and the Liquidity Opinion provides that it is reasonable to conclude) that, following the completion of the Offer in accordance with its terms, there will be a market for holders of the Subordinate Voting Shares who do not tender to the Offer that is not materially less "liquid", as such term is defined in Regulation 61-101, than the market that existed on the date of the Circular.

40. The Circular:

    (a) discloses the mechanics for the take up of and payment for Subordinate Voting Shares;

    (b) explains that, by tendering Subordinate Voting Shares at the lowest price in the Price Range under an Auction Tender or by tendering Subordinate Voting Shares under a Purchase Price Tender, a Shareholder can reasonably expect that the Subordinate Voting Shares so tendered will be purchased at the Purchase Price, subject to proration and other terms of the Offer as specified herein;

    (c) discloses that the Filer has applied for the Exemption Sought;

    (d) sets out the manner in which an extension of the Offer will be communicated to Shareholders;

    (e) discloses that Subordinate Voting Shares or Multiple Voting Shares deposited

pursuant to the Offer may be withdrawn at any time prior to the expiry of the Offer;

(f) discloses, if known after reasonable inquiry, the name of every person named in Item 11 of Form 62-104F2 to Regulation 62-104 who has accepted or intends to accept the Offer and the number of Subordinate Voting Shares or Multiple Voting Shares in respect of which the person has accepted or intends to accept the Offer;

(g) discloses the facts supporting the Filer's reliance on the Liquid Market Exemption, including the Liquidity Opinion; and

(h) contains the disclosure prescribed by applicable securities laws for issuer bids.

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 relief from the Exemption Sought is granted, provided that:

(a) the Filer takes up Subordinate Voting Shares (including Subordinate Voting Shares underlying Multiple Voting Shares) deposited pursuant to the Offer and not withdrawn and pays for such Subordinate Voting Shares, in each case, in the manner described herein; and

(b) the Filer is eligible to rely on the Liquid Market Exemption.

Autorité des marchés financiers

B.3.3 Onex Canada Asset Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from short selling limit, cash borrowing limit and combined aggregate value in subparagraph 2.6.1(1)(c)(v), subparagraph 2.6(2)(c) and section 2.6.2 and relief from short selling issuer concentration limit in subparagraph 2.6.1(1)(c)(iv) of NI 81-102 with respect to short sales of “index participation units”, subject to the usual conditions.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.6.1(1)(c)(v), 2.6(2)(c), 2.6.2, 2.6.1(1)(c)(iv) and 19.1.

May 16, 2024

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE
RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
ONEX CANADA ASSET MANAGEMENT INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filer on behalf of Onex Global Special Situations Alternative Fund (the **Existing Fund**), and any future alternative mutual funds, including exchange traded funds, which are or will be managed by the Filer or an affiliate of the Filer (each, a **Future Fund** and, collectively with the Existing Fund, the **Funds** and each, a **Fund**), each of which is, or will be, an alternative investment fund subject to National Instrument 81-102 *Investment Funds* (**NI 81-102**), for a decision under the securities legislation (the **Legislation**) of the Jurisdiction exempting each of the Funds from:

(i) the following restrictions of NI 81-102 to permit each Fund to sell securities short and/or borrow cash up to a combined aggregate total of 100% of the net asset value (**NAV**) of the Fund:

(a) subparagraph 2.6.1(1)(c)(v), which restricts a Fund from selling a security short if, at the time, the aggregate market value of all securities sold short by the Fund exceeds

50% of the Fund's NAV (together with (i)(c) below, the **Short Selling Limit**);

(b) subparagraph 2.6(2)(c), which restricts a Fund from borrowing cash if the value of cash borrowed, when aggregated with the value of all outstanding borrowing by the Fund, exceeds 50% of the Fund's NAV (together with (i)(c) below, the **Cash Borrowing Limit**); and

(c) section 2.6.2, which restricts a Fund from borrowing cash or selling securities short if, immediately after entering into a cash borrowing or short selling transaction, the aggregate value of cash borrowed combined with the aggregate market value of all securities sold short by the Fund (the **Combined Aggregate Value**) would exceed 50% of the Fund's NAV and which requires a Fund, if the Combined Aggregate Value exceeds 50% of the Fund's NAV, as quickly as commercially reasonable, to take all necessary steps to reduce the Combined Aggregate Value to 50% or less of the Fund's NAV; and

(ii) the restriction in subparagraph 2.6.1(1)(c)(iv) of NI 81-102, which restricts a Fund from selling a security of an issuer, other than a "government security" (as defined in NI 81-102) short if, at the time, the aggregate market value of the securities of that issuer sold short by the Fund exceeds 10% of the Fund's NAV (the **Single Issuer Short Restriction**) in order to permit each Fund to exceed the Single Issuer Short Restriction to short sell IPUs of one or more IPU Issuers up to a maximum of 100% of a Fund's NAV at the time of the sale,

((i)(a) and (i)(c) together, the **Short Selling Relief**, (i)(b) and (i)(c) together, the **Cash Borrowing Relief**, (ii) the **Single Issuer Short Relief** and, collectively with the Short Selling Relief and the Cash Borrowing Relief, the **Exemption Sought**).

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

(i) the Ontario Securities Commission is the principal regulator for the Application; and

(ii) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada (the **Other Jurisdictions** and, together with the Jurisdiction, the **Jurisdictions**).

Interpretation

Unless expressly defined herein, terms in this decision have the respective meanings given to them in MI 11-102, National Instrument 14-101 *Definitions* and NI 81-102. In addition to the defined terms used in this decision, capitalized terms used in this decision have the following meanings:

Aggregate Limit means the aggregate gross exposure restriction in subsection 2.9.1 of NI 81-102, which places an overall limit on an alternative mutual fund's exposure to cash borrowing, short selling and specified derivatives equal to 300% of such fund's NAV.

IPU means "index participation unit", as defined in NI 81-102.

IPU Issuer means an investment fund the securities of which are IPUs.

Prospectus means a simplified prospectus of a Fund prepared in accordance with Form 81-101F1 *Contents of Simplified Prospectus* or a prospectus of a Fund prepared in accordance with Form 41-101F2 *Information Required in an Investment Fund Prospectus*, as the same may be amended from time to time.

Representations

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

The Filer

1. The Filer is a corporation incorporated under the laws of Ontario. The head office of the Filer is located in Toronto, Ontario.

2. The Filer is registered as an investment fund manager in Newfoundland and Labrador, Ontario and Québec, as a portfolio manager and exempt market dealer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Ontario, Québec, Saskatchewan and Yukon, and as a commodity trading manager in Ontario.

3. The Filer is, or will be, the investment fund manager of the Funds and the Filer, an affiliate of the Filer or a third-party portfolio manager retained by the Filer is, or will be, the portfolio manager of the Funds. The portfolio manager of a Fund may also engage a sub-adviser to advise in respect of the investments of such Fund.

4. The Filer is not in default of applicable securities legislation in any of the Jurisdictions.

The Funds

5. Each Fund is, or will be, an investment fund organized and governed by the laws of a province or territory of Canada or the laws of Canada.

6. Each Fund is, or will be, an alternative mutual fund governed by NI 81-102, subject to any exemptions therefrom that have been, or may be, granted by the applicable securities regulatory authorities.

7. The securities of each Fund are, or will be, qualified for distribution in one or more of the Jurisdictions under a Prospectus prepared and filed in accordance with the securities legislation of such Jurisdictions.

8. The Existing Fund is not in default of applicable securities legislation in any of the Jurisdictions.

IPU Issuers

9. The portfolio holdings of IPU Issuers are generally diversified.

10. IPU Issuers seek to provide investment results that correspond generally to the performance of a specified widely quoted market index comprised of multiple issuers by holding a portfolio of securities that are included in the index or otherwise investing in a manner that causes the IPU Issuer to replicate the performance of that index.

11. The portfolio holdings of IPU Issuers are generally liquid.

12. The creation process for IPUs of IPU Issuers can quickly increase the available supply of IPUs of IPU Issuers in the marketplace, making the potential for a liquidity issue inherently lower.

13. The weight of each underlying security held in the portfolio of an IPU Issuer substantially corresponds to the weight of such security in the underlying index.

Reasons for the Exemption Sought

Short Selling Relief and Cash Borrowing Relief

14. The investment objective of each Fund will differ but, in each case, key investment strategies that may be utilized by a Fund may include (a) the use of market-neutral, offsetting, inverse, or shorting strategies requiring the use of short selling in excess of the Short Selling Limit and/or (b) the use of cash borrowing to provide additional investment exposure in connection with the investment strategies of the Fund in excess of the Cash Borrowing Limit.

15. Market-neutral strategies are well-recognized for limiting market risk, and balancing long and short positions within an investment portfolio with the objective of providing positive returns regardless of whether the broader market rises, falls or is flat. Market-neutral strategies are designed to have less volatility than the broader market when measured over medium to long-term periods. Market-neutral strategies also provide diversification to investors as returns are intended to be uncorrelated to the performance of the broader market – such strategies are designed to effectively remove any "beta" component from their returns and investment exposures.

16. As part of an investment strategy, short positions can serve as both a hedge against exposure to a long position or a group of long positions, and also as a source of returns with an offsetting long position or positions. The Funds will generally seek to generate an attractive risk/return profile independent of the direction of the broad markets. As such, at the portfolio level, these strategies will seek to hedge out a Fund's exposure to the direction of broad markets, and to generate positive performance from the difference, specifically, the spread, between the performance of the portfolio's long and short positions.

17. The ability to engage in additional short selling and cash borrowing in connection with the investment strategies of a Fund may provide material cost savings to the Fund compared to obtaining the same level of investment exposure through the use of specified derivatives while, at the same time, not increasing the overall level of risk to the Fund.

18. The costs to the Funds of engaging in physical short sales and cash borrowing are typically less when compared to the equivalent derivative transactions due to a number of factors which may include:

    (a) Prime brokers typically have greater flexibility to offer more favourable financing terms to a Fund in relation to the aggregate amount of the Fund's assets held in the prime brokerage margin account in relation to short sales and cash borrowing.

    (b) Margin requirements for derivative instruments are primarily based on the underlying investment exposure and, as a result, can be high.

    (c) Certain derivative instruments (such as futures contracts) require cash or near cash securities (such as government treasuries) to be deposited with the counterparty as collateral. This would require a Fund to use these portfolio assets to satisfy collateral requirements rather than utilizing them in connection with the Fund's investment strategies.

19. The Funds may use cash borrowing as a more flexible and cost-efficient means of providing additional leverage for investment strategies such as merger arbitrage strategies where the use of derivative instruments to provide the same level of exposure may not be practical. In connection with such strategies, the Filer is typically required to respond in a timely manner to public disclosure relating to a transaction and market movements in the share price of the target and/or acquiror company. The use of cash borrowing in such circumstances provides an easily accessible tool that enables the Filer to implement the investment decision more quickly compared to the use of

derivative instruments that provide the same level of exposure on a synthetic basis.

20. Cash borrowing is more efficient to utilize on a day-to-day basis compared to derivative instruments, which generally require a higher degree of negotiation and ongoing administration on the part of the Filer. The Cash Borrowing Relief would provide the Filer with access to a more functional source of additional leverage to utilize on behalf of the Funds at a lower cost which, in turn, would benefit investors.

21. The investment strategies of each Fund permit, or will permit, it to:

    (a) sell securities short, provided that, at the time the Fund sells a security short (i) the aggregate market value of securities of any one issuer (other than "government securities" as defined in NI 81-102 and IPU Issuers) sold short by the Fund does not exceed 10% of the Fund's NAV and (ii) the aggregate market value of all securities sold short by the Fund does not exceed 100% of its NAV;

    (b) borrow cash, provided that, at the time, the value of cash borrowed when aggregated with the value of all outstanding borrowing by the Fund does not exceed 100% of the Fund's NAV;

    (c) borrow cash or sell securities short, provided that the aggregate value of cash borrowed combined with the aggregate market value of the securities sold short by the Fund does not exceed 100% of the Fund's NAV (the **Total Borrowing** and **Short Selling Limit**). If the Total Borrowing and Short Selling Limit is exceeded, the Fund shall, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate value of cash borrowed combined with the aggregate market value of securities sold short to be within the Total Borrowing and Short Selling Limit; and

    (d) borrow cash, sell securities short, or enter into specified derivatives transactions, provided that, immediately after entering into a cash borrowing, short selling, or specified derivative transaction, the aggregate value of cash borrowed combined with the aggregate market value of securities sold short and aggregate notional amount of the Fund's specified derivatives positions (other than positions held for hedging purposes, as defined in NI 81-102) would not exceed the Aggregate Limit. If the Aggregate Limit is exceeded, the Fund shall, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate value of cash borrowed combined with the aggregate market value of securities sold short and the aggregate notional amount of the Fund's specified derivatives positions (other than positions held for hedging purposes) to be within the Aggregate Limit.

22. NI 81-102 contemplates that alternative mutual funds may utilize shorting strategies using a combination of short sale transactions (subject to the Short Selling Limit) and specified derivative positions and obtain additional investment exposure using a combination of cash borrowing (subject to the Cash Borrowing Limit) and specified derivative positions subject, in all cases, to the Aggregate Limit. Alternative mutual funds that were previously known as commodity pools provide 100% or 200% inverse exposure through the use of specified derivatives, which is consistent with the Aggregate Limit and does not trigger the application of the Short Selling Limit or Cash Borrowing Limit for which the Filer is requesting exemptive relief. Accordingly, the Short Selling Relief and Cash Borrowing Relief would simply allow the Funds to do directly what they could otherwise do indirectly through the use of specified derivatives.

23. The Funds require the flexibility to enter into physical short positions and borrow cash when doing so is, in the opinion of the Filer, in the best interests of the applicable Fund and to not be obligated to utilize an equivalent short position or amount of leverage synthetically through the use of specified derivatives as a result of regulatory restrictions in NI 81-102 that the Filer believes do not provide any material additional benefit or protection to investors.

24. The Filer believes that the Short Selling Relief and the Cash Borrowing Relief would allow the Filer to more effectively manage each Fund's investment exposure by providing it with the ability to respond to market developments in a timely manner and enabling the Filer to reduce the related expenses incurred by the Funds. In addition, specified derivative options may not be readily available for certain securities, may be relatively illiquid or may require large capital commitments on the part of the Fund.

25. While there may be certain situations where using a synthetic short position may be preferable, physical short positions are typically less costly, because of the ability to execute trades with a larger number of counterparties, compared to a single counterparty for synthetic shorts. This can result in lower borrowing costs for the Fund and reduce its exposure to counterparty risk (e.g., counterparty default, counterparty insolvency, and premature termination of derivatives) compared to a synthetic short position.

26. The Filer, as a registrant and a fiduciary, is in the best position to determine, depending on the surrounding circumstances, whether the Funds should enter into a physical short position and/or obtain additional investment exposure via cash borrowing versus achieving the same result through the use of specified derivatives. The Short Selling Relief and Cash Borrowing Relief would provide the Filer with the required flexibility to make timely trading decisions between physical and synthetic short sale positions and/or achieving additional investment exposure through cash borrowing or synthetic transactions. Accordingly, the Short Selling Relief and the Cash Borrowing Relief would permit the Filer to implement more effective portfolio management activities on behalf of a Fund and its investors. Investors would benefit by obtaining access to a more diversified set of investment opportunities than are currently available, while remaining within the overall investment limits set out in NI 81-102.

27. Any physical short position or cash borrowing transaction entered into by a Fund will be consistent with the investment objectives and strategies of the applicable Fund.

28. The investment strategies of each Fund will clearly disclose that the short selling and cash borrowing strategies and abilities of the Fund are outside the scope of NI 81-102, including that the aggregate market value of all securities sold short by the Fund and/or the aggregate amount of cash borrowed may exceed 50% of the Fund's NAV. The Prospectus will also contain appropriate risk disclosure, alerting investors of any material risks associated with such investment strategies.

29. The Filer believes that it is in the best interests of each of the Funds to be permitted to engage in physical short selling and to obtain additional investment exposure through the use of cash borrowing in excess of the current limits set out in NI 81-102.

Single Issuer Short Relief

30. Subsection 2.1(1.1) of NI 81-102 restricts an alternative mutual fund from purchasing a security of an issuer, entering into a specified derivatives transaction or purchasing an IPU if, immediately after the transaction, more than 20% of its NAV would be invested in securities of any one issuer (the **Concentration Restriction**).

31. Subsection 2.1(2) of NI 81-102 provides an exception to the Concentration Restriction for an IPU that is a security of an investment fund. The Filer has submitted that the rationale for this exception is in part that an IPU Issuer should be considered a look-through vehicle in that it is comprised of and represents a diversified group of issuers whose securities it holds in proportion to the underlying index, thereby mitigating the concentration risk otherwise associated with a Fund holding the securities of a single issuer. The Filer believes a similar rationale can be applied in respect to shorting IPU Issuers.

32. A significant risk associated with short positions generally is the potential to be unable to obtain the securities required to cover the short position, or to be unable to obtain them without additional costs, at the required time due to a lack of liquidity in the market. The Filer has submitted that the liquidity of the IPU Issuers, as described above, significantly reduces the risk that a Fund may not be able to cover or exit a short position in an IPU Issuer. On this basis, short sales of IPU Issuers will not have the same risk profile as a short sale of a single issuer or of a security that lacks liquidity of this magnitude.

33. The Funds are, or will be, as the case may be, permitted to short sell IPUs of multiple IPU Issuers up to the limits of the Short Selling Relief.

34. The Filer is of the view that, in the case of IPU Issuers, given their high diversity and liquidity, the concentration risk otherwise associated with shorting securities of a single issuer is mitigated and, as a result, the Single Issuer Short Relief would permit the Funds to benefit from efficiencies without prejudicing investors.

35. The Single Issuer Short Relief is requested to permit each Fund to short sell IPUs of IPU Issuers without otherwise impacting such Fund's ability to borrow cash or engage in short sales under NI 81-102, in circumstances where the Filer (believes that it is more beneficial to gain the desired short exposure to IPU Issuers (a) through shorting fewer IPU Issuers than would otherwise be necessary under the Single Issuer Short Restriction and (b) by way of short sales rather than by way of specified derivative transactions.

36. While a Fund could acquire exposure, including short exposure, to IPU Issuers in pursuit of its respective investment strategy through derivative transactions, the Filer believes that short sales of IPU Issuers may provide a faster, more efficient and flexible means of achieving diversification and hedging against market risk.

37. As such, the Filer is of the view that it would be in each Fund's best interest to permit the Fund to physically short sell IPUs of IPU Issuers, up to 100% of the Fund's NAV at the time of sale, instead of being limited to achieving that degree of leverage through either specified derivatives alone, or a combination of physical short selling and specified derivatives, including for the following reasons:

    (a) In some circumstances, the availability of derivatives with similar risk characteristics to corresponding indices may be limited. Alternatively, pricing of a short position at a

particular point in time may be preferable to the pricing of a corresponding derivatives contract.

(b) Granting the Single Issuer Short Relief would expand the scope of available tools at the disposal of the Filer to achieve market hedging, and thereby provide the Filer with the best execution and best liquidity.

(c) The Single Issuer Short Relief is less risky than certain derivatives transactions by allowing the Fund to, in part, mitigate against settlement risk (which is the risk that one of the parties to the derivatives contract defaults under the derivatives contract). Use of derivatives may also be incrementally riskier by exposing the Fund to operational risk (such as the case of a party to a derivatives contract failing to maintain adequate internal procedures or controls including intra-day settlements or managing closing-out the transaction) and liquidity risk.

38. The Single Issuer Short Relief would allow the Filer greater flexibility and liquidity in pursuing a hedging strategy that reduces potential market volatility by expanding options for hedging to include selling highly liquid IPU Issuers short.

General

39. Notwithstanding the Exemption Sought the Funds would otherwise still be required to comply with all of the requirements applicable to alternative mutual funds in subsections 2.6.1 and 2.6.2 of NI 81-102, subject to any relief granted therefrom by the securities regulatory authorities.

40. The Exemption Sought would not change a Fund's obligation to comply with the Aggregate Limit. The Aggregate Limit would continue to apply to a Fund's combined exposure to borrowing, short selling and derivatives. A decision to grant the Exemption Sought would not permit a Fund to exceed the Aggregate Limit through a combination of investment strategies.

41. If a Fund's aggregate gross exposure were to exceed the Aggregate Limit, subsection 2.9.1(5) of NI 81-102 would require the Fund to, as quickly as commercially reasonable, take all necessary steps to reduce the aggregate gross exposure to 300% of the Fund's NAV or less.

42. Each Fund will implement the following controls when conducting a short sale:

(a) The Fund will assume the obligation to return to the borrowing agent the securities borrowed to effect the short sale.

(b) The Fund will receive cash for the securities sold short within normal trading settlement periods for the market in which the short sale is effected.

(c) The Filer will monitor the short positions within the constraints of the Exemption Sought as least as frequently as daily.

(d) The security interest provided by the Fund over any of its assets that is required to enable the Fund to effect a short sale transaction is made in accordance with industry practice for that type of transaction and relates only to obligations arising under such short sale transactions.

(e) The Filer will maintain appropriate internal controls regarding short sales, including written policies and procedures for the conduct of short sales, risk management controls and proper books and records.

43. Each short sale by a Fund will be made consistent with the Fund's investment objective(s), strategies and restrictions.

44. Each Fund's Prospectus will contain adequate disclosure of the Fund's short selling activities, including the material terms of the Exemption Sought.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

In Respect of the Short Selling Relief and the Cash Borrowing Relief:

1. A Fund may sell a security short or borrow cash only if, immediately after the cash borrowing or short selling transaction:

(a) the aggregate market value of all securities sold short by the Fund does not exceed 100% of the Fund's NAV;

(b) the aggregate value of all cash borrowing by the Fund does not exceed 100% of the Fund's NAV;

(c) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's NAV; and

(d) the Fund's aggregate exposure to short selling, cash borrowing and specified

derivatives does not exceed the Aggregate Limit.

2. In the case of a short sale, the short sale:

   (a) otherwise complies with all of the short sale requirements applicable to alternative mutual funds under sections 2.6.1 and 2.6.2 of NI 81-102; and

   (b) is consistent with the Fund's investment objective and strategies.

3. In the case of a cash borrowing transaction, the transaction:

   (a) otherwise complies with all of the cash borrowing requirements applicable to alternative mutual funds under sections 2.6 and 2.6.2 of NI 81-102; and

   (b) is consistent with the Fund's investment objective and strategies.

4. The Prospectus under which securities of a Fund are offered discloses or will disclose at the time of its next renewal, as applicable, that the Fund can sell securities short or borrow cash up to, and subject to, the limits described in condition (i) above.

In Respect of the Single Issuer Short Relief:

1. The only securities that a Fund will sell short in an amount that exceeds 50% of the Fund's NAV at the time of sale will be IPUs of IPU Issuers.

2. The only securities that a Fund will sell short (other than "government securities", as defined in NI 81-102), resulting in the aggregate market value of the securities of that issuer sold short by the Fund exceeding 10% of the Fund's NAV at the time of sale, will be IPUs of IPU Issuers.

3. The relief granted by this decision only applies in respect of a Fund's short sales of IPUs of an IPU Issuer and each Fund will comply with the Single Issuer Short Restriction in respect of its exposure to the securities held by each IPU Issuer the IPUs of which the Fund sells short. For each IPU of an IPU Issuer the Fund sells short, the Fund will be considered to be directly selling short its proportionate share of the securities held by the IPU Issuer, except that it will not be considered to be directly selling short a security or instrument that is a component of, but represents less than 10% of, the securities held by the IPU Issuer.

4. A Fund may sell an IPU of an IPU Issuer short or borrow cash only if, immediately after the transaction (i) the aggregate market value of all securities sold short by the Fund does not exceed 100% of the Fund's NAV and (ii) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's NAV.

5. Each Fund will otherwise comply with all of the requirements applicable to alternative mutual funds in subsections 2.6.1 and 2.6.2 of NI 81-102, subject to any relief granted therefrom by the securities regulatory authorities.

6. A Fund's aggregate exposure to short selling, cash borrowing and specified derivatives will not exceed the Aggregate Limit.

7. Each short sale will be made consistent with the Fund's investment objectives and investment strategies.

8. Each Fund's Prospectus discloses or will disclose at the time of its next renewal, as applicable, that the Fund is able to sell short IPUs of one or more IPU Issuers in an amount up to 100% of the Fund's NAV at the time of sale.

"Darren McKall"
Manager, Investment Management
Ontario Securities Commission

Application File #: 2024/0278
SEDAR+ File #: 6126161

B.3.4 Sun Life Capital Management (Canada) Inc. and The Funds

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from s.13.5(2)(b)(ii) and (iii) of NI 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations to permit inter-fund trades of private debt securities and mortgages between certain investment funds and non-investment funds subject to conditions.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.5 and 15.1.
National Instrument 81-107 Independent Review Committee for Investment Funds, s. 6.1(2).

May 16, 2024

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
SUN LIFE CAPITAL MANAGEMENT (CANADA) INC.
(Filer)

AND

THE FUNDS
(defined below)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting the Filer from the restriction in paragraphs 13.5(2)(b)(ii) and (iii) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) that prohibits a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase or sell a security from, or to, the investment portfolio of (a) an associate of a responsible person, and (b) an investment fund for which a responsible person acts as an adviser, to cause a Fund to purchase or sell securities from, or to, the investment portfolio of another Fund (each, a **Cross-Trade Transaction**) in accordance with the Inter-Fund Trading Exception (defined below) other than, in respect of PFI Securities and mortgages (defined below) as described in paragraph 35 below (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application; and

(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 in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon and Nunavut (together with Ontario, the **Jurisdictions**).

Interpretation

Terms defined in MI 11-102, NI 31-103, National Instrument 14-101 *Definitions* and NI 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**) have the same meaning, unless otherwise defined.

CCM Fund means SLC Management Canadian Commercial Mortgage Fund (formerly, Sun Life Canadian Commercial Mortgage Fund);

Existing Funds means each of the PFI Funds and the CCM Fund, which are not investment funds under the Legislation, and each of SLC Management Core Plus Bond Fund and SLC Management Long Core Plus Bond Fund, which are investment funds under the Legislation;

Funds means the Existing Funds together with the Future Funds;

Future Funds means each future pooled investment vehicle, including an investment fund under the Legislation, that is similar to the Existing Funds, and managed by the Filer or an affiliate and advised by the Filer or an affiliate;

IFRS means International Financial Reporting Standards;

IRC means independent review committee of the Funds;

Inter-Fund Trading Exception means the exception in section 6.1(2) of NI 81-107;

Long PFI Fund means SLC Management Long Term Private Fixed Income Plus Fund;

Mid PFI Fund means SLC Management Private Fixed Income Plus Fund (formerly, Sun Life Private Fixed Income Plus Fund);

NI 45-106 means National Instrument 45-106 *Prospectus Exemptions*;

NP 29 means National Policy Statement 29 *Mutual Funds Investing in Mortgages*;

PFI Funds means the Short PFI Fund, the Mid PFI Fund and the Long PFI Fund;

PFI Securities means private fixed income securities;

Public Fixed Income Assets means fixed income assets available in public markets; and

Short PFI Fund means SLC Management Short Term Private Fixed Income Plus Fund.

Representations

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

The Filer

1. The Filer is a corporation incorporated under the laws of Canada with its head office in Toronto, Ontario.

2. The Filer is an indirect, wholly owned subsidiary of Sun Life Financial Inc., a company, the shares of which are listed on, among others, the Toronto Stock Exchange.

3. The Filer is registered: (a) under the securities legislation of each Jurisdiction as an investment fund manager, an exempt market dealer and a portfolio manager; and (b) under the *Commodity Futures Act* (Ontario) as a commodity trading manager.

4. The Filer is the portfolio manager of the Existing Funds and the Filer or an affiliate may, in the future, be the portfolio manager of Future Funds.

5. The Filer is the investment fund manager of SLC Management Core Plus Bond Fund, SLC Management Long Term Core Plus Bond Fund and other Existing Funds that meet the definition of investment fund under the Legislation, and the Filer or an affiliate will be the investment fund manager of any Future Fund that meets the definition of investment fund under the Legislation.

6. Each of the CCM Fund and the PFI Funds is a pooled investment vehicle that does not meet the definition of investment fund under the Legislation. These Funds are administered by the Filer, and the Filer or an affiliate will act in this capacity for any Future Fund that does not meet the definition of investment fund under the Legislation.

7. The Filer is, or will be, a “responsible person” of a Fund, as that term is defined in NI 31-103.

8. The Filer is not in default of securities legislation in any Jurisdiction.

The Funds

9. Securities of each Fund are and will be sold, pursuant to available exemptions from the prospectus requirements, only to investors who are:

   (a) "permitted clients" as such term is defined in NI 31-103, other than managed accounts described in paragraph (k) of the definition, unless the client of the managed account is otherwise a permitted client; or

   (b) "accredited investors" as such term is defined in NI 45-106 (and section 73.3 of the Legislation) who are:

      (i) executive officers and directors of the Filer or its affiliates, or their permitted assigns; or

      (ii) employees or consultants of the Filer or its affiliates that are directly involved in the provision of management, distribution or portfolio advisory services to the Funds, or their permitted assigns

   (collectively, the **Permitted Investors**).

10. While the individuals described in paragraph 9(b) above do not meet the definition of "permitted client", as such term is defined in NI 31-103, they do meet the definition of "accredited investor" as such term is defined in NI 45-106 (and section 73.3 of the Legislation), and they are sophisticated investors who are uniquely positioned to understand the risks associated with an investment in the Funds.

11. None of the Funds is or will be a reporting issuer under the securities legislation of any Jurisdiction.

12. Each of the PFI Funds and the CCM Fund is a limited partnership and therefore is a controlled entity of its respective general partner. Each general partner is wholly-owned by the Filer. As a result, each of the PFI Funds and the CCM Fund is an affiliate of the Filer and each Future Fund structured as a limited partnership will be an affiliate of the Filer if the general partner is an affiliate of the Filer.

13. The Existing Funds are not in default of securities legislation in any Jurisdiction.

14. The investment objectives of the PFI Funds are to invest primarily in a diverse portfolio of PFI Securities and other private fixed income assets and Public Fixed Income Assets.

15. The investment objectives of the CCM Fund are to invest primarily in a portfolio of first mortgage loans secured by properties located in Canada.

16. The investment objectives of the remaining Existing Funds, which meet the definition of investment fund, involve investing directly or indirectly in Public Fixed Income Assets, PFI Securities and mortgages, among other types of assets.

17. Each of the CCM Fund and the PFI Funds is operated in a manner similar to how the Filer operates its investment funds and each Future Fund that is not an investment fund will be operated in a similar manner, including in respect of the calculation of net asset value for each Fund which is, or will be, used for the purposes of determining the purchase and redemption price of the securities of the Fund.

Cross-Trade Transactions

18. From time to time, the Filer proposes to cause a Fund to engage in a Cross-Trade Transaction.

19. The assets that the CCM Fund or a similar Future Fund purchases from, or sells to, another Fund may include mortgages, and the assets that the PFI Funds or a similar Future Fund purchases from, or sells to, another Fund may include PFI Securities. Certain of these assets may include PFI Securities or mortgages that are or were originated, as described under "Prior Decisions" below. The Funds may also purchase or sell equities, Public Fixed Income Assets and other assets from or to the portfolio of another Fund.

20. The Filer believes that:

   (a) permitting the Funds to purchase mortgages and PFI Securities from another Fund will allow the purchasing Funds to access investments that they may not be otherwise able to access in the market, and in a manner that will be efficient for the purchasing Funds;

   (b) permitting the Funds to sell mortgages and PFI Securities to another Fund will provide liquidity for the selling Funds; and

   (c) permitting the Funds to purchase and sell securities from or to the investment portfolio of another Fund in accordance with the Inter-Fund Trading Exception other than, in respect of PFI Securities and mortgages,

(i) the requirement that the bid and ask price of the security is readily available, and

(ii) the requirement that the transaction be executed at the "current market price of the security" (as defined in NI 81-107), as further described in this decision,

will provide greater efficiencies to the Funds than otherwise trading such securities in the market.

21. Each general partner of the PFI Funds and the CCM Fund is an affiliate of the Filer and each such Existing Fund is an "associate" of its respective general partner. Certain individuals are directors and officers of the general partners of these Existing Funds and of the Filer and have access to, or participate in formulating, the investment decisions made on behalf of these Existing Funds or the advice given to these Existing Funds, and accordingly, these individuals have access to investment decisions made on behalf of a client of the Filer or advice given to a client of the Filer. Therefore each general partner is a "responsible person" (as defined in section 13.5(1) of NI 31 103) and each of these Existing Funds is an associate of a responsible person (as defined in section 13.5(1) of NI 31-103).

22. A Future Fund may be formed as a limited partnership, the general partner of which will be an affiliate of the Filer and so, for similar reasons as set forth above, this Future Fund may be an associate of a responsible person.

23. In addition, the Future Funds may be formed as trusts or corporations, which may be affiliates or associates of the Filer due to investments in the Future Funds made by the Filer or an affiliate of the Filer, or due to another affiliate or associate relationship of the Future Fund with the Filer or a responsible person.

24. Each of SLC Management Core Plus Bond Fund and SLC Management Long Term Core Plus Bond Fund is an investment fund formed as a trust for which the Filer acts as an adviser and, in the future, the Filer may act as adviser in respect of Future Funds that are investment funds formed as trusts.

25. Absent the Exemption Sought, the Filer is prohibited by paragraphs 13.5(2)(b)(ii) and (iii) of NI 31-103 from causing the Funds to purchase securities from, or sell securities to, another Fund, as each is an associate of a responsible person or an investment fund for which a responsible person acts as an adviser who has access to, or participates in formulating, an investment decision made on behalf of a client of the Filer or advice given to a client of the Filer.

Prior Decisions

2017 Decision

26. Pursuant to a decision dated December 17, 2017 (the **2017 Decision**), the Filer (formerly, Sun Life Institutional Investments (Canada) Inc.) was granted principal and in-specie trading relief to permit the Mid PFI Fund and the CCM Fund to purchase and sell PFI Securities and mortgages, originated by the Filer's affiliate, Sun Life Assurance Company of Canada (**SLA**) or by such Funds, from or to SLA, in exchange for fund securities or cash.

27. The 2017 Decision pertains only to transactions between the Mid PFI Fund or the CCM Fund and SLA. Where the Mid PFI Fund or CCM Fund engages in a principal or in-specie trade with SLA, the Filer will rely on the 2017 Decision and comply with the conditions therein.

28. The Filer will rely on this Decision where a Fund, including the Mid PFI Fund and the CCM Fund, engages in a Cross-Trade Transaction with another Fund, including where the PFI Securities or mortgages being traded were:

(a) originally acquired pursuant to the 2017 Decision; or

(b) originated by a Fund that is not an investment fund (through the Filer or an affiliate acting on behalf of the Fund), such that the initial Cross-Trade Transaction after such origination is a principal trade.

29. As of the date of this Decision, any PFI Securities or mortgages originally acquired by a Fund pursuant to the 2017 Decision, have not been cross-traded to another Fund.

30. The Funds that are investment funds do not originate securities. The Funds that are not investment funds originate PFI Securities and mortgages for their own portfolio (through the Filer or an affiliate acting on behalf of the Fund).

2022 Decision

31. Pursuant to a decision dated June 30, 2022 (the **2022 Decision**), the Filer and its affiliates were granted self-dealing relief from the restrictions in the Legislation set out in that decision to, amongst other things, permit investments by Private Funds (defined in that decision to mean investment funds managed by a Filer as at and after the date of the decision that are not, and will not be, reporting issuers) in the PFI Funds, the CCM Fund and future collective investment vehicles managed by the Filer or an affiliate that are not a reporting issuer or an investment fund (collectively, the **Underlying Investments**).

32. Paragraph 47 of the 2022 Decision contained the representation that: Each Private Fund will not invest more than 20% of its net asset value, at the time of purchase, in securities of an Underlying Investment.

33. Each of SLC Management Core Plus Bond Fund and SLC Management Long Core Plus Bond Fund and any Future Fund which is an investment fund (as such term is defined in the Legislation), will not engage in a Cross-Trade Transaction that results in such Fund acquiring PFI Securities or mortgages that, when added with such Fund's investment in Underlying Investments, represent more than 20% of its net asset value, at the time of purchase.

Inter-Fund Trading Exception is Unavailable

34. Pursuant to the Inter-Fund Trading Exception, a Fund is granted an exemption from paragraphs 13.5(2)(b)(ii) and (iii) of NI 31-103 to engage in Cross-Trade Transactions with another Fund that is an investment fund managed by the Filer or an affiliate of the Filer, if certain conditions are met, including that the bid and ask price of the security is readily available, and that the transaction is executed at the "current market price of the security" (as defined in NI 81-107).

35. The Filer is unable to rely upon the Inter-Fund Trading Exception to effect the Cross-Trade Transactions because:

    (a) the bid and ask price of mortgages and PFI Securities may not be readily available;

    (b) transactions involving mortgages or PFI Securities cannot be executed at the "current market price of the security" (as defined in NI 81-107); and

    (c) the CCM Fund and the PFI Funds are not, and certain Future Funds may not be, investment funds.

36. Further to paragraph 35(c) above, while a Cross-Trade Transaction involving equities or Public Fixed Income Assets would be able to comply with the Inter-Fund Trading Exception, including the conditions that the bid and ask price of the security is readily available and that the transaction is executed at the "current market price of the security", the exemption is only available where the transaction involves an investment fund.

37. Except as described in paragraph 35 above, Cross-Trade Transactions will otherwise meet the criteria of the Inter-Fund Trading Exception.

38. There is a limited supply of PFI Securities and mortgages available to the Funds in the open market, and frequently the only source or buyer of PFI Securities and mortgages may be another Fund, and thus the Filer may be unable to obtain a quote from an independent, arm's length purchaser or seller, immediately before the Cross-Trade Transaction.

Cross-Trading Policies and Procedures

39. The Filer will have policies and procedures in place to address any potential conflicts of interest that may arise as a result of any purchase or sale of securities between two Funds.

40. Each Fund will only purchase securities from another Fund that are consistent with, or necessary to meet, the purchasing Fund's investment objectives. Each Fund will only sell securities to another Fund if the Filer has determined that disposing of such securities is appropriate for the selling Fund.

41. All decisions to purchase or sell securities on behalf of each Fund's portfolio from or to another Fund will be made based on the judgment of responsible persons uninfluenced by considerations other than the best interests of the Fund.

42. The Filer, on behalf of the PFI Funds and the CCM Fund, has established an IRC consistent with section 3.7 of NI 81-107. The IRC of the PFI Funds and the CCM Fund complies with the standard of care set out in section 3.9 of NI 81-107 as if the PFI Funds and the CCM Fund were subject to that rule. Prior to relying on the Exemption Sought in respect of SLC Management Core Plus Bond Fund, SLC Management Long Core Plus Bond Fund and any Future Funds formed by the Filer or an affiliate, the mandate of the IRC will be expanded to include such Funds.

43. The Filer will refer Cross-Trade Transactions between two Funds to the IRC of such Funds.

44. Prior to a Fund making a purchase or sale of securities from or to another Fund:

    (a) the IRC of the Funds (as applicable) will approve the transaction in accordance with section 5.2(2) of NI 81-107;

    (b) the Filer will comply with section 5.1 of NI 81-107; and

    (c) the Filer and the IRC of the Fund or Funds (as applicable) will comply with section 5.4 of NI 81-107 for any standing instructions the IRC provides in connection with the transaction.

45. Each Fund will value portfolio securities under a Cross-Trade Transaction using the same values to be used to calculate the net asset value for the purpose of the issue price or redemption price of the securities of the Fund.

46. None of the securities which will be the subject of a Cross-Trade Transaction will be securities of an issuer that is a related party of the Filer.

47. The Filer will receive no remuneration with respect to any purchase or sale of securities between two Funds, and with respect to the delivery of securities, the only expenses which will be incurred by a Fund will be nominal administrative charges levied by the custodian and/or recordkeeper of the Fund for recording the trades and/or any charges by a dealer in transferring the securities, if applicable. In the case of syndicated PFI Securities in the Funds, an agent bank may charge the Funds nominal fees for the transfer or assignment of such syndicated PFI Securities.

48. For each purchase or sale of securities from or to another Fund, each Fund will keep written records in a financial year of the Fund. These records will reflect details of the securities received or delivered by the Fund and the value assigned to such securities. These records will be retained for five years after the end of the financial year, the most recent two years in a reasonably accessible place.

49. The Filer will disclose to each investor in the Funds that purchases and sale of securities between two Funds may occur from time to time. The Filer will also disclose how the price of such securities is determined and the valuation procedure for such securities, as discussed below.

Valuation of Mortgages and PFI Securities

50. The CCM Fund and any other Fund that invests in mortgages will value the mortgages in their portfolio in accordance with section III(2.5) of NP 29, as if the Funds were subject to that policy.

51. A Fund will purchase mortgages from another Fund in a Cross-Trade Transaction at a price determined in accordance with section III(2.4) of NP 29, as if the Funds were subject to that policy.

52. The PFI Securities to be purchased or sold by a Fund from or to another Fund will be securities that are investment grade credit quality at the time of purchase, as determined by the internal policies and procedures used by an affiliate of the Filer, under which the ratings cannot be higher than the highest rating provided by a Designated Rating Organization (as defined in NI 81-102) for assets with similar credit quality and risk characteristics.

53. PFI Securities held by the Funds are independently valued on a monthly basis by a valuation agent at arm's length to the Filer and its affiliates.

54. A Fund will purchase PFI Securities from another Fund in a Cross-Trade Transaction at a price determined by a valuation agent who is at arm's length to the Filer and its affiliates.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that the following conditions are satisfied:

1. securities of each Fund are sold pursuant to available exemptions from the prospectus requirements, only to Permitted Investors;

2. the Cross-Trade Transaction is consistent with the investment objectives of each Fund involved in the trade;

3. except as described in paragraph 35 above, the Cross-Trade Transaction is effected in accordance with the Inter-Fund Trading Exception, provided that in the case of syndicated PFI Securities in the Funds, an agent bank may charge the Funds nominal fees for the transfer or assignment of such syndicated PFI Securities;

4. prior to a Fund effecting its first Cross-Trade Transaction in reliance on this decision, the Filer will:

    a. for existing investors in the Fund, send a written notice disclosing:

        i. that the Fund may engage in Cross-Trade Transactions from time to time, including of PFI Securities or mortgages that were acquired pursuant to the 2017 Decision, or originated by a Fund that is not an investment fund (through the Filer or an affiliate acting on behalf of the Fund) such that the initial Cross-Trade Transaction after such origination is a principal trade,

ii. that any Cross-Trade Transaction will be effected in accordance with the Inter-Fund Trading Exception, other than, in respect of PFI Securities and mortgages, the conditions that:

1. the bid and ask price of the security be readily available, and

2. the transaction be executed at the "current market price of the security" (as defined in NI 81-107),

iii. how the price of such PFI Securities or mortgages, as applicable, is determined,

iv. the valuation procedure for such PFI Securities or mortgages, as applicable,

v. that the Filer is relying on this decision, and

vi. a summary of the conditions of this decision, and

b. for new investors in the Fund, include the disclosure in (a) in the offering document for the Fund or, if the Fund does not have an offering document, provide the above disclosure in writing to each such investor, at the time of, or prior to, making their initial investment in the Fund;

5. the Filer (or its affiliate) has referred the Cross-Trade Transaction to the IRC of each Fund, in the manner contemplated by section 5.1 of NI 81-107, and the Filer (or its affiliate) and the IRC comply with section 5.4 of NI 81-107 in respect of any standing instructions that the IRC provides in connection with the Cross-Trade Transaction, as if the Filer (or its affiliate), the IRC and the Funds were subject to NI 81-107;

6. the IRC of each Fund has approved the Cross-Trade Transaction in respect of the Fund in accordance with the terms of subsection 5.2(2) of NI 81-107, as if the IRC were subject to NI 81-107;

7. if the Cross-Trade Transaction involves a mortgage:

a. the transaction is executed at a price determined in accordance with section III(2.4) of NP 29;

b. the mortgages are valued in accordance with section III(2.5) of NP 29; and

c. paragraphs a and b above are determined by a reputable valuation firm that is independent of the Filer and its affiliates, which firm the Filer has determined to have sufficient expertise in valuing mortgages;

8. if the Cross-Trade Transaction involves a PFI Security, the transaction is executed at the fair value of the PFI Security, as determined by a reputable valuation firm that is independent of the Filer and its affiliates, which firm the Filer has determined to have sufficient expertise in valuing PFI Securities;

9. each Fund prepares financial statements on an annual basis, in accordance with Canadian generally accepted accounting principles applicable to publicly accountable enterprises, that present the portfolio assets of the Funds, including PFI Securities and mortgages, at fair value, as defined in IFRS 13 *Fair Value Measurement*, as the same may be amended or replaced from time to time. The annual financial statements of the Funds are audited by a qualified public accounting firm registered with the Canadian Public Accountability Board in accordance with Canadian generally acceptable auditing standards; and

10. the written records kept by the Funds involved in the Cross-Trade Transaction reflect details of the securities received or delivered by the Fund, including PFI Securities and mortgages, and the value assigned to such securities. These records will be retained for five years after the end of the financial year in which the Cross-Trade Transaction was effected, and records for the most recent two years will be kept in a reasonably accessible place.

"Darren McKall"
Manager, Investment Management
Ontario Securities Commission

Application File #: 2023/0165

B.3.5 Arrow Capital Management Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from seed capital requirements of NI 81-102 for new continuing funds – New continuing funds having substantially similar investment objectives and investment strategies as the corresponding terminating funds and will offer same series of units as the terminating funds – Unitholders of terminating funds becoming unitholders of the corresponding new continuing funds further to the merger – Relief granted from certain provisions of NI 81-101, NI 41-101, NI 81-102 and NI 81-106 to permit new continuing funds to use the past performance, financial data, start date and fund expenses of corresponding terminating funds in their sales communications, simplified prospectus, fund facts, ETF facts, management reports of fund performance and financial statements, and use the past performance of the terminating funds to determine their risk level – Relief granted from subsection 5.1(4) of NI 81-101 to permit simplified prospectus disclosure of alternative mutual funds to be consolidated with simplified prospectus disclosure of mutual funds that are not alternative mutual funds – Relief granted to the WaveFront Fund to adopt investment restrictions in NI 81-102 prior to the amendments on January 3, 2019, and be managed in accordance with the restrictions, except as was otherwise permitted by National Instrument 81-104.

Applicable Legislative Provisions

NI 81-101 Mutual Fund Prospectus Disclosure, ss. 2.1, 5.1(4).
Form 81-101F1 Contents of Simplified Prospectus, Item 10 of Part B.
Form 81-101F3 Contents of Fund Facts Document, Items 2, 3, 4 and 5 of Part I, and Item 1.3 of Part II.
NI 41-101 General Prospectus Requirements, s. 3B.2.
Form 41-101F4 Information Required in an ETF Facts Document, Items 2, 3, 4 and 5 of Part I, and Item 1.3 of Part II.
National Instrument 81-106 Investment Fund Continuous Disclosures, s. 4.4.
Form 81-106F1 Contents of Annual and Interim Management Report of Fund Performance, Items 3.1(1), 3.1(7), 3.1(7.1), 3.1(8), 4.1(1), 4.1(2), 4.2(1), 4.2(2) and 4.3(1) of Part B, and Items 3(1) and 4 of Part C.
National Instrument 81-102 Investment Funds, ss. 3.1, 15.1.1, 15.3(2), 15.6(1)(a)(i), 15.6(1)(b), 15.6(1)(d)(i), 15.8(2)(a), 15.8(3)(a) and 15.9(2), and Items 2 and 4 of Appendix F Investment Risk Classification Methodology.

May 16, 2024

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
ARROW CAPITAL MANAGEMENT INC.
(the Filer)

AND

ARROW LONG/SHORT ALTERNATIVE FUND,
ARROW GLOBAL MULTI-ASSET ALTERNATIVE FUND,
ARROW OPPORTUNITIES ALTERNATIVE FUND,
EXEMPLAR GLOBAL GROWTH AND INCOME FUND
AND
WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT FUND
(collectively, the Continuing Funds)

AND

ARROW EC INCOME ADVANTAGE ALTERNATIVE FUND
AND
ARROW EC EQUITY ADVANTAGE ALTERNATIVE FUND
(together, the Other Alternative Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Continuing Funds and the Other Alternative Funds for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) to grant exemptive relief pursuant to Section 6.1 of National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**), Section 19.1 of National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**) and section 19.1 of National Instrument 81-102 *Investment Funds* (**NI 81-102**):

(1) that exempts the Continuing Funds from section 3.1 of NI 81-102 to permit the filing of a simplified prospectus for the Continuing Funds (the **Simplified Prospectus**), notwithstanding that the initial investment required in respect of each of the Continuing Funds (the **Seed Capital Requirement**) will not be provided (the **Seed Capital Relief**); and

(2) that exempts the Continuing Funds:

(a) from section 2.1 of NI 81-101 for the purposes of relief requested herein from Form 81-101F1 *Contents of Simplified Prospectus* (**Form 81-101F1**) and Form 81-101F3 *Contents of Fund Facts Document* (**Form 81-101F3**);

(i) Item 10 of Part B of Form 81-101F1 to permit each Continuing Fund to use the performance history of the respective Terminating Funds to calculate its investment risk rating in the Simplified Prospectus;

(ii) Item 2 of Part I of Form 81-101F3 to permit each Continuing Fund to use the management expense ratio (**MER**) and the start date of the respective Terminating Funds in the "Management expense ratio (MER)" and "Date series started" boxes of the Quick Facts table in the fund facts documents of each series of the Continuing Funds (the **Fund Facts**);

(iii) Item 3 of Part I of Form 81-101F3 to permit each Continuing Fund to show the investments of the respective Terminating Funds in the "Top 10 investments" and "Investment mix" tables in the Continuing Funds' initial Fund Facts;

(iv) Item 4 of Part I of Form 81-101F3 to permit each Continuing Fund to use the performance history of the respective Terminating Funds to calculate its investment risk rating in the Fund Facts;

(v) Item 5 of Part I of Form 81-101F3 to permit each Continuing Fund to use the performance data of the respective Terminating Funds in the "Average return", "Year-by-year returns" and "Best and worst 3-month returns" sections of the Fund Facts, notwithstanding that part of the data of Arrow Opportunities Alternative Class (**AOAC**) relates to a period prior to AOAC offering its securities under a simplified prospectus; and

(vi) Item 1.3 of Part II of Form 81-101F3 to permit each Continuing Fund to use the MER, trading expense ratio (the **TER**) and fund expenses of the respective Terminating Funds in the "fund expenses" section of the Fund Facts.

(b) from section 3B.2 of NI 41-101 for the purposes of the exemptions sought from Form 41-101F4 *Information Required in an ETF Facts Document* (**Form 41-101F4**):

(i) Item 2 of Part I of Form 41-101F4 to permit the Series ETF of Arrow Long/Short Alternative Fund to disclose the start date, MER, average daily volume, number of days traded, market price, net asset value and average bid-ask spread of the Series ETF of Arrow Long/Short Alternative Class as its information in the ETF facts document (the **ETF Facts**);

(ii) Item 3 of Part I of Form 41-101F4 to permit Arrow Long/Short Alternative Fund to show the investments of Arrow Long/Short Alternative Class in the "Top 10 investments" and "Investment mix" tables in Arrow Long/Short Alternative Fund's initial ETF Facts;

(iii) Item 4 of Part I of Form 41-101F4 to permit Arrow Long/Short Alternative Fund to use the performance history of Arrow Long/Short Alternative Class to calculate its investment risk rating in the ETF Facts;

(iv) Item 5 of Part I of Form 41-101F4 to permit the Series ETF of Arrow Long/Short Alternative Fund to use the past performance data of the Series ETF of Arrow Long/Short Alternative

Class in the "Average return", "Year-by-year returns" and "Best and worst 3-month returns" sections in the ETF Facts; and

(v) Item 1.3 of Part II of Form 41-101F4 to permit the Series ETF of Arrow Long/Short Alternative Fund to use the MER, TER and fund expenses of Series ETF of Arrow Long/Short Alternative Class in the "Fund expenses" section of the ETF Facts;

(c) from section 4.4 of National Instrument 81-106 - *Investment Fund Continuous Disclosures (***NI-81-106**) from Form 81-106F1 - *Contents of Annual and Interim Management Report of Fund Performance* (**Form 81-106F1**) set out below, to permit the Continuing Funds to include in their annual and interim management reports of fund performance (**MRFP**s) the performance data and information derived and information derived from the financial statements and other financial information (collectively, the **Financial Data**) of the respective Terminating Funds as follows:

(i) Items 3.1(1), 3.1(7), 3.1(7.1) and 3.1(8) of Part B of Form 81-106F1 to permit each Continuing Fund to use the financial highlights of the respective Terminating Funds in its Form 81-106F1, notwithstanding that part of the data of AOAC relates to a period prior to AOAC offering its securities under a simplified prospectus;

(ii) Items 4.1(1), 4.1(2), 4.2(1), 4.2(2) and 4.3(1) of Part B of Form 81-106F1 to permit each Continuing Fund to use the past performance data of the respective Terminating Funds in its Form 81-106F1, notwithstanding that part of the data of AOAC relates to a period prior to AOAC offering its securities under a simplified prospectus; and

(iii) Items 3(1) and 4 of Part C of Form 81-106F1 to permit each Continuing Fund to use the financial highlights and past performance data of the respective Terminating Funds in its Form 81-106F1, notwithstanding that part of the data of AOAC relates to a period prior to AOAC offering its securities under a simplified prospectus;

(d) from subsections 15.3(2), 15.6(1)(a)(i), 15.6(1)(b), 15.6(1)(d)(i), 15.8(2)(a), 15.8(3)(a) and 15.9(2) of NI 81-102 to permit each Continuing Fund to use the performance data of the respective Terminating Funds in sales communications and reports to securityholders of the Continuing Funds (the **Fund Communications**), notwithstanding that part of the data of AOAC relates to a period prior to AOAC offering its securities under a simplified prospectus;

(e) from section 15.1.1 of NI 81-102 and Items 2 and 4 of Appendix F *Investment Risk Classification Methodology* to NI 81-102 to permit each Continuing Fund to calculate its investment risk level using the performance history of the respective Terminating Funds;

(paragraphs (a) through (e) collectively, the **Performance Data Relief**);

(3) for the Continuing Funds, except for Exemplar Global Growth and Income Fund, the Other Alternative Funds and any alternative mutual fund established or restructured in the future and managed by the Filer or an affiliate of the Filer (the **Future Funds**, and collectively with the Continuing Funds, except for Exemplar Global Growth and Income Fund, and the Other Alternative Funds, the **Alternative Funds**):

(a) from subsection 5.1(4) of NI 81-101 which states that a simplified prospectus for an alternative mutual fund must not be consolidated with a simplified prospectus of another mutual fund if the other mutual fund is not an alternative mutual fund;

(the **Consolidation Relief**); and

(4) for WaveFront Global Diversified Investment Fund (**WaveFront Fund**), provided it complies with the following terms and conditions of the existing decision (the **Former 81-104 Relief**) that applies to WaveFront Global Diversified Investment Class *In the Matter of Arrow Capital Management Inc and WaveFront Global Diversified Investment Class* (June 21, 2019) to permit WaveFront Fund to adopt investment restrictions in NI 81-102 prior to the amendments on January 3, 2019, and be managed in accordance with the restrictions, except as was otherwise permitted by National Instrument 81-104 *Commodity Pools* (**Former 81-104**);

(the **Past Exemptive Relief** and collectively with the Seed Capital Relief, the Performance Data Relief and the Consolidation Relief, the **Requested Relief**)

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11- 102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada (collectively, the **Other Jurisdictions**) (together with the Jurisdiction, the **Canadian Jurisdictions**).

Interpretation

Terms defined in NI 81-102, National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

In addition, the following terms have the meanings set out below:

"**Conventional Mutual Funds**" means the Other Conventional Mutual Funds and Exemplar Global Growth and Income Class.

"**Existing Funds**" means the Terminating Funds and the Non-Corporate Class Funds.

"**Funds**" means the Existing Funds and the Continuing Funds.

"**Non-Corporate Class Funds**" means the Other Conventional Mutual Funds and the Other Alternative Funds.

"**Other Conventional Mutual Funds**" means Exemplar Growth and Income Fund and Exemplar Performance Fund.

"**Terminating Funds**" means Arrow Long/Short Alternative Class, Arrow Global Multi-Asset Alternative Class, Arrow Opportunities Alternative Class, Exemplar Global Growth and Income Class and WaveFront Global Diversified Investment Class.

Representations

This decision is based on the following facts represented by the Filer on behalf of itself and the Funds:

The Filer

1. The Filer is a corporation existing under the laws of Ontario having its registered head office in Toronto, Ontario.

2. The Filer is the investment fund manager and portfolio manager of the Terminating Funds and the Non-Corporate Class Funds, and will be the investment fund manager, portfolio manager and trustee of each of the Continuing Funds upon creation.

3. The Filer is registered in the following categories in the Canadian Jurisdictions as indicated below:

    a) Ontario: Portfolio Manager (**PM**), Investment Fund Manager (**IFM**); Exempt Market Dealer (**EMD**) and Commodity Trading Manager under the *Commodity Futures Act* (Ontario);

    b) Alberta: EMD;

    c) British Columbia: EMD;

    d) Quebec: EMD and IFM; and

    e) Newfoundland and Labrador: IFM.

4. The Filer is not in default of securities legislation in any of the Canadian Jurisdictions.

The Funds

5. The Terminating Funds are classes of Exemplar Portfolios Limited, a corporation established under the laws of Ontario.

6. Securities of the Alternative Funds are currently qualified for sale in the Canadian Jurisdictions under a Simplified Prospectus, Fund Facts and ETF Facts (if applicable) prepared in accordance with NI 81-102, each dated June 15, 2023.

7. Securities of the Conventional Mutual Funds are currently qualified for sale in the Canadian Jurisdictions under a Simplified Prospectus, Fund Facts and ETF Facts (if applicable) prepared in accordance with NI 81-102, each dated July 7, 2023.

8. Each Continuing Fund is expected on its creation to be an open-ended mutual fund trust established under the laws of the Province of Ontario.

9. Since the Continuing Funds are either alternative mutual funds or conventional mutual funds, without the Consolidation Relief, the Filer will have to file two separate Simplified Prospectuses at the same time, resulting in duplication of effort required by both the Filer and the regulators and additional printing, renewal and related costs.

10. On April 22, 2024, the Filer filed a consolidated preliminary and pro forma Simplified Prospectus, Funds Facts and ETF Facts (if applicable) in the Canadian Jurisdictions to qualify the distribution of the securities of each series of the Continuing Funds, Arrow EC Income Advantage Alternative Fund and the Other Conventional Mutual Funds. The Filer will not begin distributing securities of the Continuing Fund prior to the Mergers (as defined below).

11. Each Continuing Fund is expected to be a reporting issuer under the applicable securities legislation in the Canadian Jurisdictions and is expected to be subject to NI 81-102.

12. Each Continuing Fund will offer the same series of units as its respective Terminating Fund.

13. The Existing Funds are not in default of applicable securities legislation in any of the Canadian Jurisdictions.

14. Each Terminating Fund follows, and each Continuing Fund will follow, the standard investment restrictions and practices established under NI 81-102, except pursuant to the terms of any exemption that has been previously obtained or is requested in this Application.

15. The Filer proposes to merge each Terminating Fund into the corresponding Continuing Fund (the **Mergers**) on a tax-deferred basis after the close of business on or about June 21, 2024 (the **Merger Date**) as follows:

Terminating Fund	**Continuing Fund**
Arrow Long/Short Alternative Class	Arrow Long/Short Alternative Fund
Arrow Global Multi-Asset Alternative Class	Arrow Global Multi-Asset Alternative Fund
Arrow Opportunities Alternative Class	Arrow Opportunities Alternative Fund
Exemplar Global Growth and Income Class	Exemplar Global Growth and Income Fund
WaveFront Global Diversified Investment Class	WaveFront Global Diversified Investment Fund

16. The Mergers satisfy the pre-approval criteria set out in section 5.6 of NI 81-102, and the Independent Review Committee of the Terminating Funds approved the Merger at a meeting held on April 4, 2024

17. As the Continuing Funds are newly established, they will not have their own past performance data on the date the Merger is implemented.

Seed Capital Relief

18. The Filer does not intend to subscribe for $150,000 of units of each Continuing Fund as required by the Seed Capital Requirement because the assets of the corresponding Terminating Fund (which will become the assets of that Continuing Fund in connection with the implementation of the applicable Merger) are significantly in excess of the $150,000 Seed Capital Requirement. Accordingly, the Filer is of the view that any seed capital injected into a Continuing Fund prior to a Merger will not provide any additional benefit to unitholders.

19. On the Merger Date, unitholders of a Continuing Fund will hold units of that Continuing Fund equal to the same net asset value as they did before as securityholders of the corresponding Terminating Fund, and therefore, the Continuing Funds will each have already received subscriptions in excess of $150,000.

Performance Data Relief

20. Subject to receipt of the Seed Capital Relief, the Continuing Funds will not have any assets (other than a nominal amount to establish it) or liabilities at the time of the applicable Merger.

21. The assets of the Terminating Funds will be transferred to the equivalent Continuing Funds in connection with the implementation of the Mergers.

22. As the Filer intends to cease distribution of the Terminating Funds at the close of business on the business day prior to the Merger Date, it does not intend to renew the Terminating Funds' Simplified Prospectus.

23. Each Continuing Fund will be a newly established investment fund. While each Continuing Fund will have the same assets and liabilities as the corresponding Terminating Fund, as a new fund, it will not have its own Financial Data as at the Merger Date.

24. The Financial Data of the Terminating Funds is significant information which can assist investors in determining whether to purchase securities of the Continuing Funds. In the absence of the Performance Data Relief, investors will have no historical financial or performance information (such as past performance) on which to base such an investment decision.

25. Without the Performance Data Relief, the sales communications pertaining to, and the MRFPs of, the Continuing Funds cannot include Financial Data of the Terminating Funds that relate to a period prior to the applicable Merger and the Continuing Funds cannot provide performance data in their sales communications until it has distributed securities under a Simplified Prospectus for at least 12 months.

26. AOAC had previously received exemptive relief to include Financial Data in its sales communications, MFRPs and Fund Facts from a period prior to AOAC offering its securities under a simplified prospectus.

27. The Filer proposes to:

a) disclose the series start date of the Terminating Funds as the series start date of the Continuing Funds:

i) under the heading “Fund Details” of each Continuing Fund of Part B in the Simplified Prospectus;

ii) under the subheading “Date series started” under the heading “Quick Facts” in the Fund Facts; and

iii) under the subheading “Date series started” under the heading “Quick Facts” in the ETF Facts (if applicable);

b) use the performance data of the Terminating Funds to calculate the risk rating of the Continuing Funds in:

i) the Simplified Prospectus;

ii) the Fund Facts; and

iii) the ETF Facts (if applicable);

c) use the performance data of the Terminating Fund in:

i) the Fund Communications of the Continuing Funds

ii) the “Year-by-year returns”, “Best and worst 3-month returns” and “Average return” subsections of the Fund Facts for the Continuing Fund; and

iii) the “Year-by-year returns”, “Best and worst 3-month returns” and “Average return” subsections of the ETF Facts for the Arrow Long/Short Alternative Fund;

d) Use the MER, TER, and fund expenses of the Terminating Funds in the “Quick Facts” and “Fund expenses” section in the Fund Facts and ETF Facts (if applicable) for the Continuing Funds;

e) show the investments of the Terminating Funds in the “Top 10 investments” and “Investment mix” tables in the initial Fund Facts and the initial ETF Facts (if applicable) for the Continuing Funds;

f) use the average daily volume, number of days traded, market price, net asset value and average bid-ask spread of Arrow Long/Short Alternative Class in the ETF Facts for Arrow Long/Short Alternative Fund;

g) incorporate by reference into the Simplified Prospectus the most recent annual financial statements and MRFPs of the Terminating Funds for the period ended December 31, 2023, and the most recent interim June 30, 2023 (collectively, the **Terminating Fund Disclosure**), until such Terminating Fund Disclosure is superseded by more current financial statements and MRFPs of the Continuing Funds;

h) prepare annual MRFPs for the Continuing Funds commencing with the year ending December 31, 2024 and interim MRFPs for the Continuing Funds commencing with the period ending June 30, 2024 using the Terminating Funds’ financial highlights and past performance; and

i) prepare comparative annual financial statements for the Continuing Funds commencing with the year ending December 31, 2024 and interim financial statements for the Continuing Funds commencing with the period ending June 30, 2024 using the Terminating Funds’ financial highlights and past performance.

28. The Filer is seeking to make the Mergers as transparent as possible for investors of the Terminating Funds. Accordingly, the Filer submits that treating the Continuing Funds as fungible with the corresponding Terminating Fund for purposes

of the starting dates, investment holdings and Financial Data would be beneficial to investors and that to do otherwise would cause unnecessary confusion among investors concerning the difference between the Terminating Funds and the Continuing Funds.

29. The Filer submits that investors will not be misled if the starting dates, investment holdings and Financial Data of the Continuing Funds reflects the starting dates, investment holdings and Financial Data of the corresponding Terminating Fund.

Consolidation Relief

30. The Filer wishes to combine the Simplified Prospectus of the Alternative Funds with the Simplified Prospectus of the Conventional Mutual Funds.

31. As noted above, consolidating the Simplified Prospectus would reduce renewal, printing and related costs. Offering the Alternative Funds under the same renewal Simplified Prospectus as the Conventional Mutual Funds would facilitate the distribution of the Alternative Funds in the Canadian Jurisdictions under the same Simplified Prospectus and enable the Filer to streamline disclosure across the Filer's fund platform. Even though the Alternative Funds are, or will be, Alternative Mutual Funds, they share many common operational and administrative features with the Conventional Mutual Funds that are conventional mutual funds and combining them in the same Simplified Prospectus will allow investors to more easily compare the features of the Conventional Mutual Funds and the Alternative Funds.

32. NI 41-101 does not contain an equivalent provision to subsection 5.1(4) of NI 81-101. Accordingly, an investment fund manager that manages ETFs is permitted to consolidate a prospectus under NI 41-101 for its ETFs that are alternative mutual funds with a prospectus for its ETFs that are conventional mutual funds. There is no reason why mutual funds filing a prospectus under NI 81-101 should be treated differently from exchange-traded funds filing a long-form prospectus under NI 41-101.

33. The Filer may make changes to the features of the Non-Corporate Class Funds as part of the process of renewing the Non-Corporate Class Funds' Simplified Prospectus. The ability to file the Simplified Prospectus of the Alternative Funds with those of the Conventional Mutual Funds will ensure that the Filer can make the operational and administrative features of the Alternative Funds and the Conventional Mutual Funds consistent with each other, if necessary.

34. If the Consolidation Relief is not granted, it will be necessary for the Filer to file two separate Simplified Prospectuses at the same time.

35. Investors will continue to receive the fund facts document(s) when purchasing securities of the Alternative Funds or Conventional Funds as required by applicable securities legislation. The form and content of the fund facts document(s) of the Alternative Funds and Conventional Funds will not change as a result of the Consolidation Relief.

36. The simplified prospectus of the Alternative Funds and Conventional Funds will, as required, be provided to investors, upon request, as required by applicable securities legislation.

Past Exemptive Relief

37. Each Continuing Fund will have an investment objective and investment strategies that are substantially similar to the investment objective and investment strategies of the corresponding Terminating Fund.

38. Pursuant to the Former 81-104 Relief, WaveFront Global Diversified Investment Class received exemptive relief:

    a) To permit it to adopt investment restrictions contained in NI 81-102 prior to the amendment on January 3, 2019 and be managed in accordance with these restrictions, except as was otherwise permitted by Former 81-104.

39. Without the Past Exemptive Relief, WaveFront Fund cannot properly effect an investment strategy which is substantially similar to its corresponding Terminating Fund.

40. The Filer is seeking to make the Continuing Funds as identical as possible to the Terminating Funds, but for the change in structure from classes of a corporation to trusts.

41. The Filer proposes that WaveFront Fund be permitted to rely on the Former 81-104 Relief as if it is applied directly to it.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that:

1. the Seed Capital Relief is granted;

2. the Performance Data Relief is granted, provided that:

    a) the Fund Communications of each series of each Continuing Fund contains the applicable past performance data of the corresponding series of the corresponding Terminating Fund prepared in accordance with Part 15 of NI 81-102, notwithstanding that part of the data of AOAC relates to a period prior to AOAC offering its securities under a simplified prospectus;

    b) the Simplified Prospectus:

        i) incorporates by reference the Terminating Fund Disclosure, until such Terminating Disclosure is superseded by more current financial statements and MRFPs of the Continuing Fund;

        ii) states that the start date for each series of each Continuing Fund is the start date of the corresponding series of the corresponding Terminating Fund; and

        iii) discloses the Merger where the start date for each series of the Continuing Fund is stated;

    c) the Fund Facts of each series of each Continuing Fund and the ETF Facts of the Series ETF of Arrow Long/Short Alternative Fund:

        i) states that the "Date series started" date is the "Date series started" date of the corresponding series of the corresponding Terminating Fund;

        ii) includes the performance data of the corresponding series of the corresponding Terminating Funds prepared in accordance with Part 15 of NI 81-102, notwithstanding that part of the data of AOAC relates to a period prior to AOAC offering its securities under a simplified prospectus; and

        iii) discloses the Merger where the "Date series started" date is stated;

    d) the MRFPs and financial statements for each Continuing Fund include the Financial Data of the corresponding Terminating Fund pertaining to the corresponding series of the Terminal Fund and disclose the Mergers for the relevant time periods, notwithstanding that part of the data of AOAC relates to a period prior to AOAC offering its securities under a simplified prospectus;

    e) each Continuing Fund prepares its Simplified Prospectus, Fund Facts, ETF Facts (if applicable) and other Fund Communications in accordance with the Seed Capital Relief and the Performance Data Relief; and

    f) any sales communication, any MRFPs and any Fund Facts that contain performance data of Arrow Opportunities Alternative Fund (**AOAF**) relating to a period prior to when AOAC was a reporting issuer discloses:

        i) that AOAF was not a reporting issuer during such period;

        ii) that the expenses of AOAF would have higher during such period had AOAF been subject to the additional regulatory requirements applicable to a reporting issuer; and

        iii) performance data of AOAF for 10-, 5-, 3- and one-year period, when applicable.

3. the Consolidation Relief is granted; and

4. the Past Exemptive Relief is granted, provided that:

    a) WaveFront Fund is an alternative mutual fund subject to NI 81-102 and whereby its corresponding Terminating Fund, WaveFront Global Diversified Investment Class, had previously filed a long form prospectus as a commodity pool under Former NI 81-104 prior to NI 81-102 being amended on January 3, 2019; and

    b) this decision shall expire upon a material change in the fundamental investment objectives and investment strategies of WaveFront Fund.

"Darren McKall"
Manager, Investment Management
Ontario Securities Commission

Application File #: 2024/0216
SEDAR+ File #: 6114926

B.3.6 Quadravest Capital Management Inc. and Quadravest Preferred Split Share ETF

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from requirement in section 59 of the Securities Act (Ontario) to include an underwriter's certificate in a prospectus of an exchange-traded mutual fund – relief from take-over bid requirements of NI 62-104 in respect of normal-course purchases of securities of an exchange-traded mutual fund.

Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., ss. 59(1) and 147.
National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2 and s. 6.1.

May 16, 2024

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE
RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
QUADRAVEST CAPITAL MANAGEMENT INC.
(the Filer)

AND

QUADRAVEST PREFERRED SPLIT SHARE ETF
(the Proposed ETF)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Proposed ETF and any additional exchange-traded mutual funds (the **Future ETFs**, and together with the Proposed ETF, the **ETFs**, each an **ETF**) established in the future for which the Filer is the manager, for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that exempts:

(a) the Filer and each ETF from the requirement to include a certificate of an underwriter in an ETF's prospectus (the **Underwriter's Certificate Requirement**); and

(b) a person or company purchasing ETF Securities (as defined below) in the normal course through the facilities of the TSX (as defined below) or another Marketplace (as defined below) from the Take-Over Bid Requirements (as defined below)

(collectively, the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application; and

(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 in each of the other provinces and territories of Canada (together with Ontario, the **Jurisdictions**).

Interpretation

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

Affiliate Dealer means a registered dealer that is an affiliate of an Authorized Dealer or Designated Broker and that participates in the re-sale of Creation Units (as defined below) from time to time.

Authorized Dealer means a registered dealer that has entered, or intends to enter, into an agreement with the manager of an ETF authorizing the dealer to subscribe for, purchase and redeem Creation Units from one or more ETFs on a continuous basis from time to time.

Basket of Securities means, in relation to the ETF Securities of an ETF, a group of securities or assets representing the constituents of the ETF.

Designated Broker means a registered dealer that has entered, or intends to enter, into an agreement with the manager of an ETF to perform certain duties in relation to the ETF, including the posting of a liquid two-way market for the trading of the ETF Securities on the TSX or another Marketplace.

ETF Facts means a prescribed summary disclosure document required in respect of one or more classes or series of ETF Securities being distributed under a prospectus.

ETF Security means a listed security of an ETF.

Marketplace means a "marketplace" as defined in National Instrument 21-101 *Marketplace Operations* that is located in Canada.

NI 81-102 means National Instrument 81-102 *Investment Funds*.

Other Dealer means a registered dealer that is not an Authorized Dealer, Designated Broker or Affiliate Dealer

Prescribed Number of ETF Securities means the number of ETF Securities determined by the Filer from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

Prospectus Delivery Requirement means the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to which the prospectus requirement of the Legislation applies, send or deliver to the purchaser or its agent, unless the dealer has previously done so, the latest prospectus and any amendment either before entering into an agreement of purchase and sale resulting from the order or subscription, or not later than midnight on the second business day after entering into that agreement.

Securityholders means beneficial or registered holders of ETF Securities.

Take-Over Bid Requirements means the requirements of National Instrument 62-104 *Take-Over Bids and Issuer Bids* relating to take-over bids, including the requirement to file a report of a take-over bid and to pay the accompanying fee, in each Jurisdiction.

TSX means the Toronto Stock Exchange.

Representations

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

The Filer

1. The Filer is a corporation incorporated under the laws of the Jurisdiction, with its head office located in Toronto, Ontario.

2. The Filer is registered as: (i) a portfolio manager in Ontario; (ii) an exempt market dealer in Ontario; and (iii) an investment fund manager in Newfoundland and Labrador, Ontario and Québec.

3. The Filer is, or will be, the investment fund manager of the ETFs. The Filer has applied, or will apply, to list the ETF Securities on the TSX or another Marketplace.

4. The Filer is not in default of securities legislation in any of the Jurisdictions.

The ETFs

5. The Proposed ETF will be a mutual fund structured as a trust that is governed by the laws of the Province of Ontario. The Future ETFs will be either trusts or corporations or classes thereof governed by the laws of a Jurisdiction. Each ETF will be a reporting issuer in the Jurisdiction(s) in which its securities are distributed.

6. Subject to any exemptions that have been, or may be, granted by the applicable securities regulatory authorities, each ETF will be an open-ended mutual fund subject to NI 81-102 and Securityholders of each ETF will have the right to vote at a meeting of Securityholders in respect of matters prescribed by NI 81-102.

7. On April 25, 2024, the Filer filed a preliminary long form prospectus in respect of the Proposed ETF with the securities regulatory authorities in each of the Jurisdictions. A receipt for the preliminary prospectus was issued on April 26, 2024.

8. The ETF Securities will be (subject to satisfying the listing requirements of the applicable exchange) listed on the TSX or another Marketplace.

9. The Filer has applied to list the ETF Securities of the Proposed ETF on the TSX. The Filer will not file a final long form prospectus for an ETF until the TSX or another applicable Marketplace has conditionally approved the listing of the ETF Securities.

10. The Filer will file a final long form prospectus prepared and filed in accordance with National Instrument 41-101 *General Prospectus Requirements*, subject to any exemptions that may be granted by the applicable securities regulatory authorities.

11. ETF Securities will be distributed on a continuous basis in one or more of the Jurisdictions under a prospectus. ETF Securities may generally only be subscribed for or purchased directly from the ETFs (**Creation Units**) by Authorized Dealers or Designated Brokers. Generally, subscriptions or purchases may only be placed for a Prescribed Number of ETF Securities (or a multiple thereof) on any day when there is a trading session on the TSX or other Marketplace. Authorized Dealers or Designated Brokers subscribe for Creation Units for the purpose of facilitating investor purchases of ETF Securities on the TSX or another Marketplace.

12. In addition to subscribing for and re-selling Creation Units, Authorized Dealers, Designated Brokers and Affiliate Dealers will also generally be engaged in purchasing and selling ETF Securities of the same class or series as the Creation Units in the secondary market. Other Dealers may also be engaged in purchasing and selling ETF Securities of the same class or series as the Creation Units in the secondary market despite not being an Authorized Dealer, Designated Broker or Affiliate Dealer.

13. Each Designated Broker or Authorized Dealer that subscribes for Creation Units must deliver, in respect of each Prescribed Number of ETF Securities to be issued, a Basket of Securities and/or cash in an amount sufficient so that the value of the Basket of Securities and/or cash delivered is equal to the net asset value of the ETF

Securities subscribed for next determined following the receipt of the subscription order. In the discretion of the Filer, the ETFs may also accept subscriptions for Creation Units in cash only, in securities other than Baskets of Securities and/or in a combination of cash and securities other than Baskets of Securities, in an amount equal to the net asset value of the ETF Securities subscribed for next determined following the receipt of the subscription order.

14. Upon notice given by the Filer from time to time and, in any event, not more than once quarterly, a Designated Broker may be contractually required to subscribe for Creation Units of an ETF for cash in an amount not to exceed a specified percentage of the net asset value of the ETF or such other amount established by the Filer.

15. Designated Brokers and Authorized Dealers will not receive any fees or commissions in connection with the issuance of Creation Units to them. On the issuance of Creation Units, the Filer or an ETF may, in the Filer's discretion, charge a fee to a Designated Broker or an Authorized Dealer to offset the expenses incurred in issuing the Creation Units.

16. Each ETF will appoint, at any given time, a Designated Broker to perform certain other functions, which include standing in the market with a bid and ask price for ETF Securities for the purpose of maintaining liquidity for the ETF Securities.

17. Except for Authorized Dealer and Designated Broker subscriptions for Creation Units, as described above, and other distributions that are exempt from the Prospectus Delivery Requirement under the Legislation, ETF Securities generally will not be able to be purchased directly from an ETF. Investors are generally expected to purchase and sell ETF Securities, directly or indirectly, through dealers executing trades through the facilities of the TSX or another Marketplace. ETF Securities may also be issued directly to Securityholders upon a reinvestment of distributions of income or capital gains.

18. Securityholders that are not Designated Brokers or Authorized Dealers that wish to dispose of their ETF Securities may generally do so by selling their ETF Securities on the TSX or other Marketplace, through a registered dealer, subject only to customary brokerage commissions. A Securityholder that holds a Prescribed Number of ETF Securities or multiple thereof may exchange such ETF Securities for Baskets of Securities and/or cash in the discretion of the Filer. Securityholders may also redeem ETF Securities for cash at a redemption price equal to 95% of the closing price of the ETF Securities on the TSX or other Marketplace on the date of redemption, subject to a maximum redemption price of the applicable net asset value per ETF Security.

Underwriter's Certificate Requirement

19. Authorized Dealers and Designated Brokers will not provide the same services in connection with a distribution of Creation Units as would typically be provided by an underwriter in a conventional underwriting.

20. The Filer will generally conduct its own marketing, advertising and promotion of the ETFs.

21. The Authorized Dealers and Designated Brokers will not be involved in the preparation of an ETF's prospectus, will not perform any review or any independent due diligence as to the content of an ETF's prospectus, and will not incur any marketing costs or receive any underwriting fees or commissions from the ETFs or the Filer in connection with the distribution of ETF Securities. The Authorized Dealers and Designated Brokers generally seek to profit from their ability to create and redeem ETF Securities by engaging in arbitrage trading to capture spreads between the trading prices of ETF Securities and their underlying securities and by making markets for their clients to facilitate client trading in ETF Securities.

22. In addition, neither the Filer nor the ETFs will pay any fees or commissions to the Designated Brokers and Authorized Dealers. As the Designated Brokers and Authorized Dealers will not receive any remuneration in connection with distributing ETF Securities and as the Authorized Dealers will change from time to time, it is not practical to provide an underwriter's certificate in the prospectus of the ETFs.

Take-Over Bid Requirements

23. As equity securities that will trade on the TSX or another Marketplace, it is possible for a person or company to acquire such number of ETF Securities so as to trigger the application of the Take-Over Bid Requirements. However:

    (a) it will be difficult for one or more Securityholders to exercise control or direction over an ETF, as the constating documents of each ETF will provide that there can be no changes made to such ETF which do not have the support of the Filer;

    (b) it will be difficult for the purchasers of ETF Securities to monitor compliance with the Take-Over Bid Requirements because the number of outstanding ETF Securities will always be in flux as a result of the ongoing issuance and redemption of ETF Securities by each ETF; and

    (c) the way in which the ETF Securities will be priced deters anyone from either seeking to acquire control or offering to pay a

control premium for outstanding ETF Securities because pricing for each ETF Security will generally reflect the net asset value of the ETF Securities.

24. The application of the Take-Over Bid Requirements to the ETFs would have an adverse impact on the liquidity of the ETF Securities because they could cause the Designated Brokers and other large Securityholders to cease trading ETF Securities once the Securityholder has reached the prescribed threshold at which the Take-Over Bid Requirements would apply. This, in turn, could serve to provide conventional mutual funds with a competitive advantage over the ETFs.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator is that the Exemption Sought is granted.

"Darren McKall"
Manager, Investment Management Division
Ontario Securities Commission

Application File #: 2024/0257
SEDAR+ File #: 6118622

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B.4
Cease Trading Orders

B.4.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
THERE IS NOTHING TO REPORT THIS WEEK.				

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
TAAT Global Alternatives Inc.	May 14, 2024	
Biovaxys Technology Corp.	May 15, 2024	
CloudMD Software & Services Inc.	May 7, 2024	May 16, 2024
RepliCel Life Sciences Inc.	May 7, 2024	May 17, 2024
WPD Pharmaceuticals Inc.	July 8, 2022	May 15, 2024
Jinhua Capital Corporation	May 6, 2024	May 17, 2024
Global Hemp Group Inc.	April 15, 2024	May 17, 2024

B.4.2 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Helix BioPharma Corp.	March 25, 2024	May 15, 2024
Biovaxys Technology Corp.	February 29, 2024	May 15, 2024

B.4.3 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Expire	Date of Issuer Temporary Order
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

Company Name	Date of Order	Date of Lapse
Agrios Global Holdings Ltd.	September 17, 2020	
Sproutly Canada, Inc.	June 30, 2022	
iMining Technologies Inc.	September 30, 2022	
Alkaline Fuel Cell Power Corp.	April 4, 2023	
mCloud Technologies Corp.	April 5, 2023	
FenixOro Gold Corp.	July 5, 2023	

Company Name	Date of Order	Date of Lapse
HAVN Life Sciences Inc.	August 30, 2023	
Biovaxys Technology Corp.	February 29, 2024	May 15, 2024
Helix BioPharma Corp.	March 25, 2024	May 15, 2024
Payfare Inc.	April 3, 2024	
Perk Labs Inc.	April 4, 2024	
XTM Inc.	April 30, 2024	
Cybeats Technologies Corp.	April 30, 2024	
Powerband Solutions Inc.	April 30, 2024	
AnalytixInsight Inc.	May 1, 2024	
Organto Foods Inc.	May 8, 2024	
Magnetic North Acquisition Corp.	May 8, 2024	
Pasinex Resources Limited	May 8, 2024	
Mydecine Innovations Group Inc.	May 9, 2024	
FRX Innovations Inc.	May 10, 2024	

B.7
Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as in Thomson Reuters Canada's internet service SecuritiesSource (see www.westlawnextcanada.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

B.9
IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:
Franklin All-Equity ETF Portfolio
Franklin Bissett Canada Plus Equity Fund
Franklin Bissett Canadian Balanced Fund
Franklin Bissett Canadian Bond Fund
Franklin Bissett Canadian Dividend Fund
Franklin Bissett Canadian Equity Fund
Franklin Bissett Core Plus Bond Fund
Franklin Bissett Corporate Bond Fund
Franklin Bissett Dividend Income Fund
Franklin Bissett Money Market Fund
Franklin Bissett Monthly Income and Growth Fund
Franklin Bissett Short Duration Bond Fund
Franklin Bissett Small Cap Fund
Franklin Bissett Ultra Short Bond Fund (formerly Franklin Bissett Ultra Short Bond Active ETF)
Franklin Brandywine Global Sustainable Balanced Fund
Franklin Brandywine Global Sustainable Income Optimiser Fund
Franklin Canadian Core Equity Fund
Franklin Canadian Government Bond Fund (formerly, Franklin Bissett Canadian Government Bond Fund)
Franklin ClearBridge Sustainable Global Infrastructure Income Fund
Franklin Clearbridge Sustainable International Growth Fund
Franklin ClearBridge U.S. Sustainability Leaders Fund
Franklin Conservative Income ETF Portfolio
Franklin Core ETF Portfolio
Franklin Emerging Markets Core Equity Fund
Franklin Emerging Markets Equity Index ETF (formerly, Franklin Emerging Markets Multifactor Index ETF)
Franklin FTSE Canada All Cap Index ETF
Franklin FTSE Japan Index ETF
Franklin FTSE U.S. Index ETF
Franklin Global Core Bond Fund (formerly, Franklin Global Aggregate Bond Active ETF (CAD-Hedged))
Franklin Global Dividend Quality Index ETF
Franklin Global Growth Fund
Franklin Growth ETF Portfolio
Franklin High Income Fund
Franklin Innovation Fund
Franklin International Core Equity Fund
Franklin International Equity Index ETF
Franklin International Multifactor Index ETF
Franklin Martin Currie Improving Society Fund
Franklin Martin Currie Sustainable Emerging Markets Fund
Franklin Martin Currie Sustainable Global Equity Fund (formerly, Franklin Martin Currie Global Equity Fund)
Franklin Quotential Balanced Growth Portfolio
Franklin Quotential Balanced Income Portfolio
Franklin Quotential Diversified Equity Portfolio
Franklin Quotential Diversified Income Portfolio
Franklin Quotential Growth Portfolio
Franklin Royce Global Small Cap Premier Fund (formerly, Templeton Global Smaller Companies Fund)
Franklin S&P 500 Dividend Aristocrats Covered Call Index ETF
Franklin S&P/TSX Canadian Dividend Aristocrats Covered Call Index ETF
Franklin Sustainable Canadian Core Equity Fund
Franklin Sustainable International Core Equity Fund
Franklin Sustainable U.S. Core Equity Fund
Franklin U.S. Core Equity Fund
Franklin U.S. Large Cap Multifactor Index ETF
Franklin U.S. Monthly Income Fund
Franklin U.S. Opportunities Fund
Franklin U.S. Rising Dividends Fund
Franklin Western Asset Core Plus Bond Fund
FT Balanced Growth Private Wealth Pool
FT Balanced Income Private Wealth Pool
FT Growth Private Wealth Pool
Templeton Emerging Markets Fund
Templeton Global Bond Fund
Templeton Growth Fund
Templeton Sustainable Global Balanced Fund (formerly, Templeton Global Balanced Fund)
Principal Regulator – Ontario

Type and Date:
Final Simplified Prospectus dated May 16, 2024
NP 11-202 Final Receipt dated May 17, 2024

Offering Price and Description:
-

Underwriter(s) or Distributor(s):
-

Promoter(s):
-

Filing #06113730

Issuer Name:
Pembroke American Growth Fund Inc.
Pembroke Canadian All Cap Fund
Pembroke Canadian Balanced Fund
Pembroke Canadian Bond Fund
Pembroke Canadian Growth Fund
Pembroke Concentrated Fund
Pembroke Corporate Bond Fund
Pembroke Dividend Growth Fund
Pembroke Global Balanced Fund
Pembroke International Growth Fund
Pembroke Money Market Fund
Principal Regulator – Quebec
Type and Date:
Final Simplified Prospectus dated May 9, 2024
NP 11-202 Final Receipt dated May 14, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06112085

Issuer Name:
GreenWise Balanced Portfolio
GreenWise Conservative Portfolio
GreenWise Growth Portfolio
RGP Alternative Income Portfolio
RGP Global Sector Class (formerly R.E.G.A.R. Investment Management Global Equity Class)
RGP Global Sector Fund (formerly R.E.G.A.R. Investment Management Global Equity Fund)
RGP Impact Fixed Income Portfolio
SectorWise Balanced Portfolio
SectorWise Conservative Portfolio
SectorWise Growth Portfolio
Principal Regulator – Quebec
Type and Date:
Final Simplified Prospectus dated May 10, 2024
NP 11-202 Final Receipt dated May 14, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06111574

Issuer Name:
Dynamic Active Global Gold ETF
Dynamic Active Global Real Estate ETF
Dynamic Active Mining Opportunities ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated May 15, 2024
NP 11-202 Preliminary Receipt dated May 16, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06131503

Issuer Name:
Mackenzie Canada Low Volatility ETF
Mackenzie Global Dividend ETF
Mackenzie US Low Volatility ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated May 16, 2024
NP 11-202 Final Receipt dated May 17, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06098103

Issuer Name:
US Equity Small Cap Corporate Class
US Equity Small Cap Pool
Principal Regulator – Ontario
Type and Date:
Amendment #2 to Final Simplified Prospectus dated May 3, 2024
NP 11-202 Final Receipt dated May 14, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #03549536

Issuer Name:
Franklin All-Equity ETF Portfolio
Franklin Bissett Canada Plus Equity Fund
Franklin Bissett Canadian Balanced Fund
Franklin Bissett Canadian Bond Fund
Franklin Bissett Canadian Dividend Fund
Franklin Bissett Canadian Equity Fund
Franklin Bissett Core Plus Bond Fund
Franklin Bissett Corporate Bond Fund
Franklin Bissett Dividend Income Fund
Franklin Bissett Money Market Fund
Franklin Bissett Monthly Income and Growth Fund
Franklin Bissett Short Duration Bond Fund
Franklin Bissett Small Cap Fund
Franklin Bissett Ultra Short Bond Fund (formerly Franklin Bissett Ultra Short Bond Active ETF)
Franklin Brandywine Global Sustainable Balanced Fund
Franklin Brandywine Global Sustainable Income Optimiser Fund
Franklin Canadian Core Equity Fund
Franklin Canadian Government Bond Fund (formerly, Franklin Bissett Canadian Government Bond Fund)
Franklin ClearBridge Sustainable Global Infrastructure Income Fund
Franklin Clearbridge Sustainable International Growth Fund
Franklin ClearBridge U.S. Sustainability Leaders Fund
Franklin Conservative Income ETF Portfolio
Franklin Core ETF Portfolio
Franklin Emerging Markets Core Equity Fund
Franklin Emerging Markets Equity Index ETF (formerly, Franklin Emerging Markets Multifactor Index ETF)
Franklin FTSE Canada All Cap Index ETF
Franklin FTSE Japan Index ETF
Franklin FTSE U.S. Index ETF
Franklin Global Core Bond Fund (formerly, Franklin Global Aggregate Bond Active ETF (CAD-Hedged))
Franklin Global Dividend Quality Index ETF
Franklin Global Growth Fund
Franklin Growth ETF Portfolio
Franklin High Income Fund
Franklin Innovation Fund
Franklin International Core Equity Fund
Franklin International Equity Index ETF
Franklin International Multifactor Index ETF
Franklin Martin Currie Improving Society Fund
Franklin Martin Currie Sustainable Emerging Markets Fund
Franklin Martin Currie Sustainable Global Equity Fund (formerly, Franklin Martin Currie Global Equity Fund)
Franklin Quotential Balanced Growth Portfolio
Franklin Quotential Balanced Income Portfolio
Franklin Quotential Diversified Equity Portfolio
Franklin Quotential Diversified Income Portfolio
Franklin Quotential Growth Portfolio
Franklin Royce Global Small Cap Premier Fund (formerly, Templeton Global Smaller Companies Fund)
Franklin S&P 500 Dividend Aristocrats Covered Call Index ETF
Franklin S&P/TSX Canadian Dividend Aristocrats Covered Call Index ETF
Franklin Sustainable Canadian Core Equity Fund
Franklin Sustainable International Core Equity Fund
Franklin Sustainable U.S. Core Equity Fund
Franklin U.S. Core Equity Fund
Franklin U.S. Large Cap Multifactor Index ETF
Franklin U.S. Monthly Income Fund
Franklin U.S. Opportunities Fund
Franklin U.S. Rising Dividends Fund
Franklin Western Asset Core Plus Bond Fund
FT Balanced Growth Private Wealth Pool
FT Balanced Income Private Wealth Pool
FT Growth Private Wealth Pool
Templeton Emerging Markets Fund
Templeton Global Bond Fund
Templeton Growth Fund
Templeton Sustainable Global Balanced Fund (formerly, Templeton Global Balanced Fund)
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated May 16, 2024
NP 11-202 Final Receipt dated May 17, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06113748

NON-INVESTMENT FUNDS

Issuer Name:
Kiwetinohk Energy Corp.
Principal Regulator – Alberta
Type and Date:
Preliminary Shelf Prospectus dated May 16, 2024
NP 11-202 Preliminary Receipt dated May 17, 2024
Offering Price and Description:
$500,000,000 - Common Shares, Preferred Shares, Subscription Receipts, Warrants, Debt Securities, Units
Filing # 06132597

Issuer Name:
Calibre Mining Corp.
Principal Regulator – British Columbia
Type and Date:
Final Shelf Prospectus dated May 17, 2024
NP 11-202 Receipt dated May 17, 2024
Offering Price and Description:
Common Shares, Debt Securities, Subscription Receipts, Units, Warrants
Filing # 06132880

Issuer Name:
Treatment.com AI Inc.
Principal Regulator – British Columbia
Type and Date:
Amendment to Preliminary Shelf Prospectus dated May 16, 2024
NP 11-202 Amendment Receipt dated May 17, 2024
Offering Price and Description:
$10,000,000 - Common Shares, Warrants, Subscription Receipts, Debt Securities, Units
Filing # 06085620

Issuer Name:
DRI Healthcare Trust
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated May 17, 2024
NP 11-202 Receipt dated May 17, 2024
Offering Price and Description:
Units, Preferred Units, Subscription Receipts, Debt Securities
Filing # 06132841

Issuer Name:
i-80 Gold Corp.
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated May 16, 2024
NP 11-202 Preliminary Receipt dated May 17, 2024
Offering Price and Description:
C$300,000,000 - COMMON SHARES, WARRANTS, DEBT SECURITIES, SUBSCRIPTION RECEIPTS, RIGHTS, UNITS
Filing # 06132637

Issuer Name:
Kraken Robotics Inc.
Principal Regulator – Ontario
Type and Date:
Final Short Form Prospectus dated May 16, 2024
NP 11-202 Receipt dated May 16, 2024
Offering Price and Description:
$17,500,900
18,422,000 Common Shares
$0.95 per Common Share
Filing # 06124236

Issuer Name:
First Phosphate Corp.
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated May 15, 2024
NP 11-202 Preliminary Receipt dated May 16, 2024
Offering Price and Description:
$20,000,000 - Common Shares, Debt Securities, Warrants, Subscription Receipts, Units
Filing # 06130447

Issuer Name:
Generation Mining Limited
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated May 14, 2024
NP 11-202 Preliminary Receipt dated May 15, 2024
Offering Price and Description:
$60,000,000 - Common Shares, Debt Securities, Subscription Receipts, Warrants, Units
Filing # 06130627

Issuer Name:
Alcon Silver Corp.
Principal Regulator – British Columbia
Type and Date:
Preliminary Long Form Prospectus dated May 13, 2024
NP 11-202 Preliminary Receipt dated May 14, 2024
Offering Price and Description:
Minimum Offering: $2,800,000 or 9,333,333 Units
Maximum Offering: $4,000,000 or 13,333,333 Units
Price: $0.30 per Unit
Filing # 06130582

Issuer Name:
Canopy Growth Corporation
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated May 14, 2024
NP 11-202 Preliminary Receipt dated May 14, 2024
Offering Price and Description:
US$500,000,000 - Common Shares, Exchangeable Shares, Debt Securities, Subscription Receipts, Units, Warrants
Filing # 06130422

Issuer Name:
MAG Silver Corp.
Principal Regulator – British Columbia
Type and Date:
Preliminary Shelf Prospectus dated May 13, 2024
NP 11-202 Preliminary Receipt dated May 14, 2024
Offering Price and Description:
U.S.$250,000,000 - Common Shares, Preferred Shares, Debt Securities, Subscription Receipts, Units, Warrants
Filing # 06130142

Issuer Name:
TELUS International (Cda) Inc.
Principal Regulator – British Columbia
Type and Date:
Final Shelf Prospectus dated May 13, 2024
NP 11-202 Receipt dated May 14, 2024
Offering Price and Description:
Subordinate Voting Shares, Preferred Shares, Warrants, Rights, Units, Debt Securities, Subscription Receipts
Filing # 06129805

Issuer Name:
New Gold Inc.
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated May 13, 2024
NP 11-202 Receipt dated May 13, 2024
Offering Price and Description:
Common Shares, Debt Securities, Subscription Receipts, Warrants, Units
Filing # 06129718

Issuer Name:
Propel Holdings Inc.
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated May 10, 2024
NP 11-202 Receipt dated May 13, 2024
Offering Price and Description:
$125,000,000 - Common Shares, Preferred Shares, Subscription Receipts, Warrants, Debt Securities, Units
Filing # 06121660

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B.10
Registrations

B.10.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: SIXPOINT PARTNERS LLC To: Harris Williams LLC	Exempt Market Dealer	May 15, 2024
New Registration	NEIGHBOURHOOD HOLDINGS CAPITAL MANAGEMENT LTD.	Exempt Market Dealer	May 21, 2024

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B.11
CIRO, Marketplaces, Clearing Agencies and Trade Repositories

B.11.2 Marketplaces

B.11.2.1 Cboe Canada Inc. – Trading Policies Amendments – Notice of Approval

CBOE CANADA INC.

TRADING POLICIES AMENDMENTS

NOTICE OF APPROVAL

In accordance with the *Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto*, the Ontario Securities Commission (the "**OSC**") has approved certain Public Interest Rule amendments to the Cboe Canada Inc. (the "**Exchange**") Trading Policies (the "**Rule Amendments**").

On March 21, 2024, the Rule Amendments, which pertain to certain changes to the respective matching priorities of the Exchange's NEO-L, NEO-N, and NEO-D Trading Books, were published for comment. For additional details, please refer to the Request for Comments published on the OSC website and in the OSC Bulletin on March 21, 2024. No comments were received.

A copy of the amended Trading Policies can be found on the Exchange's website.

The Exchange is planning to implement the Rule Amendments on **May 27**, **2024**.

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