The Ontario Securities Commission

OSC Bulletin

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The Ontario Securities Commission administers the
Securities Act of Ontario (R.S.O. 1990, c. S.5) and the
Commodity Futures Act of Ontario (R.S.O. 1990, c. C.20)

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OSC STAFF NOTICE 21-708 – OSC STAFF REPORT ON THE CANADIAN FIXED INCOME MARKET AND NEXT STEPS TO ENHANCE REGULATION AND TRANSPARENCY OF FIXED INCOME MARKETS

I. Introduction

The OSC has previously committed to better understand the fixed income market and issues affecting participants in this market, in order to determine if any changes are needed to the current regulatory framework.[1]

To achieve this goal, OSC staff ("Staff" or "we") conducted a review of the fixed income market and have prepared a report on the current state of the market in Canada ("The Report"). The Report is available on the OSC website at www.osc.gov.ca. Below, we set out the steps we are taking to enhance the transparency and regulation of the fixed income market in the near term. We are developing a more detailed plan relating to the specific initiatives to be published at a future date.

II. The Canadian Fixed Income Market Report

Based primarily on publicly-available data, the Report is a fact-based snapshot of the fixed income market in Canada. In summary:

1. There is a limited amount of data available on the market fragmented across a number of sources, which makes it difficult to conduct a comprehensive assessment of the fixed income market;

2. The fixed income market is a decentralized, over-the-counter (OTC) market where large investors have significantly more bargaining power than small investors;

3. The adoption of electronic trading and alternative trading systems has been limited, especially for corporate bonds; and

4. Direct retail participation in the primary and secondary market is low and retail investors typically access the fixed income market by purchasing investment funds.

III. Next Steps

In light of the observations in the Report, Staff considered steps that could be taken at this time to enhance fixed income regulation to achieve the following objectives:

1. Facilitate more informed decision making among all market participants, irrespective of their size;

2. Improve market integrity; and

3. Ensure that the market is fair and equitable for all investors .

1. Facilitate more informed decision making among all market participants, irrespective of their size

Historically, the fixed income markets have been less transparent than the equity markets. This is the result of a number of factors, including differences in products traded and in market structure. Because transparency in fixed income markets is limited, there are concerns that it may be difficult for market participants, and particularly for retail investors, to assess whether a particular price they received for a fixed income security is fair and to determine the value of their fixed income investments. This lack of information impacts their ability to make informed decisions.

[1] OSC Notice 11-768 *Notice of Statement of Priorities for Financial Year to End March 31, 2014*, available at (2013) 36 OSCB 6663.

National Instrument 21-101 *Marketplace Operation* sets out transparency requirements for trades in both government and corporate fixed income securities. For government fixed income securities, an exemption from the transparency requirements has been in place for some time, and is due to expire on January 1, 2018. The exemption was extended in recognition that no other jurisdiction has implemented mandatory transparency of trading in government debt securities, and to allow staff to monitor international regulatory developments.

For corporate fixed income securities, post-trade transparency is available for a limited number of securities. The information is collected and disseminated by CanPX, the information processor for fixed income securities. Staff are currently reviewing whether the current transparency framework and the level of post-trade transparency for corporate debt securities are sufficient.

In the coming year, we will take additional steps to facilitate more informed decision making by market participants for all fixed income securities, specifically:

a. Monitoring the implementation of new CSA cost and performance reporting rules in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, which will help retail investors better understand the cost of their fixed income transactions, and which will be fully implemented by July 2016; and

b. Working with the CSA to make it easier for investors to find relevant documents for fixed income offerings, especially trust indentures and credit agreements, in the SEDAR system.

2. Enhance Market Integrity

Because of a lack of both a centralized market and regulatory reporting requirements, regulators have limited data concerning market activity. IIROC has recently adopted Rule 2800C *Transactions Reporting for Fixed Income Securities* to require reporting by dealers of trade information for fixed income products for surveillance purposes. We support this effort to enhance market integrity and will oversee the implementation of IIROC Rule 2800C as this rule is phased in.[2] We will also analyze the debt transaction data going forward for information on market trends to and to assist in policy formulation.

3. Evaluate whether Access to the Market is Fair and Equitable

Concerns have been raised related to fairness of allocations by dealers to clients in the fixed income market. In particular, some smaller market participants noted that they have limited ability to participate in new debt offerings. Although IIROC has a fair allocation rule, it prohibits allocations of new issues to non-client accounts ahead of clients and does not cover allocations among clients. Staff will work with IIROC to gain a better understanding of how investment dealers are currently allocating new fixed income issues, which will help determine what, if any, regulatory response is needed.

Questions

Questions concerning the Report may be referred to:

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[2] IIROC Rule 2800C *Transaction Reporting for Fixed Income Securities* will be implemented in two phases, with the first being effective on November 1 2015 and the second on November 1, 2016.

Questions concerning the initiatives to enhance regulation of the fixed income market may be referred to:

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April 23, 2015

1.1.2 OSC Staff Notice 32-505 – Conditional Exemption from Registration for United States Broker-Dealers and Advisers Servicing U.S. Clients from Ontario

OSC STAFF NOTICE 32-505
CONDITIONAL EXEMPTION FROM REGISTRATION FOR UNITED STATES BROKER-DEALERS AND ADVISERS SERVICING U.S. CLIENTS FROM ONTARIO

April 23, 2015

Introduction

The Ontario Securities Commission (the **Commission**) is publishing proposed OSC Rule 32-505 *Conditional Exemption from Registration for United States Broker-Dealers and Advisers Servicing U.S. Clients from Ontario* (the **Rule**). The Commission is relying on paragraph 143.2(5)(b) of the *Securities Act* (Ontario) (the **Act**) to make an expedited rule, and for this reason, the Rule is not being published for comment.

The Rule provides exemptions from the relevant dealer and adviser registration requirements under the Act, subject to certain conditions, for broker-dealers (**U.S. broker-dealers**) and advisers (**U.S. advisers**) that are trading to, with, or on behalf of, clients that are resident in the USA (**U.S. clients**), or acting as advisers to U.S. clients, but that trigger the requirement to register as a dealer or adviser in Ontario because they have offices or employees in Ontario. The exemptions in the Rule are not available to U.S. broker-dealers that trade to, with, or on behalf of, persons or companies that are resident in Ontario (**Ontario residents**), or U.S. advisers that act as advisers to Ontario residents.

Contents of this notice

This notice gives an overview of the Rule and its Companion Policy (defined below) and contains the following annexes:

- Annex A – OSC Rule 32-505 *Conditional Exemption from Registration for United States Broker-Dealers and Advisers Servicing U.S. Clients from Ontario*
- Annex B – Companion Policy 32-505CP *Conditional Exemption from Registration for United States Broker-Dealers and Advisers Servicing U.S. Clients from Ontario* (the **Companion Policy**)

Adoption of the Amendments

Under section 143.3 of the Act, the Rule and other required materials were delivered to the Minister of Finance on April 23, 2015. The Rule grants an exemption that is not likely to have a substantial effect on the interests of persons or companies other than those who benefit under it. Accordingly, the Commission is relying on paragraph 143.2(5)(b) of the Act to make an expedited rule. An expedited rule does not require publication for comment before it is approved.

The Rule requires the approval of the Minister of Finance. Unless the Minister rejects the Rule or returns it to the Commission for further consideration, it will come into force no later than July 7, 2015. The Companion Policy will come into effect on the same date.

Background and Purpose

The Commission is aware that U.S. broker-dealers and U.S. advisers, subject to federal securities law in the USA, are not registered, or relying on an exemption, in Ontario, but have offices or employees in Ontario and are (i) trading to, with, or on behalf, of U.S. clients, or (ii) acting as an adviser to U.S. clients. The U.S. broker-dealer firms do not trade to, with, or on behalf of, Ontario residents, and the U.S. adviser firms do not act as advisers to Ontario residents. These firms may be subsidiaries of, affiliates to, or have arrangements with registered firms in Ontario.

Registration as an adviser or a dealer, or an exemption from such registration requirement, is required for a firm and its representatives who act as an adviser or a dealer, as applicable, in Ontario, even if the firm's clients are not resident in Ontario; therefore, U.S. broker-dealers and U.S. advisers may be acting off side Ontario securities law by not being registered or relying on an exemption from the requirement to register.

Over the last decade, the Commission has, subject to certain conditions, exempted U.S. broker-dealers and U.S. advisers, with offices in Ontario, from the requirement to register, on the basis that they:

- trade to, with, or on behalf of, only U.S. clients or act as an adviser only to U.S. clients
- are appropriately registered (or exempt from registration) in the USA
- are subject to the oversight of an acceptable securities regulator in the USA

On March 26, 2015, members of the Canadian Securities Administrators (the **CSA**), except Ontario, issued parallel orders of general application (the **Blanket Orders**) granting exemptions from the requirement to register as a dealer to U.S. broker-dealers and their representatives operating from the applicable local jurisdiction and an exemption from the requirement to register as an adviser to U.S. advisers and their representatives operating from the applicable local jurisdiction, if they comply with the conditions in the Blanket Orders.

Orders of general application are not authorized under Ontario securities law. In order to harmonize with the action taken by the CSA, the Commission is making an expedited rule that will grant an exemption from the dealer and adviser registration requirements, as applicable, under the Act, on substantially the same conditions as the Blanket Orders.

In CSA Staff Notice 32-301 *Omnibus/Blanket Orders Exempting Certain U.S. Broker-Dealers and U.S. Advisers from the Requirement to Register in Respect of Trades and Advice for U.S. Resident Clients* (the **CSA Notice**), also published on March 26, 2015, Commission staff stated that they would consider recommending that the Commission grant exemptive relief to a U.S. broker-dealer or a U.S. adviser on substantially the same terms as the Blanket Orders, if an application for relief was filed. Instead, the Commission is codifying the prior line of exemptive relief orders (referenced above) by making this Rule. An expedited rule is also the most efficient way to harmonize with the CSA while imposing minimal costs and regulatory burden on firms affected by this Rule, and it allows the Commission to have regulatory oversight over the firms that rely on the exemptions in the Rule as these firms will be subject to the provisions in the Act applicable to a "market participant", including those set out in Part VII (record-keeping and compliance reviews). In addition, the form submitted to the Commission under the Rule will identify the firms, and individuals acting on their behalf, who are operating out of Ontario, and whether these firms are affiliated with any Canadian registrants.

The CSA expects firms relying on certain exemptions from the dealer or adviser registration requirements to comply with any applicable Canadian federal laws relating to terrorist financing and United Nations sanctions. For more information see CSA Staff Notice 31-317 (Revised) *Reporting Obligations Related to Terrorist Financing*.

Summary of the Rule

If approved, the Rule will provide exemptions from the relevant dealer and adviser registration requirements under the Act, subject to certain conditions. There may be additional exemptions in securities legislation. If the U.S. adviser or U.S. broker-dealer is exempt from registration, the individuals acting on its behalf are also exempt from registration.

Registration as an adviser or a dealer, or an exemption from such registration, is required for a firm and its representatives who act as an adviser or a dealer, as applicable, in Ontario even if the firm's clients are not resident in Ontario. The exemptions in this Rule will only be effective as of the date that they are relied on. Reliance on the exemptions in this Rule will not cure any prior non-compliance with Ontario securities law.

To undertake the activities contemplated in the Rule, a firm and its representatives must be either appropriately registered under U.S. securities law or have available to them an exemption from the applicable registration requirement. We understand that the U.S. broker-dealers are members of the Financial Industry Regulatory Authority (**FINRA**) and the U.S. advisers are subject to registration with the United States Securities and Exchange Commission (**SEC**) or are operating under an exemption from registration with the SEC. The Commission has a supervisory memorandum of understanding (**MOU**) in place with FINRA and the SEC for mutual cooperation and information sharing, including oversight of the relevant U.S. broker-dealer or U.S. adviser.

If a U.S. adviser or U.S. broker-dealer with offices or employees in Ontario is not able to comply with the conditions of the relevant exemption from adviser or dealer registration in the Rule, it must register as an adviser or dealer in Ontario, rely on another applicable exemption, apply for exemptive relief, or cease operations in Ontario.

Authority for the proposed amendments

The rule making authority for the Rule is in paragraph 8 of subsection 143(1) of the Act. Paragraph 143.2(5)(b) of the Act, as discussed above, permits the Commission to make the Rule without publishing the Rule for comment.

Where to find more information

The Rule and the Companion Policy are available at: www.osc.gov.on.ca

Questions

Please refer your questions to the following Commission staff:

Leigh-Ann Ronen
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Compliance and Registrant Regulation
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ONTARIO SECURITIES COMMISSION RULE 32-505
CONDITIONAL EXEMPTION FROM REGISTRATION FOR UNITED STATES BROKER-DEALERS AND ADVISERS SERVICING U.S. CLIENTS FROM ONTARIO

PART 1 DEFINITIONS

1. Definitions

In this Rule,

"Ontario resident" means, for a U.S. adviser or U.S. broker-dealer, a person or company that is resident in Ontario;

"representative" means, for a U.S. adviser or U.S. broker-dealer, an individual that acts on behalf of the U.S. adviser or U.S. broker-dealer;

"U.S. adviser" means a person or company that is

(a) registered as an adviser under U.S. federal securities law, or

(b) exempt from registration as an adviser under U.S. federal securities law;

"U.S. broker-dealer" means a person or company registered as a "broker-dealer" under U.S. federal securities law; and

"U.S. client" means, for a U.S. adviser or U.S. broker-dealer, a client that is resident in the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia.

PART 2 REGISTRATION EXEMPTIONS

2. Dealer registration exemption

(1) The dealer registration requirement does not apply to a U.S. broker-dealer in respect of a trade in securities made by the U.S. broker-dealer to, with, or on behalf of, a U.S. client, if at the time of the trade, all of the following apply:

(a) under U.S. federal securities law, the U.S. broker-dealer is permitted to trade to, with, or on behalf of, the U.S. client;

(b) any representative of the U.S. broker-dealer that trades to, with, or on behalf of, the U.S. client is registered under U.S. federal securities law;

(c) in connection with the trade, the U.S. broker-dealer and any representative of the U.S. broker-dealer do not trade securities to, with, or on behalf of, an Ontario resident, or act as an adviser to an Ontario resident, unless the U.S. broker-dealer and the representative

(i) are registered under the Act in the appropriate category of registration, or

(ii) rely on an exemption from the applicable dealer registration requirement or adviser registration requirement;

(d) the U.S. broker-dealer has submitted a completed Form 32-505F1 *Information Report for United States Broker-Dealers and Advisers Servicing U.S. Clients from Ontario* to the Commission.

(2) The exemption from registration in this Rule is not an applicable exemption for purposes of subparagraph (1)(c)(ii).

(3) A U.S. broker-dealer must notify the Commission of any change in the information previously submitted under paragraph (1)(d) or this subsection within 10 days of the change.

3. Adviser registration exemption

(1) The adviser registration requirement does not apply to a U.S. adviser in respect of it acting as an adviser in respect of securities to a U.S. client, if at, or prior to, the time of providing the advice, both of the following apply:

(a) under U.S. federal securities law, the U.S. adviser is permitted to act as an adviser to the U.S. client;

(b) the U.S. adviser has submitted a completed Form 32-505F1 *Information Report for United States Broker-Dealers and Advisers Servicing U.S. Clients from Ontario* to the Commission.

(2) A U.S. adviser must notify the Commission of any change in the information previously submitted under paragraph (1)(b) or this subsection within 10 days of the change.

FORM 32-505F1
INFORMATION REPORT FOR UNITED STATES BROKER-DEALERS AND ADVISERS SERVICING U.S. CLIENTS FROM ONTARIO

Complete the applicable sections.

Indicate if you intend to rely on any of the following:

☐ the dealer registration exemption in Part 2 of the Rule.

☐ the adviser registration exemption in Part 3 of the Rule.

Indicate the jurisdiction(s) in which:

(i) the U.S. broker-dealer has representatives that trade to, with, or on behalf of, U.S. clients, or

(ii) the U.S. adviser has representatives who are acting as advisers to U.S. clients.

AB	BC	MB	NB	NL	NS	NT	NU	ON	PE	QC	SK	YT
☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

_____
[Name of U.S. broker-dealer or U.S. adviser]

_____
[Address]

_____
[Telephone number]

_____
[NRD number, if applicable]

_____
[Name of registered firm in a jurisdiction of Canada with which the U.S. broker-dealer or U.S. adviser is affiliated, has a business arrangement, or shares employees or offices]

_____
[NRD number of above noted registered firm]

_____
[Name of individual responsible for ensuring conditions to use this exemption are met]

_____
[Telephone number for responsible individual]

_____
[E-mail address for responsible individual]

_____
[Names of representatives who are acting in Ontario as advisers to U.S. clients, or that, in Ontario, trade to, with, or on behalf of, U.S. clients. Use separate sheet if necessary]

_____
[Date]

ONTARIO SECURITIES COMMISSION
COMPANION POLICY 32-505CP
CONDITIONAL EXEMPTION FROM REGISTRATION FOR UNITED STATES BROKER-DEALERS AND ADVISERS SERVICING U.S. CLIENTS FROM ONTARIO

This Companion Policy sets out how we interpret or apply OSC Rule 32-505 *Conditional Exemption from Registration for United States Broker-Dealers and Advisers Servicing U.S. Clients from Ontario* (the **Rule**).

Unless defined in the Rule, terms used in the Rule and in this Companion Policy have the meaning given to them in OSC Rule 14-501 *Definitions* which includes certain terms that are defined in the *Securities Act* (Ontario) (the **Act**), the Regulation and National Instrument 14-101 *Definitions*.

Registration as an adviser or a dealer, or an exemption from such registration, is required for a firm and its representatives who act as an adviser or a dealer, as applicable, in Ontario even if the firm's clients are not resident in Ontario. The Rule provides exemptions from the relevant dealer and adviser registration requirements under the Act, subject to certain conditions. There may be additional exemptions in securities legislation. If the U.S. adviser or U.S. broker-dealer is exempt from registration, the individuals acting on its behalf are also exempt from registration.

The exemptions under the Rule are not available where trading or advising involves Ontario residents, whether directly or indirectly. In considering the availability of the exemptions under this Rule, we will look to the substance of trades or advice in reliance on this Rule. For example, a U.S. broker-dealer relying on the exemption in this Rule from the dealer registration requirement must not trade, directly *or indirectly* to, with, or on behalf of, an Ontario resident unless the U.S. broker-dealer is appropriately registered in Ontario to trade with the Ontario resident or has an available exemption, such as the exemption from the dealer registration requirement for trades with a permitted client in section 8.18 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

Where a trade is in respect of a security that is listed, quoted or traded on a Canadian marketplace, access requirements of Canadian marketplaces trading these exchange-traded securities require that the execution of the trade in this security on the Canadian marketplace must be made by the U.S. broker-dealer through an investment dealer that is registered in a jurisdiction of Canada and a member of the Investment Industry Regulatory Organization of Canada.

By relying on the exemption from the dealer or adviser registration requirement in the Rule, the U.S. broker-dealer or U.S. adviser, as applicable, will become a "market participant" as defined under subsection 1(1) of the Act. Market participants are subject to the provisions in the Act applicable to a "market participant", including those set out in Part VII (Record-Keeping and Compliance Reviews). Among other requirements, as a "market participant", the U.S. broker-dealer or U.S. adviser, as applicable, is required to comply with the record keeping and provision of information requirements in section 19 of the Act, which includes a requirement that the firm keep such books, records and other documents as are necessary for the proper recording of its business transactions and financial affairs and to deliver such records to the Commission if required. In addition, as a "market participant" the U.S. broker-dealer or U.S. adviser, as applicable, may be subject to a compliance review under section 20 of the Act.

1.4 Notices from the Office of the Secretary

1.4.1 Future Solar Developments Inc. et al.

FOR IMMEDIATE RELEASE
April 16, 2015

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
FUTURE SOLAR DEVELOPMENTS INC.,
CENITH ENERGY CORPORATION, CENITH AIR INC.,
ANGEL IMMIGRATION INC.
and XUNDONG QIN also known as SAM QIN

TORONTO – The Commission issued an Order in the above named matter which provides that this matter be adjourned to a confidential pre-hearing conference on June 8, 2015 at 3:00 p.m.

The pre-hearing conference will be held *in camera*.

A copy of the Order dated April 15, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

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media_inquiries@osc.gov.on.ca

For investor inquiries:

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1-877-785-1555 (Toll Free)

1.4.2 Blue Gold Holdings Ltd. et al.

FOR IMMEDIATE RELEASE
April 17, 2015

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
BLUE GOLD HOLDINGS LTD., DEREK BLACKBURN,
RAJ KURICHH AND NIGEL GREENING

TORONTO – The Commission issued an Order in the above named matter which provides that:

1. All Respondents were properly served with the Notice of Hearing, the Amended Notice of Hearing, and the Statement of Allegations;

2. The Respondents Blackburn and Blue Gold need not be served with any further documentation or notice of proceedings in this matter;

3. Staff will make disclosure to the participating Respondents by May 8, 2015, of all documents and things in Staff's possession or control that are relevant to the hearing;

4. The participating Respondents will make disclosure by June 30, 2015, of all documents and things in their possession or control that they intend to produce or enter as evidence at the hearing;

5. Staff will make disclosure to the participating Respondents of their witness lists and summaries, and indicate any intent to call an expert no later than five days before July 27, 2015;

6. This matter be adjourned to a confidential pre-hearing conference on July 27, 2015 at 10:00 a.m.; and

7. Any motions regarding disclosure or other issues, if necessary, are to be scheduled at the confidential pre-hearing conference on July 27, 2015.

A copy of the Order dated April 10, 2015 is available at www.osc.gov.on.ca.

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1.4.3 Pro-Financial Asset Management Inc. et al.

FOR IMMEDIATE RELEASE
April 21, 2015

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
PRO-FINANCIAL ASSET MANAGEMENT INC.,
STUART McKINNON and JOHN FARRELL

TORONTO – The Commission issued an Order in the above named matter which provides that:

1. The confidential pre-hearing conference will continue on June 15, 2015 at 10:00 a.m.; and

2. Any motion(s) in respect of the matter, including a motion by McKinnon in respect of his registration, if applicable, will be heard on June 30, 2015 at 10:00 a.m. without limiting the rights of the parties to bring subsequent motions, as and when appropriate.

The pre-hearing conference will be held *in camera*.

A copy of the Order dated April 9, 2015 is available at www.osc.gov.on.ca.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Investors Group Securities Inc. and Investors Group Financial Services Inc.

Headnote

Under paragraph 4.1(1)(b) of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, a registered firm must not permit an individual to act as a dealing, advising or associate advising representative of the registered firm if the individual is registered as a dealing, advising or associate advising representative of another firm. The Filers are affiliated entities and have valid business reasons for the specified individuals to be registered with both firms. The dually registered individuals will service clients at one firm only. The Filers have policies in place to handle potential conflicts of interest. The Filers are exempted from the prohibition for current and future dealing representatives, based on the representations set out in the decision.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 4.1, 15.1.
Multilateral Instrument 11-102 Passport System, s. 4.7.

April 8, 2015

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

AND

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

AND

IN THE MATTER OF
INVESTORS GROUP SECURITIES INC. ("IGSI") AND
INVESTORS GROUP FINANCIAL SERVICES INC. ("IGFS")
(collectively, the "Filers" and each, a "Filer")

DECISION

Background

The securities regulatory authority in each of the Jurisdictions ("Decision Maker") has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the "Legislation") for relief from the restriction contained in paragraph 4.1(1)(b) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103") to permit certain current and future IGFS registered dealing representatives to: (I) conduct activities limited to supervision and oversight for IGFS: and (ii) also be registered as dealing representatives of IGSI for purposes of providing IGSI services to clients (the "Requested Relief).

Under the process for Exemptive Applications in Multiple Jurisdictions (for a Dual Application):

(a) The Manitoba Securities Commission (the "MSC") is the principal regulator for this application;

(b) The Filers have 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
Quebec
Newfoundland and Labrador
Nova Scotia Securities
New Brunswick Securities
Prince Edward Island
Yukon Territory
Northwest Territories
Nunavut

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

Interpretation

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

Representations

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

1. IGSI is a corporation constituted under the laws of Canada with its head office and principal place of business located in Winnipeg, Manitoba. IGSI is a member of the Investment Industry Regulatory Organization of Canada ("IIROC") and is registered as an investment dealer in all the provinces and territories of Canada.

2. 1GFS is a corporation constituted under the laws of Canada with its head office and principal place of business located in Winnipeg, Manitoba. IGFS is a member of the Mutual Fund Dealers Association of Canada ("MFDA") and is registered as a mutual fund dealer in all provinces and territories of Canada.

3. IGSI and IGFS are affiliates in that they are both wholly owned by Investors Group Inc.

4. Neither IGSI nor IGFS is in default of any securities legislation in any province or territory of Canada.

5. The IGSI model, which has evolved over time, is presently comprised of three major elements:

   a) a network of Securities Specialists based in IGFS offices (in either shared or stand alone premises) across Canada, who provide portfolio reviews and recommendations for clients but who do not directly execute trades except on an exception basis (virtually all trades are executed by licenced traders in two trade centres). Securities Specialists are registered as Registered Representatives and are paid on a salary and bonus (i.e., non commission) basis;

   b) traders in two trade centres located in Winnipeg and Montreal, who execute trades called in by telephone by clients and who conduct suitability reviews on each trade. These individuals are registered as Investment Representatives and are paid on a salary basis; and

   c) Consultants ("IGSI Consultants"), who are independent contractors, based in various IGSI offices across Canada, who provide a full range of services to clients structured around a financial planning model. Although these IGSI Consultants execute trades in stocks, bonds and all mutual funds, the vast majority of the trading they do is in mutual funds managed by I.G. Investment Management, Ltd., which is an affiliate of both IGSI and IGFS. IGSI Consultants have a principal/agent relationship with IGSI, are registered as Registered Representatives and are compensated primarily by way of commissions.

6. The IGFS model has over one hundred Region Offices across Canada out of which approximately 5,000 IGFS Consultants operate. The IGFS Consultants are supervised by Division Directors ("IGFS Division Directors") or Regional Directors who are registered as dealing representatives and designated as branch managers. In addition to their supervisory role, the IGFS Division Directors also provide service to clients. All of the IGFS Division Directors in a Region Office are in turn supervised by Regional Directors who are also registered as dealing representatives and designated as branch managers.

7. Since the fall of 2007, IGSI has permitted individuals who were formerly senior IGFS Consultants to transfer to IGSI as Consultants and be registered as Registered Representatives. If these individuals acted as an IGFS Division Director, they gave up those supervisory responsibilities when they transitioned to IGSI.

8. The Requested Relief is intended to facilitate the transition of Division Directors from the IGFS to IGSI Consultant platforms to now allow IGFS Division Directors to become IGSI Consultants ("IGSI DD Consultants"), on the following basis:

   a) IGSI DD Consultants will be registered with IIROC through IGSI as Registered Representatives, but will also retain their dealing representative registration with IGFS (and their designation with the MFDA as branch managers) for the sole purpose of supervising the IGFS Consultants in their Division;

   b) all securities trading by these IGSI DD Consultants will take place through IGSI, with clients who have opened accounts with that dealer. These IGSI DD Consultants will not execute trades for any clients in respect of those clients' accounts with IGFS; and

   c) these IGSI DO Consultants will provide Tier 1 supervision of IGFS Consultants in their Division which will include approving the opening of new IGFS accounts and reviewing trades on the trade blotter relating to the accounts serviced by those IGFS Consultants.9. The proposed is consistent with Investors Group's existing business model, which is structured around a team approach, which sees a group of IGFS Consultants of varying tenure supervised and mentored by an IGFS Division Director. These IGFS Division Directors, in addition to their role in overseeing IGFS Consultants in their Division, also service IGFS clients assigned to them. The major change envisioned by the transition of these Division Directors to IGSI is that the clients they service would now only be ones that have IGSI accounts.

9. IGSI DID Consultants will have adequate time and resources to continue their supervision of the IGFS Consultants. The one significant change that will result is that instead of being supervised by an IGFS Regional Director for their securities trading activity for clients with IGSI accounts, they will be supervised as part of the IGSI compliance oversight model.

10. IGSI utilizes a head office supervision model and IGSI DD Consultants would be supervised in this manner for any IGSI business that they transact.

11. IGSI is proposing this initiative to expand the group of IGFS Consultants who are eligible to transition their registration to IGSI. IGFS Division Directors are among the most productive and successful of IGFS Consultants. However, these individuals also play an important role in mentoring newer IGFS Consultants and helping develop their practices, as well as providing supervision and guidance to all Consultants in their Division and ensuring that clients are well served. This initiative will allow IGFS Division Directors to transition to IGSI if an IIROC dealer platform is more suitable for their individual business, but allows IGFS to retain these individuals as a valuable supervisory resource.

12. Compensation will be paid to IGSI DD Consultants as follows:

   a) they will receive standard Consultant compensation on IGSI accounts they service as Registered Representatives, including initial commissions on trades, asset retention bonuses, asset service fees and asset retention premiums;

   b) in addition, they will also receive overwrites for the supervisory activities they carry out for the IGFS Consultants in their Division.

13. The fact that IGSI DD Consultants have a relationship with two dealers, IGSI and IGFS, will not cause confusion on the part of clients. All clients serviced by IGSI DD Consultants will have to have accounts with IGSI. If clients also have accounts with IGFS, the IGSI DD Consultant will not be able to provide service on those accounts. IGSI DD Consultants will have supervisory duties regarding IGFS Consultants in their Division as they will continue to be an initial contact point for supervisory issues raised by clients of those IGFS Consultants. Clients will be provided with disclosure as to the role played by IGSI DD Consultants, but given the clear delineation of the two aspects of their role – all sales activity taking place on the IGSI side and all supervisory activity taking place on the IGFS side – clients will not be confused as to which firm is their dealer and what capacity the IGSI DD Consultant is acting in at any particular time.

14. Potential conflicts of interest have been addressed by establishing the clear dividing line that is proposed regarding the activities IGSI DD Consultants may perform on the two platforms. IGSI DD Consultants may only service clients who have an account with IGSI. Former clients whom the IGSI DID Consultant services on behalf of IGFS and who remain with IGFS cannot be serviced by the IGSI DD Consultant and they will be reassigned for servicing by another

Consultant. As a result, the IGSI DD Consultant will not be put in a position of favoring one dealer over another in respect of the clients he or she services. Further, the dual role played by IGSI DD Consultants, as Registered Representatives with IGSI who provide IGSI services to clients and as dealing representatives with supervisory responsibility for IGFS Consultants in their Division, does not raise conflicts. These roles (as both providers of client services and as supervisors) are ones that IGFS Division Directors already play. The only difference is that the IGSI DD Consultants' individual business will be carried out in a separate, but affiliated, dealer.

15. In addition, although IGSI and IGFS are separate dealers, the core products and services they offer – financial planning accomplished largely through the use of Investors Group proprietary mutual funds – are the same and the two do not operate in competition with one another.

16. 1081 DD Consultants would be governed by the well established framework governing existing IGSI Consultants regarding the proficiency they must have, their locations, the trade execution process, the products they may sell, their relationship with Investors Group, the titles they may use and the rules governing advertising.

17. There would be a number of controls to ensure that the individual is only supervising at IGFS and is not acting in another registered capacity at IGFS including:

    a) Policies and procedures have clearly set out the limitations on the activities these individuals can carry-out;

    b) Internal controls that ensure IGSI Consultants do not have the ability to trade on IGFS accounts;

    c) Training that clearly communicates these restrictions to the individuals;

    d) Annual certifications by these individuals that they have acted within the bounds of these limitations;

    e) Periodic testing that the controls are working as part of the branch review programs conducted by the Compliance Department which oversees both IGFS and IGSI; and

    f) Periodic branch attendants programs which will include file reviews and interviews to ensure that controls are in effect.

18. IGFS Division Directors receive two types of income namely “new business income” (which is a rate on the new business credits received by Consultants in their Division) and “asset income” (which is a rate on the mutual fund and guaranteed investment fund assets serviced by Consultants in their Division). The rate depends upon the achievement level of the particular Consultant in their Division (which may be from Achievement level 1 to 4). Once a Consultant reaches Achievement Level 5 that Consultant leaves the Division Director's Division but the Division Director will continue to receive up to 50% of the rates for the Consultant's new Achievement Level on the new business credits and assets serviced by that Consultant for a period of 2 years.

20. IGSI DO Consultants may have direct client contact with IGFS clients only in relation to the Division Directors' mentoring and supervisory roles regarding Consultants and their Division and would be comprised of acting at the point of contact for complaints (which are, in turn, referred to and handled by the Compliance Department), attending with Consultants in their Division on training calls and other contact that may be required from time-to-time as part of the supervisory role they play.

21. The number of hours dedicated to the supervisory function by IGSI DD Consultants will vary somewhat based on the number of Consultants in their Division Directors' Division at IGFS (which on average is 14 and generally may be between 10 to 15 Consultants), but the Filers' expectation is that it should generally be in the range of approximately 10 hours per week. Also In addition, the IGSI OD Consultant will not receive any compensation in respect of trading activity other than indirect supervisor compensation (so the individual is not incented to exceed the limits of their registration).

Decision

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

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

“Chris Besko”
Director
Manitoba Securities Commission

2.1.2 Purpose Investments Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from subsection 2.1(1) and paragraphs 2.2(1)(a), 2.5(2)(a) and 2.5(2)(e) of National Instrument 81-102 – Investment Funds to allow investment funds to invest in ETFs under common management or managed by an affiliate, and to allow the top funds to pay brokerage commissions for the purchase and sale of the securities of the underlying ETFs – Underlying ETFs are subject to NI 81-102, are not commodity pools under NI 81-104, and do not rely on any exemptive relief from the restrictions regarding the purchase of physical commodities, the use of derivatives and the use of leverage – Relief subject to terms and conditions based on investment restrictions of NI 81-102 such that top funds cannot do indirectly via investment in underlying ETFs what they cannot do directly under NI 81-102.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.1(1), 2.2(1)(a), 2.5(2)(a), 2.5(2)(e).

April 8, 2015

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
PURPOSE INVESTMENTS INC.
(the Filer)

AND

IN THE MATTER OF
THE TOP 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 (the **Legislation**) granting an exemption to the existing investment funds listed at Schedule "A" (the **Existing Top Funds**) and such investment funds that may be managed by the Filer or its affiliates in the future (the **Future Top Funds**, and together with the Existing Top Funds, the **Top Funds** and individually, a **Top Fund**) that are subject to National Instrument 81-102 – *Investment Funds* (**NI 81-102**) from the following prohibitions in NI 81-102 (the **Requested Relief**):

(a) subsection 2.1(1) of NI 81-102 (the **Concentration Restriction**), to permit each Top Fund that is a mutual fund to purchase a security of an Underlying ETF (as defined below) or enter into a specified derivatives transaction with respect to an Underlying ETF even though, immediately after the transaction, more than 10% of the net asset value of the Top Fund would be invested, directly or indirectly, in the securities of the Underlying ETF;

(b) paragraph 2.2(1)(a) of NI 81-102 to permit each Top Fund to purchase securities of an Underlying ETF such that, after the purchase, the Top Fund would hold securities representing more than 10% of:

(i) the votes attaching to the outstanding voting securities of the Underlying ETF; or

(ii) the outstanding equity securities of the Underlying ETF;

(c) paragraph 2.5(2)(a) of NI 81-102, to permit each Top Fund that is a mutual fund to invest in securities of an Underlying ETF; and

(d) paragraph 2.5(2)(e) of NI 81-102, to permit each Top Fund to pay brokerage commissions in relation to its purchase and sale on a recognized exchange (as defined in the *Securities Act* (Ontario)) in Canada of securities of an Underlying ETF.

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 paragraph 4.7(1)(c) of Multilateral Instrument 11-102 – *Passport System* (MI 11-102) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut.

Interpretation

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

Representations

The Filer

1. The Filer is a corporation incorporated under the laws of the Province of Ontario. The Filer is registered as an investment fund manager, portfolio manager and an exempt market dealer under the *Securities Act* (Ontario). The head office of the Filer is located at 130 Adelaide Street West, Suite 1700, Toronto, Ontario, M5H 3P5.

2. The Filer, or an affiliate of the Filer, acts or will act as the investment fund manager of the Top Funds.

3. None of the Filer, the existing Top Funds or the Existing Underlying ETFs (as defined below), is in default of any of its obligations under the securities legislation of any of the provinces and territories of Canada.

The Top Funds

4. The Top Funds are, or will be, non-redeemable investment funds, open-ended mutual funds or exchange traded open-ended mutual funds organized and governed by the laws of a jurisdiction of Canada.

5. Each Top Fund has distributed, distributes, or will distribute, its securities pursuant to a simplified prospectus prepared pursuant to National Instrument 81-101 – *Mutual Fund Prospectus Disclosure* (**NI 81-101**) and Form NI 81-101F1 – *Contents of Simplified Prospectus* or a long form prospectus prepared pursuant to National Instrument 41-101 – *General Prospectus Requirements* (**NI 41-101**) and Form 41-101F2 – *Information Required in an Investment Fund Prospectus* (**Form 41-101F2**) and are, or will be, governed by the applicable provisions of NI 81-102, subject to any exemptions therefrom that have been, or may in the future be, granted by the securities regulatory authorities.

6. The Top Funds are, or will be, reporting issuers in the provinces and territories of Canada in which their securities are distributed.

7. Each Top Fund wishes to have the ability to invest up to 100% of its net asset value in any one or more of the exchange traded mutual funds (the **Existing Underlying ETFs**) listed in Schedule "B" and such other similar exchange traded mutual funds as may be established and managed by the Filer or an affiliate of the Filer in the future (the **Future Underlying ETFs** and, together with the Existing Underlying ETFs, the **Underlying ETFs** or individually, an **Underlying ETF**).

8. Each investment by a Top Fund in securities of an Underlying ETF will be made in accordance with the investment objectives of the Top Fund and will represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Top Fund.

The Underlying ETFs

9. The Filer, or an affiliate of the Filer, acts, or will act, as the investment fund manager of the Underlying ETFs.

10. Each Underlying ETF is, or will be:

    (a) an open-ended exchange traded mutual fund, subject to NI 81-102 and NI 81-101 or NI 41-101, as the case may be, subject to any exemptions therefrom that have been, or may in the future be, granted by the securities regulatory authorities;

    (b) a reporting issuer in the provinces and territories of Canada in which its securities are distributed; and

    (c) listed on the Toronto Stock Exchange (the **TSX**) or another "recognized exchange" in Canada as that term is defined in securities legislation.

11. Each Underlying ETF distributes, or will distribute, its securities pursuant to:

    (a) a long form prospectus prepared pursuant to NI 41-101 and Form 41-101F2; or

    (b) a simplified prospectus prepared pursuant to NI 81-101 and Form 81-101F1, pursuant to an order issued by the Canadian securities regulatory authorities exempting the Underlying ETFs from the requirement to prepare and file a long form prospectus in accordance with Form 41-101F2 (the **Order**).

12. No Underlying ETF holds, or will hold more than 10% of its net asset value in securities of other investment funds unless the securities of the other investment funds are securities of a money market fund, as defined in NI 81-102, or index participation units (**IPUs**), as defined in NI 81-102, issued by an investment fund.

13. The securities of the Underlying ETFs do not, or will not, constitute IPUs.

14. Each Underlying ETF does not, or will not, pay management or incentive fees which to a reasonable person would duplicate a fee payable by the Top Fund for the same service.

15. If the investment fund manager of a Top Fund (the **Top Fund Manager**) determines that the management fees and incentive fees payable by an Underlying ETF to its investment fund manager (the **Underlying ETF Manager**) would duplicate a fee payable by the Top Fund for the same service, the Underlying ETF Manager will pay a management fee rebate to the Top Fund that will not exceed the management fee payable by the Top Fund to the Top Fund Manager in respect of the Top Fund's investment in the Underlying ETF.

16. No Top Fund that holds securities of an Underlying ETF will vote any of those securities.

17. Holders of securities of an Underlying ETF may:

    (a) sell such securities on the TSX or other recognized exchange in Canada on which the securities are listed for trading;

    (b) redeem such securities in any number for cash at a redemption price equal to 95% of the market price of the security on the applicable exchange on the effective day of redemption; or

    (c) exchange a prescribed number of securities (a **PNU**) (or an integral multiple thereof) of the Underlying ETF for cash and/or securities at an exchange price equal to the net asset value of the securities of the Underlying ETF tendered for exchange on the effective day of the exchange request.

18. No Underlying ETF is, or will be, a commodity pool governed by National Instrument 81-104 – *Commodity Pools* (**NI 81-104**).

19. No Underlying ETF has, or will have, a net market exposure greater than 100% of its net asset value.

20. Each Underlying ETF primarily achieves, or primarily will achieve, its investment objectives through direct holdings of cash and securities and, in some circumstances, through investments in specified derivatives for hedging and non-hedging purposes, in each case in accordance with its investment objectives and strategies and in compliance with NI 81-102.

21. All brokerage costs related to trades in securities of the Underlying ETFs will be borne by the Top Funds in the same manner as any other portfolio transactions made on an exchange.

22. Each Top Fund is, or will be, subject to National Instrument 81-107 – *Independent Review Committee for Investment Funds* (**NI 81-107**) generally and in respect of conflicts of interest matters arising from trades in securities of an Underlying ETF. If a Top Fund makes a trade in securities of an Underlying ETF with or through an affiliate or associate of the Filer acting as dealer, the Filer will comply with its obligations under NI 81-107 in respect of any proposed related party transactions and all such related party transactions will be disclosed to securityholders of such Top Fund in the applicable management report of fund performance for such Top Fund.

23. The securities of each Underlying ETF are, or will be, highly liquid, as designated brokers act as intermediaries between investors and each Underlying ETF, standing in the market with bid and ask prices for such securities to maintain a liquid market for them.

Reasons for the Requested Relief

24. An investment in an Underlying ETF by a Top Fund is an efficient and cost effective alternative to administering one or more investment strategies directly.

25. Absent the Requested Relief, a Top Fund that is a mutual fund would be prohibited by subsection 2.1(1) of NI 81-102 from investing more than 10% of its net asset value in the securities of an Underlying ETF. The Requested Relief would only grant each Top Fund relief from the Concentration Restriction in respect of the Top Fund's direct or indirect holdings of the securities issued by an Underlying ETF. The Requested Relief would not relieve a Top Fund from the application of the Concentration Restriction in respect of the Top Fund's indirect holdings held by an Underlying ETF and each Top Fund will comply with the Concentration Restriction in respect of such Top Fund's indirect holdings in securities held by an Underlying ETF and will apply subsections 2.1(3) and 2.1(4) of NI 81-102 in connection therewith.

26. Due to the potential size disparity between the Top Funds and the Underlying ETFs, it is possible that a relatively small investment, on a percentage of net asset value basis, by a relatively larger Top Fund in an Underlying ETF could result in such Top Fund holding securities representing more than 10% of: (i) the votes attaching to the outstanding voting securities of such Underlying ETF; or (ii) the outstanding equity securities of that Underlying ETF, contrary to the restrictions in paragraph 2.2(1)(a) of NI 81-102.

27. Absent the Requested Relief, an investment by a Top Fund in securities of an Underlying ETF would not qualify for the exemptions in:

    (a) paragraph 2.1(2)(d) of NI 81-102 from paragraph 2.1(1) of NI 81-102;

    (b) paragraph 2.2(1.1)(b) of NI 81-102 from paragraph 2.2(1)(a) of NI-81-102; and

    (c) subsection 2.5(3) of NI 81-102 from paragraph 2.5(2)(a) of NI 81-102;

    because the securities of the Underlying ETF would not be index participation units.

28. Absent the Requested Relief, an investment by a Top Fund in an Underlying ETF would be prohibited by paragraph 2.5(2)(a) of NI 81-102 because the Underlying ETF does not and will not have offered securities under a simplified prospectus in accordance with NI 81-101 as contemplated by paragraph 2.5(2)(a) of NI 81-102 or has only done so by virtue of the Order. The only material difference between an Underlying ETF and a mutual fund governed by NI 81-102 is the method of acquisition and disposition of its units. If the Requested Relief is granted, the Top Funds will be permitted to purchase securities of a mutual fund that are listed on the TSX (or another recognized exchange in Canada) in the same manner that they are permitted to invest in a mutual fund that is not listed on a recognized exchange (i.e., a mutual fund governed by NI 81-101).

29. An investment by a Top Fund in an Underlying ETF would not qualify for the exemption in paragraph 2.5(3) of NI 81-102 from paragraph 2.5(2) of NI 81-102 because the Underlying ETF does not issue IPUs.

30. It is anticipated that many of the trades conducted by the Top Funds would not be of the size necessary for a Top Fund to be eligible to purchase or redeem a PNU directly from the Underlying ETF. As a result, it is anticipated that the majority of trading in respect of securities of the Underlying ETFs will be conducted in the secondary market using the facilities of the TSX or other recognized exchange in Canada.

31. An investment by a Top Fund in an Underlying ETF would not qualify for the exemption in subsection 2.5(5) of NI 81-102 from paragraph 2.5(2)(e) of NI 81-102 because the Underlying ETF does not issue IPUs. As such, absent the

Requested Relief, when a Top Fund trades securities of an Underlying ETF on the TSX or other recognized exchange in Canada, paragraph 2.5(2)(e) would not permit the Top Fund to pay any brokerage fees incurred in connection with the trade.

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 Requested Relief is granted, provided that:

(a) the investment by a Top Fund in securities of an Underlying ETF is in accordance with the investment objectives of the Top Fund;

(b) a Top Fund does not sell securities of an Underlying ETF short;

(c) the Underlying ETF is not a commodity pool governed by NI 81-104 and will not use leverage;

(d) the Underlying ETF does not rely on exemptive relief from:

(i) the requirements of section 2.3 of NI 81-102 regarding the purchase of physical commodities;

(ii) the requirements of sections 2.7 and 2.8 of NI 81-102 regarding the purchase, sale or use of specified derivatives; or

(iii) subsections 2.6(a) and 2.6(b) of NI 81-102 with respect to the use of leverage;

(e) in connection with the Requested Relief from subsection 2.1(1) of NI 81-102 under this decision allowing a Top Fund to invest more than 10% of its net asset value in the securities of an Underlying ETF, the Top Fund shall, for each investment it makes in the securities of an Underlying ETF, apply subsections 2.1(3) and 2.1(4) of NI 81-102 as if those provisions applied to a Top Fund's investments in securities of an Underlying ETF, and accordingly limit a Top Fund's indirect holdings in securities of an issuer held by one or more Underlying ETFs to no more than 10% of the Top Fund's net asset value;

(f) the investment by a Top Fund in securities of an Underlying ETF is made in compliance with section 2.5 of NI 81-102, with the exception of paragraph 2.5(2)(a) and, in respect only of brokerage fees incurred for the purchase and sale of Underlying ETFs by the Top Funds, paragraph 2.5(2)(e); and

(g) the prospectus of each Top Fund that is in continuous distribution discloses, and the annual information form for each Top Fund that is not in continuous distribution discloses, or in either case will disclose the next time it is renewed after the date of this decision, the fact that the Top Funds have obtained the Requested Relief to permit the relevant transactions on the terms described in this decision.

"Darren McKall"
Manager, Investment Funds and Structured Products
Ontario Securities Commission

SCHEDULE "A"

EXISTING TOP FUNDS

Purpose Short Duration Emerging Markets Bond Fund
Purpose Short Duration Global Bond Fund
Purpose International Tactical Hedged Equity Fund
Purpose International Dividend Fund
Purpose US Dividend Fund
Purpose Core Dividend Fund
Purpose Tactical Hedged Equity Fund
Purpose Monthly Income Fund
Purpose Total Return Bond Fund
Purpose Best Ideas Fund
Purpose Duration Hedged Real Estate Fund
Purpose Premium Money Market Fund
Purpose Tactical Investment Grade Bond Fund
Purpose Diversified Real Asset Fund
Purpose Enhanced US Equity Fund
Purpose Multi-Strategy Market Neutral Fund

SCHEDULE "B"

EXISTING UNDERLYING ETFS

Purpose Short Duration Emerging Markets Bond Fund
Purpose Short Duration Global Bond Fund
Purpose International Tactical Hedged Equity Fund
Purpose International Dividend Fund
Purpose US Dividend Fund
Purpose Core Dividend Fund
Purpose Tactical Hedged Equity Fund
Purpose Monthly Income Fund
Purpose Total Return Bond Fund
Purpose Best Ideas Fund
Purpose Duration Hedged Real Estate Fund
Purpose Premium Money Market Fund
Purpose Tactical Investment Grade Bond Fund

2.1.3 Caisse de dépôt et placement du Québec

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Filer is fund manager primarily for public and parapublic pension and insurance plans – Filer does not technically meet the definition of an "eligible institutional investor" for purposes of Regulation 62-103 – Filer provides investment management services to certain public and parapublic pension and insurance plans as mandated by statute, which services are comparable to the services provided by an "investment manager" for purposes of Regulation 62-103 – Relief from early warning, moratorium and insider reporting requirements granted provided that Filer complies with reporting, filing and any other applicable requirements as if it was an "eligible institutional investor" under Regulation 62-103.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 102.1(1) to (3), 107(2).
Securities Act (Québec), ss. 89.3, 96, 97, 263.
Regulation 55-104 respecting Insider Reporting Requirements and Exemptions.
Regulation 62-103 respecting the Early Warning System and Related Take-Over Bid and Insider Reporting Issues.

[TRANSLATION]

March 31, 2015

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

AND

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

AND

IN THE MATTER OF
THE CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC
(the "Caisse" or the "Filer")

DECISION

Background

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

a) the Filer is exempt from the early warning requirements;

b) the Filer is exempt from the moratorium provisions; and

c) the Filer is exempt from the insider reporting requirements,

provided that, in each case, the Filer meets and complies with the applicable reporting and filing requirements and other conditions enumerated in *Regulation 62-103 respecting the Early Warning System and Related Take-Over Bid and Insider Reporting Issues* ("**Regulation 62-103**") as if the Filer was an eligible institutional investor (the "**Exemption Sought**").

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* ("**Regulation 11-102**") is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba,

New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Nunavut, Northwest Territories and Yukon; 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*, Regulation 62-103 and Regulation 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Caisse was established in 1965 under the *Act respecting the Caisse de dépôt et placement du Québec* (the "**Act respecting the Caisse**"). The activities of the Caisse are managed in accordance with the requirements of the Act respecting the Caisse.

2. The head office of the Caisse is located in Québec and its main place of business is located in Montréal, Québec.

3. The Caisse is not in default of the securities legislation of any jurisdiction of Canada.

4. The mission of the Caisse is to receive moneys on deposit as provided by the Act respecting the Caisse and to manage them with a view to achieving optimal return on capital within the framework of their depositors' investment policies while contributing to Québec's economic development.

5. The Act respecting the Caisse sets out that the Caisse shall receive on deposit all moneys whereof such deposit is provided for by law. In addition, the Caisse may receive on deposit moneys from public bodies, categories of public bodies and pension funds of public bodies (the "**Caisse Depositors**"). Members of the public cannot become Caisse Depositors. Appendix A presents the Caisse Depositors as at December 31, 2014.

6. As at December 31, 2014, the net assets of the Caisse Depositors totaled over $226 billion.

7. The Caisse invests amounts from the Caisse Depositors in financial markets in Québec, Canada and elsewhere in the world to enable them to grow.

8. The Act respecting the Caisse authorizes the Caisse to, for the purposes of the acquisition, holding or disposal of investments under the Act respecting the Caisse, engage in any activity or operation that allows the value of the investments to be protected or enhanced, or that is aimed at deriving the best possible financial return.

9. The Act respecting the Caisse sets out the types of securities, property and other assets that the Caisse may acquire, hold, sell, invest in or conclude, and establishes a framework for their use.

10. The Act respecting the Caisse provides that the acquisition by the Caisse of shares and debt instruments of legal persons is subject to restrictions, including:

    a) a maximum percentage of common shares or a class of common shares of the same legal person that the Caisse is permitted to hold, except as otherwise permitted by the Act respecting the Caisse;

    b) a maximum percentage of assets that the Caisse is permitted to use to invest in indexed fund units and in common shares; and

    c) a maximum percentage of assets that the Caisse is permitted to use to acquire securities including debt instruments issued by the same legal person, except as otherwise permitted by the Act respecting the Caisse.

11. The Act respecting the Caisse requires that the Caisse advise the Caisse Depositors on investments

12. The Caisse may enter into a service agreement with each of the Caisse Depositors setting out the services offered, the functions and responsibilities assumed by the Caisse, the information and communication methods to be used, and the reporting methods applied.

13. As required by the Act respecting the Caisse, the affairs of the Caisse are administered by a board of directors (the "**Board**") consisting of no fewer than 9 and no more than 15 members, including a chair and the president and chief executive officer of the Caisse who is a member of the Board by virtue of his or her office. Board members other than the chair and president and chief executive officer are appointed by the Government of Québec for a term of up to five years, after consultation with the Board.

14. At least two thirds of the Board, including the chair, are independent, and accordingly have no relationships or interests likely to affect the quality of their decisions with regard to the interests of the Caisse.

15. The Board establishes the directions and framework policies pertaining to risk management, approves investment policies, standards and procedures and adopts a responsible investment policy.

16. In accordance with the Act respecting the Caisse, the Caisse submits a report on its operations for the previous year to the Québec Minister of Finance before April 15 each year. Such report is then forthwith laid before the Québec National Assembly.

17. The annual report of the Caisse contains: a) a summary of operations and a statement of policies pursued; b) audited financial statements drawn up in accordance with generally accepted accounting principles; c) a detailed statistical statement respecting each class of securities, showing average yield for each class; d) an annual statement of each immovable acquired or held by the Caisse; and e) Board committee reports.

18. In accordance with the Act respecting the Caisse, the books and accounts of the Caisse are audited jointly every year by the Auditor General of Québec and an external auditor appointed by the Government of Québec. The joint report accompanies the annual report of the Caisse. Any investment or financial transaction that is not in compliance with the Act respecting the Caisse would be mentioned in the report.

19. The Caisse provides the Québec Minister of Finance with any and all information that the Minister requires on its operations and activities and those of its wholly-owned subsidiaries.

20. The investment management activities carried out by the Caisse related to assets transferred to it by the Caisse Depositors are comparable to the services provided by an investment manager.

21. The Caisse does not qualify as an eligible institutional investor for the purpose of Regulation 62-103, because it does not technically satisfy the definition of "investment manager" for the purposes of Regulation 62- 103 as it is not registered as an adviser nor does it act as an adviser in reliance upon exemptions from adviser registration requirement under the Legislation. As a result, unless the Exemption Sought is granted, the Caisse cannot rely upon the exemptions from the early warning requirements, the moratorium provisions and the insider reporting requirements that may be available to eligible institutional investors under Regulation 62-103.

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 the Filer complies with and meets the applicable reporting and filing requirements and other conditions enumerated in Regulation 62-103 as if the Filer was an eligible institutional investor.

"Gilles Leclerc"
Superintendent, Securities Markets
Autorité des marchés financiers

APPENDIX A

List of the Caisse's Depositors:

- Régie des rentes du Québec
- Régime supplémentaire de rentes pour les employés de l'industrie de la construction du Québec
- Régime de retraite des employés du gouvernement et des organismes publics
  Régime de retraite des élus municipaux
- Régimes particuliers – Régime de retraite des employés du gouvernement fédéral intégrés au gouvernement du Québec
- Régimes particuliers – Régime de retraite des anciens employés de la Cité de Westmount
- Régimes particuliers – Régime de retraite des anciens employés de la Ville de Saint-Laurent
- Régime de retraite des élus municipaux
- Régime complémentaire de rentes des techniciens ambulanciers/ paramédics et des services préhospitaliers d'urgence
- Ministère des Finances, Gouvernement du Québec:
- Fonds d'amortissement des régimes de retraite
- Régime de retraite des membres de la Sûreté du Québec – caisse des employeurs
- Fonds des générations
- Fonds des congés de maladie accumulés
- Fonds d'information sur le territoire
- Régime de retraite de l'Université du Québec
- Régime de retraite du personnel des CPE et des garderies privées conventionnées du Québec
- Régime de retraite pour certains employés de la Commission scolaire de la Capitale
- Régime de rentes pour le personnel non enseignant de la Commission des écoles catholiques de Montréal
- Régime de retraite des membres de la Sûreté du Québec – Caisse participants
- Régime de retraite des employés de la Ville de Laval
- Régime de retraite des employés en fonction au Centre Hospitalier Côte-des-Neiges Fonds commun de placement des régimes de retraite de l'Université Laval
- Fiducie globale Ville de Magog
- Régime de retraite des employées et employés de la Ville de Sherbrooke
- Régime de retraite des agents de la paix en services correctionnels Régime complémentaire de retraite des employés réguliers de la Société de transport de Sherbrooke
- Régie des marchés agricoles et alimentaires du Québec
- La Financière agricole du Québec
- Autorité des marchés financiers

- Commission de la santé et de la sécurité du travail
- Société de l'assurance automobile du Québec
- Fédération des producteurs de bovins du Québec
- Régime de rentes de survivants Conseil de gestion de l'assurance parentale
- Office de la protection du consommateur
- Société des alcools du Québec
- Agence du revenu du Québec

2.1.4 Slate Retail REIT

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions – issuer is a real estate investment trust which holds all of its properties through limited partnerships – entity holds units in limited partnerships which are exchangeable into and in all material respects the economic equivalent to the issuer's publicly traded units – relief granted from the valuation requirement for certain non-cash assets in connection with a specific related party transaction – valuation not required of exchangeable limited partnership units since public units can be a proxy for such exchangeable units – no imbalance of material information between the related party and minority shareholders since the reporting issuer has continuous disclosure obligations – Issuer has multiple classes of shares all substantially equivalent – application for relief from requirement to obtain separate minority approval for each class of shares – no difference of interest between holders of Class U Units, Class A Units and Class I Units in connection with the Proposed Acquisition – safeguards include independent committee, formal valuation, fairness opinions – declaration of trust of Filer provides that unitholders will vote as a single class unless the nature of the business affects holders of one class of units in a manner materially different from another class – requiring a vote by class would give a "de facto" veto right to a very small group of shareholders.

Applicable Legislative Provisions

Multilateral Instrument 61-101 Protection of Minority Shareholders in Special Transactions, ss. 5.4, 5.6, 6.3, 8.1, 9.1.
Companion Policy to Multilateral Instrument 61-101, s. 3.3.

April 1, 2015

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
SLATE RETAIL REIT
(THE "FILER")

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, pursuant to Section 9.1 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), from the requirement in Sections 5.4 and 6.3(1)(d) of MI 61-101 to obtain a formal valuation of certain non-cash assets, being the Class B LP Units (as defined below), which may be issued as consideration to certain parties in connection with the Proposed Acquisition (as defined below); and the requirement in Section 8.1(1) of MI 61-101 that, when minority approval for the Proposed Acquisition is obtained from holders of units of the Filer, such approval be obtained from the holders of every class of affected securities voting separately as a class, and that instead minority approval be obtained from all of the outstanding Units (as defined herein) voting as a single class (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 Section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in Québec.

Interpretation

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

Representations

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

1.1 The Filer is an unincorporated, open-ended real estate investment trust established under the laws of the Province of Ontario. The Filer is governed pursuant to a second amended and restated declaration of trust dated April 15, 2014 (the "**REIT DOT**").

1.2 The Filer's head office is located at 200 Front Street West, Suite 2400, Toronto, Ontario M5V 3K2.

1.3 The Filer is a reporting issuer (or the equivalent thereof) in each province and territory of Canada and is currently not in default of any applicable requirements under the securities legislation thereunder.

1.4 The Filer focuses on acquiring, owning and leasing a portfolio of diversified revenue producing commercial real estate properties in the United States with an emphasis on grocery anchored retail properties. The Filer's portfolio of properties currently consists of 43 grocery anchored retail commercial properties located in the United States.

1.5 Slate Asset Management L.P. is the manager of the Filer ("**Manager**").

1.6 On April 15, 2014, the Filer was formed pursuant to a combination transaction whereby: the Filer (formerly named Slate U.S. Opportunity (No. 1) Realty Trust) acquired all of the assets of Slate U.S. Opportunity (No. 2) Realty Trust in consideration for class U units ("**Class U Units**") of the Filer; the Filer effectively acquired, directly and indirectly, all of the assets of U.S. Grocery Anchored Retail (1A), (1B) and (1C) Limited Partnerships in consideration for Class U Units of the Filer, GAR B Exchangeable Units (as defined herein) and Class B LP2 Units (as defined herein); the Filer effectively acquired certain general partner interests held in subsidiary limited partnerships of Slate U.S. Opportunity (No. 1) Realty Trust and Slate U.S. Opportunity (No. 2) Realty Trust in consideration for Class B LP2 Units; and the Class U Units of the Filer were listed on the Toronto Stock Exchange.

1.7 The Filer is authorized to issue an unlimited number of Units consisting of Class U Units, Class A units ("**Class A Units**") and Class I units ("**Class I Units**", and together with the Class A Units and Class U Units, the "**Trust Units**") and special voting units ("**Special Voting Units**", and together with the Trust Units, the "**Units**"). As of March 25, 2015, the Filer had 21,838,818 Class U Units, 511,337 Class A Units, 358,000 Class I Units and 590,117 Special Voting Units issued and outstanding. The number of Special Voting Units outstanding at any point in time is equal to the number of GAR B Exchangeable Units (defined below).

1.8 As of March 25, 2015:

(a) the Class U Units represented 93.74% of the issued and outstanding Units of the Filer and 95.52% of the Minority Vote (as defined below):

(b) the Class A Units represented 2.19% of the issued and outstanding Units of the Filer and 2.44% of the Minority Vote (as defined below):

(c) the Class I Units represented 1.54% of the issued and outstanding Units of the Filer and 0.44% of the Minority Vote (as defined below); and

(d) the Special Voting Units represented 2.53% of the issued and outstanding Units of the Filer and 1.60% of the Minority Vote (as defined below).

1.9 The holders of the Class A Units, Class I Units and Class U Units have identical rights and obligations and no holder of Trust Units is entitled to any privilege, priority or preference in relation to any other such holder, subject to the following:

(a) The Class A Units are denominated in Canadian dollars. The Class U Units and the Class I Units are denominated in U.S. dollars. The difference in currency denominations was intended solely to allow holders of Units the flexibility to invest in the Filer and receive distributions in either U.S. or Canadian dollars. Subsequent to the listing of the Class U Units on the Toronto Stock Exchange, holders of Class U Units also have the ability to elect at any time to receive distributions in either Canadian dollars or U.S. dollars.

(b) Distributions on the Units, including any returns of capital and the distribution of proceeds on the termination of the Filer, are determined and declared in U.S. dollars. In respect of the Class A Units and any Class U Units for which a holder has elected to receive distributions in Canadian dollars, on the date of the applicable distribution the Filer converts the U.S. dollar distribution payable on the Units into Canadian dollars at the spot exchange rate on such distribution date and holders of such Units receive Canadian dollar distributions.

(c) The Class U Units are listed and posted for trading on the Toronto Stock Exchange under the symbol "SRT.UN". The Class A Units and Class I Units are not listed on any stock exchange. The Class A Units and Class I Units may be converted into Class U Units at the option of the holders thereof at conversion ratios that correspond to their respective distribution entitlements, which (as described in the following paragraph) were determined based on the net U.S. dollar proceeds received by the Filer in respect of each class of Units at the time of the Filer's initial public offering.

(d) The proportionate entitlement of the holders of Class A Units, Class I Units and Class U Units to participate in distributions made by the Filer and to receive proceeds on the redemption of Trust Units and/or a termination of the Filer is determined based on the net U.S. dollar proceeds received by the Filer in respect of such class of Units at the time of the Filer's initial public offering. The net U.S. dollar proceeds received by the Filer in respect of each class of Unit slightly differed as a result of (i) the currency of the unitholder's subscription, and (ii) whether agents' fees were paid in respect of the unitholder's subscription. In particular:

A. On the closing of the Filer's initial public offering, the Filer converted the subscription amount received from the issuance of Class A Units into U.S. dollars. The net U.S. dollar proceeds received by the Filer in respect of the Class A Units was determined by the Canadian/U.S. dollar exchange rate at which the Filer was able to convert such proceeds at the closing date of the offering; and

B. Certain investors subscribed for Class I Units in a private placement concurrent with the initial public offering. No agents' fees were paid on subscriptions for Class I Units pursuant to such private placement, and accordingly the net U.S. dollar proceeds received by the Filer were proportionately higher in respect of such Units.

1.10 Certain affiliates of the Filer have authorized the issuance of securities exchangeable for Class U Units, as follows:

(a) GAR (1B) Limited Partnership ("**GAR B**") is a limited partnership formed under the laws of Ontario and is governed by an amended and restated agreement of limited partnership dated April 15, 2014. GAR B has authorized and issued exchangeable units ("**GAR B Exchangeable Units**") pursuant to its limited partnership agreement.

The GAR B Exchangeable Units are in all material respects economically equivalent to the Class U Units on a per unit basis.

Each GAR B Exchangeable Unit is redeemable at the option of the holder thereof for one Class U Unit (subject to customary anti-dilution adjustments); provided that upon any such redemption, GAR B (under the control of the Filer) may, in its discretion, elect to instead satisfy such redemption through the payment of cash, in which case the value of such unit is determined by the volume weighted average price of the Class U Units which traded on the Toronto Stock Exchange for five trading days immediately preceding the valuation date.

Prior to their redemption, the GAR B Exchangeable Units will be entitled to distributions equal in amount to distributions payable in respect of the Class U Units. The distribution amounts are subject to customary anti-dilution adjustments, adjustments in respect of any U.S. corporate income taxes paid by the REIT or its subsidiaries that would affect the post-tax position of a holder of GAR B Exchangeable Units as compared to a holder of Class U Units, and any applicable withholding taxes. The record date and the payment date for any distribution declared on the GAR B Exchangeable Units will generally be the same as those for the Class U Units.

Holders of GAR B Exchangeable Units were issued one Special Voting Unit for each GAR B Exchangeable Unit held. The Special Voting Units have no economic entitlement or beneficial interest in the Filer. Upon the exchange or surrender of an exchangeable security, the associated Special Voting Unit is automatically redeemed and cancelled for no consideration and the former holder ceases to have any rights with respect thereto.

As of March 25, 2015, 590,117 Gar B Exchangeable Units were issued and outstanding (which correspond to the 590,117 Special Voting Units issued and outstanding).

(b) Slate Retail One L.P. ("**Slate LP1**") is a limited partnership formed under the laws of the State of Delaware and is governed by an agreement of limited partnership dated April 15, 2014. Slate LP1 has authorized the issuance of Class B limited partnership units ("**Class B LP1 Units**") pursuant to its limited partnership agreement.

The Class B LP1 Units are in all material respects economically equivalent to the Class U Units on a per unit basis.

Each Class B LP1 Unit is redeemable at the option of the holder thereof for one Class U Unit (subject to customary anti-dilution adjustments); provided that upon any such redemption, Slate LP1 (under the control of the Filer) may, in its discretion, elect to instead satisfy such redemption through the payment of cash, in which case the value of such unit is determined by the volume weighted average price of the Class U Units which traded on the Toronto Stock Exchange for five trading days immediately preceding the valuation date.

Prior to their redemption, the Class B LP1 Units will be entitled to distributions equal in amount to distributions payable in respect of the Class U Units. The distribution amounts are subject to customary anti-dilution adjustments, adjustments in respect of any U.S. corporate income taxes paid by the Filer or its subsidiaries that would affect the post-tax position of a holder of Class B LP1 Units as compared to a holder of Class U Units, and any applicable withholding taxes. The record date and the payment date for any distribution declared on the Class B LP1 Units will generally be the same as those for the Class U Units.

The Class B LP1 Units will not be entitled to vote on matters to be voted on by Unitholders of the Filer, and no Special Voting Units are issued to holders of Class B LP1 Units.

Transfers of Class B LP1 Units are generally not permitted subject to limited exceptions in respect of transfers to an affiliate.

As of March 25, 2015, no Class B LP1 Units were issued or outstanding.

(c) Slate Retail Two L.P. ("**Slate LP2**") is a limited partnership formed under the laws of the State of Delaware and is governed by an agreement of limited partnership dated April 15, 2014. Slate LP2 has authorized and issued class B limited partnership units ("**Class B LP2 Units**", and together with the Class B LP1 Units, "**Class B LP Units**"). The terms of the Class B LP2 Units are identical to the terms of the Class B LP1 Units (other than those differences that are administrative or clerical in nature to reflect the issuance from Slate LP2 rather than Slate LP1).

As of March 25, 2015, 1,957,023 Class B LP2 Units were issued and outstanding.

1.11 The GAR Exchangeable Units and the Class B LP Units are not, and will not be, listed and posted for trading on the Toronto Stock Exchange or any other stock exchange.

1.12 The Manager holds 683,147 Class B LP2 Units, 255,720 GAR B Exchangeable Units and 728,031 Class U Units.

1.13 On February 25, 2015, it was announced that the Filer had entered into an agreement (the "**Acquisition Agreement**") with Slate U.S. Opportunity (No. 3) Realty Trust ("**SUSO 3**") pursuant to which the Filer will acquire the assets of SUSO 3 in a U.S.$195 million transaction (the "**Proposed Acquisition**"). Completion of the Proposed Acquisition is subject to approval by the board of trustees and independent committee of each of the Filer and SUSO 3 following the completion of due diligence on behalf of, and satisfactory to, the boards and such committees (including receipt by the Filer of a formal valuation in respect of SUSO 3), approval of the unitholders of each of the Filer and SUSO 3, approval of the Toronto Stock Exchange and other customary closing conditions. The Manager will not earn an acquisition fee for the Proposed Acquisition.

1.14 Subject to satisfaction of the conditions to closing, the Filer will issue 7,721,027 Class U Units (the "**Consideration Units**") to SUSO 3 (at a deemed price per Unit equal to U.S.$10.47) as consideration for the acquisition (the "**SUSO 3 Purchase Price**"), subject to adjustment depending on SUSO 3's final working capital at the date of closing. In connection with closing the SUSO 3 Acquisition, SUSO 3 will distribute such Units to SUSO 3's unitholders in a "qualifying exchange" for income tax purposes and will make a special distribution of SUSO 3's remaining cash balance.

1.15 SUSO 3 holds 99.99% of the limited partnership interests of Slate U.S. Opportunity (No. 3) Investment L.P., which in turn holds 99.99% of the limited partnership interests of Slate U.S. Opportunity (No. 3) Holding L.P. ("**Holding LP**"). SUSO 3's portfolio of properties are held indirectly through single-purpose entities owned by Holding LP. The Manager is the manager of SUSO 3. The Manager controls the general partner of Holding LP, and as such is an "affiliated entity"

of Holding LP (and thereby SUSO 3). As a result, SUSO 3 is a "related party" of the Filer pursuant to clause (h) of the definition of "related party" in MI 61-101.

1.16 The Proposed Acquisition is therefore a "related party transaction" pursuant to clause (a) of the definition of "related party transaction" in MI 61-101 and subject to the applicable requirements of MI 61-101 relating to, among other things, preparation of a formal valuation of the non-cash assets involved in the Proposed Acquisition (the "**Non-Cash Valuation Requirement**") and the approval by a majority of the votes cast by disinterested holders of Units entitled to vote on the Proposed Acquisition (the "**Minority Vote**") at a special meeting (the "**Unitholder Meeting**") of holders of Units to seek the approval in accordance with MI 61-101 (subject to the Relief) of the Proposed Acquisition.

1.17 Currently, the general partner interest in Holding LP is held by Slate U.S. Opportunity (No. 3) Holding GP L.P. ("**Holding GP LP**"). SRT and SUSO 3 have agreed pursuant to the Acquisition Agreement that SUSO 3, through wholly-owned subsidiaries, will directly or indirectly acquire any partnership interests of Holding LP (the "**GP LP Interests**") held directly or indirectly by third parties, such that immediately prior to the closing of the Proposed Acquisition, SUSO 3 will be the indirect beneficial owner of all of the partnership interests of Holding LP; provided that the Filer and SUSO 3 may agree, in their discretion acting reasonably, upon such alternative arrangements as may be necessary or desirable to ensure the foregoing following completion of the Proposed Acquisition.

1.18 Subject to agreement amongst the parties, in order to give effect to the foregoing, it is currently expected that the indirect holders of the GP LP Interests will transfer such interests to Slate LP1 or Slate LP2 in consideration for 207,150 Class B LP Units in the aggregate (the "**Class B Consideration Units**") (in which case the number of other Consideration Units to be issued by the Filer pursuant to the Proposed Acquisition would be equal to 7,513,877, subject to the working capital adjustment). The proportion of Class B Consideration Units to the total number of Consideration Units would be less than 3%.

1.19 Messrs. Blair and Brady Welch, principals of the Manager and trustees of the REIT, and Mr. Samuel Altman, a trustee of the Filer (collectively, the "**Related Parties**"), directly or indirectly hold 95% of the interests in Holding GP LP. Such persons are "related parties" of the Filer and their interests in any Class B Consideration Units received in connection with the foregoing may be considered a "collateral benefit" in respect of the Proposed Acquisition. Accordingly, any Units that are beneficially owned by the foregoing persons, or in respect of which the foregoing persons exercise control or direction, including Units held by the Manager, will be excluded from the Minority Vote required under MI 61-101 in respect of the Proposed Acquisition.

1.20 The Proposed Acquisition is subject to a number of mechanisms to ensure the interests of Unitholders are protected including:

(a) The Filer has established a committee of independent trustees (the "**Special Committee**") who, among other things, is responsible for supervising the preparation of an independent formal valuation (the "**Valuation**") of the assets of SUSO 3 to be purchased by the Filer in the Proposed Acquisition and obtaining a formal fairness opinion in respect of the Proposed Acquisition. SUSO 3's assets include 109,400 Class U Units of the Filer. Pursuant to Section 6.3(2) of MI 61-101, no valuation is required in respect of such Units.

(b) The calling and holding of a special meeting of all Unitholders in order to consider and, if deemed advisable, approve the Proposed Acquisition in accordance with Section 5.3 of MI 61-101.

(c) The information circular to be mailed to Unitholders in connection with the Unitholder Meeting will comply with the requirements of applicable securities law and will disclose, among other matters, that the Filer has no knowledge of any material non-public information concerning the Filer or its securities that has not been generally disclosed, in accordance with subsection 6.3(2)(b) of MI 61-101.

(d) Unitholder approval of the Proposed Acquisition in accordance with MI 61-101 (subject to the Relief granted hereby).

1.21 Section 6.3(2)(a) of MI 61 101 provides an exemption (the "**Valuation Exemption**") from the Non Cash Valuation Requirement where, among others:

(a) the non-cash consideration or assets are securities of a reporting issuer or are securities of a class for which there is a published market;

(b) the person that would otherwise be required to obtain the formal valuation of those securities states in the disclosure document for the transaction that the person has no knowledge of any material information concerning the issuer of the securities, or concerning the securities, that has not been generally disclosed; and

(c) in the case of a related party transaction for the issuer of the securities, the conditions in subparagraphs (c)(i) and (ii) of section 5.5 of MI 61-101 are satisfied, regardless of the form of the consideration for the securities.

1.22 The Consideration Units to be issued in connection with the Proposed Acquisition are securities of a reporting issuer as required under subsection 6.3(2)(a) of MI 61-101.

1.23 Although the Class B Consideration Units are not securities of a reporting issuer or of a class for which there is a published market, the Class B Consideration Units are and will be, in all material respects, economically equivalent to the publicly listed Class U Units on a per unit basis for the following reasons:

(a) each Class B Consideration Unit is redeemable at the option of the holder thereof for one Class U Unit (subject to customary anti-dilution adjustments); provided that upon any such redemption, Slate LP1 or Slate LP2 (under the control of the Filer), as applicable, may, in its discretion, elect to instead satisfy such redemption through the payment of cash, in which case the value of such unit is determined by the volume weighted average price of the Class U Units which traded on the Toronto Stock Exchange for five trading days immediately preceding the valuation date; and

(b) prior to their redemption, the Class B Consideration Units are entitled to distributions that correspond to the distributions payable in respect of the Class U Units.

1.24 The Class B Consideration Units represent, and shall represent, part of the equity value of the Filer and, moreover, the economic interests that underlie the Class B Consideration Units are, and shall be, based solely upon the assets and operations held directly or indirectly by the operating entities of the REIT as a whole.

1.25 Transfers of Class B Consideration Units are generally not permitted subject to limited exceptions in respect of transfers to an affiliate.

1.26 Any additional rights (as compared to the Class U Units) attached to the Class B Consideration Units arise by virtue of the Class B Consideration Units being limited partnership units and would be no greater than customary rights associated with limited partnership units intended to achieve economic equivalence with the Class U Units. Other than the rights described herein, the Class B Consideration Units carry no other rights that would impact their value as compared to Class U Units and the holders thereof do not, as a result of acquiring the Class B Consideration Units rather than Class U Units in connection with the Proposed Acquisition, gain any additional or unique rights that they would not otherwise have.

1.27 Other than in respect of matters affecting the rights, benefits or entitlements of the holders of Class B Consideration Units, a holder of Class B Consideration Units does not, and shall not, have the right to exercise any votes in respect of matters to be decided by the partners of Slate LP1 or Slate LP2, as applicable, and Class B Consideration Units do not provide the holder thereof with an interest in any specific asset or property of Slate LP1 or Slate LP2, as applicable.

1.28 Absent the Relief, the Non-Cash Valuation Requirement would require the REIT to have a formal valuation prepared in respect of the Class B Consideration Units. Any such formal valuation would, in all material respects, mirror a formal valuation of the Trust Units, including Trust Units to be issued to SUSO 3 pursuant to the Proposed Acquisition (in respect of which the REIT is entitled to rely upon the Valuation Exemption). As a result, the REIT would be subject to a requirement that would be not be consistent with the logic underlying the exemption of securities of a reporting issuer or for which there is a published market from the requirement to obtain a formal valuation (i.e. the Valuation Exemption).

1.29 The division of the Trust Units into Class A Units, Class I Units and Class U Units is related only to the different currency and net proceeds received by the Filer on the initial issuance of such Units. Other than the different proportional entitlement to distributions that was determined at the time of their initial issuance, the holders of the Class A Units, Class I Units and Class U Units all have the same rights and obligations. Furthermore, the Class A Units and Class I Units can be converted at any time into Class U Units at the option of the holders thereof.

1.30 The REIT DOT provides that Unitholders will vote as a single class in respect of any matter to be voted upon unless the nature of the business to be transacted at the meeting affects holders of one class of Trust Units in a manner materially different from its effect on holders of another class Trust Units.

1.31 The REIT DOT provides that holders of Special Voting Units shall generally be entitled to vote with the holders of Units. However, the Special Voting Units would not be considered an “affected security” under MI 61-101 and therefore, absent the Requested Relief, would not be permitted to participate in the Minority Vote pursuant to MI 61-101.

1.32 The Filer is of the view that the interests of the holders of each class of Units are entirely aligned in respect of the Proposed Acquisition and the Proposed Acquisition will not have any differential impact upon any class of Units. Accordingly, the Board of Trustees did not determine that the Proposed Transaction affects holders of one class of Units in a manner materially different from its effect on holders of another class of Units and therefore decided that a class by class vote is not necessary for the Proposed Transaction.

1.33 The Filer has included information about this application for Requested Relief in a press release dated March 25, 2015.

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 Requested Relief is granted, provided that the mechanisms set out in Paragraph 1.20 are implemented and remain in place as described herein and provided further that:

(a) pursuant to subsection 6.3(2) of MI 61-101, a formal valuation of the Consideration Units is not required;

(b) neither the Filer nor, to the knowledge of the Filer after reasonable inquiry, any of the Related Parties, SUSO 3 or any of its affiliates has knowledge of any material information concerning the Filer, Slate LP1, Slate LP2 or their respective securities that has not been generally disclosed, and

(c) the information circular for the Unitholder Meeting includes the disclosure required under MI 61-101 with respect to the Proposed Acquisition and otherwise complies with the requirements of applicable securities law, and includes:

(i) a statement that neither the Filer nor, to the knowledge of the Filer after reasonable inquiry, any of the Related Parties, SUSO 3 (or any of its affiliates) has knowledge of any material information concerning the Filer, Slate LP1, Slate LP2 or their securities that has not been generally disclosed; and

(ii) a “de”scription of the effect of the Proposed Acquisition on the direct or indirect voting interest in the Filer of the Related Parties.

“Naizam Kanji”
Director
Office of Mergers and Acquisitions
Ontario Securities Commission

2.1.5 Slate U.S. Opportunity (No. 3) Realty Trust

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions – issuer is a real estate investment trust which holds all of its properties through limited partnerships – application for relief from requirement to obtain separate minority approval for each class of shares – no difference of interest between holders of Class A Units, Class I Units, Class F Units and Class U Units in connection with the proposed business combination transaction – safeguards include independent committee, formal valuation, fairness opinions – declaration of trust of Filer provides that unitholders will vote as a single class unless the nature of the business affects holders of one class of units in a manner materially different from another class – requiring a vote by class would give a "de facto" veto right to a very small group of shareholders.

Applicable Legislative Provisions

Multilateral Instrument 61-101 Protection of Minority Shareholders in Special Transactions, ss. 4.5, 8.1, 9.1.
Companion Policy to Multilateral Instrument 61-101, s. 3.3.

April 7, 2015

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
SLATE U.S. OPPORTUNITY (NO. 3) REALTY TRUST
(THE "FILER")

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, pursuant to Section 9.1 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), from the requirement in Section 8.1(1) of MI 61-101 that, when minority approval for the Proposed Transaction is obtained from holders of units of the Filer, such approval be obtained from the holders of every class of affected securities voting separately as a class, and that instead minority approval be obtained from all of the outstanding Units (as defined herein) voting as a single class (the "**Requested Relief**").

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

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

(ii) 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 Québec.

Interpretation

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

Representations

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

1. The Filer is an unincorporated, open-ended investment trust established under the laws of the Province of Ontario. The Filer is governed pursuant to an amended and restated declaration of trust dated September 13, 2013 (the "**Filer DOT**").

2. The Filer's head office is located at 200 Front Street West, Suite 2400, Toronto, Ontario M5V 3K2.

3. The Filer is a reporting issuer (or the equivalent thereof) in each province and territory of Canada and is currently not in default of any applicable requirements under the securities legislation thereunder.

4. The Filer became a reporting issuer following completion of a long-form prospectus offering of the Class A Units (as defined below), Class F Units (as defined below), Class I Units (as defined below) and Class U Units (as defined below) on October 16, 2013. The Units (as defined below) are not listed on any stock exchange.

5. The Filer focuses on indirectly acquiring, owning and leasing a portfolio of diversified revenue producing commercial real estate properties in the United States with a focus on anchored retail properties.

6. Slate Asset Management L.P. is the manager of the Filer ("Manager").

Capital Structure of the Filer

7. The Filer is authorized to issue an unlimited number of Units consisting of Class A units ("**Class A Units**"), Class F units ("**Class F Units**"), Class I units ("**Class I Units**") and Class U units ("**Class U Units**"), and together with the Class A Units and Class U Units, the "**Units**").

8. As of March 19, 2015, the Filer had 3,315,685 Class A Units, 309,265 Class F Units, 1,750,000 Class I Units and 2,120,050 Class U Units issued and outstanding. In particular, as of March 19, 2015:

   (i) the Class A Units represented 44.2% of the issued and outstanding Units of the Filer, 44.2% of the voting rights of the Filer and 54.3% of the Minority Vote (as defined below),

   (ii) the Class I Units represented 23.3% of the issued and outstanding Units of the Filer, 23.3% of the voting rights of the Filer and 5.9% of the Minority Vote (as defined below),

   (iii) the Class F Units represented 4.1% of the issued and outstanding Units of the Filer, 4.1% of the voting rights of the Filer and 5.1% of the Minority Vote (as defined below), and

   (iv) the Class U Units represented 28.3% of the issued and outstanding Units of the Filer, 28.3% of the voting rights of the Filer and 34.7% of the Minority Vote (as defined below).

9. The holders of the Class A Units, Class I Units, Class F Units and Class U Units have identical rights and obligations and no holder of Units is entitled to any privilege, priority or preference in relation to any other such holder, subject to the following:

   (i) Distributions on the Units, including any returns of capital and the distribution of proceeds on the termination of the Filer, are determined and declared in U.S. dollars.

   (ii) With respect to the Class A Units and Class F Units, on the date of the applicable distribution the Filer converts the U.S. dollar distribution payable on the Units into Canadian dollars at the spot exchange rate on such distribution date and holders of such Units receive Canadian dollar distributions. This is intended to allow holders of Units the flexibility to receive distributions in Canadian dollars.

   (iii) The proportionate entitlement (the "**Proportionate Entitlement**") of the holders of Class A Units, Class I Units, Class F Units and Class U Units to participate in distributions made by the Filer and to receive proceeds on the redemption of Units and/or a termination of the Filer is determined based on the net U.S. dollar proceeds received by the Filer in respect of such class of Units at the time of the Filer's initial public offering. The net U.S. dollar proceeds received by the Filer in respect of each class of Unit slightly differed as a result of (i) the currency of the unitholder's subscription, and (ii) the amount of agents' fees that were paid in respect of the unitholder's subscription. In particular:

      A. On the closing of the Filer's initial public offering, the Filer converted the Canadian dollar subscription amount received from the issuance of Class A Units and Class F Units into U.S. dollars. The net U.S. dollar proceeds received by the Filer in respect of the Class A Units and Class F Units was

determined by the Canadian/U.S. dollar exchange rate at which the Filer was able to convert such proceeds at the closing date of the offering;

B. The Class F Units offered in the initial public offering were designed for fee-based accounts. As a result, a lower agents' fee was payable in connection with subscriptions for Class F Units than in connection with subscriptions for the Class A Units and Class U Units. Accordingly the net U.S. dollar proceeds received by the Filer were correspondingly higher in respect of such Class F Units as compared to Class A Units; and

C. Certain investors subscribed for Class I Units in a private placement concurrent with the initial public offering. No agents' fees were paid on subscriptions for Class I Units pursuant to such private placement, and accordingly the net U.S. dollar proceeds received by the Filer were proportionately higher in respect of such Units.

10. An annual service fee equal to 0.5% of the gross subscription proceeds received upon the Filer's initial public offering is currently payable out of the Filer's distributions to registered dealers on behalf of unitholders (in the case of the Class A Units and Class U Units) and to unitholders (in the case of the Class F Units and the Class I Units).

11. As of March 31, 2015, the Manager and the principals of the Manager collectively held 108,000 Units of the Filer.

Proposed Transaction of the Filer

12. On February 25, 2015, it was announced that the Filer had entered into an agreement (as amended and restated on April 2, 2015, the "**Acquisition Agreement**") with Slate Retail REIT ("**SRT**") pursuant to which SRT will acquire the assets of the Filer in a U.S.$195 million transaction (the "**Proposed Transaction**"). On April 2, 2015, the Filer and SRT announced that the Proposed Transaction had been approved by the board of trustees and independent committee of each of the Filer and SRT following the completion of due diligence on behalf of, and satisfactory to, the boards and such committees (including receipt by SRT of a formal valuation in respect of the Filer). The Proposed Transaction remains subject to approval of the unitholders of each of the Filer and SRT, approval of the Toronto Stock Exchange ("**TSX**") and other customary closing conditions. The Manager, as the Manager of SRT, will not earn an acquisition fee for the Proposed Transaction.

13. Subject to satisfaction of the conditions to closing, SRT will issue 7,513,877 TSX-listed Class U units of SRT ("**SRT Consideration Units**") to the Filer (at a deemed price per unit equal to U.S.$10.47) as consideration for the acquisition, subject to adjustment depending on the Filer's final working capital at the date of closing. In connection with closing of the Proposed Transaction, the Filer will (i) make a special distribution to its unitholders of the Filer's remaining cash balance; (ii) amend the Filer DOT to, among other things, add a right for the Filer to redeem the Units by delivering SRT Consideration Units to Unitholders; and (iii) distribute SRT Consideration Units to the Filer's unitholders pursuant to a tax-deferred "qualifying exchange" transaction for the purposes of the *Income Tax Act* (Canada).

14. Pursuant to the Proposed Transaction, Units of each class will be redeemed in accordance with an exchange ratio that corresponds to the Proportionate Entitlement of each class of Units.

15. Currently, the general partner interest in Slate U.S. Opportunity (No. 3) Holding L.P. ("**Holding LP**") is held by Slate U.S. Opportunity (No. 3) Holding GP L.P. ("**Holding GP LP**"). SRT and the Filer have agreed pursuant to the Acquisition Agreement that SRT will indirectly acquire any partnership interests of Holding LP (the "**GP LP Interests**"), and the holders of the GP LP Interests will transfer such interests to subsidiary limited partnerships of SRT, in consideration for 207,150 Class B limited partnership units in the aggregate (the "**Class B Consideration Units**"), subject to the working capital adjustment.

16. Messrs. Blair and Brady Welch, principals of the Manager and trustees of the Filer, Mr. Samuel Altman, a trustee of the Filer, and a unitholder which holds more than 10% of the outstanding Units, each directly or indirectly hold 95% of the interests in Holding GP LP. Such persons (the "**Related Parties**") are "related parties" of the Filer and their interests in any Class B Consideration Units received in connection with the foregoing may be considered a "collateral benefit" in respect of the Proposed Transaction.

17. The Proposed Transaction is therefore a "business combination" pursuant to the definition in MI 61-101. As a result, the Proposed Transaction will be subject to the applicable requirements of MI 61-101 relating to, among other things, the approval by a majority of the votes cast by disinterested holders of affected securities entitled to vote on the Proposed Transaction at the Unitholder Meeting (the "**Minority Vote**"). Because no securities of the Filer are listed or quoted on the TSX or any other exchange specified in Section 4.4 of MI 61-101, the formal valuation requirement in Section 4.3 of MI 61-101 does not apply to the Filer in carrying out the Proposed Transaction.

18. Any Units that are beneficially owned by the Related Parties, or in respect of which the Related Parties exercise control or direction, including Units held by the Manager, will be excluded from the Minority Vote of Unitholders required under MI 61-101 in respect of the Proposed Transaction.

19. The interests of the holders of each class of Units are aligned in respect of the Proposed Transaction. The Proposed Transaction will not have any materially different impact upon any class of Units.

20. In connection with the Proposed Transaction, Units of each class will be redeemed in accordance with an exchange ratio that corresponds to the Proportionate Entitlement of each class of Units. For certainty, all Unitholders, regardless of the class of Units held, will receive the same number of SRT Consideration Units per U.S. dollar invested in the Filer (adjusting to reflect the different agents' fees paid) by the Unitholder at the time of the closing of the Filer's initial public offering in September 2013.

21. In addition, the Proposed Transaction is subject to a number of mechanisms to ensure the interests of Unitholders are protected including:

    (i) The Filer has established a committee of independent trustees who, among other things, has engaged independent counsel and financial advisors and has obtained a formal fairness opinion in respect of the Proposed Transaction.

    (ii) The calling and holding of a special meeting of all Unitholders in order to consider and, if deemed advisable, approve the Proposed Transaction in accordance with Section 4.2 of MI 61-101.

    (iii) The information circular to be mailed to Unitholders in connection with the Unitholder Meeting will comply with the requirements of applicable securities law.

    (iv) Unitholder approval of the Proposed Transaction in accordance with MI 61-101 (subject to the Requested Relief).

22. The division of the Units into Class A Units, Class I Units, Class F Units, and Class U Units is related only to the currency of each investor's investment at the time of the Filer's initial public offering and such investor's relationship with its broker or agent, which affected the net proceeds received by the Filer on the initial issuance of Units. Other than the different proportional entitlement to distributions and service fees that was determined at the time of their initial issuance, the holders of the Class A Units, Class F Units, Class I Units and Class U Units all have the same rights and obligations.

23. The Filer DOT provides that Unitholders will vote as a single class in respect of any matter to be voted upon unless the Board of Trustees determines that nature of the business to be transacted at the meeting affects holders of one class of Units in a manner materially different from its effect on holders of another class of Units, in which case the Unitholders of the affected class will vote separately as a class.

24. Under the Filer DOT, the Proposed Transaction will require the approval of two thirds of the votes cast by holders of the outstanding Units voting as a single class.

25. In connection with the Proposed Transaction, Units of each class will be redeemed in accordance with an exchange ratio that corresponds to the Proportionate Entitlement of each class of Units. For certainty, all Unitholders, regardless of the class of Units held, will receive the same number of SRT Consideration Units per U.S. dollar invested in the Filer (adjusting to reflect the different agents' fees paid) by the Unitholder at the time of the closing of the Filer's initial public offering in September 2013.

26. The Filer is of the view that the interests of the holders of each class of Units are aligned in respect of the Proposed Transaction. The Proposed Transaction will not have any materially different impact upon any class of Units. The Board of Trustees did not determine that the Proposed Transaction affects holders of one class of Units in a manner materially different from its effect on holders of another class of Units and therefore decided that a class by class vote is not necessary for the Proposed Transaction.

27. The Filer has included information about this application for the Requested Relief in a press release dated March 31, 2015.

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 Requested Relief is granted, provided that the mechanisms set out in Paragraph 21 are implemented and remain in place as described herein.

"Naizam Kanji"
Director
Office of Mergers and Acquisitions
Ontario Securities Commission

2.1.6 Harmony Asset Limited

Headnote

Subparagraph 1(10)(a)(ii) of the Securities Act (Ontario) – Application by foreign reporting issuer for a decision that it is not a reporting issuer under applicable securities laws – issuer has represented that Canadian resident shareholders beneficially own less than 2% of the issuer's outstanding securities and represent less than 2% of total number of beneficial securityholders – issuer has made diligent enquiries to support beneficial ownership representations – no securities of the issuer trade on any market or exchange in Canada – issuer has not conducted a public or private financing in any jurisdiction in Canada since June 29, 2007 and has no present intention of seeking public or private financing in any jurisdiction of Canada in the future – issuer's securities listed on Hong Kong stock exchange – issuer is subject to continuous disclosure reporting requirements under Hong Kong securities laws – issuer has undertaken to continue to concurrently send or provide to its Canadian resident shareholders all disclosure material it is required to send or provide to Hong Kong resident shareholders under applicable Hong Kong securities laws – issuer has issued a press release announcing that it has applied to cease to be a reporting issuer in the Jurisdictions – requested relief granted.

Applicable Legislative Provisions

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

April 14, 2015

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(THE "JURISDICTION")

AND

IN THE MATTER OF
HARMONY ASSET LIMITED
(THE "FILER")

DECISION

Background

The securities regulatory authority or regulator in the Jurisdiction (the "Decision Maker") has received an application (the "Application") from the Filer for a decision under the securities legislation of the Jurisdiction (the "Legislation") that the Filer is not a reporting issuer (the "Exemptive Relief Sought").

Interpretation

Terms defined in National Instrument 14-101 *Definitions* 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 an investment company that invests in equity and debt securities of public and private companies, with an emphasis on the resource, manufacturing technology, real estate development and financial project sectors.

2. The Filer was incorporated on September 28, 1993 under the laws of the Cayman Islands under the name "SHK Convertibles Limited." Effective February 12, 1998, the Filer changed its name to "Harmony Asset Limited".

3. The Filer's head office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, Cayman Islands KY1-1111. In addition to its head office, the Filer maintains an office at Suite 2806, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.

4. The Filer has no operations, employees or offices in Canada.

5. The authorized share capital of the Filer consists of HK$100,000,000 divided into 100,000,000 ordinary shares ("Shares"). As of January 14, 2015, there were 39,058,614 Shares issued and outstanding. The Filer does not have any issued and outstanding securities other than the Shares.

6. The Shares are listed on The Stock Exchange of Hong Kong Limited ("HKEx"). The Filer is not in default of any requirements of the HKEx, or applicable requirements of the Hong Kong securities regulatory authorities.

7. The Filer became a reporting issuer in the Jurisdiction upon acceptance by the Toronto Stock Exchange ("TSX") of an original listing application of the Filer in respect of the Shares. The Filer is not a reporting issuer in any other jurisdiction in Canada.

8. The Shares were listed on the TSX on June 29, 2007. The Filer has not conducted a public or private financing in any jurisdiction in Canada subsequent to the initial listing of the Shares on the TSX and the Filer has no present intention of seeking public or private financing in any jurisdiction in Canada in the future.

9. The Filer applied to voluntarily delist the Shares from the TSX on January 21, 2013 due to the administrative and legal costs of maintaining the listing and the low trading volume of the Shares on the TSX. The TSX approved the Filer's voluntary delisting application on January 22, 2013.

10. The Shares ceased trading and the Filer was delisted from the TSX as of the close of trading on July 22, 2013. The Canadian share register maintained by the Filer's then-transfer agent in Canada, Computershare Investor Services Inc. ("Computershare Canada"), was terminated at that time. Therefore, since that time, the Filer has not taken any steps to indicate there is a market for its securities in Canada.

11. To the knowledge of the Filer, after diligent inquiry, residents of Canada do not directly or indirectly beneficially own more than 2% of each class or series of outstanding securities of the Filer worldwide. The due diligence conducted by the Filer in support of the foregoing representation is as follows:

    a. Prior to and following the delisting of the Shares from the TSX on July 22, 2013, registered and beneficial owners of the Shares were contacted and informed of the process to transfer their Shares to the HKEx. According to the Agent's transfer agent in Hong Kong, Computershare Hong Kong Investor Services Ltd. ("Computershare HK"), there is no requirement to mail printed meeting materials to beneficial shareholders in Hong Kong. Meeting materials are sent only to security/broker firms holding Shares on behalf of beneficial owners. As such, Computershare HK has no access to the contact information regarding the Filer's beneficial shareholders, including information about such beneficial owners' addresses to determine residency, once the Shares are transferred to the Hong Kong branch share register.

    b. The Filer requested information on the Canadian Share ownership levels from its former Canadian transfer agent, Computershare Canada, and from Computershare HK. As of January 14, 2015, there were 11 registered security/broker firms with Canadian addresses holding Shares on behalf of beneficial shareholders and 2 other Canadian resident registered shareholders, listed on the Hong Kong share register. These 13 Canadian resident registered shareholders held 780,671 Shares at that time, representing approximately 1.99872% of the total number of outstanding Shares.

    c. Therefore, based on the information provided by Computershare HK, and assuming that the Canadian resident registered security/broker firms hold Shares only on behalf of Canadian resident beneficial shareholders, the number of Shares beneficially owned by Canadian residents is less than 2% of the total number of outstanding Shares of the Filer worldwide.

12. To the knowledge of the Filer, after diligent enquiry, residents of Canada do not directly or indirectly comprise more than 2% of the total number of shareholders of the Filer worldwide. The due diligence conducted by the Filer in support of the foregoing representation is as follows:

    a. As of January 14, 2015, according to Computershare HK there were:

        i. 2 registered shareholders holding Shares in his/her/its own name with a Canadian address listed on the Hong Kong share register;

        ii. 11 registered security/broker firms with a Canadian address listed on the Hong Kong share register;

        iii. 963 registered shareholders holding Shares in his/her/its own name with Hong Kong addresses listed on the Hong Kong share register; and

iv. 241 registered security/broker firms with Hong Kong addresses holding Shares on behalf of beneficial shareholders listed on the Hong Kong share register.

b. The Filer previously endeavoured to determine the number of Hong Kong resident shareholders beneficially holding Shares of the Filer by conducted the following due diligence:

i. On August 12, 2014, the Filer obtained a list from the Central Clearing and Settlement System ("CCASS") disclosing the name and contact address of each of the registered security/broker firms in Hong Kong ("CCASS Participants") holding Shares on behalf of the Filer's beneficial shareholders.

ii. The Filer sent letters to CCASS Participants holding approximately 66.96% of its Shares as of August 12, 2014 to request information regarding the Filer's beneficial shareholders, including the beneficial shareholders' addresses to determine residency. The Filer did not contact the remaining CCASS Participants as they only held approximately 1.69% of its Shares at that time, and the Filer concluded that information from such CCASS Participants would not contribute significantly to the determination of the number of Hong Kong resident shareholders beneficially holding Shares of the Filer. As of August 12, 2014, the remaining 31.35% of Shares were held directly by registered holders of the Shares on the Hong Kong share register.

iii. The Filer received only a minority of responses to the request letters it sent to the CCASS Participants and after such diligent enquiry was unable to determine the number of shareholders in Hong Kong beneficially holding its Shares. As a result, the Filer could not determine the total number of shareholders beneficially holding its Shares worldwide.

iv. With no other alternative options to determine the number of shareholders indirectly holding its Shares in Hong Kong, the Filer did not repeat this course of action.

c. As described in paragraph 11(a) above, information concerning the number of shareholders beneficially holding Shares of the Filer in Hong Kong is difficult to ascertain and, without such information, determining the total number of shareholders beneficially holding Shares of the Filer worldwide is not possible. Based on the information provided in paragraph 12(a) above and on its due diligence efforts described in paragraph 12(c) above, management of the Company believes it is reasonable to conclude that the total number of shareholders in Canada beneficially holding Shares of the Filer is not significant compared to the total number of shareholders worldwide beneficially holding shares of the Filer.

13. The Filer is governed by, and is in compliance with, corporate governance and disclosure standards imposed by the Hong Kong Securities and Futures Commission and the HKEx (collectively, the "HK Rules"). These standards, which include the publication of annual and interim financial statements, proxy materials and material change and timely disclosure reporting, are similar in nature and scope to the reporting requirements under National Instrument 51-102 *Continuous Disclosure Obligations* and are, pursuant to National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* ("NI 71-102"), acceptable for the purposes of complying with the continuous disclosure requirements of the Jurisdiction.

14. The Filer has delivered all disclosure material required by applicable HK Rules to its Canadian shareholders in accordance with NI 71-102. Continuous disclosure materials mandated by the HK Rules are available to the Filer's shareholders through the HKEx's website at www.hkexnews.hk or the Filer's website at www.harmonyasset.com.hk.

15. Upon granting of the Exemptive Relief Sought, the Filer undertakes to continue to send or provide to its Canadian shareholders all disclosure material that it is required to send or provide to Hong Kong resident holders of the Shares, in the same manner and at the same time that such disclosure material is required to be sent or provided to Hong Kong resident shareholders under applicable HK Rules.

16. On March 19, 2015, the Filer issued a press release announcing that it has applied to the Ontario Securities Commission for a decision that it is not a reporting issuer in the Jurisdiction, and that, as a consequence of such decision, if rendered, the Filer will no longer be a reporting issuer in any jurisdiction in Canada.

17. The Filer is not in default of any requirement of the securities legislation in any jurisdiction in Canada.

18. The Filer, upon the grant of the Exemptive Relief Sought, will no longer be a reporting issuer in any jurisdiction in Canada.

Decision

1. The Decision Maker is satisfied that the decision meets the test set out in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

2. The decision of the Decision Maker under the Legislation is that the Exemption Relief Sought is granted.

"Deborah Leckman"
Commissioner
Ontario Securities Commission

"Christopher Portner"
Commissioner
Ontario Securities Commission

2.1.7 Canadian Imperial Bank of Commerce and CIBC Asset Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from certain specified derivatives and custodial requirements to permit mutual funds to enter into swap transactions that are cleared through a clearing corporation – relief required because of U.S. requirements to clear over-the-counter derivatives including swaps – decision treats cleared swaps similar to other cleared derivatives – National Instrument 81-102 Investment Funds.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.7(1) and (4), 6.8(1), 19.1.

March 31, 2015

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
CANADIAN IMPERIAL BANK OF COMMERCE AND CIBC ASSET MANAGEMENT INC.
(collectively, the Filers)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from each of the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**), pursuant to Section 19.1 of National Instrument 81-102 *Investment Funds* (**NI 81-102**), exempting all current mutual funds managed by Canadian Imperial Bank of Canada (**CIBC**) that enter into Swaps (as defined below, each, an **Existing CIBC Fund** and collectively, the **Existing CIBC Funds**) and future mutual funds managed by CIBC that enter into Swaps (as defined below) in the future (together with the Existing CIBC Funds, each a **CIBC Fund** and collectively the **CIBC Funds**) and all current mutual funds managed by CIBC Asset Management Inc. (**CAMI**) that enter into Swaps (as defined below, each, an **Existing CAMI Fund** and collectively, the **Existing CAMI Funds**) and future mutual funds managed by CAMI that enter into Swaps (as defined below) in the future (together with the Existing CAMI Funds, each, a **CAMI Fund** and, collectively, the **CAMI Funds**):

(i) from the requirement in subsection 2.7(1) of NI 81-102 that a mutual fund must not purchase an option or a debt-like security or enter into a swap or a forward contract unless, at the time of the transaction, the option, debt-like security, swap or contract has a designated rating or the equivalent debt of the counterparty, or of a person or company that has fully and unconditionally guaranteed the obligations of the counterparty in respect of the option, debt-like security, swap or contract, has a designated rating;

(ii) from the limitation in subsection 2.7(4) of NI 81-102 that the mark-to-market value of the exposure of a mutual fund under its specified derivatives positions with any one counterparty other than an acceptable clearing corporation or a clearing corporation that clears and settles transactions made on a futures exchange listed in Appendix A to NI 81-102 shall not exceed, for a period of 30 days or more, 10 percent of the net asset value of the mutual fund; and

(iii) from the requirement in subsection 6.1(1) of NI 81-102 to hold all portfolio assets of a mutual fund under the custodianship of one custodian in order to permit each CAMI Fund and/or CIBC Fund to deposit cash and portfolio assets directly with a Futures Commission Merchant (as defined below) and indirectly with a Clearing Corporation (as defined below) as margin,

in each case, with respect to cleared Swaps (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 Filers have 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**).

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. Capitalized terms used in this decision have the following meanings:

CFTC means the U.S. Commodity Futures Trading Commission

Clearing Corporation means any of the Chicago Mercantile Exchange Inc., ICE Clear Credit LLC, LCH.Clearnet Limited and any other clearing organization that is permitted to operate in the Jurisdiction or the Other Jurisdiction, as the case may be, where the CAMI Fund and/or CIBC Fund is located.

Dodd-Frank means the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Futures Commission Merchant means any futures commission merchant that is registered with the CFTC and is a member of a Clearing Corporation.

OTC means over-the-counter.

Portfolio Manager means a Filer, and/or each affiliate of the Filers and/or each third party portfolio manager, including a sub-adviser, retained from time to time by a Filer to manage all or a portion of the investment portfolio of one or more CAMI Funds or CIBC Funds.

Swaps means the swaps that are, or will become, subject to a clearing determination issued by the CFTC, including fixed-to-floating interest rate swaps, basis swaps, forward rate agreements in U.S. dollars, the Euro, Pounds Sterling or the Japanese Yen, overnight index swaps in U.S. dollars, the Euro and Pounds Sterling and untranched credit default swaps on certain North American indices (CDX.NA.IG and CDX.NA.HY) and European indices (iTraxx Europe, iTraxx Europe Crossover and iTraxx Europe HiVol) at various tenors.

U.S. Person has the meaning attributed thereto by the CFTC.

Representations

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

1. CIBC is or will be the investment fund manager of each CIBC Fund. CIBC is registered as an investment fund manager in each of the Provinces of Quebec and Newfoundland and Labrador. The head office of CIBC is in Toronto, Ontario.

2. CAMI is, or will be, the investment fund manager of each CAMI Fund. CAMI is registered as an investment fund manager, a portfolio manager, and a commodity trading manager in the Province of Ontario. CAMI is also registered as a portfolio manager in each of the other Jurisdictions, as a derivatives portfolio manager in Quebec and as an investment fund manager in each of the Provinces of Quebec and Newfoundland and Labrador. The head office of CAMI is in Toronto, Ontario.

3. Either a Filer, and/or an affiliate of the Filers and/or a third party Portfolio Manager will be the portfolio manager or sub-adviser, of all or a portion of the investment portfolio of each CIBC Fund and each CAMI Fund.

4. Each CIBC Fund is, or will be, a mutual fund created under the laws of the Province of Ontario and is, or will be, subject to the provisions of NI 81-102. Each CAMI Fund is, or will be, a mutual fund created under the laws of the Province of Ontario and is, or will be, subject to the provisions of NI 81-102.

5. Neither the Filers nor the Existing CIBC Funds or Existing CAMI Funds are in default of securities legislation in the Jurisdiction or any of the Other Jurisdictions.

6. The securities of each CIBC Fund and each CAMI Fund are, or will be, qualified for distribution pursuant to a prospectus that was, or will be, prepared and filed in accordance with the securities legislation of all the provinces and

territories of Canada. Accordingly, each CIBC Fund and each CAMI Fund is, or will be, a reporting issuer or the equivalent in each province and territory of Canada.

7. The investment objective and investment strategies of each CIBC Fund and each CAMI Fund permit, or will permit, a CIBC Fund and a CAMI Fund to enter into derivative transactions, including Swaps. The Portfolio Manager considers Swaps to be an important investment tool that is available to it to properly manage a CIBC Fund's and CAMI Fund's portfolio. Each Existing CIBC Fund and Existing CAMI Fund currently use or intend to use interest rate swaps and/or credit default swaps in their respective portfolios.

8. Dodd-Frank requires that certain OTC derivatives be cleared through a Futures Commission Merchant at a clearing organization recognized by the CFTC. Generally, when one party to a Swap is a U.S. Person, that Swap must be cleared, absent an available exception.

9. Currently, the Existing CIBC Funds and Existing CAMI Funds only enter into Swaps on an OTC basis with a number of Canadian, U.S. and other international counterparties, which are entered into in compliance with the derivative provisions included in NI 81-102.

10. In order to benefit from both the pricing benefits and reduced trading costs that a Portfolio Manager is often able to achieve through its trade execution practices for its managed investments funds and from the reduced costs associated with cleared OTC derivatives as compared to other OTC trades, the Filers wish to have the CIBC Funds and the CAMI Funds have the ability to enter into cleared Swaps.

11. In the absence of the Requested Relief, the Portfolio Manager may need to structure certain Swaps entered into by the CIBC Fund or CAMI Fund so as to avoid the clearing requirements of the CFTC. The Filers respectfully submit that this would not be in the best interests of the CIBC Funds or CAMI Funds and their investors for a number of reasons, as set out below.

12. The Filers believe that it is in the best interests of the CIBC Funds and the CAMI Funds and their investors to be able to execute OTC derivatives with U.S. Persons, including U.S. swap dealers.

13. In their role as investment fund managers for the CIBC Funds or the CAMI Funds, the Filers determined that central clearing represents a good choice for the investors in the CIBC Funds and the CAMI Funds to mitigate the legal, operational and back office risks faced by investors in the global swap markets.

14. A Portfolio Manager will typically use the same trade execution practices for all of its advised investment funds and other accounts. An example of these trade execution practices is block trading, where a large number of securities are purchased or sold or large derivative trades are entered into on behalf of a number of investment funds and other accounts advised by one Portfolio Manager. These practices include the use of cleared Swaps if such trades are executed with a U.S. swap dealer. If the CIBC Funds and the CAMI Funds are unable to use cleared Swaps, then each affected Portfolio Manager will have to create separate trade execution practices only for the CIBC Funds and CAMI Funds for these types of trades. This will increase the operational risk for the CIBC Funds and CAMI Funds. In addition, the CIBC Funds and CAMI Funds will not be able to enjoy the possible price benefits and reduction in trading costs that a Portfolio Manager may be able to achieve through a common practice for its advised funds and other accounts. In the Filers' opinions, best execution and maximum certainty can best be achieved through common trade execution practices, which, in the case of OTC derivatives, involve the execution of Swaps on a cleared basis.

15. As a member of the G20 and a participant in the September 2009 commitment of G20 nations to improve transparency and mitigate risk in derivatives markets, Canada has expressly recognized the systemic benefits that clearing OTC derivatives offers to market participants, such as the CIBC Funds and CAMI Funds. The Filers respectfully submit that the CIBC Funds and the CAMI Funds should be encouraged to comply with the robust clearing requirements established by the CFTC by granting them the Requested Relief.

16. The Requested Relief is analogous to the treatment currently afforded under NI 81-102 to other types of derivatives that are cleared, such as clearing corporation options, options on futures and standardized futures. This demonstrates that, from a policy perspective, the Requested Relief is consistent with the views of the Canadian securities authorities in respect of cleared derivative trades.

17. For the reasons provided above, the Filers submit that it would not be prejudicial to the public interest to grant the Requested Relief.

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 Requested Relief is granted provided that, in respect of the deposit of cash and portfolio assets as margin:

(a) in Canada,

(i) the Futures Commission Merchant is a member of a SRO that is a participating member of CIPF; and

(ii) the amount of margin deposited and maintained with the Futures Commission Merchant does not, when aggregated with the amount of margin already held by the Futures Commission Merchant, exceed 10 percent of the net asset value of the CIBC Fund or CAMI Fund as at the time of deposit; and

(b) outside of Canada,

(i) the Futures Commission Merchant is a member of a Clearing Corporation and, as a result, is subject to a regulatory audit;

(ii) the Futures Commission Merchant has a net worth, determined from its most recent audited financial statements that have been made public or from other publicly available financial information, in excess of the equivalent of $50 million; and

(iii) the amount of margin deposited and maintained with the Futures Commission Merchant does not, when aggregated with the amount of margin already held by the Futures Commission Merchant, exceed 10 percent of the net asset value of the CIBC Fund or CAMI Fund as at the time of deposit.

This decision will terminate on the coming into force of any revisions to the provisions of NI 81-102 that address the clearing of OTC derivatives.

“Vera Nunes”
Manager, Investment Funds and Structured Products Branch
Ontario Securities Commission

2.1.8 Respect Your Universe, Inc. – s. 1(10)(a)(ii)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer deemed to no longer be a reporting issuer under securities legislation.

Applicable Legislative Provisions

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

Citation: Re Respect Your Universe, Inc., 2015 ABASC 648

March 15, 2015

Clark Wislon LLP
900, 885 West Gerogia Street
Vancouver, BC V6C 3H1

Attention: Victor Dudas

Dear Sir:

Re: Respect Your Universe, Inc. (the Applicant) - Application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia and New Brunswick (the Jurisdictions) that the Applicant is not a reporting issuer

The Applicant has applied to the local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions for a decision under the securities legislation (the **Legislation**) of the Jurisdictions that the Applicant is not a reporting issuer.

In this decision, "securityholder" means, for a security, the beneficial owner of the security.

The Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;

(b) no securities of the Applicant, 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;

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer; and

(d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer.

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is deemed to have ceased to be a reporting issuer.

"Denise Weeres"
Manager, Legal
Corporate Finance

2.1.9 RBC Dominion Securities Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – offering of corporate strip securities; exemption granted from the eligibility requirements of National Instrument 44-102 Shelf Distributions and National Instrument 44-101 Short Form Prospectus Distributions to permit the filing of a shelf prospectus and prospectus supplements qualifying for distribution strip residuals, strip coupons and strip packages to be derived from debt obligations of Canadian corporations and trusts; exemption also granted from the requirements that the prospectus contain a certificate of the issuer and that it incorporate by reference documents of the underlying issuer.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 58(1).

Applicable National Instruments

National Instrument 44-101 Short Form Prospectus Distributions, ss. 2.1, 8.1.
National Instrument 44-102 Shelf Distributions, ss. 2.1, 11.1.

April 17, 2015

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
RBC DOMINION SECURITIES INC.,
BMO NESBITT BURNS INC.,
CIBC WORLD MARKETS INC.,
DESJARDINS SECURITIES INC.,
NATIONAL BANK FINANCIAL INC.,
SCOTIA CAPITAL INC. AND
TD SECURITIES INC.
(the FILERS)

AND

IN THE MATTER OF
THE CARS AND PARS PROGRAMME™ OF THE FILERS

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for the following exemptions (the Exemption Sought):

1. an exemption from Section 2.1 of National Instrument 44-102 – *Shelf Distributions* and Section 2.1 of National Instrument 44-101 – *Short Form Prospectus Distributions* so that a Prospectus can be filed by the Filers to renew the CARS and PARS Programme and offer Strip Securities in the Jurisdictions; and

2. an exemption from the following requirements in respect of any Underlying Issuer whose Underlying Obligations are purchased by any one or more of the Filers on the secondary market, and Strip Securities derived therefrom and sold under the CARS and PARS Programme:

    (i) the requirements of the Legislation that the Prospectus contain a certificate of the Underlying Issuer; and

    (ii) the requirements of the Legislation that the Prospectus incorporate by reference documents of an Underlying Issuer.

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

(i) the Ontario Securities Commission is the principal regulator for this application, and

(ii) the Filers have 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, Quebec, Newfoundland and Labrador, New Brunswick, Prince Edward Island, Nova Scotia, Yukon Territory, Northwest Territories and Nunavut (collectively with Ontario, the **Jurisdictions**).

Interpretation

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

CARS™ means strips coupons and strips residuals.

CARS and PARS Programme™ means the strip bond product programme of the Filers to be offered by Prospectus.

CDS means CDS Clearing and Depository Services Inc.

CDS Book-Entry Strip Service means the services provided by CDS to enable Participants to strip, reconstitute and package securities, as set out in the CDSX Procedures and User Guide, or any successor operating rules and procedures.

NI 44-101 means National Instrument 44-101 – *Short Form Prospectus Distributions*.

NI 44-102 means National Instrument 44-102 – *Shelf Distributions*.

Offering Date means the time of the closing of the discrete offering in respect of the related Strip Securities.

PARS™ means par adjusted rate strips, comprising an entitlement to receive the principal amount of, and a portion, equal to a market rate (at the applicable time of issuance) of the interest payable under the Underlying Obligations.

Participants means participants in the depository system of CDS.

Prospectus means a short form prospectus which is a base shelf prospectus together with the appropriate prospectus supplements.

SEDAR means the System for Electronic Document Analysis and Retrieval.

Strip Coupons means separate components of interest derived from an Underlying Obligation.

Strip Packages means packages of Strip Securities, including packages of Strip Coupons and packages of PARS.

Strip Residuals means separate components of principal derived from an Underlying Obligation.

Strip Securities means separate components of interest, principal or combined principal and interest components derived from Underlying Obligations using the CDS Book-Entry Strip Service and sold under the CARS and PARS Programme, including Strip Residuals, Strip Coupons and Strip Packages.

Underlying Issuers means Canadian corporate, trust and/or partnership issuers.

Underlying Obligations means publicly-issued debt obligations of Underlying Issuers, which obligations will carry an "approved rating" as such term is defined in NI 44-101 at the Offering Date.

Underlying Obligations Prospectus means a prospectus for which a receipt was issued by the securities regulatory authorities in British Columbia, Alberta, Ontario and Quebec.

Representations

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

1. Each of the Filers is a corporation incorporated under the laws of Canada, and all the Filers, except Desjardins Securities Inc. and National Bank Financial Inc., have their head offices in Toronto. Desjardins Securities Inc. and National Bank Financial Inc. have their head offices in Montreal.

2. None of the Filers are in default of securities legislation in the Jurisdictions.

3. The CARS and PARS Programme has been in effect since November 19, 2002 in reliance on a MRRS decision document dated October 31, 2002, and has subsequently been renewed and continued in reliance on decision documents dated March 6, 2003, November 19, 2004, December 18, 2006, January 15, 2009, February 17, 2011 and April 8, 2013.

4. The Filers propose to continue to operate the CARS and PARS Programme.

5. The CARS and PARS Programme will continue to be operated by purchasing, on the secondary market, Underlying Obligations of Underlying Issuers, and deriving separate components therefrom, being Strip Residuals, Strip Coupons, and/or Strip Packages.

6. The relevant Underlying Issuer will, to the best of the knowledge of each Filer participating in the relevant offering under the CARS and PARS Programme, be eligible to file a short form prospectus under NI 44-101 (whether such eligibility results from the specific qualification criteria of NI 44-101 or from the granting of an exemption from those criteria) at the Offering Date.

7. The Underlying Obligations will have been distributed under a prospectus for which a receipt was granted by the regulator in British Columbia, Alberta, Ontario, and Quebec.

8. A single short form base shelf prospectus will be established for the renewed CARS and PARS Programme as a whole, with a separate series of Strip Securities being offered under a discrete prospectus supplement for each distinct series or class of Underlying Obligations.

9. It is expected that the Strip Securities will continue to be predominantly sold to retail customers.

10. It is expected that the Filers, or certain of them, will continue to periodically identify, as demand indicates, series of outstanding debt obligations of

Canadian corporations, trusts or partnerships and will purchase and "repackage" individual series of these for sale under the CARS and PARS Programme as discrete series of Strip Securities. In purchasing the Underlying Obligations and creating the Strip Securities, the Filers will not enter into any agreement or other arrangements with the Underlying Issuers.

11. The Prospectus will refer purchasers of the Strip Securities to the SEDAR website maintained by CDS (currently located at www.sedar.com) where they can obtain the continuous disclosure materials of the Underlying Issuer.

12. The Filers, or certain of them, may, from time to time, form and manage a selling group consisting of other registered securities dealers to solicit purchases of, and sell to the public, the Strip Securities.

13. The Strip Securities will be sold in series, each such series relating to separate Underlying Obligations of an Underlying Issuer. The base shelf prospectus for use with the CARS and PARS Programme will describe the CARS and PARS Programme in detail. The shelf prospectus supplement for any series of Strip Securities that are offered will describe the specific terms of the Strip Securities.

14. Each offering of Strip Securities will be derived from one or more Underlying Obligations of a single class or series of an Underlying Issuer. The Filer(s) participating in each offering under the CARS and PARS Programme intend to use the CDS Book-Entry Strip Service to separate the Underlying Obligations for such series into separate principal and interest components, or strip bonds. These components will, in connection with each series, be re-packaged using the CDS Book-Entry Strip Service if and as necessary to create the Strip Securities.

15. The Strip Residuals of a particular series, if any, will consist of the entitlement to receive payments of a portion of the principal amounts payable under the Underlying Obligations, if, as and when paid by the Underlying Issuer on the Underlying Obligations, in accordance with their respective terms.

16. The Strip Coupons of a particular series will consist of the entitlement to receive a payment of a portion of the interest payable under the Underlying Obligations, if, as and when paid by the Underlying Issuer on the Underlying Obligations, in accordance with their respective terms.

17. The Strip Packages will consist of the entitlement to receive (a) in the case of PARS, both payments of a portion of the principal amounts payable and periodic payments of a portion equal to a market rate (at the time of issuance of the PARS) of the interest payable under the Underlying Obligations, and/or (b) in the case of packages consisting of Strip Coupons, periodic payments of portions of the interest payable, or the principal amounts payable, under the Underlying Obligations, in each case, if, as and when paid by the Underlying Issuer on the Underlying Obligations, in accordance with their respective terms.

18. Holders of a series of Strip Securities will be entitled to payments from cash flows from the related Underlying Obligations if, as and when made by the respective Underlying Issuer. The Strip Securities of one series will not be entitled to receive any payments from the cash flows of Underlying Obligations related to any other series. As the Underlying Issuers will be the sole obligors under the respective Underlying Obligations, holders of Strip Securities will be entirely dependent upon the Underlying Issuers' ability to perform their respective obligations under their respective Underlying Obligations.

19. The Strip Securities will be sold at prices determined by the Filers from time to time and, as such, these may vary as between purchasers of the same series and during the offering period of Strip Securities of the same series. In quoting a price for the Strip Securities, the Filers will advise the purchaser of the annual yield to maturity thereof based on such price.

20. The Underlying Issuers will not receive any proceeds, and the Filers will not be entitled to be paid any fee or commission by the Underlying Issuers, in respect of the sale by the Filers, or the members of any selling group, of the Strip Securities. Each Filer's overall compensation will be increased or decreased by the amount by which the aggregate price paid for a series of the Strip Securities by purchasers exceeds or is less than the aggregate price paid by such Filer for the related Underlying Obligations.

21. The payment dates of any particular series of Strip Coupons and the interest component of Strip Packages will be coincident with the interest payment dates for the Underlying Obligations for the series, with terms of up to 30 years or longer. The maturity date of a particular series of Strip Residuals and the principal component of Strip Packages, if any, will be the maturity date of the Underlying Obligations for the series.

22. The Strip Securities will be issuable in Canadian and U.S. dollars and in such minimum denomination(s) and with such maturities as may be described in the applicable shelf prospectus supplement.

23. The Underlying Issuers will be Canadian corporations, trusts or partnerships. The Underlying Obligations are securities of the Underlying Issuers. The Strip Securities will be derived without regard, except as to ratings and eligibility to file a short form prospectus under NI 44-101, for the value, price, performance, volatility, investment merit or creditworthiness of the Underlying Issuers historically or prospectively.

24. To be eligible for inclusion in the CARS and PARS Programme, the Underlying Obligations must have been qualified for distribution under a prospectus for which a receipt was issued by the regulators in British Columbia, Alberta, Ontario and Quebec, at least four months must have passed from the date of closing of the original issue of the relevant class or series of Underlying Obligations and the distribution of the Underlying Obligations must be complete.

25. The Filers will cause all Underlying Obligations from which the Strip Securities will be derived and which are not already in the CDS system to be delivered to CDS and registered in the name of CDS. The Underlying Obligations from which the Strip Securities will be derived will, except in very limited circumstances, be held by CDS until their maturity and will not otherwise be released or removed from the segregated account used by CDS to maintain the Underlying Obligations. A separate security identification number or ISIN will be assigned by CDS to each series of Strip Securities.

26. Pursuant to the operating rules and procedures of its CDSX Procedures and User Guide, or any successor operating rules and procedures, CDS will maintain book based records of ownership for the Strip Securities, entering in such records only the names of Participants. No purchaser of Strip Securities will be entitled to any certificate or other instrument from the Underlying Issuer, the Filers or CDS evidencing the Strip Securities or the ownership thereof, and no purchaser of Strip Securities will be shown on the records maintained by CDS except through the book entry account of a Participant. Upon the purchase of Strip Securities, the purchaser will receive only the customary confirmation slip that will be sent to such purchaser by one of the Filers or another Participant.

27. Transfers of beneficial ownership in Strip Securities will be effected through records maintained for Strip Securities by CDS or its nominee (with respect to interests of Participants) and on the records of Participants (with respect to interests of persons other than Participants). Beneficial holders who are not Participants, but who desire to purchase, sell or otherwise transfer beneficial ownership of, or any other interest in, such Strip Securities of a series, may do so only through Participants.

28. Payments in respect of a principal component (if any), interest component(s) (if any), or other amounts (if any) owing under a series of Strip Securities will be made from payments received by CDS in respect of the related Underlying Obligations from the relevant Underlying Issuer. Amounts payable on the maturity of the Strip Securities will be payable by the Underlying Issuer to CDS as the registered holder of the Underlying Obligations. Following receipt thereof, CDS will pay to each of its Participants shown on its records as holding matured Strip Securities the amount to which such Participant is entitled. The Filers will, and the Filers understand that each other Participant, who holds such Strip Securities on behalf of a purchaser thereof will, pay or otherwise account to such purchaser for the amounts received by it in accordance with the instructions of the purchaser to such Participant. Holders of a series of Strip Securities will not have any entitlement to receive payments under any Underlying Obligations acquired in connection with the issue of any other series of Strip Securities.

29. As the registered holder of the Underlying Securities, CDS will receive any voting rights in respect of the Underlying Obligations for the Strip Securities. CDS will allocate these rights to the holders of the Strip Securities in accordance with the operating rules and procedures of its CDSX Procedures and User Guide, or any successor operating rules and procedures, in effect at the time. These procedures currently provide for the distribution of the voting rights based on the "proportionate economic interest", determined as to be described in the base shelf prospectus for use with the CARS and PARS Programme. Such voting rights will be vested on a series by series basis. In order for a holder of Strip Securities to have a legal right to attend a meeting of holders of Underlying Obligations, or to vote in person, such holder of Strip Securities must be appointed as proxyholder for the purposes of the meeting by the CDS Participant through whom he or she holds Strip Securities.

30. In the event that an Underlying Issuer repays a callable Underlying Obligation prior to maturity in accordance with its terms, CDS will allocate the amount of proceeds it receives as the registered holder of the Underlying Obligations to the holders of the Strip Securities in accordance with the operating rules and procedures of its CDSX Procedures and User Guide, or any successor operating rules and procedures, in effect at the time. These procedures currently provide for the distribution of proceeds on the repayment of a callable Underlying Obligation based on the "proportionate economic interest".

31. Any other entitlements received by CDS with respect to the Underlying Obligations upon the occurrence of an event other than in respect of maturity, including entitlements on the insolvency or winding-up of an Underlying Issuer, the non-payment of interest or principal when due, or a default of the Underlying Issuer under any trust indenture or other agreement governing the Underlying Obligations, will be processed by CDS in accordance with the operating rules and procedures of its CDSX Procedures and User Guide, or any successor operating rules and procedures, in effect at the time. These procedures also currently provide for CDS to distribute the resulting cash and/or securities to the holders of the Strip Securities based on "proportionate economic interest". In addition, if the Underlying Issuer offers an option to CDS as the registered holder of the Underlying Obligations in connection with the event, the Filers understand that CDS will attempt to offer the same option to the holders of the Strip Securities, where feasible.

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:

(a) the Underlying Obligations were qualified for distribution under the Underlying Obligations Prospectus, at least four months have passed from the date of closing of the original issue of the relevant class or series of Underlying Obligations and the distribution of the Underlying Obligations is complete;

(b) if the Underlying Obligations Prospectus is not available through the SEDAR website, the prospectus supplement for the series of Strip Securities derived from the Underlying Obligations for which the prospectus is not available states that a copy of the Underlying Obligations Prospectus may be obtained, upon request, without charge, from each Filer who is participating in the offering of the series of Strip Securities derived from these Underlying Obligations;

(c) to the best of the knowledge of the Filer(s) participating in a relevant offering under the CARS and PARS Programme, the relevant Underlying Issuer is eligible to file a short form prospectus under NI 44-101 (whether such eligibility results from the specific qualification criteria of NI 44-101 or from the granting of an exemption from those criteria) at the Offering Date;

(d) a receipt issued for the Prospectus filed in reliance on this decision document is not effective after June 20, 2017;

(e) the offering and sale of the Strip Securities complies with all the requirements of NI 44-102 and NI 44-101 as varied by NI 44-102, other than those from which an exemption is granted by this decision document or from which an exemption is granted in accordance with Part 11 of NI 44-102 by the securities regulatory authority or regulator in each of the Jurisdictions as evidenced by a receipt for the Prospectus;

(f) each offering of Strip Securities will be derived from one or more Underlying Obligations of only a single class or series of an Underlying Issuer and only through the CDS Book-Entry Strip Service;

(g) the Filers issue a press release and file a material change report in respect of:

(i) a material change to the CARS and PARS Programme which affects any of the Strip Securities other than a change which is a material change to an Underlying Issuer; and

(ii) a change in the operating rules and procedures of the CDSX Procedures and User Guide of CDS, or any successor operating rules and procedures in effect at the time, which may have a significant effect on a holder of Strip Securities; and

(h) the Filers file the Prospectus, the material change reports referred to above, and all documents related thereto on SEDAR under a SEDAR profile for the Strip Securities and pay all filing fees applicable to such filings.

"Kathryn Daniels"
Deputy Director,
Ontario Securities Commission

2.2 Orders

2.2.1 Future Solar Developments Inc. et al. – ss. 127, 127.1

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
FUTURE SOLAR DEVELOPMENTS INC.,
CENITH ENERGY CORPORATION, CENITH AIR INC.,
ANGEL IMMIGRATION INC.
and XUNDONG QIN also known as SAM QIN

ORDER
(Sections 127 and 127.1 of the Securities Act)

WHEREAS on March 26, 2015, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing (the "Notice of Hearing") pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), in relation to a Statement of Allegations filed by Staff of the Commission ("Staff") on March 26, 2015, to consider whether it is in the public interest to make certain orders against Future Solar Developments Inc. ("FSD"), Cenith Energy Corporation ("Cenith Energy"), Cenith Air Inc. ("Cenith Air"), Angel Immigration Inc. ("Angel Immigration") (together, the "Corporate Respondents") and Xundong Qin, also known as Sam Qin ("Qin") (together with the Corporate Respondents, the "Respondents");

AND WHEREAS the Notice of Hearing set April 15, 2015 as the hearing date in this matter;

AND WHEREAS on April 15, 2015, Staff and counsel for the Respondents appeared and made submissions;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS HEREBY ORDERED that this matter be adjourned to a confidential pre-hearing conference on June 8, 2015 at 3:00 p.m.

DATED at Toronto this 15th day of April, 2015.

"Christopher Portner"

2.2.2 Blue Gold Holdings Ltd. et al. – s. 127

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
BLUE GOLD HOLDINGS LTD., DEREK BLACKBURN,
RAJ KURICHH AND NIGEL GREENING

ORDER
(Section 127 of the Securities Act)

WHEREAS on March 11, 2015, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in relation to a Statement of Allegations filed by Staff of the Commission ("Staff") on March 11, 2015, to consider whether it is in the public interest to make certain orders against Blue Gold Holdings Ltd. ('Blue Gold"), Derek Blackburn ('Blackburn"), Raj Kurichh ("Kurichh"), and Nigel Greening ("Greening") (collectively, the "Respondents");

AND WHEREAS on April 1, 2015, the Commission issued an Amended Notice of Hearing with respect to the Respondents;

AND WHEREAS the Amended Notice of Hearing set April 10, 2015 at 10:00 a.m. as the hearing date in this matter;

AND WHEREAS on April 10, 2015 Staff, counsel for Kurichh, George Schwartz as agent on behalf of Blackburn and on behalf of Blue Gold, and Greening personally, attended;

AND WHEREAS Staff served the Respondents with the Notice of Hearing, the Amended Notice of Hearing, the Statement of Allegations, and the Case Management Guideline for Enforcement Proceedings (the "Case Management Guideline") as evidenced by the Affidavit of Service sworn by Joseph Vilardo on March 12, 2015, and the Affidavit of Service sworn by Laura Lavalley on April 8, 2015, filed with the Commission;

AND WHEREAS the agent for Blackburn and Blue Gold took the position that the Commission has no constitutional jurisdiction to proceed, declined the opportunity to bring a motion or present submissions in that regard at this time, and then withdrew representation on behalf of Blackburn and Blue Gold;

AND WHEREAS the Panel heard submissions from Staff and parties in attendance;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS HEREBY ORDERED that:

1. All Respondents were properly served with the Notice of Hearing, the Amended Notice of Hearing, and the Statement of Allegations;

2. The Respondents Blackburn and Blue Gold need not be served with any further documentation or notice of proceedings in this matter;

3. Staff will make disclosure to the participating Respondents by May 8, 2015, of all documents and things in Staff's possession or control that are relevant to the hearing;

4. The participating Respondents will make disclosure by June 30, 2015, of all documents and things in their possession or control that they intend to produce or enter as evidence at the hearing;

5. Staff will make disclosure to the participating Respondents of their witness lists and summaries, and indicate any intent to call an expert no later than five days before July 27, 2015;

6. This matter be adjourned to a confidential pre-hearing conference on July 27, 2015 at 10:00 a.m.; and

7. Any motions regarding disclosure or other issues, if necessary, are to be scheduled at the confidential pre-hearing conference on July 27, 2015.

DATED at Toronto this 10th day of April, 2015.

"Janet Leiper"

"Alan Lenczner"

"Timothy Moseley"

2.2.3 Pro-Financial Asset Management Inc. et al. – s. 127

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
PRO-FINANCIAL ASSET MANAGEMENT INC.,
STUART McKINNON and JOHN FARRELL

ORDER
(Section 127)

WHEREAS on December 9, 2014, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") returnable January 14, 2015 accompanied by a Statement of Allegations dated December 8, 2014 with respect to Pro-Financial Asset Management Inc. ("PFAM"), Stuart McKinnon ("McKinnon") and John Farrell ("Farrell") (collectively, the "Respondents");

AND WHEREAS on January 14, 2015, Staff of the Commission ("Staff"), counsel for PFAM and McKinnon and counsel for Farrell attended before the Commission;

AND WHEREAS on January 14, 2015, the Commission ordered that the hearing be adjourned to February 25, 2015 at 10:00 a.m. for the purpose of scheduling a date for a confidential pre-hearing conference as may be appropriate;

AND WHEREAS on February 25, 2015, Staff advised that the initial electronic disclosure of approximately 11,000 pages was sent to counsel for the Respondents on January 12, 2015 and the remaining electronic disclosure of approximately 7,400 pages was sent to counsel for the Respondents on February 24, 2015;

AND WHEREAS on February 25, 2015, Staff advised that the Commission order dated January 14, 2015 should have referred to 11,000 pages of disclosure and not 11,000 documents;

AND WHEREAS on February 25, 2015, a confidential pre-hearing conference was held immediately following the public hearing as requested by the parties;

AND WHEREAS on April 9, 2015, the confidential pre-hearing conference continued and Staff, counsel for PFAM and McKinnon, and counsel for Farrell attended before the Commission;

AND WHEREAS the parties consent to the terms of this Order;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

IT IS HEREBY ORDERED that:

1. The confidential pre-hearing conference will continue on June 15, 2015 at 10:00 a.m.; and

2. Any motion(s) in respect of the matter, including a motion by McKinnon in respect of his registration, if applicable, will be heard on June 30, 2015 at 10:00 a.m. without limiting the rights of the parties to bring subsequent motions, as and when appropriate.

DATED at Toronto this 9th day of April, 2015.

"Christopher Portner"

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Qsolar Limited	20-Apr-15	01-May-15		
Xinergy Ltd.	8-Apr-15	20-Apr-15	20-Apr-15	
Ivanhoe Energy Inc.	21-Apr-15	4-May-15		

4.2.1 Temporary, Permanent & Rescinding Management 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
Carpathian Gold Inc.	06-Apr-15	17-Apr-15	17-Apr-15		
EQ Inc.	8-Apr-15	20-Apr-15	20-Apr-15		
MBAC Fertilizer Corp.	08-Apr-15	20-Apr-15	20-Apr-15		

4.2.2 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
Alturas Minerals Corp	02-Apr-15	13-Apr-15	13-Apr-15		
Carpathian Gold Inc.	06-Apr-15	17-Apr-15	17-Apr-15		
EQ Inc.	08-Apr-15	20-Apr-15	20-Apr-15		
Northcore Resources Inc.	09-Mar-15	20-Mar-15	20-Mar-15		
MagIndustries Corp.	13-Apr-15	24-Apr-15			
Mainstream Minerals Corporation	13-Apr-15	24-Apr-15			
MBAC Fertilizer Corp.	08-Apr-15	20-Apr-15	20-Apr-15		

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.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).

Chapter 8

Notice of Exempt Financings

REPORT OF TRADES ON FORM 45-106F1 AND 45-501F1

There are no Reports of Exempt Distribution on Forms 45-106F1 or 45-501F1 (Reports) in this Bulletin.

Reports filed on or after February 19, 2014 must be filed electronically.

As a result of the transition to mandated electronic filings, the OSC is considering the most effective manner to make data about filed Reports available to the public, including whether and how this information should be reflected in the Bulletin. In the meantime, Reports filed with the Commission continue to be available for public inspection during normal business hours.

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
AcuityAds Holdings Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated April 14, 2015
NP 11-202 Receipt dated April 15, 2015
Offering Price and Description:
$* - * Common Shares
Price: $* per Offered Share
Underwriter(s) or Distributor(s):
PARADIGM CAPITAL INC.
BEACON SECURITIES LIMITED
Promoter(s):
-
Project #2335611

Issuer Name:
American Hotel Income Properties REIT LP
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated April 14, 2015
NP 11-202 Receipt dated April 14, 2015
Offering Price and Description:
Cdn$57,512,500.00 - 5,375,000 Units
Price: Cdn$10.70 per Offered Unit
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
NATIONAL BANK FINANCIAL INC.
CIBC WORLD MARKETS INC.
TD SECURITIES INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC
HAYWOOD SECURITIES INC.
DUNDEE SECURITIES LTD.
GMP SECURITIES L.P.
Promoter(s):
-
Project #2333872

Issuer Name:
Aston Hill Canadian Total Return Class
Aston Hill Strategic Yield Class
Aston Hill U.S. Growth Class
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated April 10, 2015
NP 11-202 Receipt dated April 15, 2015
Offering Price and Description:
Series A, TA6, F, TF6 and I Shares
Underwriter(s) or Distributor(s):
Aston Hill Asset Management Inc.
Promoter(s):
Aston Hill Asset Management Inc.
Project #2335273

Issuer Name:
Bank of Montreal
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated April 16, 2015
NP 11-202 Receipt dated April 17, 2015
Offering Price and Description:
$2,000,000,000.00 - Medium Term Notes (Principal At Risk Notes)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Dundee Securities Ltd.
Promoter(s):
-
Project #2336455

Issuer Name:
Connected Wealth Core Income Class
Connected Wealth Tactical ETF Class
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated April 14, 2015
NP 11-202 Receipt dated April 15, 2015
Offering Price and Description:
Series A and F Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
RICHARDSON GMP LIMITED
Project #2335447

Issuer Name:
Desjardins SocieTerra Canadian Bond Fund
Principal Regulator - Quebec
Type and Date:
Preliminary Simplified Prospectus dated April 10, 2015
NP 11-202 Receipt dated April 14, 2015
Offering Price and Description:
Class A-, I-, C- and F-Class Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
DESJARDINS INVESTMENTS INC.
Project #2335374

Issuer Name:
Exemplar Diversified Portfolio
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated April 13, 2015
NP 11-202 Receipt dated April 15, 2015
Offering Price and Description:
Series R Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
ARROW CAPITAL MANAGEMENT INC.
Project #2335558

Issuer Name:
Franklin Bissett Bond Fund
Franklin Bissett Canadian Dividend Corporate Class
Franklin Bissett Energy Corporate Class
Franklin Bissett Monthly Income and Growth Fund
Franklin Bissett Small Cap Fund
Franklin Bissett Strategic Income Fund
Franklin Bissett U.S. Focus Corporate Class
Franklin High Income Fund
Franklin Quotential Diversified Equity Corporate Class Portfolio
Franklin Quotential Growth Corporate Class Portfolio
Franklin Strategic Income Fund
Franklin U.S. Monthly Income Hedged Corporate Class
Templeton Emerging Markets Corporate Class
Templeton Global Bond Fund (Hedged)
Templeton Growth Fund, Ltd.
Templeton International Stock Corporate Class
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated April 13, 2015
NP 11-202 Receipt dated April 14, 2015
Offering Price and Description:
Series A, F, I, M and O Units and Series M Shares
Underwriter(s) or Distributor(s):
FRANKLIN TEMPLETON INVESTMENTS CORP.
FTC INVESTOR SERVICES INC.
Franklin Templeton Investments Corp.
Bissett Investment Management, a division of Franklin Templeton Investments Corp..
Promoter(s):
Franklin Templeton Investments Corp.
Project #2335235

Issuer Name:
Grenville Strategic Royalty Corp. (formerly, Troon Ventures Ltd.)
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated April 20, 2015
NP 11-202 Receipt dated April 20, 2015
Offering Price and Description:
$12,000,000.00 - 15,000,000 Common Shares
Price: $0.80 Per Offered Share
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Haywood Securities Inc.
GMP Securities L.P.
Cormark Securities Inc.
Raymond James Ltd.
Promoter(s):
William R. Tharp
Steven Parry
Project #2337281

Issuer Name:
Hudson's Bay Company
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated April 14, 2015
NP 11-202 Receipt dated April 14, 2015
Offering Price and Description:
$316,100,000
11,600,000 Common Shares
Price: $27.25 per Offered Share
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
MORGAN STANLEY CANADA LIMITED
Promoter(s):
-
Project #2333835

Issuer Name:
H&R Finance Trust
H&R Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated April 14, 2015
NP 11-202 Receipt dated April 15, 2015
Offering Price and Description:
$2,000,000,000.00
Stapled Units
Preferred Units
Debt Securities
Subscription Receipts
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2335523; 2335519

Issuer Name:
Medwell Capital Corp.
Principal Regulator - Alberta
Type and Date:
Amended and Restated Preliminary Prospectus dated April 20, 2015
NP 11-202 Receipt dated
Offering Price and Description:
$ * - * Subordinate Voting Shares
Price: $* Per Subordinate Voting Share
Underwriter(s) or Distributor(s):
TD Securities Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
GMP Securities L.P.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Merrill Lynch Canada Inc.
Promoter(s):
-
Project #2332592

Issuer Name:
Merus Labs International Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated April 16, 2015
NP 11-202 Receipt dated April 16, 2015
Offering Price and Description:
$60,000,210.00 - 19,672,200 Shares
Price: $3.05 per Offered Share
Underwriter(s) or Distributor(s):
CLARUS SECURITIES INC.
CORMARK SECURITIES INC.
CANACCORD GENUITY CORP.
LAURENTIAN BANK SECURITIES INC.
GMP SECURITIES L.P.
TD SECURITIES INC.
Promoter(s):
-
Project #2335170

Issuer Name:
Middlefield Global Healthcare Dividend Fund
Principal Regulator - Alberta
Type and Date:
Preliminary Simplified Prospectuses dated April 10, 2015
NP 11-202 Receipt dated April 14, 2015
Offering Price and Description:
Series A and F Units
Underwriter(s) or Distributor(s):
MIDDLEFIELD CAPITAL CORPORATION
Middlefield Capital Corporation
Promoter(s):
MIDDLEFIELD LIMITED
Project #2335265

Issuer Name:
ProMetic Life Sciences Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated April 17, 2015
NP 11-202 Receipt dated April 20, 2015
Offering Price and Description:
$50,050,000.00 - 19,250,000 Common Shares
PRICE: $2.60 Per Common Share
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
RBC Dominion Securities Inc.
Beacon Securities Limited
TD Securities Inc.
Paradigm Capital Inc.
Promoter(s):
-
Project #2337059

Issuer Name:
Sentry Alternative Asset Income Fund
Sentry Global Mid Cap Income Fund
Sentry Income Advantage Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated April 14, 2015
NP 11-202 Receipt dated April 16, 2015
Offering Price and Description:
Series A, Series P, Series F, Series PF, Series O and Series I Securities
Underwriter(s) or Distributor(s):
Sentry Investments Inc.
Promoter(s):
SENTRY INVESTMENTS INC.
Project #2336151

Issuer Name:
Shopify Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form PREP Prospectus dated April 14, 2015
NP 11-202 Receipt dated April 15, 2015
Offering Price and Description:
US$* - * Class A Subordinate Voting Shares
Price: US$* per Class A subordinate voting share
Underwriter(s) or Distributor(s):
MORGAN STANLEY CANADA LIMITED
CREDIT SUISSE SECURITIES (CANADA), INC.
RBC DOMINION SECURITIES INC.
RAYMOND JAMES LTD.
CANACCORD GENUITY CORP.
Promoter(s):
-
Project #2335502

Issuer Name:
Terra Firma Capital Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated April 20, 2015
NP 11-202 Receipt dated April 20, 2015
Offering Price and Description:
$12,500,100.00 - 14,706,000 Common Shares
Price: $0.85 per Common Share
Underwriter(s) or Distributor(s):
Cormark Securities Inc.
Beacon Securities Limited
Paradigm Capital Inc.
Promoter(s):
-
Project #2335379

Issuer Name:
BMO Money Market Fund (series A, F, I, M and Advisor Series)
BMO Balanced Yield Plus ETF Portfolio (formerly, BMO Target Enhanced Yield ETF Portfolio)
(series A, T6, F, D, I and Advisor Series)
BMO Bond Fund (series A, F, D, I, NBA, NBF and Advisor Series)
BMO Canadian Diversified Monthly Income Fund (series T5, T8, F, I and Advisor Series)
BMO Core Bond Fund (series A, F, D, I and Advisor Series)
BMO Core Plus Bond Fund (series A, F, D, I and Advisor Series)
BMO Diversified Income Portfolio (series A, T6 and I)
BMO Emerging Markets Bond Fund (series A, F, D, I and Advisor Series)
BMO Fixed Income Yield Plus ETF Portfolio (formerly, BMO Target Yield ETF Portfolio) (series
A, T6, F, D, I and Advisor Series)
BMO Floating Rate Income Fund (series A, F, D, I and Advisor Series)
BMO Global Diversified Fund (series T5, F and Advisor Series)
BMO Global Monthly Income Fund (series A, T6 and I)
BMO Global Strategic Bond Fund (series A, F, D, I and Advisor Series)
BMO Growth & Income Fund (series T5, T8, F, Advisor Series and Classic Series)
BMO High Yield Bond Fund (series F, I and Advisor Series)
BMO Laddered Corporate Bond Fund (series A, F, I and Advisor Series)
BMO Monthly Dividend Fund Ltd. (Series F, Advisor Series and Classic Series Shares)
BMO Monthly High Income Fund II (series A, T5, T8, F, D, I and Advisor Series)
BMO Monthly Income Fund (series A, T6, F, D and I)
BMO Mortgage and Short-Term Income Fund (series A, F, I and Advisor Series)
BMO Preferred Share Fund (series A, F, D, I, BMO Private Preferred Share Fund Series O and
Advisor Series)
BMO Tactical Global Bond ETF Fund (series A, F, D, I and Advisor Series)
BMO U.S. High Yield Bond Fund (series A, F, D, I, BMO Private U.S. High Yield Bond Fund

Series O and Advisor Series)
BMO World Bond Fund (series A, F, I and Advisor Series)
[Classes of BMO Global Tax Advantage Funds Inc.]
BMO Asian Growth and Income Fund (series A, F, D, I and Advisor Series)
BMO Asset Allocation Fund (series A, T5, F, D, I, NBA and Advisor Series)
BMO Canadian Equity ETF Fund (series A, D and I)
BMO Canadian Equity Fund (series A, F, D and I)
BMO Canadian Large Cap Equity Fund (series A, T5, F, I and Advisor Series)
BMO Canadian Stock Selection Fund (series A, F, D, I, NBA, NBF and Advisor Series)
BMO Dividend Fund (series A, T5, F, D, I and Advisor Series)
BMO Enhanced Equity Income Fund (series A, F, D, I and Advisor Series)
BMO European Fund (series A, F, D, I and Advisor Series)
BMO Global Balanced Fund (series A, F, D, I and Advisor Series)
BMO Global Dividend Fund (series A, F, D, I and Advisor Series)
BMO Global Equity Fund (series A, F, D, I and Advisor Series)
BMO Global Growth & Income Fund (series T5, F, I and Advisor Series)
BMO Global Infrastructure Fund (series A, F, D, I and Advisor Series)
BMO Growth Opportunities Fund (series A, F, D, I and Advisor Series)
BMO International Equity ETF Fund (series A, D and I)
BMO International Value Fund (series A, F, D, I, N, NBA, NBF and Advisor Series)
BMO North American Dividend Fund (series A, F, I and Advisor Series)
BMO Tactical Balanced ETF Fund (series A, F, D, I, L and Advisor Series)
BMO Tactical Dividend ETF Fund (series A, F, D, I, L and Advisor Series)
BMO Tactical Global Equity ETF Fund (series A, F, D, I and Advisor Series)
BMO U.S. Dividend Fund (series A, F, D, I and Advisor Series)
BMO U.S. Equity ETF Fund (series A, D and I)
BMO U.S. Equity Fund (series A, F, D, I, N, NBA, NBF and Advisor Series)
BMO U.S. Equity Plus Fund (series A, F, D, I and Advisor Series)
BMO Canadian Small Cap Equity Fund (series A, F, D, I and Advisor Series)
BMO Emerging Markets Fund (series A, F, D, I and Advisor Series)
BMO Global Small Cap Fund (series A, F, I and Advisor Series)
BMO Precious Metals Fund (series A, F, I and Advisor Series)
BMO Resource Fund (series A, F, I and Advisor Series)
BMO Fixed Income ETF Portfolio (series A, T6, F, D, I and Advisor Series)
BMO Income ETF Portfolio (formerly, BMO SecurityETF Portfolio) (series A, T6, F, D, I and
Advisor Series)
BMO Conservative ETF Portfolio (series A, T6, F, D, I and Advisor Series)
BMO Balanced ETF Portfolio (series A, T6, F, D, I and Advisor Series)
BMO Growth ETF Portfolio (series A, T6, F, D, I and Advisor Series)
BMO Equity Growth ETF Portfolio (series A, T6, F, D, I and Advisor Series)
BMO U.S. Dollar Balanced Fund (series A, F, I and Advisor Series)
BMO U.S. Dollar Dividend Fund (series A, F, I and Advisor Series)
BMO U.S. Dollar Equity Index Fund (series A and I)
BMO U.S. Dollar Money Market Fund (series A and Advisor Series)
BMO U.S. Dollar Monthly Income Fund (series A, T5, T6, F, I and Advisor Series)
BMO Asian Growth and Income Class (series F and Advisor Series)
BMO Canadian Equity Class (series A, F, I and Advisor Series)
BMO Canadian Tactical ETF Class (series A, T6, F, I and Advisor Series)
BMO Dividend Class (series A, I and Advisor Series)
BMO Global Dividend Class (series A, T5, F, I and Advisor Series)
BMO Global Energy Class (series A, F, I and Advisor Series)
BMO Global Equity Class (series A, F, I and Advisor Series)
BMO Global Tactical ETF Class (series A, T6, F, I and Advisor Series)
BMO Greater China Class (series A, F, I and Advisor Series)
BMO International Value Class (series A, F, I and Advisor Series)
BMO LifeStage 2017 Class (series A, I and Advisor Series)
BMO LifeStage 2020 Class (series A, I and Advisor Series)
BMO LifeStage 2025 Class (series A, I and Advisor Series)
BMO LifeStage 2030 Class (series A, I and Advisor Series)
BMO LifeStage 2035 Class (series A, I and Advisor Series)
BMO LifeStage 2040 Class (series A, I and Advisor Series)
BMO Short-Term Income Class (series A, I and Advisor Series)
BMO U.S. Equity Class (series F, I and Advisor Series)
BMO SelectClass® Income Portfolio (formerly, BMO SelectClass® Security Portfolio) (series A,
T6, I and Advisor Series)
BMO SelectClass® Balanced Portfolio (series A, T6, I and Advisor Series)
BMO SelectClass® Growth Portfolio (series A, T6, I and Advisor Series)
BMO SelectClass® Equity Growth Portfolio (series A, T6, I and Advisor Series)
BMO Income ETF Portfolio Class (formerly, BMO Security ETF Portfolio Class) (series A, T6, F
and Advisor Series)
BMO Balanced ETF Portfolio Class (series A, T6, F and Advisor Series)
BMO Growth ETF Portfolio Class (series A, T6, F and Advisor Series)
BMO Equity Growth ETF Portfolio Class (series A, T6, F and Advisor Series)

BMO LifeStage Plus 2022 Fund (series A and Advisor Series)
BMO LifeStage Plus 2025 Fund (series A and Advisor Series)
BMO LifeStage Plus 2026 Fund (series A and Advisor Series)
BMO LifeStage Plus 2030 Fund (series A and Advisor Series)
BMO FundSelect® Income Portfolio (formerly, BMO FundSelect® Security Portfolio) (series A)
BMO FundSelect® Balanced Portfolio (series A and NBA)
BMO FundSelect® Growth Portfolio (series A and NBA)
BMO FundSelect® Equity Growth Portfolio (series A and NBA)
BMO SelectTrust™ Fixed Income Portfolio (series A, T6, I and Advisor Series)
BMO SelectTrust™ Income Portfolio (formerly, BMO SelectTrust™ Security Portfolio) (series A, T6, I and Advisor Series)
BMO SelectTrust™ Conservative Portfolio (series A, T6, I and Advisor Series)
BMO SelectTrust™ Balanced Portfolio (series A, T6, I and Advisor Series)
BMO SelectTrust™ Growth Portfolio (series A, T6, I and Advisor Series)
BMO SelectTrust™ Equity Growth Portfolio (series A, T6, I and Advisor Series)
BMO Target Education Income Portfolio (series A and D)
BMO Target Education 2020 Portfolio (series A and D)
BMO Target Education 2025 Portfolio (series A and D)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated April 13, 2015
NP 11-202 Receipt dated April 16, 2015
Offering Price and Description:
Series A, T5, T6, F, D, I, O, L, M, N, NBA, NBF, Advisor Series Securities and/or Classic Series Securities
Underwriter(s) or Distributor(s):
BMO INVESTMENTS INC.
BMO Investments Inc.
Guardian Group of Funds Ltd.
Promoter(s):
BMO INVESTMENTS INC.
Project #2315738

Issuer Name:
BNP Paribas Global Equity Exposure Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated April 10, 2015
NP 11-202 Receipt dated April 16, 2015
Offering Price and Description:
Units @ net asset value
Underwriter(s) or Distributor(s):
BNP Paribas Investment Partners Canada Ltd.
Promoter(s):
BNP Paribas Investment Partners Canada Ltd.
Project #2315828

Issuer Name:
Brookfield Asset Management Inc.
Principal Regulator - Ontario
Type and Date:
Amendment #3 dated April 15, 2015 to the Shelf Prospectus dated June 26, 2013
NP 11-202 Receipt dated April 20, 2015
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2074953

Issuer Name:
Canadian Banc Corp.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated April 13, 2015
NP 11-202 Receipt dated April 15, 2015
Offering Price and Description:
$30,690,000.00
1,320,000 Preferred Shares and 1,320,000 Class A Shares
Prices: $10.00 per Preferred Share
$13.25 per Class A Share
Underwriter(s) or Distributor(s):
NATIONAL BANK FINANCIAL INC.
CIBCWORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
BMO NESBITT BURNS INC.
GMP SECURITIES L.P.
CANACCORD GENUITY CORP.
DUNDEE SECURITIES LTD.
RAYMOND JAMES LTD.
DESJARDINS SECURITIES INC.
MACKIE RESEARCH CAPITAL CORPORATION
MANULIFE SECURITIES INCORPORATED
Promoter(s):
-
Project #2331704

Issuer Name:
Constellation Software Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated April 17, 2015
NP 11-202 Receipt dated April 17, 2015
Offering Price and Description:
C$200,000,000.00 - Offering of Rights to Subscribe for Unsecured Subordinated Floating Rate Debentures, Series 1 Due March 31, 2040
Price: C$115 per Debenture
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2322239

Issuer Name:
Dundee Acquisition Ltd.
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated April 14, 2015
NP 11-202 Receipt dated April 14, 2015
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
TD Securities Inc.
Cantor Fitzgerald Canada Corporation
National Bank Financial Inc.
Dundee Securities Ltd.
Promoter(s):
Dundee Corporation
Project #2317962

Issuer Name:
Dundee Global Resource Class
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated April 13, 2015
NP 11-202 Receipt dated April 15, 2015
Offering Price and Description:
Series A, Series D and Series F
Underwriter(s) or Distributor(s):
-
Promoter(s):
Goodman & Company, Investment Counsel Inc.
Project #2302131

Issuer Name:
Fission Uranium Corp.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated April 16, 2015
NP 11-202 Receipt dated April 16, 2015
Offering Price and Description:
$17,400,000.00
11,600,000 Flow-Through Common Shares
Price $1.50 per Flow-Through Share
Underwriter(s) or Distributor(s):
DUNDEE SECURITIES LTD.
BMO NESBITT BURNS INC.
MACQUARIE CAPITAL MARKETS CANADA LTD.
RAYMOND JAMES LTD.
TD SECURITIES INC.
Promoter(s):
-
Project #2333177

Issuer Name:
Global Iman Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated April 13, 2015
NP 11-202 Receipt dated April 14, 2015
Offering Price and Description:
SERIES A AND F UNITS
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2316198

Issuer Name:
Manulife Preferred Income Class
(Advisor Series, Series F, Series FT, Series I, Series IT and Series T securities)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated April 9, 2015 to the Annual Information Form dated August 1, 2014
NP 11-202 Receipt dated April 15, 2015
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Manulife Asset Management Limited
Manulife Asset Management Investments Inc.
Promoter(s):
Manulife Asset Management Limited
Project #2221024

Issuer Name:
NEI Select Canadian Balanced Portfolio
(Series A, Series F and Series B)
NEI Select Canadian Growth Portfolio
(Series A, Series F and Series B)
Principal Regulator - Ontario
Type and Date:
Amendment #3 dated April 8, 2015 to the Simplified Prospectuses and Annual Information Form dated June 26, 2014
NP 11-202 Receipt dated April 20, 2015
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Credential Asset Management Inc.
Credential Asset Management
Promoter(s):
Northwest & Ethical Investments L.P.
Project #2207619

Issuer Name:
PowerShares FTSE RAFI Global Small-Mid Fundamental ETF
PowerShares Global Shareholder Yield ETF
PowerShares Low Volatility Portfolio ETF
PowerShares Tactical Bond ETF
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated April 17, 2015
NP 11-202 Receipt dated April 20, 2015
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
INVESCO CANADA LTD.
Project #2309137

Issuer Name:
Sun Life BlackRock Canadian Composite Equity Class (Series A, AT5, E, F, I and O shares)
Sun Life BlackRock Canadian Equity Class (Series A, AT5, AT8, E, F, I and O shares)
Sun Life Dynamic Equity Income Class (Series A, AT5, E, F, I and O shares)
Sun Life Dynamic Strategic Yield Class (Series A, AT5, E, F, I and O shares)
Sun Life MFS Dividend Income Class (Series A, AT5, E, F, I and O shares)
Sun Life Sentry Value Class (Series A, AT5, E, F, I and O shares)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated April 14, 2015 to the Simplified Prospectuses and Annual Information Form dated July 29, 2014
NP 11-202 Receipt dated April 20, 2015
Offering Price and Description:
Series I units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Sun Life Global Investments (Canada) Inc.
Project #2227244

Issuer Name:
Symbility Solutions Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated April 17, 2015
NP 11-202 Receipt dated April 17, 2015
Offering Price and Description:
$4,402,200.00 - 13,340,000 Common Shares
Price: $0.33 per Offered Share
Underwriter(s) or Distributor(s):
CORMARK SECURITIES INC.
BEACON SECURITIES LIMITED
PARADIGM CAPITAL INC.
SALMAN PARTNERS INC.
Promoter(s):
-
Project #2332151

Issuer Name:
Institutional Class units of:
TD Emerald Canadian Treasury Management Fund
TD Emerald Canadian Treasury Management - Government of Canada Fund
Class B units of:
TD Emerald Canadian Short Term Investment Fund
TD Emerald Canadian Bond Index Fund
TD Emerald Balanced Fund
TD Emerald Canadian Equity Index Fund
TD Emerald U.S. Market Index Fund
TD Emerald International Equity Index Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated April 16, 2015
NP 11-202 Receipt dated April 17, 2015
Offering Price and Description:
Institutional Class units and Class B units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
TD Asset Management Inc.
Project #2316652

Issuer Name:
Credit Suisse AG
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated February 4, 2015
Withdrawn on April 20, 2015
Offering Price and Description:
Cdn.$4,000,000,000 - Medium Term Notes (Unsecured)
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2305754

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Alta West Mortgage Capital Corporation	Exempt Market Dealer	Effective April 21, 2015

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 OSC Staff Notice – Notice of Commission Approval of Proposed Changes to Alpha Exchange Inc.

OSC STAFF NOTICE

NOTICE OF COMMISSION APPROVAL OF PROPOSED CHANGES TO ALPHA EXCHANGE INC. ("Alpha")

On April 16, 2015, the Ontario Securities Commission approved proposed amendments to Alpha's Trading Policies that were published on November 6, 2014[3], subject to a revision and to terms and conditions noted below.

These amendments include the implementation of a randomized order processing delay on all orders other than "post-only" orders, which by definition cannot remove liquidity from the order book. The proposal as published referenced a randomized delay of 5-25 milliseconds. This was subsequently revised and the proposal was approved with a randomized order processing delay of 1-3 milliseconds.

In approving the Alpha order processing delay, the Commission imposed the following terms and conditions:

(1) orders displayed in the Alpha order book will not be considered to be protected under the Order Protection Rule ("OPR") in Part 6 of National Instrument 23-101 *Trading Rules* ("NI 23-101"); and

(2) Alpha will provide analyses of the impact of the Alpha speed bump on the market as required by the Commission.

The Alpha order processing delay and OPR

The Alpha order processing delay applies to all liquidity-taking orders and as such, it has a broad impact. In particular, feedback received on the Alpha order processing delay indicated that in the view of many commenters, it would add complexities and costs to order routing and execution if orders on Alpha were considered "protected orders" under OPR and related definitions in the Investment Industry Regulatory Organization of Canada's ("IIROC") Universal Market Integrity Rules ("UMIR").

OPR requires marketplaces to have written policies and procedures that are reasonably designed to prevent trade-throughs. The same policies and procedures requirement applies to marketplace participants that have assumed responsibility for compliance with OPR through the use of directed-action orders. As a result of the condition set by the Commission, it is staff's view that the policies and procedures of a marketplace or marketplace participant would be "reasonably designed" if they indicated that orders would not be routed to execute against better-priced orders displayed on Alpha when the Alpha order processing delay is implemented. We would not view the policies and procedures to be reasonably designed if they provided for trade-throughs of orders displayed on any other visible marketplace.

We note that the Commission, as well as the Canadian Securities Administrators (CSA), is currently examining the application of OPR more broadly with respect to any marketplace which imposes an order processing delay, and we expect to issue a proposal for comment in the near term.

Locked and Crossed Markets

Section 6.5 of NI 23-101 prohibits a marketplace or a marketplace participant from intentionally locking or crossing a protected order displayed on a marketplace. In this context, we would not view orders entered on other marketplaces that lock or cross orders displayed on Alpha to be "intentional".

Consolidated Data and UMIR

In the coming weeks, Commission staff will work with the information processor (IP) to ensure that there are replicated market data feeds available to all market participants for specific IP products – one feed will contain data from all marketplaces displaying orders in exchange-traded securities and one will contain data from marketplaces displaying orders that are

[3] Published at (2014), 37 OSCB 9877

protected, excluding displayed orders on Alpha. It is our expectation that each of the Canadian Best Bid and Offer (CBBO), Consolidated Depth of Book (CDB) and Consolidated Last Sale (CLS) will be replicated to provide market participants with choice in the IP feeds available[4]. The work required by the IP will likely not be complete by the implementation date of the order processing delay on Alpha, and as such it is our expectation that Alpha will not pass on any costs for data purchased from the IP until such time as replicated market data feeds are made available[5].

In addition, prior to the implementation of the order processing delay on Alpha, we will work with IIROC to ensure the finalization of any amendments to UMIR necessary to ensure consistency between the approval of the Alpha order processing delay under the associated conditions, and the application of UMIR.

Questions on the content of this Notice may be referred to:

Tracey Stern
Manager, Market Regulation
Email: tstern@osc.gov.on.ca

Kent Bailey
Trading Specialist, Market Regulation
Email: kbailey@osc.gov.on.ca

Timothy Baikie
Senior Legal Counsel, Market Regulation
Email: tbaikie@osc.gov.on.ca

[4] Details regarding IP products can be found at: http://www.tmxinfoservices.com/tmx-datalinx/tmx-ip

[5] The TMX IP is a pass-through model, meaning that in addition to the TMX IP distribution fee, the market data fees (for level 1 and level 2, as applicable) and the data policies of the contributing marketplaces are passed through to the client.

13.2.2 Liquidnet Canada – Notice of Proposed Changes and Request for Comment

LIQUIDNET CANADA

NOTICE OF PROPOSED CHANGES AND REQUEST FOR COMMENT

Liquidnet Canada is publishing this Notice of Proposed Changes in accordance with the "Process for the Review and Approval of Rules and the Information Contained in Form 21-101F2 and the Exhibits Thereto." Market participants are invited to provide the Commission with comment on the proposed changes.

Comment on the proposed changes should be in writing and submitted by May 25, 2015 to

Market Regulation Branch
Ontario Securities Commission
22nd Floor
20 Queen Street West
Toronto, ON M5H 3S8
Fax : (416) 595-8940
marketregulation@osc.gov.on.ca

and

Thomas Scully
General Counsel
Liquidnet Canada Inc.
498 Seventh Avenue
New York, NY 10018
tscully@liquidnet.com

Comments received will be made public on the OSC website. Upon completion of the Review by OSC staff, and in the absence of any regulatory concerns, notice will be published to confirm the completion of Commission staff's review and to outline the intended implementation date of the changes.

Any questions regarding the information below should be addressed to:

Robert Young
Chief Executive Officer
Liquidnet Canada Inc.
200 Bay Street Suite 3400
Toronto, ON M5J2J4
ryoung@liquidnet.com

Liquidnet Canada proposes to introduce the following change to the Liquidnet Canada trading system:

1. Trading of foreign debt securities

A. Description of the proposed change

Liquidnet Canada ATS is proposing to provide Canadian institutional clients access to the fixed income trading systems operated by affiliates Liquidnet, Inc. (LNUS) and Liquidnet Europe Limited (LNEL) for purposes of trading non-Canadian fixed income securities (also referred to as "bonds").

Background

In August 2014, Liquidnet Canada's parent acquired the fixed income trading business operated by Vega-Chi Limited and its subsidiaries, which included a U.S. broker dealer, Vega-Chi US Limited, operating an ATS for the trading of US fixed income securities and a European investment firm, Vega-Chi Limited, operating an MTF for the trading of European fixed income securities. The US fixed income trading system is now operated by foreign affiliate Liquidnet, Inc., while the European fixed income trading system is now operated by Liquidnet Europe Limited. The securities traded on these systems currently include:

a) US and European high-yield corporate fixed income securities

b) US and European investment grade corporate fixed income securities

c) European convertible fixed income securities

d) Emerging markets corporate fixed income securities.

As noted above, the Liquidnet Canada ATS has requested an exemption from Part 6.3 of NI 21-101 to be permitted to offer institutional clients access to the non-Canadian fixed income trading systems operated by affiliates Liquidnet, Inc. and Liquidnet Europe Limited. Until the exemption application has been disposed of, trading capability for current Canadian clients in non-Canadian fixed income securities has been suspended.

Upon grant of the requested exemption and regulatory approval of the proposed change, the Liquidnet Canada ATS will provide institutional subscribers access to the fixed income ATS operated by US affiliate Liquidnet, Inc. and the fixed income MTF operated by UK affiliate Liquidnet Europe Limited for the trading of non-Canadian fixed income securities.

Operation of the fixed income trading system

A customer located in a specific region is a customer of the Liquidnet entity in that region; for example, a customer located in Canada is a customer of Liquidnet Canada and a participant of the Liquidnet Canada ATS.

Each Liquidnet ATS or MTF is responsible for the execution of trades for the market or markets within its region; for example, the Liquidnet Fixed Income ATS is responsible for execution of trades in US fixed income securities.

If a customer located in a specific region transmits an order for a fixed income security traded in another region, Liquidnet's systems record that order as being routed by the Liquidnet entity in the customer's region to the Liquidnet ATS or MTF responsible for execution. For example, for Canadian customers Liquidnet's systems record the order as being routed by the Liquidnet Canada ATS (considered the routing ATS) to the ATS or MTF responsible for execution (the executing ATS). For example, if a customer located in Canada transmits an order for a DTCC-settled fixed income security, Liquidnet's systems record the order as being routed by the Liquidnet Canada ATS to the Liquidnet Fixed Income ATS (the executing ATS).

The Liquidnet Canada ATS, operated by Liquidnet Canada Inc., is a subscriber to the Liquidnet Fixed Income ATS, operated by Liquidnet, Inc., and the Liquidnet Europe Fixed Income MTF, operated by Liquidnet Europe Limited.

Upon grant of the requested exemption and approval of the proposed change, the Liquidnet Canada ATS, will route orders on behalf of Canadian customers for non-Canadian fixed income securities to the Liquidnet Fixed Income ATS, operated by Liquidnet, Inc., and the Liquidnet Europe Fixed Income MTF, operated by Liquidnet Europe Limited.

We use the following defined terms herein:

Defined Term	Definition
Liquidnet Canada	Liquidnet Canada Inc.
LNC ATS	Liquidnet Canada ATS
Liquidnet US	Liquidnet, Inc.
LNUS ATS	Liquidnet Fixed Income ATS
Liquidnet Europe	Liquidnet Europe Limited
LNEL MTF	Liquidnet Europe Limited Fixed Income MTF
Executing ATSs	LNUS ATS and LNEL MTF, collectively
Liquidnet	Liquidnet Canada, Liquidnet US and Liquidnet Europe
ATSs	LNC ATS and Executing ATSs, collectively

The LNC ATS will only participate as a subscriber to the Executing ATSs as agent on behalf of the Canadian customers of the LNC ATS. The LNC ATS does not execute trades. The LNC ATS receives orders from Canadian customers and routes them to the LNUS ATS or the LNEL MTF, as applicable.

Additional information regarding affiliates

Liquidnet US, operator of the LNUS ATS, is a broker-dealer registered with the Securities and Exchange Commission in the US, and is a member of the Financial Industry Regulatory Authority.

Liquidnet Europe, operator of the LNEL MTF, is an investment firm authorized and regulated by the UK Financial Conduct Authority in the United Kingdom as a limited license firm.

Liquidnet Holdings, Inc., based in the US, is the direct or indirect parent company of each of the Liquidnet dealing entities. Pursuant to agreements entered into between Liquidnet Holdings and each of the dealing entities, Liquidnet Holdings provides technology-related services to the dealing entities, including services related to the development, testing and maintenance of Liquidnet's trading systems. The agreements include licensing of technology developed by Liquidnet Holdings.

Vega-Chi Financial Technologies Ltd. (VC Tech), based in Cyprus, is an indirect wholly-owned subsidiary of Liquidnet Holdings. Pursuant to agreements entered into between VC Tech and Liquidnet Canada, Liquidnet US and Liquidnet Europe, VC Tech provides technology-related services, including services related to the development, testing and maintenance of the trading system software provided to Liquidnet Canada, Liquidnet US and Liquidnet Europe. The agreements include licensing of technology developed by VC Tech.

Fixed income customers

Subscribers to the LNC ATS, LNUS ATS and the LNEL MTF consist of buy-side institutional investors and securities dealers. Buy-side institutional investors and securities dealers participate in the displayed order book in the same manner, as described herein. Institutional investors and securities dealers have different means of participation in the negotiation functionality, as described further below. All subscribers are referred to as fixed income customers or customers.

Canadian fixed income customers are direct participants of the LNC ATS and trade through a desktop application provided by Liquidnet Canada. Through the desktop application, customers can enter orders for corporate fixed income securities. A customer also can transmit orders via Liquidnet's API, the customer's order management system, or FIX connectivity.

Location of fixed income customers

Fixed income customers located in the US, Canada, the European Economic Area (EEA) and Switzerland can trade US fixed income securities through the LNUS ATS and European fixed income securities through the LNEL MTF. For Canadian customers, cross-border trades are routed by the Liquidnet Canada ATS to the ATS or MTF responsible for execution, i.e., the LNUS ATS and the LNEL MTF. Only Liquidnet Canada staff, including registered personnel, as applicable, will deal directly with Canadian customers.

Liquidnet provides two methods for executing customer orders:

- Displayed order book
- Negotiation

Displayed Order Book Functionality

Orders displayed through the displayed order book are also referred to as "standard orders".

Order details

When entering an order, a customer must select a security, which is defined by issuer, coupon, maturity and other relevant details.

Customers can execute against existing orders displayed in the system or create new orders. When creating a new order, the customer must input the relevant order details, including:

- Buy or sell
- Order size
- Limit price
- Order expiry.

When executing against an order displayed in the system, the customer only inputs order size, as the price is determined by the contra order, and the order is treated as an IOC (immediate or cancel) order. For investment grade corporate fixed income securities, the price may be expressed as a spread (indicated in basis points) over the relevant government bond benchmark, as opposed to bond points.

Order expiry

All orders expire at the earliest of the following:

- The end of the trading day in the system
- When the trader exits the system
- As designated by the trader through the system.

When creating an order, a trader can designate an order as IOC or specify a time duration for the order (in minutes), subject to all orders expiring at the end of the trading day or when the trader exits the system.

Order size

Order size must be submitted as a notional amount in the currency in which the security is traded.

Limit price

All orders must have a limit price. The limit price must be submitted as a percentage of the par value of the security, expressed in bond points (for example, 98.50 which is 98.5% of the par value). Limit price can be specified up to four decimals.

Order execution and execution priority

The system executes contra-orders with matching security and price, subject to meeting any applicable customer and system minimum size requirements and other applicable order constraints.

Two or more same-side orders are executed based on price and time priority. In the case of two buy orders in a security, the order with the highest limit price has priority of execution; in the case of two sell orders in a security, the order with the lowest limit price has priority of execution. If two same-side orders have the same limit price, the order that was received first by the system has priority of execution.

Display of orders

All “standard” customer orders, which remain anonymous at all times, are displayed to all other system users through the desktop application for the full quantity. The system displays symbol, size, side (buy or sell) and limit price.

Minimum order size

The minimum permitted size for a standard order is 500,000 US dollars, Euros, British pounds or Swiss francs, depending on the currency in which the corporate bond is traded. For securities denominated in other currencies, the currency of the security is converted to US dollars to determine whether an order meets the minimum size requirement.

A customer can request that a Liquidnet Sales rep manually reduce the minimum size requirement for a particular order. In this situation, the Liquidnet Sales rep can contact another customer with a contra-order in the system (the contra) to ask whether the contra would be willing to execute its order for the reduced size requested by the first customer. Liquidnet will not execute an order below minimum size unless requested or consented to by both parties in this manner.

Negotiation functionality

Indication matching functionality

Canadian institutional customers can elect whether or not to participate in negotiation functionality. If an institutional customer elects to participate in negotiation functionality, indications are transmitted directly from the Canadian customer to the Liquidnet Canada ATS and then routed to Liquidnet’s indication matching engine.

Contras

When a trader has an indication that is transmitted to the indication matching engine, and there is at least one other trader with a matching indication on the opposite side (a "contra-party" or "contra"), Liquidnet notifies the first trader and any contra. A matching indication (or "match") is one that is in the same fixed income security and where both the trader and the contra meet each other's minimum size, as described below. Customers cannot be matched with opposite side orders having the same customer identifier.

Liquidnet determines matches based on the security identifier provided by each customer.

Minimum size for matching

Each customer has a default minimum size for matching, which applies to all of the customer's indications. Liquidnet automatically sets the default minimum size for each customer at 500,000 US dollars, Euros, British pounds or Swiss francs (depending upon the currency in which the corporate bond is traded), but a customer can modify its default minimum size for all indications upon notice to Liquidnet. A customer can designate any of the following amounts as its default minimum size for all indications:

- 100,000
- 250,000
- 500,000
- 1M
- 2M.

The amounts above refer to US dollars, Euros, British pounds or Swiss francs, depending upon the currency in which the corporate bond is traded. The default minimum sizes for corporate bonds that trade in other currencies are determined by converting the customer's US dollar default minimum size to its equivalent amount in the local currency.

A customer can modify its minimum size for a specific indication, but only prior to receipt of notification of a match on that indication.

Maximum size

For each indication, a customer must set an indication size in its OMS. Liquidnet treats this indication size as the maximum size of the customer's indication.

Matching based on minimum and maximum size

Liquidnet only matches two contras if each side's maximum size is greater than the contra's minimum size. Minimum and maximum sizes are expressed as a notional amount.

Matching stage

Upon receipt of notification of a match, the two matching customers have a five-minute match window during which they can elect to start a negotiation. A negotiation commences when the following conditions have occurred:

- Both customers have elected to a start a negotiation within the five-minute match window
- At the time that the second customer elects to start a negotiation, the customers match on price visibility.

Negotiation price; matching on price visibility

Prior to electing to negotiate, a customer must specify a negotiation price and a price visibility tolerance. The negotiation price is the maximum price (in the case of a buy order) or minimum price (in the case of a sell order) at which the customer is willing to trade.

For two customers to match on price visibility, the following two conditions must be met:

- The buyer's negotiation price plus its price visibility tolerance must be greater than or equal to the seller's negotiation price.
- The seller's negotiation price less its price visibility tolerance must be less than or equal to the buyer's negotiation price.

For example:

- The buyer has a negotiation price of 101 and a price visibility tolerance of 2; the seller has a negotiation price of 103 and a price visibility tolerance of 2; the parties match on price visibility.
- The buyer has a negotiation price of 101 and a price visibility tolerance of 1; the seller has a negotiation price of 103 and a price visibility tolerance of 2; the parties do not match on price visibility because the buyer's negotiation price plus price visibility tolerance is less than the seller's negotiation price.

Adjusting minimum and maximum size

Each matching customer can adjust its maximum order size during the matching stage, except that a customer cannot increase its maximum order size above its OMS indication size.

Customers cannot adjust their minimum size after notification of a match.

A match is broken when one matching customer reduces its maximum size to below the contra's minimum size.

Termination of matches

A match can terminate for any of the following reasons:

- The conditions for commencement of a negotiation described above have not occurred by the end of the five-minute match window.
- One side exits the match.
- One side decreases its maximum size to an amount that is below the contra's minimum size.
- On three occasions during the five-minute match window, both parties elect to commence a negotiation but do not match on price visibility.

Notification to customers upon termination of a match

The system notifies both matching customers when the five-minute match window has expired. When a customer exits a match, the customer must specify a reason; this reason is communicated to the contra. When a match breaks as a result of one customer decreasing its maximum size, the System notifies the second customer that the match has broken because the first customer changed its indication parameters.

When two customers elect to commence a negotiation and do not match on price visibility, the system notifies both customers of this fact. The customers can have two more attempts to establish price visibility by amending their indication parameters. After the third attempt during the five-minute match window, the system breaks the match and notifies both customers that the match is being broken because the customers did not match on price visibility.

Multiple contras; prioritization of match notification

At any time, Liquidnet only notifies a customer of one match with a contra on a particular indication. Prioritization of matching is based on size, and then time, priority.

If a customer matches with multiple contras, Liquidnet displays a match between the customer and the contra with the largest maximum size. If this match does not result in a negotiation, other matching contras similarly are ranked based on largest maximum size. If two contras have the same maximum size, prioritization is based on which contra transmitted its indication to Liquidnet first.

When a match does not result in a negotiation, each side falls to last in priority versus the contra on the particular match.

Notification when one customer has elected to negotiate

When one matching customer elects to negotiate, a notification is sent to the contra. The notification does not provide any details regarding the first customer's price and quantity.

Upon receipt of this notification, if there are more than three minutes remaining on the original five-minute match timer, the match timer is reduced to three minutes.

Negotiation stage

Automatic execution

The negotiation stage commences when two matching customers have elected to start a negotiation and the price condition described above has been met. An automatic execution can occur in lieu of a negotiation if the buyer's negotiation price is equal to (and, in certain cases, greater than) the seller's negotiation price.

Where the buyer and seller have the same negotiation price, an automatic execution occurs at that price. Where the buyer's negotiation price is above the seller's negotiation price by 0.25% (equal to ¼ of a bond point) or less, an automatic execution occurs at the mid-point between the buyer's negotiation price and the seller's negotiation price. Where the buyer's negotiation price is above the seller's negotiation price by more than 0.25% (equal to ¼ of a bond point), the system notifies both customers of this fact and requests that both customers confirm or modify their price.

The execution size is the lesser of the buyer's and seller's maximum sizes.

Display upon commencement of negotiation

Upon commencement of a negotiation, each customer's negotiation price is displayed to the contra. The contra's quantity is not displayed during a negotiation.

At the time that the opening negotiation prices are displayed to each of the two customers in the negotiation, an option appears to enable the two customers to execute the trade in the middle of the two prices (bid and offer). Note that when one side, elects to trade in the middle, the other side is not notified of such intention. If both customers elect to trade in the middle, the trade is executed in the middle of the bid and offer prices entered by the two customers.

If one of the customers amends their opening negotiation price, the option to trade in the middle is no longer available.

Negotiated executions

During a negotiation, either side can accept the other side's negotiation price. Either side also can change its negotiation price during a negotiation. When a customer changes its negotiation price, this is displayed to the contra. An execution occurs when the buying and selling prices meet. Whenever one side changes its price during the negotiation, the timer for the negotiation resets back to five minutes, provided that the previous negotiation price change originated from the other side (i.e., sequential negotiation price changes from the same customer do not reset the negotiation clock).

The execution size is the lesser of the buyer's and seller's maximum sizes.

Minimum and maximum size

A customer can change its maximum size during a negotiation, subject to the limitation set forth above. A customer cannot change its minimum size during a negotiation.

An execution can only occur if each customer's maximum size is greater than or equal to the contra's minimum size.

Canceling a negotiation

Either customer can cancel a negotiation at any time. This ends the negotiation, and a notification is sent to the contra.

A negotiation also terminates if neither customer has modified its negotiation price or accepted the contra's negotiation price within five minutes after the later of commencement of the negotiation and the last negotiation price update by a party.

Termination after an execution

A negotiation also terminates after an execution, but the system can display a new match to each customer if each customer has a remaining quantity on its indication and the other conditions for matching described above are met.

Participation of securities dealers in negotiation process

A securities dealer can elect whether or not to participate in the negotiation process. If a securities dealer elects to participate in the negotiation process, the securities dealer can display a firm order to institutional customers with matching contra-indications. The displayed order shows price and size.

An institutional customer can elect to execute against the securities dealer's order. Alternatively, an institutional customer can elect to commence a negotiation with the securities dealer. The same negotiation process applies as described above, except as follows:

- An institutional customer cannot submit a price that is above the securities dealer's offer price or below the securities dealer's bid price.
- The securities dealer's quantity is displayed to the institutional customer during the negotiation.

Gray Market trading

The Gray Market is the period of market activity between the announcement and pricing of a new issue. All Gray Market orders must be expressed as a percentage of the issue price, which is the official price at which a security will be issued.

Liquidnet can allow two parties to agree on a Gray Market trade prior to the pricing of a new issue, where the parties agree upon the percentage of the issue price at which they will execute. The trade is considered executed upon the pricing of the new issue, at which point the execution price is automatically determined by reference to the new issue price and the percentage of the new issue price previously agreed to by the customers.

In the event that a potential new issue is not subsequently issued, Liquidnet will cancel all Gray Market trades in the issue. This is the same methodology as used in the OTC market for Gray Market trading.

Only standard orders are available for Gray Market trading.

B. The expected date of implementation

It is expected that the proposed change will be implemented shortly after satisfaction of the requirements set forth in Section 3.2(1) of National Instrument 21-101, *Marketplace Operation* (NI 21-101), including the expiration of a 45-day notice period.

C. Rationale for the proposed change

Liquidnet Canada is implementing the proposed change because proceeding in this manner is consistent with the existing regulatory framework within Canada and preferable to routing orders abroad to Liquidnet's fixed income marketplaces and taking the position they are not operating as marketplaces in Canada. The proposed change will also provide Canadian participants with an additional venue for trading non-Canadian fixed income securities.

D. Expected impact of the proposed change on market structure, subscribers, investors and capital markets

We foresee no adverse impact on market structure, subscribers, investors or the capital markets because the proposed change is most consistent with the existing regulatory framework within Canada and relates to the trading of non-Canadian fixed income securities only.

E. Expected impact of the proposed change on Liquidnet Canada's compliance with Ontario securities law and the requirements for fair access and maintenance of a fair and orderly market

We foresee no adverse impact on Liquidnet Canada's compliance with market structure, Ontario securities laws or to requirements of fair access and the maintenance of a fair and orderly market.

F. Consultations undertaken in formulating the proposed change, including internal governance process followed

Liquidnet Canada consulted with certain customers before proceeding with the proposed change. The proposed change was approved by the management of Liquidnet Canada.

G. Whether the proposed change will require subscribers and vendors to modify their own systems

The proposed change will not require any work by subscribers or vendors to modify their own systems. The proposed change is not a material change to technology requirements regarding interfacing with or accessing the marketplace within the meaning of Part 12.3 of NI 21-101.

H. Discussion of alternatives

Liquidnet Canada considered whether or not to implement the proposed change. While some non-Canadian marketplaces receive orders from affiliated Canada based brokers without complying with NI 21-101, there is uncertainty about whether this approach is the optimal course to follow for a regulatory perspective. Since the proposed change is most consistent with the existing regulatory framework in Canada concerning the trading of non-Canadian fixed income securities, Liquidnet Canada intends to implement the proposed change, subject to receipt of regulatory approval.

I. Whether the proposed change would introduce a fee model or feature that currently exists in other markets or jurisdictions

Liquidnet Canada's affiliates in other jurisdictions have not implemented the proposed change because the requested change is specific to the existing regulatory framework in Canada.

13.2.3 Liquidnet Canada – Notice of Approval of Proposed Changes

LIQUIDNET CANADA

NOTICE OF APPROVAL OF PROPOSED CHANGES

On April 16, 2015, the Ontario Securities Commission (OSC) approved changes proposed by Liquidnet Canada. The changes approved include:

- Canada broker blocks participants include Liquidnet Canada;
- Additional configuration for automatically converting indications from active to passive; and
- Reference prices for pre-open matching of indications with OMS limits.

A notice requesting feedback on the proposed changes was published on the OSC website and in the OSC Bulletin on January 22, 2015, at (2015), 38 OSCB 742. No comments were received on the proposed changes.

Liquidnet Canada will publish a notice indicating the date of implementation of the approved changes.

13.2.4 Notice of Approval – Omega ATS – Broker Preferencing

OMEGA ATS

NOTICE OF OSC APPROVAL OF PROPOSED CHANGES

On April 17, 2015, the OSC approved changes proposed by Omega ATS, which would introduce broker preferencing for visible liquidity orders and hidden orders. A notice requesting feedback on the proposed changes was published in the OSC Bulletin on March 12, 2015 at (2015), 38 OSCB 2545. No comments were received on the proposed changes.

Omega ATS will publish a notice indicating the date of implementation of the approved changes.

13.3 Clearing Agencies

13.3.1 OSC Staff Notice – CDS Clearing and Depository Services Inc. – Proposed Amendments to CDS Fee Schedule – Issuer Services Program

ONTARIO SECURITIES COMMISSION

STAFF NOTICE

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

PROPOSED AMENDMENTS TO CDS FEE SCHEDULE

ISSUER SERVICES PROGRAM

Staff of the Autorité des marchés financiers, the British Columbia Securities Commission, and the Ontario Securities Commission (CDS' regulators) are publishing this notice as an update to our review of CDS' Issuer Services Program. On November 13, 2014, CDS' notice and request for comment regarding proposed amendments to the CDS fee schedule relating to the issuer services (Issuer Services Program) was published for a 30 day comment period.

CDS would like to amend its fee schedule to start charging fees for services that are currently provided to securities issuers. These services include the (i) issuance of International Security Identification Numbers ("ISINs"), (ii) depository eligibility, securities registration-related services including certificate and late request fees and, (iii) entitlement and corporate action ("E&CA") event management services. CDS received 17 submissions including from representatives of government Issuers, exchange traded fund Issuers, exchange operators, transfer agents and the investment dealer community. Letters from commenters that accepted public disclosure of their submission were published on CDS' website on March 5, 2015.

On April 23, 2015, CDS published their Summary of Public Comments and Responses to the Notice and Request for Comments (Summary). To obtain a copy of CDS' Summary please go to CDS' website at www.cds.ca/resources/en/154.

CDS' regulators are continuing to review CDS' Issuer Services Program.

Questions

Questions with respect to this Notice may be referred to:

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