The Ontario Securities Commission

OSC Bulletin

July 14, 2016

Volume 39, Issue 28

(2016), 39 OSCB

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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Published under the authority of the Commission by:
Thomson Reuters
One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
M1T 3V4

416-609-3800 or 1-800-387-5164

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Subscriptions to the print Bulletin are available from Thomson Reuters Canada at the price of $868 per year. The eTable of Contents is available from $148 to $155. The CD-ROM is available from $1392 to $1489 and $314 to $336 for additional disks.

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440 grams	US – $5.41	Foreign – $18.50
860 grams	US – $6.61	Foreign – $10.60
1140 grams	US – $7.64	Foreign – $14.70

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ISSN 0226-9325

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Franklin Templeton Investments Corp.

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Existing and future mutual funds managed by the Filer granted relief from paragraphs 15.3(4)(c) and (f) of NI 81-102 Investment funds to permit references to Fundata A+ Awards and relief from paragraphs 15.3(4)(c) to permit references to FundGrade Ratings in sales communications – Relief subject to conditions requiring specified disclosure and the requirement that the Fundata A+ Awards being referenced not have been awarded more than 365 days before the date of the sales communication.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 15.3(4)(c) and (f), 19.1.

July 6, 2016

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
FRANKLIN TEMPLETON INVESTMENTS CORP.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filer on behalf of existing mutual funds and future mutual funds of which the Filer is or becomes the investment fund manager (or which an affiliate of the Filer is or becomes the investment fund manager) and to which National Instrument 81-102 – *Investment Funds* (**NI 81-102**) applies (each a **Fund** and collectively, the **Funds**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption from the requirements set out in paragraphs 15.3(4)(c) (in respect of both the FundGrade A+ Awards and the FundGrade Ratings) and 15.3(4)(f) (in respect of the FundGrade A+ Awards only) of NI 81-102, which provide that a sales communication must not refer to a performance rating or ranking of a mutual fund or asset allocation service unless:

(i) the rating or ranking is provided for each period for which standard performance data is required to be given, except the period since the inception of the mutual fund; and

(ii) the rating or ranking is to the same calendar month end that is:

(a) not more than 45 days before the date of the appearance or use of the advertisement in which it is included, and

(b) not more than three months before the date of first publication of any other sales communication in which it is included;

(together, the **Exemption Sought**), to permit the FundGrade A+ Awards and the FundGrade Ratings to be referenced in sales communications relating to the Funds.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

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

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

Interpretation

Terms defined in National Instrument 14-101 – *Definitions*, NI 81-102 have the same meanings if used in this Application, unless otherwise defined.

Representations

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

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

2. The Filer is registered under securities legislation in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland & Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec, Saskatchewan and Yukon as an adviser in the category of portfolio manager and as a dealer in the categories of mutual fund dealer and exempt market dealer. The Filer is also registered under securities legislation in Alberta, British Columbia, Manitoba, Newfoundland & Labrador, Nova Scotia, Ontario and Quebec as an investment fund manager.

3. Each of the Funds is, or will be, an open-ended mutual fund established under the laws of Canada or a jurisdiction of Canada. The securities of each of the Funds are, or will be, qualified for distribution pursuant to a prospectus that has been, or will be, prepared and filed in accordance with the securities legislation of each applicable Jurisdiction. Each of the Funds is, or will be, a reporting issuer in one or more of the Jurisdictions. Each of the Funds is or will be subject to NI 81-102, including Part 15 of NI 81-102, which governs sales communications.

4. The Filer and each of the Funds are not in default of securities legislation in any of the Jurisdictions.

5. The Filer wishes to include in sales communications of the Funds references to the FundGrade Ratings and references to the FundGrade A+ Awards where such Funds have been awarded a FundGrade A+ Award.

6. Fundata Canada Inc. (**Fundata**) is not a member of the organization of the Funds. Fundata is a leader in supplying mutual fund information, analytical tools, and commentary. Fundata's fund data and analysis, fund awards designations and ratings information provide valuable insight to advisors, media and individual investors.

7. One of Fundata's programs is the FundGrade A+ Awards program. This program highlights funds that have excelled in delivering consistently strong risk-adjusted performance relative to their peers. The FundGrade A+ Awards designate award-winning funds in most individual fund classifications for the previous calendar year, and the awards are announced in January of each year. The categories for fund classification used by Fundata are those maintained by the Canadian Investment Funds Standards Committee (**CIFSC**) (or a successor to CIFSC), a Canadian organization that is independent of Fundata.

8. The FundGrade A+ Awards are based on a proprietary rating methodology developed by Fundata, the FundGrade Rating system. The FundGrade Rating system evaluates funds based on their risk adjusted performance, measured by three well-known and widely-used metrics: the Sharpe Ratio; the Information Ratio; and the Sortino Ratio. The ratios are calculated for the two through ten year time periods for each fund. When there is more than one eligible series of a fund, an average ratio is taken for each period. The ratios are ranked across all time periods and an overall score is calculated by equally weighting the yearly rankings.

9. The FundGrade Ratings are letter grades for each Fund and are determined each month. The FundGrade Ratings for each month are released on the seventh business day of the following month. The top 10% of funds earn an A Grade;

the next 20% of funds earn a B Grade; the next 40% of funds earn a C Grade; the next 20% of funds receive a D Grade; and the lowest 10% of funds receive an E Grade. Because the overall score of a fund is calculated by equally weighting the periodic rankings, to receive an A Grade, a Fund must show consistently high scores for all ratios across all time periods.

10. Fundata calculates a grade using only the retail series of each Fund. Institutional series or fee-based series of any Fund are not included in the calculation. A Fund must have at least two years of history to be included in the calculation. Once a letter grade is calculated for a Fund, it is then applied to all related series of that Fund.

11. At the end of each calendar year, Fundata calculates a "Fund GPA" for each Fund based on the full year's performance. The Fund GPA is calculated by converting each month's FundGrade Rating letter grade into a numerical score. Each A is assigned a grade of 4.0; each B is assigned a grade of 3.0; each C is assigned a grade of 2.0; each D is assigned a grade of 1.0; and each E is assigned a grade of 0. The total of the grades for each Fund is divided by 12 to arrive at the Fund's GPA for the year. Any Fund earning a GPA of 3.5 or greater earns a FundGrade A+ Award.

12. When a Fund is awarded a FundGrade A+ Award, Fundata will permit such Fund to make reference to the award in its sales communications.

13. The FundGrade Ratings fall within the definition of "performance data" under NI 81-102 as they constitute "a rating, ranking, quotation, discussion or analysis regarding an aspect of the investment performance of an investment fund", given that the FundGrade Ratings are based on performance measures calculated by Fundata. The FundGrade A+ Award Awards may be considered to be "overall ratings or rankings" given that the awards are based on the FundGrade Ratings as described above. Therefore, references to FundGrade Ratings and FundGrade A+ Award Awards in sales communications relating to the Funds need to meet the applicable requirements in Part 15 of NI 81-102.

14. Paragraph 15.3(4)(c) of NI 81-102 imposes a "matching" requirement for performance ratings or rankings that are included in sales communications for mutual funds. If a performance rating or ranking is referred to in a sales communication, it must be provided for, or "match", each period for which standard performance data is required to be given for the fund, except for the period since the inception of the fund (i.e. for one, three, five and ten year periods, as applicable).

15. While FundGrade Ratings are based on calculations for a minimum of two years through to a maximum of ten years and the FundGrade A+ Awards are based on a yearly average of monthly FundGrade Ratings, specific ratings for the three, five and ten year periods within the two to ten year measurement period are not given. This means that a sales communication referencing FundGrade Ratings cannot comply with the "matching" requirement contained in paragraph 15.3(4)(c) of NI 81-102. Relief from paragraph 15.3(4)(c) of NI 81-102 is, therefore, required in order for a Fund to use FundGrade Ratings in sales communications.

16. The exemption in subsection 15.3(4.1) of NI 81-102 for references to overall ratings or rankings of funds cannot be relied upon to reference the FundGrade A+ Awards in sales communications for the Funds because it is available only if a sales communication "otherwise complies" with the requirements of subsection 15.3(4). As noted above, sales communications referencing the FundGrade A+ Awards cannot comply with the "matching" requirement in subsection 15.3(4) because the underlying FundGrade Ratings are not available for the three, five and ten year periods within the two to ten year measurement period for the FundGrade Ratings, rendering the exemption in subsection 15.3(4.1) unavailable. Relief from subsection 15.3(4)(c) is, therefore also, required in order for Funds to reference the FundGrade A+ Awards in sales communications.

17. Paragraph 15.3(4)(f) of NI 81-102 imposes certain restrictions on disclosure in sales communications. This paragraph provides that in order for a rating or ranking such as a FundGrade A+ Award to be used in an advertisement, the advertisement must be published within 45 days of the calendar month end to which the rating or ranking applies. Further, in order for the rating or ranking to be used in any other sales communication, the rating or ranking must be published within three months of the calendar month end to which the rating or ranking applies.

18. Because the evaluation of Funds for the FundGrade A+ Awards will be based on data aggregated until the end of December in any given year and the results will be published in January of the following year, by the time a Fund receives FundGrade A+ Award in January, paragraph 15.3(4)(f) of NI 81-102 will only allow the FundGrade A+ Award to be used in an advertisement until the middle of February and in other sales communications until the end of March.

19. The Exemption Sought is required in order for the FundGrade Ratings and the FundGrade A+ Awards to be referenced in sales communications relating to the Funds.

20. The Filer submits that the FundGrade A+ Awards and the FundGrade Ratings provide important tools for investors, as they provide investors with context when evaluating investment choices. The FundGrade A+ Awards and the FundGrade Ratings provide an objective, transparent and quantitative measure of performance that is based on the expertise of FundGrade in fund analysis that alleviates any concern that references to them may be misleading an therefore, contrary to paragraph 15.2(1)(a) of NI 81-102.

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 to permit the FundGrade A+ Awards and the FundGrade Ratings to be referenced in sales communications relating to a Fund provided that:

1. the sales communication that refers to the FundGrade A+ Awards and the FundGrade Ratings complies with Part 15 of NI 81-102 other than as set out herein and contains the following disclosure in at least 10 point type:

    (a) the name of the category for which the Fund has received the award or rating;

    (b) the number of mutual funds in the category for the applicable period;

    (c) the name of the ranking entity, i.e., Fundata;

    (d) the length of period and the ending date, or, the first day of the period and the ending date on which the FundGrade A+ Awards or the FundGrade Rating is based;

    (e) a statement that FundGrade Ratings are subject to change every month;

    (f) in the case of a FundGrade A+ Award, a brief overview of the FundGrade A+ Awards;

    (g) in the case of a FundGrade Rating (other than FundGrade Ratings referenced in connection with a FundGrade A+ Award), a brief overview of the FundGrade Rating;

    (h) disclosure of the meaning of the FundGrade Ratings from A to E (e.g., rating of A indicates a fund is in the top 10% of its category); and

    (i) reference to Fundata's website (www.fundata.com) for greater detail on the FundGrade A+ Awards and the FundGrade Ratings;

2. the FundGrade A+ Award being referenced must not have been awarded more than 365 days before the date of the sales communication; and

3. the FundGrade A+ Awards and the FundGrade Ratings being referenced are calculated based on comparisons of performance of investment funds within a specified category established by the CIFSC (or a successor to the CIFSC).

“Darren McKall”
Manager, Investment Funds and Structured Products Branch
Ontario Securities Commission

2.1.2 Norrep Capital Management Ltd. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – approval of investment fund merger pursuant to paragraph 5.5(1)(b) – approval required because the merger does not meet the criteria for pre-approved reorganizations and transfers in National Instrument 81-102 Investment Funds – terminating fund and continuing fund does not have substantially similar fundamental investment objectives and fee structures – merger is not a "qualifying exchange" or a tax-deferred transaction under the Income Tax Act – securityholders provided with timely and adequate disclosure regarding the merger.

Citation: Re Norrep Capital Management Ltd., 2016 ABASC 142.

May 26, 2016

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA AND ONTARIO
(THE JURISDICTIONS)

AND

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

AND

IN THE MATTER OF
NORREP CAPITAL MANAGEMENT LTD.
(THE FILER)

AND

NORREP GLOBAL CLASS AND
NORREP CANADIAN EQUITY CLASS
(THE TERMINATING FUNDS)

AND

NORREP GLOBAL INCOME GROWTH CLASS AND
NORREP CORE CANADIAN POOL
(THE CONTINUING FUNDS)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Makers**) have received an application from the Filer on behalf of the Terminating Funds and the Continuing Funds (each a **Fund** and together, the **Funds**) for a decision under the securities legislation (the **Legislation**) of the Jurisdictions for approval (the **Requested Approval**), pursuant to paragraph 5.5(1)(b) of National Instrument 81-102 *Investment Funds* (**NI 81-102**), of the proposed merger of Norrep Global Class into Norrep Global Income Growth Class (the **Global Merger**) and of the proposed merger of Norrep Canadian Equity Class into Norrep Core Canadian Pool (the **Canadian Merger** and together with the Global Merger, the **Mergers**).

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

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

(b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Saskatchewan, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia and Prince Edward Island (together with the Jurisdictions, the **Offering Jurisdictions**); and

(c) this 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*, MI 11-102 or NI 81-102 have the same meaning if used in this decision, unless otherwise defined herein.

Representations

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

The Filer

1. The Filer is a corporation incorporated under the *Business Corporations Act* (Alberta) (**ABCA**) with its head office in Calgary, Alberta.

2. The Filer is registered as an investment fund manager, portfolio manager and exempt market dealer under applicable securities legislation in Alberta and Ontario, as an investment fund manager in Québec and Newfoundland and Labrador and as an exempt market dealer and portfolio manager in British Columbia.

3. The Filer acts as investment fund manager and portfolio manager of the Funds.

The Funds

4. Norrep Canadian Equity Class, Norrep Global Class and Norrep Global Income Growth Class are each a separate class of special shares of Norrep Opportunities Corp. (**Norrep Opportunities**), a corporation incorporated under the ABCA.

5. Shares of Norrep Canadian Equity Class, Norrep Global Class and Norrep Global Income Growth Class are currently distributed in the Offering Jurisdictions under a simplified prospectus, annual information form and fund facts dated June 29, 2015, as amended on December 3, 2015, March 22, 2016 and April 22, 2016.

6. Norrep Core Canadian Pool is a class of special shares of Norrep Core Portfolios Ltd. (**Norrep Core Portfolios**), a corporation incorporated under the ABCA.

7. Shares of Norrep Core Canadian Pool are currently distributed in the Offering Jurisdictions under a simplified prospectus, annual information form and fund facts dated February 16, 2016, as amended on March 22, 2016.

8. The Funds are each reporting issuers under the securities legislation of the Offering Jurisdictions.

9. None of the Filer, nor the Funds, are in default of securities legislation in any jurisdiction of Canada.

10. Other than circumstances in which the securities regulatory authority of a jurisdiction of Canada has expressly exempted a Fund therefrom, each of the Funds follows the standard investment restrictions and practices established under NI 81-102.

11. The net asset value (**NAV**) for each series of shares of the Funds is generally calculated on a daily basis on each day that the Toronto Stock Exchange is open for trading (each, a **Business Day**) and shares of the Funds are generally redeemable on any Business Day.

12. The Continuing Funds have identical valuation procedures to those of the applicable Terminating Funds.

13. The Terminating Funds and the Continuing Funds are, and are expected to continue to be at all material times, mutual fund corporations under the *Income Tax Act* (Canada) (the **Tax Act**) and accordingly, shares of the Funds are "qualified investments" under the Tax Act for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax free savings accounts.

Details of the Mergers

14. The Filer intends to merge the Terminating Funds into the Continuing Funds as follows:

(a) Norrep Global Class into Norrep Global Income Growth Class; and

(b) Norrep Canadian Equity Class into Norrep Core Canadian Pool.

15. Approval for the Mergers is required because the Mergers do not satisfy the following criteria for pre-approved reorganizations and transfers as set out in section 5.6 of NI 81-102:

(a) the fundamental investment objectives of the Continuing Funds and the Terminating Funds may not be considered by a reasonable person to be "substantially similar";

(b) the fee structure of Norrep Core Canadian Pool may not be considered by a reasonable person to be "substantially similar" to the fee structure of Norrep Canadian Equity Class; and

(c) the Canadian Merger will not be a "qualifying exchange" or a tax deferred transaction under the Tax Act.

16. In each case, shareholders in the Terminating Funds will receive shares of the same series of the applicable Continuing Fund as they currently own in the corresponding Terminating Fund.

17. While Norrep Core Canadian Pool does not offer Series I or Series O shares, there were no Series I or Series O shares of Norrep Canadian Equity Class outstanding at the time that Norrep Canadian Equity Class was closed to new purchases.

18. The Filer is not entitled to rely upon the approval of the Independent Review Committee of the Funds (**IRC**) in lieu of shareholder approval for the Mergers due to the fact that one or more conditions of section 5.6 of NI 81-102 will not be met, as required by paragraph 5.3(2)(a) of NI 81-102. The IRC of the Funds has reviewed and made positive recommendations with respect to the Mergers, having determined that each Merger, if implemented, achieves a fair and reasonable result for the applicable Fund.

19. The Filer does not consider the Global Merger to be a material change, as defined in NI 81-102, to Norrep Global Income Growth Class. However, the Filer will seek approval for the Global Merger from the shareholders of Norrep Global Income Growth Class as required pursuant to the ABCA. The sole common shareholder of Norrep Opportunities will also approve the Global Merger as required under the ABCA.

20. The Filer will seek approval for the Canadian Merger from the shareholders of Norrep Core Canadian Pool because the Canadian Merger may be considered a material change for Norrep Core Canadian Pool since the NAV of Norrep Core Canadian Pool is smaller than the NAV of Norrep Canadian Equity Class.

21. The board of directors of each of the Filer, Norrep Opportunities and Norrep Core Portfolios approved the proposed Mergers. A news release and material change report in respect of each of the Funds, giving notice of the proposed Mergers, were issued and filed on SEDAR on March 22, 2016. Related amendments to the simplified prospectus, annual information form and fund facts of each of the Funds were filed on SEDAR on March 22, 2016.

22. In accordance with paragraphs 5.1(1)(f) and 5.1(1)(g) of NI 81-102 and the ABCA, as applicable, shareholders of each of the Funds will be asked to approve the Mergers at special meetings to be held concurrently on or about June 15, 2016.

23. In anticipation of the implementation of the Mergers, effective at 4:00 p.m. on March 22, 2016, shares of the Terminating Funds were no longer available for purchase other than with respect to existing automatic purchase plans.

24. A notice of meeting, management information circular (the **Circular**), related form of proxy and fund facts of each of the Continuing Funds in connection with the special meetings of shareholders will be mailed to shareholders of the Funds on or about May 18, 2016 and will be filed via SEDAR.

25. The Circular will include the following information:

(a) a description of the proposed Mergers including the steps that will be taken to effect the Mergers;

(b) a comparison of each of the Terminating Funds to the applicable Continuing Fund including the differences between the investment objectives and fee structures of each Terminating Fund and the applicable Continuing Fund;

(c) the tax implications of the Mergers to shareholders of each of the Funds, including a statement in bold type of the tax implications to shareholders of Norrep Canadian Equity Class who do not hold their shares in a Registered Plan (as defined in the Circular);

(d) a summary of the IRC's determination in respect of each of the Funds;

(e) a statement that shareholders who redeem their shares will be subject to the same redemption charges to which their shares of the Terminating Fund were subject to prior to the Mergers except that in the case of the Canadian Merger, any deferred sales charges applicable to shares of Norrep Canadian Equity Class will be waived; and

(f) disclosure that shareholders of the Funds may obtain in respect of each Continuing Fund, at no cost, the most recent annual and interim financial statements, the current simplified prospectus, annual information form, the fund facts and the most recent management report on fund performance that are currently available and that have been made public by contacting the Filer or by accessing the website of the Filer or by accessing SEDAR.

Accordingly, shareholders of each Fund will have an opportunity to consider such information prior to voting on the applicable Merger.

26. The Filer will pay all costs and expenses associated with the Mergers. These costs consist mainly of legal, proxy solicitation, printing, mailing and regulatory fees and brokerage charges associated with the merger-related trades.

27. No sales charges will be payable in connection with the acquisition by the Continuing Funds of the investment portfolios of the Terminating Funds.

28. Subject to receipt of the requisite shareholder approvals and the Requested Approval, it is anticipated that the Mergers will be implemented as soon as practicable after the special meetings and in any event prior to June 30, 2016 (the **Merger Date**). If the requisite shareholder approval is not received for a proposed Merger, that proposed Merger will not proceed. The Mergers are not contingent on each other.

29. Shareholders of the Terminating Funds will continue to have the right to switch to another mutual fund managed by the Filer (on a tax-deferred basis if the switch is to a fund that is a class of Norrep Opportunities and, based on the March 22, 2016 Federal Budget, occurs before October, 2016) or to redeem shares of the Terminating Funds for cash at any time up to the close of business on the Business Day immediately prior to the Merger Date.

30. Prior to the Merger Date, each Terminating Fund will dispose of any portfolio assets that are not considered by the portfolio adviser of the applicable Continuing Fund to be consistent with the investment objectives and strategies of that Continuing Fund.

31. Following the Mergers, the Continuing Funds will continue as publicly offered open-end mutual funds and the Terminating Funds will be wound-up and cancelled as soon as reasonably possible.

32. It is proposed that the following steps will be carried out to effect the Global Merger:

(a) Prior to the Merger Date, if required, Norrep Global Class will sell any securities in its portfolio that do not meet the investment objectives and investment strategies of Norrep Global Income Class. As a result, Norrep Global Class may hold cash for a period of time prior to the Global Merger being effected, which it is permitted to do in accordance with its investment objectives.

(b) Prior to the Merger Date, Norrep Opportunities may pay a capital gains dividend on shares of Norrep Global Class where determined fair and equitable.

(c) The articles of incorporation of Norrep Opportunities will be amended to exchange all of the outstanding special shares of each series of Norrep Global Class for special shares of the same series of Norrep Global Income Growth Class. Pursuant to that exchange, shareholders in Norrep Global Class will receive special shares of the same series of Norrep Global Income Growth Class as they hold in Norrep Global Class, with a value equal to the value of their special shares in Norrep Global Class as determined on the Merger Date. After this step is complete, shareholders of Norrep Global Class will be shareholders of Norrep Global Income Growth Class.

(d) On the Merger Date, the net assets attributable to Norrep Global Class (being its investment portfolio and other assets, including cash and liabilities) will be included in the portfolio of assets attributable to Norrep Global Income Growth Class.

(e) As soon as reasonably possible following the Global Merger, the articles of incorporation of Norrep Opportunities will be amended to terminate Norrep Global Class.

33. It is proposed that the following steps will be carried out to effect the Canadian Merger:

(a) In anticipation of the Canadian Merger, the portfolio manager of Norrep Canadian Equity Class has been divesting its holdings in small and mid-capitalization issuers that do not meet the investment objectives and criteria of Norrep Core Canadian Pool. Notwithstanding, these portfolio changes are in accordance with the investment objectives of Norrep Canadian Equity Class. At the Merger Date, all of the securities in the portfolio of Norrep Canadian Equity Class will meet the investment objectives and investment strategies of Norrep Core Canadian Pool.

(b) The value of Norrep Canadian Equity Class's portfolio and other assets will be determined at the close of business on the Merger Date in accordance with the constating documents of the Fund.

(c) Norrep Core Canadian Pool will acquire the investment portfolio of Norrep Canadian Equity Class in exchange for securities of Norrep Core Canadian Pool.

(d) Norrep Core Canadian Pool will not assume any liabilities of Norrep Canadian Equity Class and Norrep Canadian Equity Class will retain sufficient assets to satisfy its estimated liabilities, if any, as of the applicable Merger Date.

(e) The shares of Norrep Core Canadian Pool received by Norrep Canadian Equity Class will have an aggregate net asset value equal to the value of the portfolio assets that Norrep Core Canadian Pool acquires from Norrep Canadian Equity Class. The shares of Norrep Core Canadian Pool will be issued at the applicable series net asset value per share as of the close of business on the Merger Date.

(f) Effective on the Merger Date, Norrep Opportunities will redeem all of the issued and outstanding Norrep Canadian Equity Class shares and distribute to the former holders of those shares, the shares of Norrep Core Canadian Pool. The distribution will occur on a dollar-for-dollar and series by series basis, as applicable.

(g) As soon as reasonably possible following the Canadian Merger, the articles of incorporation of Norrep Opportunities will be amended to terminate Norrep Canadian Equity Class.

34. The Manager has analyzed the tax implications of the Canadian Merger from the perspective of shareholders of Norrep Canadian Equity Class as well as from the perspective of Norrep Canadian Equity Class and Norrep Core Canadian Pool and has concluded that it is more appropriate to effect the Canadian Merger on a taxable basis.

35. The Manager has elected not to effect the Canadian Merger on a tax-deferred basis for reasons it considers appropriate including that:

(a) a taxable transaction will result in a more efficient transfer of the portfolio assets of Norrep Canadian Equity Class to Norrep Core Canadian Pool which is expected to alleviate portfolio construction issues that could arise if the Canadian Merger occurred on a tax-deferred basis; and

(b) the Manager has determined that a substantial majority of the shares of Norrep Canadian Equity Class are held in tax-deferred registered plans, which are not generally affected by the tax consequences of transactions such as the Canadian Merger.

36. The Filer believes the Mergers will be beneficial to the shareholders of each of the Funds party to that Merger for the reasons provided below.

(a) Shareholders of the Continuing Funds are expected to benefit from increased economies of scale and lower operating expenses as part of larger combined Continuing Funds.

(b) Each of the Continuing Funds is expected to attract more assets as marketing efforts will be concentrated on fewer funds, rather than multiple funds with similar investment mandates. The ability to attract assets in the Continuing Funds will benefit investors by helping to ensure that the Continuing Funds remain viable, long-term, attractive investment vehicles for existing and potential investors.

(c) The Continuing Funds will have a greater level of assets and will enable the Filer to focus its sales efforts on the growth of the Continuing Funds which in turn is expected to allow for increased portfolio diversification opportunities and greater liquidity of investments.

(d) The administrative and regulatory costs of operating the Terminating Funds as stand-alone mutual funds are expected to increase if the Terminating Funds continue their current growth trajectories.

(e) The Continuing Funds, as a result of their increased size, will benefit from a more significant profile in the marketplace.

(f) The Mergers will reduce the duplication of administrative and regulatory costs involved in operating the Terminating Funds and the Continuing Funds as separate investment funds.

(g) Reducing the number of Norrep funds will provide investors with a more streamlined range of products that will make it easier for investors to select a suitable mutual fund based on their risk tolerance and investment objectives as the Mergers will eliminate funds with similar and over-lapping investment objectives and strategies.

(h) The management fee of the Continuing Fund will remain the same in the case of the Global Merger. In addition, the Manager has waived the performance fee applicable to Norrep Global Income Growth Class, which is a benefit to its shareholders. Shareholders of Norrep Global Class may also benefit from being in a fund that pays regular monthly distributions. In the case of the Canadian Merger, the Norrep Core Canadian Pool management fee is lower than the management fee of Norrep Canadian Equity Class, and there is no performance fee payable by Norrep Core Canadian Pool.

Decision

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

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

(a) the Circular contains the disclosure referred to in paragraph 25 of this decision; and

(b) prior to the Merger Date, shareholder approval, as required by NI 81-102 and the ABCA, as applicable, has been obtained from:

(i) in respect of the Canadian Merger, each of the Funds party to the Canadian Merger; and

(ii) in respect of the Global Merger, each of the Funds party to the Global Merger.

“Denise Weeres”
Manager, Legal
Corporate Finance

2.1.3 Sentry Investments Inc.

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the requirement in s.3.2(2) of NI 81-101 to deliver a fund facts document to investors who purchase mutual fund securities of series only sold under an initial sales charge pursuant to automatic switches from certain series only sold under deferred sales charge options – Mutual fund securities of series that are only sold under deferred sales charge options will, after a minimum holding period, be automatically switched to the initial sales charge series – Upon the automatic switch, investors will benefit from lower management fees as well as from possible tiered management fee reductions – Automatic switches between series of a fund triggering a distribution of securities attracting the requirement to deliver a fund facts – Relief granted from requirement to deliver a fund facts upon the automatic switch subject to compliance with certain notification and prospectus/fund facts disclosure requirements – Relief to allow re-designated series to show performance and financial information from predecessor series in simplified prospectus, fund facts and sales communications.

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief to allow re-designated series to show performance and financial information from predecessor series in annual and interim management reports of fund performance.

Applicable Legislative Provisions

National Instrument 81-101 Mutual Fund Prospectus Disclosure, ss. 2.1, 3.2(2), 6.1.
Form 81-101F1, Instruction (1) of Item 5, Item 13.2 of Part B.
Form 81-101F3, Instruction (1) of Item 2, Items 5(2), 5(3), 5(4), Instruction (1) of Item 5 of Part I.
National Instrument 81-102 Investment Funds, ss. 15.3(2), 15.3(4)(c), 15.6(1)(a)(i), 15.6(1)(d), 15.8(2)(a), 15.8(2)(a.1), 15.8(3)(a), 15.8(3)(a.1).
National Instrument 81-106 Investment Fund Continuous Disclosure, s. 4.4.
Form 81-106F1, Items 3.1(7), 4.1(1), 4.1(2), 4.2(1), 4.3(1) and 4.3(2) of Part B, Items 3(1), 4 of Part C.

April 1, 2016

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
SENTRY INVESTMENTS INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filer on behalf of each existing mutual fund listed in Schedule "A" (each, a **Trust Fund** and collectively, the **Trust Funds**) and Schedule "B" (each, a **Corporate Fund** and collectively, the **Corporate Funds**) and any mutual fund that the Filer may establish in the future (together with the Trust Funds and the Corporate Funds, the **Funds** and each, a **Fund**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting the Funds from the requirement in section 4.4 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**), such that the Funds may deviate from Items 3.1(7), 4.1(1) (in respect of the requirement to comply with subsections 15.3(2) and 15.3(4)(c) of National Instrument 81-102 *Investment Funds* (**NI 81-102**)), 4.1(2), 4.2(1), 4.3(1) and 4.3(2) of Part B and Items 3(1) and 4 of Part C of Form 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance* (**Form 81-106F1**) to permit the annual and interim management reports of fund performance of Series B and Series BT securities (as defined below) to show, as the financial highlights and past performance of the Series B and Series BT securities, the financial highlights and past performance of the corresponding Series

A and Series T securities (as defined below) where the financial highlights and past performance for Series B and Series BT securities relate to the time period prior to the Implementation Date (as defined below) (the **Exemption Sought**).

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon and Nunavut (together with the Jurisdiction, 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.

Representations

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

The Filer

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

2. The Filer is registered as a dealer in the categories of mutual fund dealer and exempt market dealer in each of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, as an adviser in the category of portfolio manager in each of Ontario and Alberta and as an investment fund manager in each of Ontario, Québec and Newfoundland and Labrador. The Filer is also registered as an adviser in the category of commodity trading manager in Ontario.

3. The Filer is the manager, promoter and portfolio manager of the Funds and trustee of the Trust Funds.

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

The Funds

5. Each Fund is, or will be, an open-end mutual fund trust or an open-end mutual fund that is a class of shares of a mutual fund corporation.

6. Each Fund is, or will be, a reporting issuer under the laws of the Jurisdictions and subject to NI 81-102. The securities of the Funds are, or will be, qualified for distribution pursuant to a simplified prospectus, Fund Facts and annual information form that have been, or will be, prepared and filed in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**). The securities of the existing Funds are currently offered under a simplified prospectus dated June 8, 2015, as amended.

7. Each of the Funds currently offers Series A, Series P, Series F, Series PF, Series O and Series I securities. Certain of the Funds also offer Series T4, Series T5, Series T6, Series T7, Series T8 (collectively, **Series T**), Series P8, Series FT4, Series FT5, Series FT6, Series FT7, Series FT8, Series PF8 and Series O8 securities.

8. The Series A and Series T securities of the Funds, other than Sentry Money Market Fund and Sentry Money Market Class (the **Money Market Funds**), are currently offered under four different purchase options: an initial sales charge option (the **ISC Option**); a deferred sales charge option (the **DSC Option**); a low load deferred sales charge option (the **Low Load Option**); and a low load 2 deferred sales charge option (the **Low Load 2 Option**, and together with the DSC Option and the Low Load Option, the **Deferred Sales Charge Options**). Under the ISC Option, investors may have to pay a negotiated commission to their dealer at the time they purchase securities, while under the Deferred Sales Charge Options, no commission is paid by the investor at the time of purchase, but the investor will be required to pay a redemption fee if he or she redeems within a certain period of time from the date of purchase. With respect to Series A and Series T securities purchased or held under one of the Deferred Sales Charge Options, following the expiry of the applicable redemption schedule, such Series A and Series T securities will be switched into Series A and Series T securities of the same Fund under the ISC Option (unless an investor otherwise directs in writing). Series A and Series T securities of the Money Market Funds are only offered under the ISC Option.

9. The existing Funds are not in default of securities legislation in any of the Jurisdictions.

Series B and Series BT Securities and Automatic Switches

10. The Filer has implemented changes to its Funds to allow investors who have purchased Series A and Series T securities of the Funds under the ISC Option to benefit from tiered management fee reductions, including for investments in securities of certain of the Funds under $100,000. These changes were reflected in amendments to the simplified prospectus of the Funds dated December 7, 2015.

11. In connection with the foregoing amendments and in order to simplify the number of series offered by each Fund, the Filer proposes to make the following changes (the **Changes**):

    (i) separate the Series A and Series T securities held under the ISC Option from securities of these series held under the Deferred Sales Charge Options. All outstanding Series A and Series T securities purchased or held under a Deferred Sales Charge Option will be re-designated as Series B or Series B4, Series B5, Series B6 Series B7, Series B8 (collectively, **Series BT**) securities, as the case may be. As of and after the Implementation Date (as defined below), Series A and Series T securities will only be available for purchase under the ISC Option; and

    (ii) provide for the automatic switch of each Series B and Series BT security to a Series A or Series T security, respectively, of the same Fund after the applicable redemption schedule has finished for each Series B and Series BT security (an **Automatic Switch** and collectively, the **Automatic Switches**). For Series B or Series BT securities held or purchased under the DSC Option, the Automatic Switches will occur after investors have held their securities for a period of six years, for Series B or Series BT securities held or purchased under the Low Load Option, the Automatic Switches will occur after investors have held their securities for a period of three years and for Series B or Series BT securities held or purchased under the Low Load 2 Option, the Automatic Switches will occur after investors have held their securities for a period of two years (each, a **Minimum Period**). Each Automatic Switch of any eligible securities will be effected on the last business day of the calendar quarter following the date upon which the securities became eligible for the Automatic Switch.

12. At a special meeting of the securityholders of each Corporate Fund, each held on March 24, 2016, the Filer sought and received the necessary approvals to effect the above-mentioned re-designations. An information circular was sent to those securityholders of record on February 22, 2016 in each Corporate Fund. As the declaration of trust or trust agreement, as the case may be, of each Trust Fund permitted the above-mentioned re-designations to be effected without securityholder approval, special meetings of the Trust Funds were not called by the Filer. Securityholders of Sentry U.S. Growth and Income Fund, Sentry Energy Fund and Sentry Global Monthly Income Fund were provided with prior written notice of the above-mentioned re-designations as required pursuant to their respective declaration of trusts or trust agreements. Such notice was not required to be given with respect to any other Trust Fund.

13. In order to implement the Changes, effective from and as of April 1, 2016 (the **Implementation Date**):

    (i) Series B and Series BT securities of the Funds will be available for purchase and will be sold only under the Deferred Sales Charge Options;

    (ii) the attributes of the Series B and Series BT securities of the Funds will provide for the Automatic Switches after investors have held their securities for the applicable Minimum Period (the **Automatic Switch Feature**);

    (iii) existing Series A and Series T securities that were purchased or held under a Deferred Sales Charge Option will be re-designated as Series B and Series BT securities of the same Fund and will be held under the same Deferred Sales Charge Option; and

    (iv) Series A and Series T securities of the Funds will be available for purchase and will be sold only under the ISC Option.

14. There will be no increase in charges to investors who continue to hold Series A and Series T securities of the Funds that were purchased under the ISC Option as a result of the Changes.

15. There will be no increase in charges to investors who hold Series A and Series T securities purchased or held under a Deferred Sales Charge Option (which will be re-designated as Series B and Series BT securities, respectively) as a result of the Changes. Such investors, after they have held their securities for the applicable Minimum Period, will be automatically switched, on the last business day of the calendar quarter following the date upon which the securities became eligible for the Automatic Switch, to Series A and Series T securities of the same Fund and thereafter

potentially benefit from tiered management fee reductions that are available to investors in Series A and Series T securities.

16. Investors who hold Series A and Series T securities purchased or held under a Deferred Sales Charge Option (which will be re-designated as Series B and Series BT securities, respectively) will continue to hold securities of the same Fund with the same underlying pool of assets, the same investment objectives and investment strategies and the same valuation procedures and will continue to have the same rights as securityholders as they did prior to the Changes, except for the Automatic Switch Feature and the Series Differences (as defined below).

17. The only differences (the **Series Differences**) between Series A and Series B securities of a Fund and between Series T and BT securities of the same Fund, in addition to the Automatic Switch Feature, are that:

    (i) Series A and Series T securities will be available for purchase and will be sold only under the ISC Option, while Series B and Series BT securities will be available for purchase and will be sold only under the Deferred Sales Charge Options;

    (ii) the management fees for Series A and Series T securities will be lower than the respective management fees for Series B and Series BT securities;

    (iii) investors in Series A and Series T securities are able to potentially benefit from tiered management fee reductions pursuant to the Filer's Preferred Pricing Program, which will not apply to Series B and Series BT securities;

    (iv) investors in Series A and Series T securities are able to participate in the Filer's account linking service, which will not apply to Series B and Series BT securities; and

    (v) prior to the expiry of the applicable redemption schedule for Series B and Series BT securities, the trailing commissions of Series B and Series BT securities will be lower than the respective trailing commissions of Series A and Series T securities. Following the expiry of the applicable redemption schedule for Series B and Series BT securities and before the Automatic Switch, the trailing commissions of Series B and Series BT securities will become the same as the respective trailing commissions of Series A and Series T securities.

18. Implementation of the Changes will have no adverse tax consequences on investors under current Canadian tax legislation.

19. Each Automatic Switch will entail a redemption of Series B or Series BT securities, immediately followed by a purchase of Series A or Series T securities of the same Fund. Each purchase of securities done as part of the Automatic Switch will be a "distribution" under the Legislation that triggers the requirement for a dealer to deliver or send the most recently filed fund facts documents (the **Fund Facts**) (the **Fund Facts Delivery Requirement**).

20. The Filer has filed a separate application for exemptive relief from the Fund Facts Delivery Requirement to enable the Funds to effect the Automatic Switches.

21. The Filer has filed amendments to the simplified prospectus and annual information form and amended Fund Facts of the existing Funds each dated March 24, 2016, to qualify the Series B and Series BT securities for distribution, reflect the reduction of the management fees charged in respect of Series A and Series T securities held under the ISC Option of each Fund and to reflect the adjustment of the tiered management fee reductions applicable to Series A and Series T securities held under the ISC Option of each Fund. These amendments also reflect the re-designation of Series A and Series T securities purchased or held under a Deferred Sales Charge Option to Series B and Series BT securities of the same Fund.

Series B and Series BT Start Dates, Expense Information, Performance Data and Financial Highlights

22. Each of the Series B and Series BT securities will be a new series of securities. Being new, Series B and Series BT securities will not have their own expense information, performance data and financial highlights derived from financial statements at their date of creation. However, as each Series B security, prior to the Implementation Date, was a Series A security (held under the same Deferred Sales Charge Option) of the same Fund and as each Series BT security, prior to the Implementation Date, was a corresponding Series T security (held under the same Deferred Sales Charge Option) of the same Fund, the expense information, performance data and financial highlights of the Series B and Series BT securities will be identical to the expense information, performance data and financial highlights of the corresponding Series A and Series T securities of the same Fund, from the date of creation of such Series A and Series T securities to the Implementation Date.

23. The Filer proposes to show:

    (i) as the expense information for Series B and Series BT securities, in the section of the simplified prospectus of the Funds entitled "Fund Expenses Indirectly Borne by Investors", the expense information of the corresponding Series A and Series T securities where the expense information for Series B and Series BT securities relates to the time period prior to the Implementation Date;

    (ii) as the start date for Series B and Series BT securities in the simplified prospectus of the Funds and the Fund Facts, the start date of the corresponding Series A and Series T securities;

    (iii) as the performance data for Series B and Series BT securities, in the sections of the Fund Facts entitled "Year-by-year returns", "Best and worst 3-month returns" and "Average return", the performance data of the corresponding Series A and Series T securities where the performance data for Series B and Series BT securities relates to the time period prior to the Implementation Date;

    (iv) as the performance data for Series B and Series BT securities, in the sales communications of the Funds, the performance data of the corresponding Series A and Series T securities where the performance data for Series B and Series BT securities relates to the time period prior to the Implementation Date; and

    (v) in the annual and interim management reports of fund performance of the Series B and Series BT securities of the Funds, the financial highlights and past performance of the corresponding Series A and Series T securities where the financial highlights and past performance for Series B and Series BT securities relate to the time period prior to the Implementation Date.

24. There will be no difference between the expense information, performance data and financial highlights of Series A and B securities and between Series T and Series BT securities of the same Fund, as the fees and expenses of Series B and Series BT securities upon the Implementation Date will be identical to the fees and expenses of Series A and Series T securities (prior to the Implementation Date) of the same Fund. As such, the management expense ratio (**MER**) of Series A securities (prior to the Implementation Date) will be directly applicable to Series B securities of the same Fund and the MER of Series T securities (prior to the Implementation Date) will be directly applicable to Series BT securities of the same Fund.

25. The expense information, performance data and other financial data of Series A and Series T securities are significant and meaningful pieces of information for existing investors holding Series A and Series T securities, which will be re-designated, upon the Implementation Date, as Series B and Series BT securities, and for prospective investors in Series B and Series BT securities.

26. Investors re-designated from Series A and Series T securities purchased or held under a Deferred Sales Charge Option to Series B and Series BT securities will continue to hold securities of the same Fund with the same underlying pool of assets, the same investment objectives and investment strategies and the same valuation procedures. Such series of securities of the same Fund will be identical, except for the Automatic Switch Feature and the Series Differences.

27. The Filer submits that it is appropriate for the start dates of the Series B and Series BT securities to reflect the start dates of the corresponding Series A and Series T securities of the same Fund. It would be confusing to investors to show the Implementation Date as the start date of each Series B and Series BT security when the expense information, performance data and other financial data disclosed for each Series B and Series BT security is the expense information, performance data and other financial data of the corresponding Series A and Series T security of the same Fund for periods prior to the Implementation Date.

28. The Filer submits that investors will not be misled if the start dates, expense information, performance data and other financial data of Series A and Series T securities are shown for the corresponding Series B and Series BT securities of the same Fund.

29. The Filer has filed a separate application for exemptive relief from certain provisions of NI 81-101 and NI 81-102 to enable the Funds to show the start dates, expense information and performance data described in paragraphs 23(i), (ii), (iii) and (iv) above (the **NI 81-102 and NI 81-101 Relief**).

30. In absence of the Exemption Sought, the Funds' annual and interim management reports of fund performance cannot include, as the financial highlights and past performance of the Series B and Series BT securities, the financial highlights and past performance of their corresponding Series A and Series T securities where the financial highlights and past performance for Series B and Series BT securities relate to the time period prior to the Implementation Date.

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, for any Series B or Series BT management reports of fund performance presenting information for a time period prior to the Implementation Date, the management report of fund performance:

(i) includes, as the expense information, performance data and other financial data for Series B and Series BT, the expense information, performance data and other financial data for the corresponding Series A and Series T securities of the same Fund where such information relates to the time period prior to the Implementation Date; and

(ii) discloses the re-designations of the Series A and Series T securities purchased or held under a Deferred Sales Charge Option to Series B and Series BT securities on the Implementation Date for the relevant time period(s).

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

Schedule "A"

Sentry All Cap Income Fund
Sentry Canadian Income Fund
Sentry Diversified Equity Fund
Sentry Global Growth and Income Fund
Sentry Global Infrastructure Fund
Sentry Global Mid Cap Income Fund
Sentry Growth and Income Fund
Sentry Small/Mid Cap Income Fund
Sentry U.S. Growth and Income Fund
Sentry Energy Fund
Sentry Global REIT Fund
Sentry Precious Metals Fund
Sentry Alternative Asset Income Fund
Sentry Conservative Balanced Income Fund
Sentry Conservative Monthly Income Fund
Sentry Global Monthly Income Fund
Sentry U.S. Monthly Income Fund
Sentry Canadian Bond Fund
Sentry Corporate Bond Fund
Sentry Global High Yield Bond Fund
Sentry Money Market Fund

Schedule "B"

Sentry Canadian Income Class*
Sentry Diversified Equity Class*
Sentry Global Growth and Income Class*
Sentry Small/Mid Cap Income Class*
Sentry U.S. Growth and Income Class*
Sentry Canadian Resource Class*
Sentry Global REIT Class*
Sentry Precious Metals Class*
Sentry Conservative Balanced Income Class*
Sentry Corporate Bond Class*
Sentry Global High Yield Bond Class*
Sentry Money Market Class*
Sentry Growth Portfolio*
Sentry Growth and Income Portfolio*
Sentry Balanced Income Portfolio*
Sentry Conservative Income Portfolio*

*A class of shares of Sentry Corporate Class Ltd.

2.1.4 Sentry Investments Inc.

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the requirement in s.3.2(2) of NI 81-101 to deliver a fund facts document to investors who purchase mutual fund securities of series only sold under an initial sales charge pursuant to automatic switches from certain series only sold under deferred sales charge options – Mutual fund securities of series that are only sold under deferred sales charge options will, after a minimum holding period, be automatically switched to the initial sales charge series – Upon the automatic switch, investors will benefit from lower management fees as well as from possible tiered management fee reductions – Automatic switches between series of a fund triggering a distribution of securities attracting the requirement to deliver a fund facts – Relief granted from requirement to deliver a fund facts upon the automatic switch subject to compliance with certain notification and prospectus/fund facts disclosure requirements – Relief to allow re-designated series to show performance and financial information from predecessor series in simplified prospectus, fund facts and sales communications.

April 1, 2016

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
SENTRY INVESTMENTS INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filer on behalf of each existing mutual fund listed in Schedule "A" (each, a **Trust Fund** and collectively, the **Trust Funds**) and Schedule "B" (each, a **Corporate Fund** and collectively, the **Corporate Funds**) and any mutual fund that the Filer may establish in the future (together with the Trust Funds and the Corporate Funds, the **Funds** and each, a **Fund**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting the Funds from:

(a) the requirement in subsection 3.2(2) of National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**) for a dealer to deliver or send the most recently filed fund facts documents (the **Fund Facts**) at the same time and in the same manner as otherwise required for a prospectus (the **Fund Facts Delivery Requirement)** in respect of purchases of Series A securities and Series T securities (as defined below) of the Funds that are made pursuant to the Automatic Switches (as defined below) (the **Automatic Switch Relief**);

(b) the requirement in section 2.1 of NI 81-101 to prepare a prospectus in the form of Form 81-101F1 *Contents of Simplified Prospectus* (**Form 81-101F1**), such that the Funds may deviate from:

(1) Instruction (1) of Item 5 of Part B of Form 81-101F1 to permit Series B and Series BT securities (as defined below) to use, as their respective start dates, the start dates of the corresponding Series A and T securities, and

(2) Item 13.2 of Part B of Form 81-101F1 to permit the Funds to show, as the expense information for Series B and Series BT securities in the section entitled "Fund Expenses Indirectly Borne by Investors" of the simplified prospectus, the expense information of the corresponding Series A and T securities where the expense information for Series B and Series BT securities relates to the time period prior to the Implementation Date (as defined below),

(paragraphs (b)(1) and (b)(2), collectively, the **Form 81-101F1 Relief**);

(c) the requirement in section 2.1 of NI 81-101, to prepare Fund Facts in the form of Form 81-101F3 *Contents of Fund Facts Document* (**Form 81-101F3**), such that the Funds may deviate from:

(1) Instruction (1) of Item 2 of Part I of Form 81-101F3 to permit Series B and Series BT securities to use, as their respective start dates, the start dates of the corresponding Series A and T securities, and

(2) Items 5(2), 5(3) and 5(4) and Instruction (1) of Item 5 of Part I of Form 81-101F3 (in respect of the requirement to comply with sections 15.3(2), 15.3(4)(c), 15.6(1)(a)(i),15.6(1)(d), 15.8(2)(a) and (a.1) and 15.8(3)(a) and (a.1) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) to permit the Funds to show, as the performance data for Series B and Series BT securities, the performance data of the corresponding Series A and T securities where the performance data for Series B and Series BT securities relates to the time period prior to the Implementation Date,

(paragraphs (c)(1) and (c)(2), collectively, the **Form 81-101F3 Relief**); and

(d) the requirements in subsections 15.3(2) and (4)(c), 15.6(1)(a)(i) and (d) , 15.8(2)(a) and (a.1) and 15.8(3)(a) and (a.1) of NI 81-102, to permit the Funds to show in sales communications, as the performance data for Series B and Series BT securities, the performance data of the corresponding Series A and T securities where the performance data for Series B and Series BT securities relates to the time period prior to the Implementation Date (the **Sales Communication 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 the Application; and

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon and Nunavut (together with Jurisdiction, 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.

Representations

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

The Filer

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

2. The Filer is registered as a dealer in the categories of mutual fund dealer and exempt market dealer in each of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, as an adviser in the category of portfolio manager in each of Ontario and Alberta and as an investment fund manager in each of Ontario, Québec and Newfoundland and Labrador. The Filer is also registered as an adviser in the category of commodity trading manager in Ontario.

3. The Filer is the manager, promoter and portfolio manager of the Funds and trustee of the Trust Funds.

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

The Funds

5. Each Fund is, or will be, an open-end mutual fund trust or an open-end mutual fund that is a class of shares of a mutual fund corporation.

6. Each Fund is, or will be, a reporting issuer under the laws of the Jurisdictions and subject to NI 81-102. The securities of the Funds are, or will be, qualified for distribution pursuant to a simplified prospectus, Fund Facts and annual information form that have been, or will be, prepared and filed in accordance with NI 81-101. The securities of the existing Funds are currently offered under a simplified prospectus dated June 8, 2015, as amended.

7. Each of the Funds currently offers Series A, Series P, Series F, Series PF, Series O and Series I securities. Certain of the Funds also offer Series T4, Series T5, Series T6, Series T7, Series T8 (collectively, **Series T**), Series P8, Series FT4, Series FT5, Series FT6, Series FT7, Series FT8, Series PF8 and Series O8 securities.

8. The Series A and Series T securities of the Funds, other than Sentry Money Market Fund and Sentry Money Market Class (the **Money Market Funds**), are currently offered under four different purchase options: an initial sales charge option (the **ISC Option**); a deferred sales charge option (the **DSC Option**); a low load deferred sales charge option (the **Low Load Option**); and a low load 2 deferred sales charge option (the **Low Load 2 Option**, and together with the DSC Option and the Low Load Option, the **Deferred Sales Charge Options**). Under the ISC Option, investors may have to pay a negotiated commission to their dealer at the time they purchase securities, while under the Deferred Sales Charge Options, no commission is paid by the investor at the time of purchase, but the investor will be required to pay a redemption fee if he or she redeems within a certain period of time from the date of purchase. With respect to Series A and Series T securities purchased or held under one of the Deferred Sales Charge Options, following the expiry of the applicable redemption schedule, such Series A and Series T securities will be switched into Series A and Series T securities of the same Fund under the ISC Option (unless an investor otherwise directs in writing). Series A and Series T securities of the Money Market Funds are only offered under the ISC Option.

9. The existing Funds are not in default of securities legislation in any of the Jurisdictions.

Series B and Series BT Securities and Automatic Switches

10. The Filer has implemented changes to its Funds to allow investors who have purchased Series A and Series T securities of the Funds under the ISC Option to benefit from tiered management fee reductions, including for investments in securities of certain of the Funds under $100,000. These changes were reflected in amendments to the simplified prospectus of the Funds dated December 7, 2015.

11. In connection with the foregoing amendments and in order to simplify the number of series offered by each Fund, the Filer proposes to make the following changes (the **Changes**):

    (i) separate the Series A and Series T securities held under the ISC Option from securities of these series held under the Deferred Sales Charge Options. All outstanding Series A and Series T securities purchased or held under a Deferred Sales Charge Option will be re-designated as Series B or Series B4, Series B5, Series B6 Series B7, Series B8 (collectively, **Series BT**) securities, as the case may be. As of and after the Implementation Date (as defined below), Series A and Series T securities will only be available for purchase under the ISC Option; and

    (ii) provide for the automatic switch of each Series B and Series BT security to a Series A or Series T security, respectively, of the same Fund after the applicable redemption schedule has finished for each Series B and Series BT security (an **Automatic Switch** and collectively, the **Automatic Switches**). For Series B or Series BT securities held or purchased under the DSC Option, the Automatic Switches will occur after investors have held their securities for a period of six years, for Series B or Series BT securities held or purchased under the Low Load Option, the Automatic Switches will occur after investors have held their securities for a period of three years and for Series B or Series BT securities held or purchased under the Low Load 2 Option, the Automatic Switches will occur after investors have held their securities for a period of two years (each, a **Minimum Period**). Each Automatic Switch of any eligible securities will be effected on the last business day of the calendar quarter following the date upon which the securities became eligible for the Automatic Switch.

12. At a special meeting of the securityholders of each Corporate Fund, each held on March 24, 2016, the Filer sought and received the necessary approvals to effect the above-mentioned re-designations. An information circular was sent to those securityholders of record on February 22, 2016 in each Corporate Fund. As the declaration of trust or trust agreement, as the case may be, of each Trust Fund permitted the above-mentioned re-designations to be effected without securityholder approval, special meetings of the Trust Funds were not called by the Filer. Securityholders of Sentry U.S. Growth and Income Fund, Sentry Energy Fund and Sentry Global Monthly Income Fund were provided with prior written notice of the above-mentioned re-designations as required pursuant to their respective declaration of trusts or trust agreements. Such notice was not required to be given with respect to any other Trust Fund.

13. In order to implement the Changes, effective from and as of April 1, 2016 (the Implementation Date):

    (i) Series B and BT securities of the Funds will be available for purchase and will be sold only under the Deferred Sales Charge Options;

    (ii) the attributes of the Series B and BT securities of the Funds will provide for the Automatic Switches after investors have held their securities for the applicable Minimum Period (the **Automatic Switch Feature**);

(iii) existing Series A and Series T securities that were purchased or held under a Deferred Sales Charge Option will be re-designated as Series B and Series BT securities of the same Fund and will be held under the same Deferred Sales Charge Option; and

(iv) Series A and Series T securities of the Funds will be available for purchase and will be sold only under the ISC Option.

14. There will be no increase in charges to investors who continue to hold Series A and Series T securities of the Funds that were purchased under the ISC Option as a result of the Changes.

15. There will be no increase in charges to investors who hold Series A and Series T securities purchased or held under a Deferred Sales Charge Option (which will be re-designated as Series B and BT securities, respectively) as a result of the Changes. Such investors, after they have held their securities for the applicable Minimum Period, will be automatically switched, on the last business day of the calendar quarter following the date upon which the securities became eligible for the Automatic Switch, to Series A and T securities of the same Fund and thereafter potentially benefit from tiered management fee reductions that are available to investors in Series A and T securities.

16. Investors who hold Series A and Series T securities purchased or held under a Deferred Sales Charge Option (which will be re-designated as Series B and BT securities, respectively) will continue to hold securities of the same Fund with the same underlying pool of assets, the same investment objectives and investment strategies and the same valuation procedures and will continue to have the same rights as securityholders as they did prior to the Changes, except for the Automatic Switch Feature and the Series Differences (as defined below).

17. The only differences (the **Series Differences**) between Series A and Series B securities of a Fund and between Series T and BT securities of the same Fund, in addition to the Automatic Switch Feature, are that:

(i) Series A and Series T securities will be available for purchase and will be sold only under the ISC Option, while Series B and BT securities will be available for purchase and will be sold only under the Deferred Sales Charge Options;

(ii) the management fees for Series A and Series T securities will be lower than the respective management fees for Series B and Series BT securities;

(iii) investors in Series A and T securities are able to potentially benefit from tiered management fee reductions pursuant to the Filer's Preferred Pricing Program, which will not apply to Series B and Series BT securities;

(iv) investors in Series A and T securities are able to participate in the Filer's account linking service, which will not apply to Series B and Series BT securities; and

(v) prior to the expiry of the applicable redemption schedule for Series B and Series BT securities, the trailing commissions of Series B and Series BT securities will be lower than the respective trailing commissions of Series A and Series T securities. Following the expiry of the applicable redemption schedule for Series B and Series BT securities and before the Automatic Switch, the trailing commissions of Series B and Series BT securities will become the same as the respective trailing commissions of Series A and Series T securities.

18. Implementation of the Changes will have no adverse tax consequences on investors under current Canadian tax legislation.

19. Each Automatic Switch will entail a redemption of Series B or Series BT securities, immediately followed by a purchase of Series A or Series T securities of the same Fund. Each purchase of securities done as part of the Automatic Switch will be a "distribution" under the Legislation that triggers the Fund Facts Delivery Requirement.

20. While the Filer will initiate each trade done as part of the Automatic Switches, the Filer does not propose to deliver the Fund Facts to investors in connection with the purchase of Series A or Series T securities made pursuant to Automatic Switches, since such investors would have received a Fund Facts disclosing that, after the Series B or BT securities were held for the applicable Minimum Period, such securities would be switched to Series A or Series T securities of the same Fund. The investment of such investors will be in securities of the same Fund with the same underlying pool of assets, the same investment objectives and investment strategies and the same valuation procedures and will be otherwise identical, except for the Automatic Switch Feature and the Series Differences. The Fund Facts received by an investor upon the initial purchase of Series B or Series BT securities will fully disclose the Series Differences, except for the difference in the ability to participate in the Filer's account linking service (which is not permitted to be disclosed in the Fund Facts under Form 81-101F3 but which is fully disclosed in the simplified prospectus of the Funds). Investors receiving Series B or Series BT Fund Facts will be informed pursuant to such Fund Facts that, upon an

Automatic Switch, the Series A or Series T securities will not be subject to redemption fees, will have lower management fees (including the percentage rate of such fees) and will allow the investor to qualify for tiered management fee reductions.

21. As each investor who has received a Series B or Series BT Fund Facts has been fully informed of the Series Differences, there would be no benefit for such investor to receive a Fund Facts in connection with the purchase of Series A or Series T securities made pursuant to an Automatic Switch.

22. The Filer will deliver or will arrange for the delivery of trade confirmations to investors in connection with each trade done further to the Automatic Switches. Details of any changes in series of securities held will be reflected in the account statements sent by each dealer to investors for the month in which the change occurred.

23. Prior to the Implementation Date, the Filer will disclose the following information in the simplified prospectus of the Funds and in the Series B and Series BT Fund Facts:

    (i) that the Series B and Series BT securities will be automatically switched following the expiry of the applicable Minimum Period, on the applicable switch date, to Series A or T securities (which is an initial sales charge series), as the case may be, of the same Fund;

    (ii) that such Series A or Series T securities will have a lower management fee than the corresponding Series B and Series BT securities, will qualify for tiered management fee reductions based on the level of assets invested and will not be subject to a deferred/low load sales charge with a redemption fee;

    (iii) the rate of the management fee or Series A or Series T securities, as the case may be;

    (iv) the trailing commission rates payable by the Filer in respect of the Series B or Series BT securities (a) prior to the expiry of the applicable Minimum Period and (b) after the expiry of the applicable Minimum Period before the Automatic Switch; and

    (v) the trailing commission rates payable by the Filer in respect of the Series A or Series T securities upon the Automatic Switch.

24. The Filer has been in discussions with dealers and continues to consult with them about the Changes in anticipation of the Implementation Date and dealers will be in a position to advise investors of the Changes.

25. Notice of the Changes were contained in a press release issued on January 13, 2016 and material change report dated January 14, 2016 and reflected in amendments to the simplified prospectus and annual information form and amended Fund Facts of the existing Funds each dated January 22, 2016.

26. The Filer has filed amendments to the simplified prospectus and annual information form and amended Fund Facts of the existing Funds each dated March 24, 2016, to qualify the Series B and Series BT securities for distribution, reflect the reduction of the management fees charged in respect of Series A and Series T securities held under the ISC Option of each Fund and to reflect the adjustment of the tiered management fee reductions applicable to Series A and Series T securities held under the ISC Option of each Fund. These amendments also reflect the re-designation of Series A and Series T securities purchased or held under a Deferred Sales Charge Option to Series B and Series BT securities of the same Fund.

27. In the absence of the Automatic Switch Relief, the Automatic Switches are not capable of being implemented without compliance with the Fund Facts Delivery Requirement.

Series B and Series BT Start Dates, Expense Information, Performance Data and Financial Highlights

28. Each of the Series B and Series BT securities will be a new series of securities. Being new, Series B and Series BT securities will not have their own expense information, performance data and financial highlights derived from financial statements at their date of creation. However, as each Series B security, prior to the Implementation Date, was a Series A security (held under the same Deferred Sales Charge Option) of the same Fund and as each Series BT security, prior to the Implementation Date, was a corresponding Series T security (held under the same Deferred Sales Charge Option) of the same Fund, the expense information, performance data and financial highlights of the Series B and Series BT securities will be identical to the expense information, performance data and financial highlights of the corresponding Series A and Series T securities of the same Fund, from the date of creation of such Series A and Series T securities to the Implementation Date.

29. The Filer proposes to show:

    (i) as the expense information for Series B and Series BT securities, in the section of the simplified prospectus of the Funds entitled "Fund Expenses Indirectly Borne by Investors", the expense information of the corresponding Series A and T securities where the expense information for Series B and Series BT securities relates to the time period prior to the Implementation Date;

    (ii) as the start date for Series B and Series BT securities in the simplified prospectus of the Funds and the Fund Facts, the start date of the corresponding Series A and T securities;

    (iii) as the performance data for Series B and Series BT securities, in the sections of the Fund Facts entitled "Year-by-year returns", "Best and worst 3-month returns" and "Average return", the performance data of the corresponding Series A and T securities where the performance data for Series B and Series BT securities relates to the time period prior to the Implementation Date;

    (iv) as the performance data for Series B and Series BT securities, in the sales communications of the Funds, the performance data of the corresponding Series A and T securities where the performance data for Series B and Series BT securities relates to the time period prior to the Implementation Date; and

    (v) in the annual and interim management reports of fund performance of the Series B and BT securities of the Funds, the financial highlights and past performance of the corresponding Series A and T securities where the financial highlights and past performance for Series B and Series BT securities relate to the time period prior to the Implementation Date.

30. There will be no difference between the expense information, performance data and financial highlights of Series A and B securities and between Series T and Series BT securities of the same Fund, as the fees and expenses of Series B and Series BT securities upon the Implementation Date will be identical to the fees and expenses of Series A and T securities (prior to the Implementation Date) of the same Fund. The management expense ratio (the MER) of Series A securities (prior to the Implementation Date) will be directly applicable to Series B securities of the same Fund and the MER of Series T securities (prior to the Implementation Date) will be directly applicable to Series BT securities of the same Fund.

31. The expense information, performance data and other financial data of Series A and T securities are significant and meaningful pieces of information for existing investors holding Series A and T securities, which will be re-designated, upon the Implementation Date, as Series B and Series BT securities, and for prospective investors in Series B and Series BT securities.

32 Investors re-designated from Series A and Series T securities purchased or held under a Deferred Sales Charge Option to Series B and BT securities will continue to hold securities of the same Fund with the same underlying pool of assets, the same investment objectives and investment strategies and the same valuation procedures. Such series of securities of the same Fund will be identical, except for the Automatic Switch Feature and the Series Differences.

33. The Filer submits that it is appropriate for the start dates of the Series B and Series BT securities to reflect the start dates of the corresponding Series A and Series T securities of the same Fund. It would be confusing to investors to show the Implementation Date as the start date of each Series B and Series BT security when the expense information, performance data and other financial data disclosed for each Series B and Series BT security is the expense information, performance data and other financial data of the corresponding Series A and T security of the same Fund for periods prior to the Implementation Date.

34. The Filer submits that investors will not be misled if the start dates, expense information, performance data and other financial data of Series A and T securities are shown for the corresponding Series B and Series BT securities of the same Fund.

35. The Filer has filed a separate application for exemptive relief from certain provisions of National Instrument 81-106 *Investment Fund Continuous Disclosure* to enable the Funds to include in their annual and interim management reports of fund performance of the Series B and BT securities, the financial highlights and past performance of the corresponding Series A and T securities where the financial highlights and past performance for Series B and Series BT securities relate to the time period prior to the Implementation Date (the **NI 81-106 Relief**).

36. In the absence of the Form 81-101F1 Relief, the Form 81-101F3 Relief and the Sales Communications Relief, the Funds' simplified prospectus, Fund Facts and sales communications cannot show, as the start dates, expense information, performance data and financial highlights of the Series B and BT securities, the start dates, expense information, performance data and financial highlights of their corresponding Series A and T securities where such information for Series B and Series BT securities relates to the time period prior to the Implementation Date.

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 Automatic Switch Relief is granted provided that:

1. for investors who purchase Series B or Series BT securities on and after the Implementation Date:

    (a) each Fund Facts for Series B or Series BT securities will disclose:

        (i) that the Series B and Series BT securities will be automatically switched following the expiry of the applicable Minimum Period, on the applicable switch date, to Series A or T securities (which is an initial sales charge series), as the case may be, of the same Fund;

        (ii) that such Series A or Series T securities will have a lower management fee than the corresponding Series B and Series BT securities, will qualify for tiered management fee reductions based on the level of assets invested and will not be subject to a deferred/low load sales charge with a redemption fee;

        (iii) the rate of the management fee or Series A or Series T securities, as the case may be;

        (iv) the trailing commission rates payable by the Filer in respect of the Series B or Series BT securities (a) prior to the expiry of the applicable Minimum Period and (b) after the expiry of the applicable Minimum Period before the Automatic Switch; and

        (v) the trailing commission rates payable by the Filer in respect of the Series A or Series T securities upon the Automatic Switch (collectively, with items (i), (ii), (iii) and (iv), the **Series B and Series BT Disclosure**);

    (b) the Fund Facts for Series B or Series BT securities, as the case may be, containing the Series B and Series BT Disclosure is delivered to Series B investors or Series BT investors at the time of the purchase of Series B or Series BT securities on or after the Implementation Date in accordance with the Fund Facts Delivery Requirements;

    (c) the Filer incorporates the Series B and Series BT Disclosure in the simplified prospectus of the Funds; and

2. for investors in Series A or Series T securities purchased or held under a Deferred Sales Charge Option prior to the Implementation Date:

    (a) the Fund Facts for Series B or Series BT securities, as the case may be, containing the Series B and Series BT Disclosure will be delivered to such investors upon re-designation of Series A or Series T securities to Series B or Series BT securities as of the Implementation Date;

    (b) the Filer will liaise with dealers to devise a notification plan for such investors regarding the Automatic Switches that addresses the following:

        (i) that their Series A or Series T securities purchased or held under a Deferred Sales Charge Option have been re-designated as Series B and Series BT securities of the same Fund;

        (ii) that their Series B and Series BT securities will be automatically switched following the expiry of the applicable Minimum Period, on the applicable switch date, to Series A or T securities (which is an initial sales charge series), as the case may be, of the same Fund;

        (iii) that, other than the Automatic Switch Feature and the Series Differences, there will be no other material differences between the Series A and Series B securities or between the Series T and BT securities of the same Fund; and

        (iv) that they will not receive a Fund Facts upon an Automatic Switch, but that:

            1. they may request the most recently filed Fund Facts for the relevant series by calling a specified toll-free number or by sending a request via email to a specified address or email address;

            2. the most recently filed Fund Facts will be sent or delivered to them at no cost;

3. the most recently filed Fund Facts may be found either on the SEDAR website or on the Filer's website; and

4. they will not have the right to withdraw from an agreement of purchase and sale (a **Withdrawal Right**) in respect of a purchase of Series A or Series T securities made pursuant to an Automatic Switch, but they will have the right of action for damages or rescission in the event any Fund Facts or document incorporated by reference into a simplified prospectus for the Series A or Series T securities, as applicable, contains a misrepresentation, whether or not they request the Fund Facts;

3. for investors in Series B or Series BT securities, the Filer sends to such investors an annual reminder notice advising that they will not receive the Fund Facts upon an Automatic Switch, but that:

   (a) they may request the most recently filed Fund Facts for the relevant series by calling a specified toll-free number or by sending a request via email to a specified address or email address;

   (b) the most recently filed Fund Facts will be sent or delivered to them at no cost;

   (c) the most recently filed Fund Facts may be found either on the SEDAR website or on the Filer's website; and

   (d) they will not have a Withdrawal Right in respect of a purchase of Series A or Series T securities made further to an Automatic Switch, but they will have the right of action for damages or rescission in the event any Fund Facts or document incorporated by reference into a simplified prospectus for the Series A or Series T securities, as applicable, contains a misrepresentation, whether or not they request the Fund Facts.

The decision of the principal regulator under the Legislation is that each of the Sales Communications Relief, the Form 81-101F3 Relief and the Form 81-101F1 Relief is granted provided that:

1. the sales communications of the Funds relating to Series B and Series BT securities show, as the performance data for Series B and Series BT securities, the performance data of the corresponding Series A and T securities of the same Fund where the performance data for Series B and Series BT securities relates to the time period prior to the Implementation Date, prepared in accordance with Part 15 of NI 81-102;

2. the simplified prospectus of the Funds:

   (a) states that the start date for each Series B and Series BT security of each Fund is the start date of the corresponding Series A and T security of the Fund; and

   (b) discloses the re-designations where the start date for each Series B and Series BT security of each Fund is disclosed;

3. each Fund Facts for Series B or Series BT securities:

   (a) states that the start date for each Series B and Series BT security of each Fund is the start date of the corresponding Series A and T security of the Fund;

   (b) includes as the performance data for Series B and Series BT securities, the performance data of the corresponding Series A and T securities of the same Fund where the performance data for Series B and Series BT securities relates to the time period prior to the Implementation Date, prepared in accordance with Part 15 of NI 81-102; and

   (c) discloses the re-designations where the start date for each Series B and Series BT security of each Fund is disclosed; and

4. the Funds prepare their respective management reports of fund performance in accordance with the NI 81-106 Relief.

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

Schedule "A"

Sentry All Cap Income Fund
Sentry Canadian Income Fund
Sentry Diversified Equity Fund
Sentry Global Growth and Income Fund
Sentry Global Infrastructure Fund
Sentry Global Mid Cap Income Fund
Sentry Growth and Income Fund
Sentry Small/Mid Cap Income Fund
Sentry U.S. Growth and Income Fund
Sentry Energy Fund
Sentry Global REIT Fund
Sentry Precious Metals Fund
Sentry Alternative Asset Income Fund
Sentry Conservative Balanced Income Fund
Sentry Conservative Monthly Income Fund
Sentry Global Monthly Income Fund
Sentry U.S. Monthly Income Fund
Sentry Canadian Bond Fund
Sentry Corporate Bond Fund
Sentry Global High Yield Bond Fund
Sentry Money Market Fund

Schedule "B"

Sentry Canadian Income Class*
Sentry Diversified Equity Class*
Sentry Global Growth and Income Class*
Sentry Small/Mid Cap Income Class*
Sentry U.S. Growth and Income Class*
Sentry Canadian Resource Class*
Sentry Global REIT Class*
Sentry Precious Metals Class*
Sentry Conservative Balanced Income Class*
Sentry Corporate Bond Class*
Sentry Global High Yield Bond Class*
Sentry Money Market Class*
Sentry Growth Portfolio*
Sentry Growth and Income Portfolio*
Sentry Balanced Income Portfolio*
Sentry Conservative Income Portfolio*

*A class of shares of Sentry Corporate Class Ltd.

2.1.5 Sentry Investments Inc.

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the requirement in s.3.2.01 of NI 81-101 to pre-deliver a fund facts document to investors who purchase mutual fund securities of series only sold under an initial sales charge pursuant to automatic switches from certain series only sold under deferred sales charge options – Mutual fund securities of series that are only sold under deferred sales charge options will, after a minimum holding period, be automatically switched to the initial sales charge series – Upon the automatic switch, investors will benefit from lower management fees as well as from possible tiered management fee reductions – Automatic switches between series of a fund triggering a distribution of securities attracting the requirement to deliver a fund facts – Relief granted from requirement to pre-deliver a fund facts upon the automatic switch subject to compliance with certain notification and prospectus/fund facts disclosure requirements – Relief to allow re-designated series to show performance and financial information from predecessor series in simplified prospectus, fund facts and sales communications.

May 30, 2016

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
SENTRY INVESTMENTS INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filer on behalf of each existing mutual fund listed in Schedule "A" (each, a **Trust Fund** and collectively, the **Trust Funds**) and Schedule "B" (each, a **Corporate Fund** and collectively, the **Corporate Funds**, and together with the Trust Funds, the **Existing Funds**) and any mutual fund that the Filer may establish in the future (each, a **Future Fund** and collectively, the **Future Funds**, and together with the Existing Funds, the **Funds** and each, a **Fund**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting the Funds from the requirement in subsection 3.2.01(1) of National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (NI 81-101) for a dealer to deliver or send the most recently filed fund facts documents (the **Fund Facts**) to a purchaser before the dealer accepts an instruction from the purchaser for the purchase of a security of a mutual fund (the **Fund Facts Delivery Requirement**) in respect of purchases of Series A securities and Series T securities (as defined below) of the Funds that are made pursuant to the Automatic Switches (as defined below) (the **Exemption Sought**).

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon and Nunavut (together with Jurisdiction, 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.

Representations

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

The Filer

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

2. The Filer is registered as a dealer in the categories of mutual fund dealer and exempt market dealer in each of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, as an adviser in the category of portfolio manager in each of Ontario and Alberta and as an investment fund manager in each of Ontario, Québec and Newfoundland and Labrador. The Filer is also registered as an adviser in the category of commodity trading manager in Ontario.

3. The Filer is the manager, promoter and portfolio manager of the Funds and is the trustee of the Trust Funds.

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

The Funds

5. Each Fund is, or will be, an open-end mutual fund trust or an open-end mutual fund that is a class of shares of a mutual fund corporation.

6. Each Fund is, or will be, a reporting issuer under the laws of the Jurisdictions and subject to National Instrument 81-102 *Investment Funds* (**NI 81-102**). The securities of the Funds are, or will be, qualified for distribution pursuant to a simplified prospectus, Fund Facts and annual information form that have been, or will be, prepared and filed in accordance with NI 81-101. The securities of the Existing Funds except for Sentry U.S. Growth and Income Currency Neutral Class (the **New Fund**, and the Existing Funds excluding the New Fund are the **Pre-April 2016 Funds**) are currently offered under a simplified prospectus dated June 8, 2015, as amended. Sentry U.S. Growth and Income Currency Neutral Class is currently offered under a simplified prospectus dated April 12, 2016.

7. Each of the Pre-April 2016 Funds currently offers Series A, Series B, Series F, Series O and Series I securities. Certain of the Pre-April 2016 Funds also offer Series T4, Series T5, Series T6, Series T7, Series T8 (collectively, **Series T**), Series B4, Series B5, Series B6 Series B7, Series B8 (collectively, **Series BT**), Series FT4, Series FT5, Series FT6, Series FT7, Series FT8 and Series O8 securities. The New Fund currently offers Series A, Series B, Series F, Series O and Series I securities and may in the future offer Series T and Series BT securities. The Future Funds may offer Series A, Series T, Series B and Series BT securities.

8. The Series A and Series T securities of the Pre-April 2016 Funds, other than Sentry Money Market Fund and Sentry Money Market Class (the **Money Market Funds**), were previously offered under four different purchase options: an initial sales charge option (the **ISC Option**); a deferred sales charge option (the **DSC Option**); a low load deferred sales charge option (the **Low Load Option**); and a low load 2 deferred sales charge option (the Low **Load 2 Option**, and together with the DSC Option and the Low Load Option, the **Deferred Sales Charge Options**). Under the ISC Option, investors may have had to pay a negotiated commission to their dealer at the time they purchase securities, while under the Deferred Sales Charge Options, no commission was paid by the investor at the time of purchase, but the investor would have been required to pay a redemption fee if he or she redeemed within a certain period of time from the date of purchase. With respect to Series A and Series T securities purchased or held under one of the Deferred Sales Charge Options, following the expiry of the applicable redemption schedule, such Series A and Series T securities were switched into Series A and Series T securities of the same Fund under the ISC Option (unless an investor otherwise directed in writing). Series A and Series T securities of the Money Market Funds were only offered under the ISC Option.

9. The Existing Funds are not in default of securities legislation in any of the Jurisdictions.

Series B and Series BT Securities and Automatic Switches

10. The Filer had previously implemented changes to the Pre-April 2016 Funds to allow investors who have purchased Series A and Series T securities of such Funds under the ISC Option to benefit from tiered management fee reductions, including for investments in securities of certain of the Funds under $100,000. These changes were reflected in amendments to the simplified prospectus of the Pre-April 2016 Funds dated December 7, 2015.

11. In connection with the foregoing amendments and in order to simplify the number of series offered by each Pre-April 2016 Fund, the Filer made the following changes (the **Changes**), effective from and as of April 1, 2016 (the **Implementation Date**):

    (i) separated the Series A and Series T securities held under the ISC Option from securities of these series held under the Deferred Sales Charge Options. All outstanding Series A and Series T securities purchased or held under a Deferred Sales Charge Option were re-designated as Series B or Series BT securities, as the case may be. As of and after the Implementation Date, Series A and Series T securities are only available for purchase under the ISC Option; and

    (ii) provided for the automatic switch of each Series B and Series BT security to a Series A or Series T security, respectively, of the same Fund after the applicable redemption schedule has finished for each Series B and Series BT security (an **Automatic Switch** and collectively, the **Automatic Switches**). For Series B or Series BT securities held or purchased under the DSC Option, the Automatic Switches will occur after investors have held their securities for a period of six years, for Series B or Series BT securities held or purchased under the Low Load Option, the Automatic Switches will occur after investors have held their securities for a period of three years and for Series B or Series BT securities held or purchased under the Low Load 2 Option, the Automatic Switches will occur after investors have held their securities for a period of two years (each, a **Minimum Period**). Each Automatic Switch of any eligible securities will be effected on the last business day of the calendar quarter following the date upon which the securities became eligible for the Automatic Switch.

12. At a special meeting of the securityholders of each Corporate Fund except for the New Fund, each held on March 24, 2016, the Filer sought and received the necessary approvals to effect the above-mentioned re-designations. An information circular was sent to those securityholders of record on February 22, 2016 in each Corporate Fund except for the New Fund. As the declaration of trust or trust agreement, as the case may be, of each Trust Fund permitted the above-mentioned re-designations to be effected without securityholder approval, special meetings of the Trust Funds were not called by the Filer. Securityholders of Sentry U.S. Growth and Income Fund, Sentry Energy Fund and Sentry Global Monthly Income Fund were provided with prior written notice of the above-mentioned re-designations as required pursuant to their respective declaration of trusts or trust agreements. Such notice was not required to be given with respect to any other Trust Fund.

13. Effective from and as of the Implementation Date:

    (i) Series B and Series BT securities of the Funds became available for purchase only under the Deferred Sales Charge Options;

    (ii) the attributes of the Series B and Series BT securities of the Funds provided for the Automatic Switches after investors have held their securities for the applicable Minimum Period (the **Automatic Switch Feature**);

    (iii) existing Series A and Series T securities that were purchased or held under a Deferred Sales Charge Option were re-designated as Series B and Series BT securities of the same Fund and are held under the same Deferred Sales Charge Option; and

    (iv) Series A and Series T securities of the Funds became available for purchase only under the ISC Option.

14. There was no increase in charges to investors who continued to hold Series A and Series T securities of the Pre-April 2016 Funds that were purchased under the ISC Option as a result of the Changes.

15. There was no increase in charges to investors who previously held Series A and Series T securities of the Pre-April 2016 Funds purchased or held under a Deferred Sales Charge Option, which were, on the Implementation Date, re-designated as Series B and Series BT securities, respectively, as a result of the Changes. Such investors, along with any investors who purchased or will purchase Series B and Series BT securities after the Implementation Date, after they have held their securities for the applicable Minimum Period, will be automatically switched, on the last business day of the calendar quarter following the date upon which the securities became eligible for the Automatic Switch, to Series A and Series T securities of the same Fund and thereafter potentially benefit from tiered management fee reductions that are available to investors in Series A and Series T securities.

16. Investors who previously held Series A and Series T securities of the Pre-April 2016 Funds purchased or held under a Deferred Sales Charge Option, which were, on the Implementation Date, re-designated as Series B and Series BT securities, respectively, continue to hold securities of the same Fund with the same underlying pool of assets, the same investment objectives and investment strategies and the same valuation procedures and continue to have the same rights as securityholders as they did prior to the Changes, except for the Automatic Switch Feature and the Series Differences (as defined below).

17. The only differences (the **Series Differences**) between Series A and Series B securities of a Fund and between Series T and Series BT securities of the same Fund, in addition to the Automatic Switch Feature, are that:

    (i) Series A and Series T securities are available for purchase and are sold only under the ISC Option, while Series B and Series BT securities are available for purchase and are sold only under the Deferred Sales Charge Options;

    (ii) the management fees for Series A and Series T securities are lower than the respective management fees for Series B and Series BT securities;

    (iii) investors in Series A and Series T securities are able to potentially benefit from tiered management fee reductions, which do not apply to Series B and Series BT securities;

    (iv) investors in Series A and Series T securities are able to participate in the Filer's account linking service, which does not apply to Series B and Series BT securities; and

    (v) prior to the expiry of the applicable redemption schedule for Series B and Series BT securities, the trailing commissions of Series B and Series BT securities may be different than the respective trailing commissions of Series A and Series T securities. Following the expiry of the applicable redemption schedule for Series B and Series BT securities and before the Automatic Switch, the trailing commissions of Series B and Series BT securities will become the same as the respective trailing commissions of Series A and Series T securities.

18. Implementation of the Changes had no adverse tax consequences on investors under current Canadian tax legislation.

19. Each Automatic Switch entails a redemption of Series B or Series BT securities, immediately followed by a purchase of Series A or Series T securities of the same Fund. Each purchase of securities done as part of the Automatic Switch is a "distribution" under the Legislation that triggers the Fund Facts Delivery Requirement.

20. On April 1, 2016, the Filer obtained relief from the requirement in the Legislation for a dealer to deliver or send the most recently filed Fund Facts document at the same time and in the same manner as otherwise required for the prospectus (the **Previous Fund Facts Delivery Requirement**) in respect of purchases of Series A or Series T securities made pursuant to the Automatic Switches (the **April 2016 Relief**). The decision granting the April 2016 Relief also included exemptive relief from certain requirements in NI 81-102, Form 81-101F1 *Contents of Simplified Prospectus* (Form 81-101F1) and Form 81-101F3 *Contents of Fund Facts Document* (**Form 81-101F3**) relating to the inclusion of performance and financial information of Series A and Series T in the simplified prospectus, Fund Facts and sales communications of Series B and Series BT (the **Performance Relief**).

21. While the Filer initiates each trade done as part of the Automatic Switches, pursuant to the April 2016 Relief, the Filer does not currently deliver the Fund Facts to investors in connection with the purchase of Series A or Series T securities made pursuant to Automatic Switches, since such investors would have received a Fund Facts disclosing that, after the Series B or BT securities were held for the applicable Minimum Period, such securities would be switched to Series A or Series T securities of the same Fund. The investment of such investors will be in securities of the same Fund with the same underlying pool of assets, the same investment objectives and investment strategies and the same valuation procedures and will be otherwise identical, except for the Automatic Switch Feature and the Series Differences. The Fund Facts received by an investor prior to the initial purchase of Series B or Series BT securities will fully disclose the Series Differences, except for the difference in the ability to participate in the Filer's account linking service (which is not permitted to be disclosed in the Fund Facts under Form 81-101F3, but which is, or will be, fully disclosed in the simplified prospectus of the Funds). Investors receiving Series B or Series BT Fund Facts are informed pursuant to such Fund Facts that, upon an Automatic Switch, the Series A or Series T securities will not be subject to redemption fees, will have lower management fees (including the percentage rate of such fees) and will allow the investor to qualify for tiered management fee reductions.

22. As each investor who has received a Series B or Series BT Fund Facts has been fully informed of the Series Differences, there would be no benefit for such investor to receive a Fund Facts in connection with the purchase of Series A or Series T securities made pursuant to an Automatic Switch.

23. On May 30, 2016, the Previous Fund Facts Delivery Requirement was replaced under the Legislation by the Fund Facts Delivery Requirement. The Filer accordingly requires the Exemption Sought in order to continue making the Automatic Switches without having to deliver a Fund Facts in advance of each Automatic Switch.

24. The simplified prospectus and Series B and Series BT Fund Facts of the Funds discloses, or will disclose:

(i) that the Series B and Series BT securities will be automatically switched following the expiry of the applicable Minimum Period, on the applicable switch date, to Series A or T securities (which is an initial sales charge series), as the case may be, of the same Fund;

(ii) that such Series A or Series T securities will have a lower management fee than the corresponding Series B and Series BT securities, will qualify for tiered management fee reductions based on the level of assets invested and will not be subject to a deferred/low load sales charge with a redemption fee;

(iii) the rate of the management fee or Series A or Series T securities, as the case may be;

(iv) the trailing commission rates payable by the Filer in respect of the Series B or Series BT securities (a) prior to the expiry of the applicable Minimum Period and (b) after the expiry of the applicable Minimum Period before the Automatic Switch; and

(v) the trailing commission rates payable by the Filer in respect of the Series A or Series T securities upon the Automatic Switch.

25. The Filer has and will continue to deliver or arrange for the delivery of trade confirmations to investors in connection with each trade done further to the Automatic Switches. Details of any changes in series of securities held have been, and will continue to be, reflected in the account statements sent by each dealer to investors for the month in which the change occurred.

26. Prior to the Implementation Date, the Filer consulted with dealers about the Changes so that dealers were in a position to advise investors of the Changes.

27. Notice of the Changes were contained in a press release issued on January 13, 2016 and material change report dated January 14, 2016 and reflected in amendments to the simplified prospectus and annual information form and amended Fund Facts of the Pre-April 2016 Funds, each dated January 22, 2016.

28. The Filer filed amendments to the simplified prospectus and annual information form and amended Fund Facts of the Pre-April 2016 Funds, each dated March 24, 2016, to qualify the Series B and Series BT securities for distribution, reflect the reduction of the management fees charged in respect of Series A and Series T securities held under the ISC Option of each existing Fund and to reflect the adjustment of the tiered management fee reductions applicable to Series A and Series T securities held under the ISC Option of each existing Fund. These amendments also reflected the re-designation of Series A and Series T securities purchased or held under a Deferred Sales Charge Option to Series B and Series BT securities of the same Fund.

29. In the absence of the Exemption Sought, the Automatic Switches are not capable of being implemented without compliance with the Fund Facts Delivery Requirement.

30. For greater clarity, the Performance Relief remains in full force and effect and is unaffected by the granting of the Exemption Sought.

Decision

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

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

1. for investors who purchase Series B or Series BT securities on and after the Implementation Date:

(a) each Fund Facts for Series B or Series BT securities discloses:

(i) that the Series B and Series BT securities will be automatically switched following the expiry of the applicable Minimum Period, on the applicable switch date, to Series A or T securities (which is an initial sales charge series), as the case may be, of the same Fund;

(ii) that such Series A or Series T securities will have a lower management fee than the corresponding Series B and Series BT securities, will qualify for tiered management fee reductions based on the level of assets invested and will not be subject to a deferred/low load sales charge with a redemption fee;

(iii) the rate of the management fee or Series A or Series T securities, as the case may be;

(iv) the trailing commission rates payable by the Filer in respect of the Series B or Series BT securities (a) prior to the expiry of the applicable Minimum Period and (b) after the expiry of the applicable Minimum Period before the Automatic Switch; and

(v) the trailing commission rates payable by the Filer in respect of the Series A or Series T securities upon the Automatic Switch (collectively, with items (i), (ii), (iii) and (iv), the **Series B and Series BT Disclosure**);

(b) the Fund Facts for Series B or Series BT securities, as the case may be, containing the Series B and Series BT Disclosure is delivered to prospective Series B investors or Series BT investors before a dealer accepts an instruction from such investors to purchase Series B or Series BT securities on or after the Implementation Date in accordance with the Fund Facts Delivery Requirement;

(c) the Filer incorporates the Series B and Series BT Disclosure in the simplified prospectus of the Funds; and

2. for investors in Series B or Series BT securities, the Filer sends to such investors an annual reminder notice advising that they will not receive the Fund Facts upon an Automatic Switch, but that:

(a) they may request the most recently filed Fund Facts for the relevant series by calling a specified toll-free number or by sending a request via email to a specified address or email address;

(b) the most recently filed Fund Facts will be sent or delivered to them at no cost;

(c) the most recently filed Fund Facts may be found either on the SEDAR website or on the Filer's website; and

(d) they will not have the right to withdraw from an agreement of purchase and sale in respect of a purchase of Series A or Series T securities made further to an Automatic Switch, but they will have the right of action for damages or rescission in the event any Fund Facts or document incorporated by reference into a simplified prospectus for the Series A or Series T securities, as applicable, contains a misrepresentation, whether or not they request the Fund Facts.

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

Schedule "A"

Sentry All Cap Income Fund
Sentry Canadian Income Fund
Sentry Diversified Equity Fund
Sentry Global Growth and Income Fund
Sentry Global Infrastructure Fund
Sentry Global Mid Cap Income Fund
Sentry Growth and Income Fund
Sentry Small/Mid Cap Income Fund
Sentry U.S. Growth and Income Fund
Sentry Energy Fund
Sentry Global REIT Fund
Sentry Precious Metals Fund
Sentry Alternative Asset Income Fund
Sentry Conservative Balanced Income Fund
Sentry Conservative Monthly Income Fund
Sentry Global Monthly Income Fund
Sentry U.S. Monthly Income Fund
Sentry Canadian Bond Fund
Sentry Corporate Bond Fund
Sentry Global High Yield Bond Fund
Sentry Money Market Fund

Schedule "B"

Sentry Canadian Income Class*
Sentry Diversified Equity Class*
Sentry Global Growth and Income Class*
Sentry Small/Mid Cap Income Class*
Sentry U.S. Growth and Income Class*
Sentry U.S. Growth and Income Currency Neutral Class*
Sentry Canadian Resource Class*
Sentry Global REIT Class*
Sentry Precious Metals Class*
Sentry Conservative Balanced Income Class*
Sentry Corporate Bond Class*
Sentry Global High Yield Bond Class*
Sentry Money Market Class*
Sentry Growth Portfolio*
Sentry Growth and Income Portfolio*
Sentry Balanced Income Portfolio*
Sentry Conservative Income Portfolio*

*A class of shares of Sentry Corporate Class Ltd.

2.1.6 Arrow Capital 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 new U.S. and European requirements to clear over-the-counter derivatives including swaps – decision treats cleared swaps similar to other cleared derivatives – National Instrument 81-102 Investment Funds; relief from sections 2.8(1)(d) and (f)(i) of NI 81-102 to permit the funds when they open or maintain an interest rate swap position and during the periods when the funds are entitled to receive payments under the swap, to use as cover, an option to sell an equivalent quantity of the underlying interest of the standardized future, forward or swap.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.7(1), 2.7(4), 2.7(1)(d), 2.7(1)(f)(i), 6.1(1), 19.1

June 29, 2016

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

AND

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

AND

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

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**), pursuant to paragraph 19.1 of National Instrument 81-102 *Investment Funds* (**NI 81-102**), exempting each Existing Arrow Fund (as defined below) and all current and future mutual funds managed by the Filer in the future (each, a **Future Arrow Fund** and, together with the Existing Arrow Funds, each, an **Arrow Fund** and, collectively, the **Arrow Funds**):

(i) with respect to cleared Swaps, from the requirement in section 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) with respect to cleared Swaps, from the limitation in section 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 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;

(iii) with respect to cleared Swaps, from the requirement in section 6.1(1) of NI 81-102 to hold all portfolio assets of an investment fund under the custodianship of one custodian in order to permit each Arrow 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; and

(iv) from the requirement in sections 2.8(1)(d) and 2.8(1)(f)(i) of NI 81-102 in order to permit each of the Arrow Funds when it:

(A) opens or maintains a long position in a debt-like security that has a component that is a long position in a forward contract or in a standardized future or forward contract, or

(B) enters into or maintains a swap position and during the periods when the Arrow Fund is entitled to receive payments under the swap,

to use as cover, a right or obligation to sell an equivalent quantity of the underlying interest of the standardized future, forward or swap,

(the relief from the requirements described in paragraphs (i), (ii) and (iii) are collectively referred to as the **Cleared Derivatives Relief** and the relief from the requirements described in paragraph (iv) are collectively referred to as the **Derivative Cover Relief**, and together with the Cleared Derivatives Relief, collectively referred to as the **Requested Relief).**

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

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

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

Interpretation

Terms defined in MI 11-102, National Instrument 14-101 *Definitions* and NI 81-102 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 clearing agency that acts as counterparty to each party for each Swap for which it provides clearing services and is a clearing organization registered with the CFTC or central counterparty authorized by ESMA, as the case may be, that, in either case, is also permitted to operate in the jurisdiction of Canada where the Arrow Fund is located

Dodd-Frank means the Dodd-Frank Wall Street Reform and Consumer Protection Act EMIR means the European Market Infrastructure Regulation

ESMA means the European Securities and Markets Authority

European Economic Area means all of the European Union countries and also Iceland, Liechtenstein and Norway

Existing Arrow Fund means each mutual fund managed by the Filer that is listed on Schedule “A” to this decision

Futures Commission Merchant means any futures commission merchant that is registered with the CFTC and/or is a clearing member for purposes of EMIR, as applicable and is a member of a Clearing Corporation

OTC means over-the-counter

Portfolio Advisor means each of the Filer and each affiliate of the Filer and each third party portfolio manager retained from time to time by the Filer to sub-advise the investment portfolio of one or more Arrow Funds

Swaps means the swaps that are, or will become, subject to a clearing determination or a clearing obligation issued by the CFTC or ESMA, as the case may be

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

Representations

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

The Filer and Arrow Funds

1. The Filer is, or will be, the investment fund manager of each Arrow Fund. The Filer is a corporation incorporated under the *Business Corporations Act* (Ontario) with its head office located in Toronto, Ontario.

2. The Filer is registered in the following categories in certain of the Jurisdictions indicated below:

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

   (b) Alberta: EMD;

   (c) British Columbia: EMD;

   (d) Quebec: EMD and IFM; and

   (e) Newfoundland and Labrador: IFM.

3. The Filer is, or will be, the manager of the Arrow Funds. Another Portfolio Advisor is, or will be, the sub-advisor to certain of the Arrow Funds.

4. Each Arrow 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 Filer nor the Arrow Funds are, or will be, in default of securities legislation in any of the Jurisdictions.

6. The securities of each Arrow 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 the Jurisdictions; accordingly, each Arrow Fund is, or will be, a reporting issuer or the equivalent in each of the Jurisdictions.

Cleared Swaps and Put Option Cover

7. The investment objective and investment strategies of each Arrow Fund permit, or will permit, the Arrow Fund to enter into derivative transactions, including Swaps, put options and short future positions. The Portfolio Advisors for the Existing Arrow Funds consider specified derivative positions, including Swaps, put options and short future positions, to be an important investment tool that is available to it to properly manage and hedge each Arrow Fund's portfolio, as applicable.

8. Each of the Existing Arrow Funds have entered into, or intend to enter into, foreign exchange swaps, interest rate swaps and credit default swaps on single names and indices. Each of the Existing Arrow Funds have entered into, or intend to enter into, to use specified derivatives to hedge against losses caused by changes in securities prices, interest rates, exchange rates and/or other risks. The Arrow Funds may also use specified derivatives for non-hedging purposes under their investment strategies in order to invest indirectly in securities or financial markets or to gain exposure to other currencies, provided the use of specified derivatives is consistent with the particular Arrow Fund's investment objective(s). When specified derivatives are used for non-hedging purposes, the Arrow Funds are subject to the cover requirements of NI 81-102.

9. Dodd-Frank requires that certain OTC derivatives be cleared through a Futures Commission Merchant at a Clearing Corporation. Generally, where one party to a Swap is a U.S. Person, that Swap must be cleared, absent an available exception.

10. EMIR requires that certain OTC derivatives be cleared through a central counterparty authorized to provide clearing services for purposes of EMIR. Generally, where one party to a Swap is a financial counterparty or a non-financial counterparty whose OTC derivative trading activity exceeds a certain threshold, in each case established in a state that is a participant in the European Economic Area, that Swap will be required to be cleared. The first clearing directive has been issued in respect of certain interest rate swaps and will be phased-in based on the category of both parties to the trade.

11. In order to benefit from both the pricing benefits and reduced trading costs that a Portfolio Advisor 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 Filer wishes to have the Arrow Funds enter into cleared Swaps.

12. Sections 2.8(1)(d) and 2.8(1)(f)(i) of NI 81-102 do not permit covering the position in long positions in futures and forwards and long positions in swaps for a period when a fund is entitled to receive payments under the swap, in whole or in part, with a right or obligation to sell an equivalent quantity of the underlying interest of the future, forward or swap. In other words, those sections of NI 81-102 do not permit the use of put options or short future positions to cover long future, forward or swap positions.

13. Regulatory regimes in other countries recognize the hedging properties of options for all categories of derivatives, including long positions evidenced by standardized futures or forwards or in respect of swaps where a fund is entitled to receive payments from the counterparty, provided they are covered by an amount equal to the difference between the market price of a holding and the strike price of the option that was bought or sold to hedge it. NI 81-102 effectively imposes the requirement to over-collateralize, since the maximum liability to the fund under the scenario described is equal to the difference between the market value of the long and the exercise price of the option and as a result overcollateralization imposes a cost on a fund.

14. Section 2.8(1)(c) of NI 81-102 permits a mutual fund to write a put option and cover it with a put option on an equivalent quantity of the underlying interest of the written put option. This position has similar risks as a long position in a future, forward or swap and therefore, the Filer submits, that the Arrow Funds should be permitted to cover a long position in a future, forward or swap with a put option or short future position.

15. In order to benefit from reduced trading costs and more cost-efficient use of portfolio assets, while still affording the Arrow Funds the ability to hedge certain of its specified derivative positions, the Filer wishes to have the Arrow Funds to use put options or short future position to cover a long position in a future, forward or swap.

Derivative Policies and Risk Management

16. The Filer, in its capacity as manager and portfolio advisor, has or will set and review the investment objectives and overall investment policies of the Arrow Funds, which generally will allow for trading in derivatives. The derivative contracts entered into by or on behalf of the Arrow Funds must be in accordance with the investment objectives and strategies of each of the Funds and in compliance with NI 81-102.

17. The Filer in its capacity as portfolio advisor is or will be generally permitted to use derivatives for the Arrow Funds under certain conditions and limitations in order to gain exposure to financial markets or to invest indirectly in securities or other assets. The Filer, in its capacity as Portfolio Advisor, may similarly allow any portfolio sub-advisors to use derivatives.

18. The Chief Compliance Officer of the Filer is responsible for establishing and maintaining policies and procedures in connection with the use of derivatives, oversight of all derivative strategies used by the Arrow Funds, and the monitoring and assessing compliance with all applicable legislation. The Chief Compliance Officer is required to report to the Ultimate Designated Person of the Filer on any instances of non-compliance and reports to the board of directors of the Filer on his or her compliance assessments. The board of directors of the Filer reviews and approves the Filer's policies and procedures in connection with the use of derivatives and has the ultimate responsibility of ensuring that proper policies and procedures relating to the use of derivatives are in place. Any portfolio sub-advisor to the Arrow Funds would be required to have similar appropriate policies and procedures.

19. The simplified prospectus and annual information form of the Arrow Funds does or will include disclosure of the nature of the exemptions granted in respect of the Arrow Funds.

Absence of the Requested Relief

20. In the absence of the Cleared Derivative Relief, each Portfolio Advisor will need to structure the Swaps entered into by the Arrow Funds so as to avoid the clearing requirements of the CFTC and under EMIR, as applicable. The Filer respectfully submits that this would not be in the best interests of the Arrow Funds and their investors for a number of reasons, as set out below.

21. The Filer strongly believes that it is in the best interests of the Arrow Funds and their investors to execute OTC derivatives with global counterparties.

22. In its role as a fiduciary for the Arrow Funds, the Filer has determined that central clearing represents the best choice for the investors in the Arrow Funds to mitigate the legal, operational and back office risks faced by investors in the global swap markets.

23. A Portfolio Advisor currently uses the same trade execution practices for all of its managed funds, including the Arrow Funds. These practices include the use of cleared Swaps. In the absence of the Cleared Derivative Relief, the Portfolio

Advisor has to create separate trade execution practices only for the Arrow Funds and has to execute trades for the Arrow Funds on a separate basis. This increases the operational risk for the Arrow Funds, as separate execution procedures are needed only for the Arrow Funds. In addition, the Arrow Funds are unable to enjoy the possible price benefits and reduction in trading costs that the Portfolio Advisor may be able to achieve through a common practice for its family of investment funds. In the Filer's opinion, 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.

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

25. In the absence of the Cleared Derivative Relief, the Arrow Funds will not have the flexibility to enhance yield and to more effectively manage the exposures under specified derivatives through the use of put options or short future positions to cover long future, forward or swap positions.

26. For the reasons provided above, the Filer submits 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:

(a) when any rules applicable to customer clearing of OTC derivatives come into force, the Clearing Corporation is permitted to offer customer clearing of OTC derivatives in the jurisdictions of Canada where the Arrow Fund is located and provided further that, in respect of the deposit of cash and portfolio assets as margin:

  (i) in Canada;

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

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

  (ii) outside of Canada:

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

    (B) 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

    (C) 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 Arrow Fund as at he time of deposit;

(b) when an Arrow Fund enters into or maintains a swap position for periods when the Arrow Fund would be entitled to receive fixed payments under the swap, the Arrow Fund holds:

  (i) cash cover in an amount that, together with margin on account for the swap and the market value of the swap, is not less than, on a daily mark-to-market basis, the underlying market exposure of the swap;

(ii) a right or obligation to enter into an offsetting swap on an equivalent quantity and with an equivalent term and cash cover that together with margin on account for the position is not less than the aggregate amount, if any, of the obligations of the Arrow Fund under the swap less the obligations of the Arrow Fund under such offsetting swap; or

(iii) a combination of the positions referred to in clauses (i) and (ii) that is sufficient, without recourse to other assets of the Arrow Funds, to enable the Arrow Funds to satisfy its obligations under the swap;

(c) when an Arrow Fund opens or maintains a long position in a debt-like security that has a component that is a long position in a forward contract, or in a standardized future or forward contract, the Arrow Fund holds:

(i) cash cover in an amount that, together with margin on account for the specified derivative and the market value of the specified derivative, is not less than, on a daily mark-to-market basis, the underlying market exposure of the specified derivative;

(ii) a right or obligation to sell an equivalent quantity of the underlying interest of the future or forward contract, and cash cover that together with margin on account for the position, is not less than the aggregate amount, if any, by which the price of the future or forward contract exceeds the strike price of the right or obligation to sell the underlying interest; or

(iii) a combination of the positions referred to in clauses (i) and (ii) that is sufficient, without recourse to other assets of the Arrow Funds, to enable the Arrow Funds to satisfy its obligations under the future or forward contact; and

(d) an Arrow Fund will not (i) purchase a debt-like security that has an option component or an option, or (ii) purchase or write an option to cover any positions under section 2.8(1)(b), (c), (d), (e) and (f) of NI 81- 102, if immediately after the purchase or writing of such option, more than 10% of the net assets of the Arrow Fund, taken at market value at the time of the transaction, would be in the form of (1) purchased debt-like securities that have an option component or purchased options, in each case, held by the Fund for purposes other than hedging, or options used to cover any positions under section 2.8(1)(b), (c), (d), (e) and (f) of NI 81-102.

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

“Darren McKall”
Manager, Investment Funds and Structured Products Branch
Ontario Securities Commission

SCHEDULE "A"

Mutual Fund
Exemplar Leaders Fund
Exemplar Performance Fund
Exemplar Tactical Corporate Bond Fund
Exemplar Investment Grade Fund
Exemplar Growth and Income Fund
Exemplar U.S. High Yield Fund

2.1.7 Fidelity Investments Canada ULC

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the requirement in s. 3.2.01 of NI 81-101 to pre-deliver a fund facts document to investors who purchase mutual fund securities of certain series under automatic switching programs – Investment fund manager creating two new sets of mutual fund series offering tiered management and administration fees (tiered series), one for investors who purchase securities in fee-based accounts and one for investors purchasing securities under an initial sales charge – Tiered series offering lower combined management and administration fees than the introductory fee-based or initial sales charge series, as applicable, that the investor first purchased securities in, based on the size of a fund investment – Investment fund manager initiating automatic switches in and out of tiered series on behalf of investors when their investments satisfy or cease to meet eligibility requirements of tiered series – Automatic switches between series of a fund triggering a distribution of securities attracting the requirement to deliver a fund facts - Relief granted from requirement to pre-deliver a fund facts to investors for purchases of series securities made under the automatic switching programs subject to compliance with certain notification and prospectus/fund facts disclosure requirements – National Instrument 81-101 Mutual Fund Prospectus Disclosure.

Applicable Legislative Provisions

National Instrument 81-101 Mutual Fund Prospectus Disclosure, ss. 3.2.01, 6.1.

May 30, 2016

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
FIDELITY INVESTMENTS CANADA ULC
(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 (the **Legislation**) exempting the Filer from the requirement in the Legislation for a dealer to deliver or send the most recently filed fund facts document (**Fund Facts**) before the dealer accepts an instruction from the purchaser for the purchase of the security (the **Pre-Sale Fund Facts Delivery Requirement**) in respect of purchases of mutual fund securities of the Tiered Series (defined below) that are made pursuant to Automatic Switches (defined below) (the **Exemption Sought**).

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

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

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

Representations

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

1. The Filer is a corporation duly amalgamated and validly existing under the laws of the Province of Alberta. The head office of the Filer is in Toronto, Ontario. The Filer is the investment fund manager of existing mutual funds (the **Existing Funds**) and may establish and manage other mutual funds in the future (together with the Existing Funds, the **Funds**).

2. The Filer is registered in Ontario, Québec and Newfoundland and Labrador in the category of investment fund manager. The Filer is also registered as a portfolio manager and mutual fund dealer in each of the provinces and territories of Canada and is registered under the *Commodity Futures Act* (Ontario) in the category of commodity trading manager.

3. Each Fund is, or will be, an open-end mutual fund trust created under the laws of the Province of Ontario or an open-end mutual fund that is a class of shares of a mutual fund corporation.

4. Each Fund is, or will be, a reporting issuer under the laws of some or all of the provinces and territories of Canada and subject to National Instrument 81-102 *Investment Funds*. The securities of the Funds are, or will be, qualified for distribution pursuant to a simplified prospectus, Fund Facts and annual information form that have been, or will be, prepared and filed in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure*.

5. The units and shares of the Funds are referred to herein collectively as **Securities**. Securities of the Funds are currently offered under simplified prospectuses, Fund Facts and annual information forms dated December 16, 2015, March 28, 2016 and September 29, 2015, as amended from time to time, as applicable.

6. The Funds currently offer up to 33 series of Securities, as applicable – series A, B, C, D, E1, E2, E3, E4, E5, E1T5, E2T5, E3T5, E4T5, E5T5 F, F5, F8, I, I5, I8, O, P1, P2, P3, P4, P5, P1T5, P2T5, P3T5, S5, S8, T5 and T8 Securities. Fidelity may offer additional series in the future.

7. Series F, F5 and F8 Securities of the Funds have lower fees than series A, B, I, T5, T8, I5, I8, S5, S8, C and D Securities and are usually purchased by investors who have fee-based accounts with dealers who sign an eligibility agreement with the Filer. Instead of paying sales charges, investors pay their dealer a fee for investment advice and other services they provide. In addition, the Filer does not pay any commissions or trailing commissions to dealers who sell Series F Securities. **Series F** is defined herein to include series F, F5 and F8, as applicable.

8. Series B, S5 and S8 Securities of the Funds are purchased by investors on an initial sales charge basis. Series B, S5 and S8 Securities of certain of the Funds may also be acquired upon the automatic switch of Series A, T5 or T8 Securities after the expiration of the deferred sales charge period on those Securities. Trailing commissions are paid to dealers who sell ISC Series Securities. **ISC Series** is defined herein to include series B, S5 and S8, as applicable.

9. Dealers are responsible for deciding whether investors are eligible to purchase and continue to hold Series F Securities. If an investor is no longer eligible to hold these Securities, the investor's dealer is responsible for telling the Filer to switch the investor's Securities into Securities of the appropriate ISC Series of the same Fund or redeem them.

10. On October 29, 2015, the Filer established a new set of series on certain of the Funds that offer tiered management and administration fees (the **P Tiered Series**) for Series F holders. The P Tiered Series offer lower combined management and administration fees than the existing Series F based on the size of the holdings of the Funds in the investor's account or, in certain instances, the group of related accounts of which the investor is a member. The Filer automatically switches these Series F holders into and out of the P Tiered Series based on the size of the holdings of the Funds in the investor's account or collectively in the related accounts without the dealer or investor having to initiate the trade.

11. On December 15, 2015, the Filer established a similar set of series on certain of the Funds that offer tiered management and administration fees (the **ISC Tiered Series**) for ISC Series holders. The ISC Tiered Series offers lower combined management and administration fees than the existing ISC Series based on the size of the holdings of the Funds in the investor's account or, in certain instances, the group of related accounts of which the investor is a member. The Filer automatically switches these ISC Series holders into and out of the ISC Tiered Series based on the size of the holdings of the Funds in the investor's account or collectively in the related accounts without the dealer or investor having to initiate the trade.

12. These programs are collectively referred to herein as the **Automatic Switching Programs** and individually as an **Automatic Switching Program**.

13. Once an account has qualified for one of the P Tiered Series or ISC Tiered Series, as the case may be, the account continues to enjoy the benefit of lower management and administration fees associated with that tier even if fund performance reduces the account value below that tier's threshold.

14. Investors may only access a P Tiered Series of a Fund by initially investing in Series F Securities of a Fund. Investors may only access an ISC Tiered Series of a Fund by initially investing in ISC Series Securities of a Fund or by acquiring certain ISC Series Securities of a Fund upon the automatic switch of securities after the expiration of the deferred sales charge period. Once an investor already holds a P Tiered Series or an ISC Tiered Series of a Fund, the investor can then buy directly that applicable tier of the P Tiered Series or ISC Tiered Series of the same Fund or any other Fund. For Series F and ISC Series accounts that have qualified for the P Tiered Series or ISC Tiered Series, as the case may be, the Filer automatically switches:

    (a) Series F or ISC Series accounts into the appropriate tier of the P Tiered Series or ISC Tiered Series of the same Fund;

    (b) once in the P Tiered Series or ISC Tiered Series, among the appropriate tiers of the P Tiered Series or ISC Tiered Series of the same Fund based on increases in the size of the holdings of the Funds in the investor's account or the related accounts, as the case may be, as a result of additional purchases and/or positive fund performance; and

    (c) the account(s) to the applicable higher cost P Tiered Series or ISC Tiered Series, or from the P Tiered Series or ISC Tiered Series back into Series F or ISC Series of the same Fund, where the account(s) no longer meets the account size threshold as a result of redemptions.

    (the **Automatic Switches**, individually an **Automatic Switch**).

15. Further to each Automatic Switch, an investor's account(s) continues to hold Securities in the same Fund(s) with the only material difference to the investor being that the combined management and administration fees of (a) each P Tiered Series are lower than those charged on Series F Securities or (b) each ISC Tiered Series are lower than those charged on ISC Series, as the case may be. In no event will (a) an account that qualifies for the P Tiered Series ever pay more than the Series F management and administration fees for which it initially subscribed or (b) an account that qualifies for the ISC Tiered Series ever pay more than the ISC Series management and administration fees for which it initially subscribed or acquired upon the automatic switch of certain Securities after the expiration of the deferred sales charge period.

16. There are no embedded commissions or trailing commissions in the P Tiered Series. In addition, there are no sales charges associated with the P Tiered Series. Sales charges and trailing commissions may apply to the ISC Tiered Series.

17. The rates of sales charges and trailing commissions attached to each ISC Tiered Series do not exceed the rates of sales charges and trailing commissions attached to the ISC Series.

18. The Automatic Switches have no adverse tax consequences on investors under current Canadian tax legislation.

19. Each Automatic Switch entails a redemption of Series F Securities or of P Tiered Series Securities, or a redemption of ISC Series Securities or of ISC Tiered Series Securities, as the case may be, immediately followed by a purchase of the applicable P Tiered Series or Series F Securities, or the applicable ISC Tiered Series or ISC Series Securities, as the case may be. Each purchase of Securities done as part of the Automatic Switch is a "distribution" under the Legislation that triggers the Pre-Sale Fund Facts Delivery Requirement.

20. While the Filer initiates each trade done as part of the Automatic Switches, the Filer does not deliver the Fund Facts to investors in connection with the purchase of Securities made pursuant to Automatic Switches since:

    (a) at no time does:

        i. an account that qualifies for the P Tiered Series pay more than the combined management and administration fees of the Series F Securities for which it initially subscribed or

        ii. an account in the ISC Tiered Series pay more than the combined management and administration fees of the ISC Series for which it initially subscribed or acquired upon the automatic switch of certain Securities after the expiration of the deferred sales charge period; and

(b) in all cases, since Series F and ISC Series holders received a prospectus or Fund Facts document disclosing the higher level of fees which applied to the series for which they initially subscribed, the investor would derive little benefit from a further Fund Facts document for each Automatic Switch.

21. On October 28, 2015, the Filer obtained relief from the requirement in the Legislation for a dealer to deliver or send the most recently filed Fund Facts document at the same time and in the same manner as otherwise required for the prospectus (the **Fund Facts Delivery Requirement**) in respect of purchases of mutual fund securities of the P Tiered Series and ISC Tiered Series that are made pursuant to Automatic Switches.

22. On May 30, 2016, the Fund Facts Delivery Requirement was replaced under the Legislation by the Pre-Sale Fund Facts Delivery Requirement. The Filer accordingly requires the Exemption Sought in order to continue making the Automatic Switches pursuant to the Automatic Switching Programs without having to deliver a Fund Facts in advance of each Automatic Switch.

23. The Filer has and will continue to deliver or arrange for the delivery of trade confirmations to investors in connection with each trade done further to Automatic Switches. Furthermore, details of the changes in series of securities have and will continue to be reflected in the account statements sent to investors by their dealer for the month in which the change occurred.

24. The Filer has and will continue to disclose: (a) the eligibility requirements and the management and administration fees applicable to the Series F and each P Tiered Series and/or to the ISC Series and each ISC Tiered Series in the simplified prospectuses of the Funds, and (b) a summary of the eligibility requirements, the management and administration fees or the management expense ratios, as applicable, and the fee discounts applicable to the Series F and each P Tiered Series and/or to the ISC Series and each ISC Tiered Series in the Fund Facts of the Funds.

25. Prior to the launch of the Automatic Switching Programs, the Filer communicated extensively with dealers about the Automatic Switches so that dealers were equipped to appropriately notify existing Series F investors and ISC Series investors of the changes applying to their Series F or ISC Series investments, as the case may be, and appropriately advise new Series F and ISC Series investors on the applicable Automatic Switching Program.

26. In the absence of the Exemption Sought, the Filer may not carry out the Automatic Switches without compliance with the Pre-Sale Fund Facts Delivery Requirement.

Decision

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

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

1. For investors who purchase Series F Securities or ISC Series Securities on and after the launch date of the applicable Automatic Switching Program:

   a) the Filer incorporates disclosure in the simplified prospectus for the Series F and the P Tiered Series or ISC Series and the ISC Tiered Series, as applicable, or in respect of both, that sets out:

      i. the eligibility requirements for both Series F and the P Tiered Series or for the ISC Series and the ISC Tiered Series, as applicable, or in respect of both;

      ii. the fees applicable to investments in both the Series F and the P Tiered Series or in both the ISC Series and the ISC Tiered Series, as applicable, or in respect of both; and

      iii. that if investors cease to meet the eligibility requirements of a specified P Tiered Series or ISC Tiered Series, their investment will be switched into a series with higher management and administration fees which will not exceed the Series F fees or the ISC Series fees, as the case may be, and

   b) each Fund Facts for those series will (i) disclose a summary of the eligibility requirements, the management and administrations fees or the management expense ratio, as applicable, and the fee discounts, (ii) disclose that if investors cease to meet the eligibility requirements of a specified P Tiered Series or ISC Tiered Series, their investment will be switched into a series with higher management and administration fees which will not exceed the Series F fees or the ISC Series fees,

as the case may be, and (iii) will contain a cross-reference to the more detailed disclosure in the simplified prospectus; and

c) the Series F Fund Facts or ISC Series Fund Facts, as the case may be, containing the disclosure described in paragraph 1(b) above is delivered by the dealer to Series F investors or ISC Series investors before the first purchase of Series F Securities or ISC Securities on or after the launch date of the applicable Automatic Switching Program in accordance with the Pre-Sale Fund Facts Delivery Requirement.

2. For Series F and ISC Series investors who have holdings in the Funds of $150,000 or more and for investors in the P Tiered Series and ISC Tiered Series, the Filer sends to these investors an annual reminder notice advising that they will not receive the Fund Facts before they purchase Securities further to an Automatic Switch, but that:

a) they may request the most recently filed Fund Facts for the relevant series by calling a specified toll-free number or by sending a request via email to a specified address or email address;

b) the most recently filed Fund Facts will be sent or delivered to them at no cost;

c) the most recently filed Fund Facts may be found either on the SEDAR website or on the Filer's website; and

d) they will not have the right to withdraw from an agreement of purchase and sale in respect of a purchase of series Securities made pursuant to an Automatic Switch, but they will have the right of action for damages or rescission in the event any Fund Facts or document incorporated by reference into a simplified prospectus for the relevant series contains a misrepresentation, whether or not they request the Fund Facts.

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

2.1.8 CI Investments Inc.

Headnote

Investment fund manager that is a subsidiary of a reporting issuer – Relief from providing interim financial information and Form 31-103F1 pursuant to paragraphs 12.14(2)(a) and 12.14(2)(b) of NI 31-103 within 30 days of quarter end conditional upon Filer remaining subsidiary, parent remaining a reporting issuer, and information being provided within 45 days of quarter end

Applicable Legislative Provisions

National Instrument 14-101 Definitions.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 12.14.
National Instrument 51-102 Continuous Disclosure Obligations, s. 4.4.
Multilateral Instrument 11-102 Passport System.

July 4, 2016

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

AND

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

AND

IN THE MATTER OF
CI INVESTMENTS INC.
(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 (**Legislation**):

(a) for an exemption from the provisions of paragraphs 12.14(2)(a) and 12.14(2)(b) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), which provide that a registered investment fund manager must deliver to the regulator or, in Québec, the securities regulatory authority no later than the 30th day after the end of the first, second and third interim period of its financial year, its (i) interim financial information, and (ii) a completed Form 31-103F1 *Calculation of Excess Working Capital* (**Form 31-103F1**) for that interim period (the **Interim Filings Relief**); and

(b) to revoke and replace the Prior CII Decision (as defined below) (the **Revocation Relief**).

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

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

(b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick, Newfoundland and Labrador, and Prince Edward Island.

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 a corporation established under the laws of Ontario, and its head office is located in Toronto, Ontario.

2. The Filer is a subsidiary of CI Financial Corp. (**CIX**) which is currently a reporting issuer in the provinces of Ontario, British Columbia, Québec, Alberta, Newfoundland and Labrador, Nova Scotia, Manitoba, Prince Edward Island, Saskatchewan, and New Brunswick. The common shares of CIX are traded on the Toronto Stock Exchange (symbol: CIX).

3. CIX is a corporation established under the laws of Ontario, and its head office is located in Toronto, Ontario.

4. The Filer is registered with provincial securities regulators as follows:

   a. under the securities legislation of all provinces as an adviser in the category of portfolio manager;

   b. under the securities legislation of Ontario, Québec, and Newfoundland and Labrador as an investment fund manager;

   c. under the securities legislation of Ontario as a dealer in the category of exempt market dealer; and

   d. under the *Commodity Futures Act* (Ontario) as a commodity trading counsel and a commodity trading manager.

5. CIX's financial year end is December 31.

6. The Filer was a reporting issuer in British Columbia from December 6, 2010 to December 17, 2015 and from December 6, 2010 to January 22, 2016 in all other provinces.

7. Pursuant to a decision dated June 21, 2011 (the **Prior CII Decision**), the Filer was permitted to deliver the interim financial information required under paragraph 12.14(2)(a) of NI 31-103 no later than the 45th day after each interim period. A condition of the Prior CII Decision was that the Filer remains a reporting issuer. As the Filer is no longer a reporting issuer and can no longer rely on the Prior CII decision, it is seeking the Interim Filings Relief and the Revocation Relief.

8. CIX is a reporting issuer within the meaning of the Act subject to the continuous disclosure requirements set out in National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**). CIX became a reporting issuer on January 1, 2009, pursuant to a plan of arrangement.

9. Under section 4.4 of NI 51-102, the interim financial report that CIX is required to file under subsection 4.3(1) of NI 51-102 must be filed on or before the earlier of (the **NI 51-102 Requirement**):

   a. the 45th day after the end of the interim period, and

   b. the date of filing, in a foreign jurisdiction, an interim financial report for a period ending on the last day of the interim period.

10. CIX operates primarily through two operating subsidiaries, one of which is the Filer. Over 95% of CIX's income is derived from the Filer. As such, the preparation of financial information of the Parent and the Filer is highly intertwined.

11. CIX, as a reporting issuer, is required to, among other things, prepare a Management Discussion and Analysis of its quarterly results, prepare a quarterly news release disclosing its results, and comply with approval and certification requirements, which are items that a non-reporting issuer does not have to address and which take additional time and effort (collectively **CIX's financial information**). As the Filer is a subsidiary of CIX, CIX's financial information must also include financial information relating to the Filer.

12. Furthermore, the rigors of approval of the financial statements of CIX are greater than that of a non-reporting issuer. Specifically, the financial statements of CIX require formal audit committee and board approval.

13. The Filer is subject to the provisions of NI 31-103 and specifically subject to paragraphs 12.14(2)(a) and 12.14(2)(b) of NI 31-103 that require the Filer, as an investment fund manager, to file its interim financial information and completed Form 31-103F1 no later than the 30th day after the end of a quarter.

14. The preparation of the financial information for CIX and its subsidiaries (including the Filer) is undertaken as a concurrent process, and as the financial information of the subsidiaries is consolidated in the consolidated financial information of CIX, the preparation of the financial information of the Filer is indirectly subject to similar internal and external approval as that of CIX. As such, the Filer represents it would be unduly prejudiced if required to comply with the 30-day deadline set out in paragraphs 12.14(2)(a) and 12.14(2)(b) of NI 31-103 considering that its financial information must be included in CIX's financial information and respect the requirements of NI 51-102.

15. The Filer's financial information is required to complete Form 31-103F1, which is reviewed and approved concurrently along with the financial information of CIX.

16. Neither the Filer nor CIX are in default of securities legislation in any jurisdiction of Canada.

Decision

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

The decision of the Director under the Legislation is that:

(a) the Revocation Relief is granted; and

(b) the Interim Filings Relief is granted provided that the following conditions are satisfied:

(i) the Filer remains a wholly-owned subsidiary of CIX, which continues to be a reporting issuer;

(ii) the Filer delivers to the regulator the information required under paragraphs 12.14(2)(a) and 12.14(2)(b) of NI 31-103 no later than the 45th day after the end of the interim period;

(iii) under the continuous disclosure obligations then applicable to CIX as a reporting issuer, CIX is not required to file its interim financial report earlier than the 45th day after the end of the interim period; and

(iv) the Filer and CIX maintain concurrent financial year-ends.

"Marrianne Bridge"
Deputy Director, Compliance & Registrant Regulation
Ontario Securities Commission

PI Financial Corp. and Wolverton Securities Ltd

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Section 4.1 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations – A registered firm wants to permit an individual to act as a dealing, advising or associate advising representative where the individual acts as an officer, partner or director of another firm registered in a jurisdiction of Canada that is not an affiliate – The registered firms have valid business reasons for the individuals to be registered with both firms; the situation will last only until the registration of the acquired firm is surrendered and, if applicable, its membership with an SRO is terminated; the individuals will have sufficient time to adequately serve both firms; the situation will last only until the earlier of one year from the date of the relief and the date that the registration of the acquired firm is surrendered or terminated; the firms have policies and procedures in place to manage potential conflicts of interest; the firms are able to deal with any potential conflicts, including by supervising how the individual will deal with these conflicts.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7.
National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 4.1, 15.1.

June 30, 2016

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

AND

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

AND

IN THE MATTER OF
PI FINANCIAL CORP.
(PI Financial)

AND

WOLVERTON SECURITIES LTD.
(Wolverton and together with PI Financial, the Filers)

DECISION

Background

1. The securities regulatory authority or regulator in each of the Jurisdictions (Decision Makers) has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the Legislation) for relief from the requirement in section 4.1(1)(a) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103) to permit Brent Wolverton to act as a dealing representative of PI Financial and also act as a director and an officer of Wolverton for a limited period of time following the acquisition of substantially all of the assets of Wolverton by PI Financial (Relief Sought).

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

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

   (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 all of the other provinces and territories of Canada; and

(c) the decision is the decision of the principal regulator and evidences the decision of the regulator in Ontario.

Interpretation

2. Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 31-103 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. PI Financial is registered under applicable securities legislation in each of the jurisdictions of Canada in the category of investment dealer, is a member of the Investment Industry Regulatory Organization of Canada (IIROC) and has its head office in British Columbia.

2. Wolverton is registered under applicable securities legislation in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, Newfoundland and Labrador, Northwest Territories and Yukon in the category of investment dealer, is a member of IIROC and has its head office in British Columbia.

3. PI Financial and Wolverton are each independently owned and are not affiliates of one another.

4. Neither of the Filers is in default of any requirements of securities legislation in any jurisdiction of Canada.

5. Mr. Wolverton is currently the Chairman, the Chief Investment Officer, a director and an indirect beneficial owner of shares of Wolverton.

6. Mr. Wolverton is resident in British Columbia and is registered under applicable securities legislation as:

   (a) the Chief Compliance Officer and a dealing representative of Wolverton in British Columbia, Alberta and Ontario; and

   (b) the Chief Compliance Officer of Wolverton in Saskatchewan, Manitoba, Nova Scotia, Newfoundland and Labrador, Northwest Territories and Yukon.

7. The application for the Relief Sought is made in relation to the transfer of substantially all of the assets of Wolverton, including Wolverton's customer accounts and certain other assets to PI Financial (the Transaction). In connection with the Transaction, Mr. Wolverton will seek registration as a dealing representative of PI Financial and will become an officer of PI Financial.

8. Pursuant to section 11.9 of NI 31-103, the Filers notified the BCSC, as principal regulator of each Filer, of the Transaction by letter dated April 26, 2016.

9. IIROC provided all required approvals in relation to the Transaction.

10. A notice of the Transaction, which included information about the transfer of customer accounts to PI Financial, was mailed to Wolverton's clients on May 13 and May 16, 2016.

11. The transfer of the customer accounts from Wolverton to PI Financial was completed on June 20, 2016 (the Transaction Date).

12. After the Transaction Date, Mr. Wolverton will:

   (a) terminate his registration as a dealing representative of Wolverton; and

   (b) subsequently seek registration as a dealing representative of PI Financial and be appointed as an officer of PI Financial, and will also continue as a director and an officer of Wolverton and as the Chief Compliance Officer of Wolverton until the resignation of Wolverton's IIROC membership and the voluntary surrender of Wolverton's registrations under applicable securities legislation is complete (the Dual Registration).

13. Upon registration as a dealing representative of PI Financial, Mr. Wolverton will no longer be involved in trading activities on behalf of Wolverton.

14. Upon completion of the Transaction, Wolverton agreed to the following term and condition being placed upon its registration:

    (a) Wolverton and its registered individuals will not trade in securities within the meaning of applicable securities laws and will not open any new customer accounts; and

    (b) Mr. Wolverton, as a director and non-trading officer of Wolverton, will act in such capacity only to comply with regulatory requirements including, as necessary, to resign the membership of Wolverton with IIROC and surrender the registration of Wolverton under applicable securities legislation.

15. The Dual Registration will permit Mr. Wolverton:

    (a) as an officer and director of Wolverton, to facilitate the orderly wind-up of Wolverton's registrable business and operations, including the resignation of Wolverton's IIROC membership and the voluntary surrender of Wolverton's registration under applicable securities legislation; and

    (b) as a dealing representative of PI Financial, to provide services in relation to former clients of Wolverton who became clients of PI Financial that are similar to the services he performed on behalf of Wolverton and to provide other support to PI Financial after the Transaction Date.

16. Effective as of the Transaction Date, Wolverton ceased its registrable activities and will not open any new client accounts. Wolverton has notified IIROC and the BCSC of the completion of the Transaction, is taking steps to complete the resignation of Wolverton's IIROC membership and will submit an application for voluntary surrender of its registration under applicable securities legislation. Wolverton expects to complete the wind-up of its registrable business and operations by October 2016.

17. Subject to the issuance of the Relief Sought, PI Financial will submit an application through the National Registration Database to register Mr. Wolverton as a dealing representative of PI Financial.

18. Mr. Wolverton will have sufficient time and resources to adequately meet his obligations to both Wolverton and PI Financial.

19. The Filers have in place policies and procedures to address any conflicts of interest that may arise as a result of the Dual Registration. The limited activities of Wolverton and Mr. Wolverton, on behalf of Wolverton, should result in there being few, if any, conflicts of interest.

20. PI Financial has compliance and supervisory policies and procedures in place to monitor the conduct of its representatives, including Mr. Wolverton, and to ensure that PI Financial can deal appropriately with any conflicts of interest that may arise.

21. PI Financial will supervise the activities that Mr. Wolverton will conduct on behalf of Wolverton in the same way it does other outside business activities of its registered individuals, including by holding meetings regularly with him and by obtaining regular status reports from him.

22. In the absence of the Relief Sought, PI Financial would be prohibited under section 4.1(1)(a) of NI 31-103 from permitting Mr. Wolverton to act as a dealing representative of PI Financial while also acting as a director and an officer of Wolverton.

Decision

4. 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 Relief Sought is granted provided that the Relief Sought shall expire on the earlier of the following:

    (a) one year after the date hereof; and

    (b) on the date that the registration of Wolverton is surrendered or terminated.

"Mark Wang"
Director, Capital Markets Regulation
British Columbia Securities Commission

2.1.10 Caza Oil & Gas, Inc. – s. 1(10)(a)(ii)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – issuer deemed to be no longer 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).

July 11, 2016

Citation: Re Caza Oil & Gas, Inc., 2016 ABASC 189

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO,
NEW BRUNSWICK, PRINCE EDWARD ISLAND,
NOVA SCOTIA, AND
NEWFOUNDLAND AND LABRADOR
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF
CAZA OIL & GAS, INC.
(the Filer)

DECISION

Background

The securities regulatory authority or 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**) to cease to be a reporting issuer (the **Exemptive Relief Sought**).

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

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

(b) this decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

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 a corporation incorporated under the *Business Corporations Act* (British Columbia) with its head office in The Woodlands, Texas.

2. Caza Oil & Gas, Inc. (**Caza**), is a corporation existing under the laws of British Columbia.

3. Caza is a reporting issuer in each of the Jurisdictions and upon the granting of the Exemptive Relief Sought, the Filer will no longer be a reporting issuer in any jurisdiction of Canada.

4. On May 10, 2016, the common shares of Caza (the **Caza Shares**) were consolidated (the **Consolidation**) on a 560,000,000-to-one basis.

5. As a result of the Consolidation, 98.13% of the outstanding Caza Shares have been held by Talara Opportunities V LP and the remaining 1.87% of the Caza Shares have been held by five members of the Corporation's management since May 10, 2016. The Filer has no securities outstanding other than the Caza Shares.

6. Admission to cancel trading of the Caza Shares on the AIM market operated by the London Stock Exchange plc under the symbol "CAZA" was cancelled effective as of the close of business on May 9, 2016.

7. The Caza Shares were voluntarily delisted from the Toronto Stock Exchange effective as of the close of business on May 16, 2016.

8. The Filer has been granted Notice of Voluntary Surrender of Reporting Issuer Status with the British Columbia Securities Commission under BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*, effective on May 30, 2016.

9. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer, except for its obligation to file its interim financial statements and related management's discussion and analysis for the period ended March 31, 2016, as required under National Instrument 51-102 *Continuous Disclosure Obligations*, and the related certification of such financial statement and management's discussion and analysis as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, all of which became due on May 16, 2016 (the **Filing Date**).

10. Consequently, the Filer is not eligible to use the simplified procedure under Canadian Securities Administrator, Staff Notice 12-307 *Applications for*

a Decision that an Issuer is not a Reporting Issuer.

11. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions of Canada and less than 51 security holders in total worldwide.

12. None of the Filer's securities, 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.

13. The Filer is not required to remain a reporting issuer in the Jurisdictions under any contractual arrangement.

14. The Filer has no current intention to seek financing by way of a distribution of its securities.

Decision

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

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

"Denise Weeres"
Manager,
Legal Corporate Finance

2.1.11 CI Investments Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption granted from the requirements of paragraphs 2.5(2)(a) and (c) of National Instrument 81-102 Investment Funds to allow a mutual fund to invest up to 10% of its net asset value in 3 pooled funds – Exemption granted on the basis that the pooled funds will comply with Parts 2 and other requirements of NI 81-102 and NI 81-106.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.5(2)(a) and (c), 19.1.

July 7, 2016

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
CI INVESTMENTS INC.
(the Filer)

AND

THE PORTFOLIO SERIES FUNDS AND
CI GLOBAL MANAGERS CORPORATE CLASS

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**) for an exemption, pursuant to Section 19.1 of National Instrument 81-102 *Investment Funds* (**NI 81-102**), from:

(a) the prohibition contained in paragraph 2.5(2)(a) against a mutual fund investing in another mutual fund that is not subject to NI 81-102 and National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**); and

(b) the prohibition contained in 2.5(2)(c) against a mutual fund investing in another mutual fund's securities where

those securities are not qualified for distribution in the local jurisdiction (together with paragraph (a) above, the (**Requested Relief**))

to permit:

(a) each of the Portfolio Series Funds (the **Existing Portfolio Series Top Funds**) and any future top funds managed by the Filer (or an affiliate of the Filer) with similar investment objectives to the Existing Portfolio Series Top Funds (the **Future Portfolio Series Top Funds**) to invest up to 10% of its net assets, taken at market value at the time of the investment, in aggregate, in CI Cambridge All Canadian Equity Fund (**Canadian Equity Pool**) and CI Cambridge International Equity (**International Equity Pool**); and

(b) CI Global Managers Corporate Class and any future top funds managed by the Filer (or an affiliate of the Filer) with similar objectives to the CI Global Managers Corporate Class (the **Future Global Managers Top Funds**) to invest up to 10% of its net assets, taken at market value at the time of the investment, in aggregate, in CI Cambridge Global Equity (**Global Equity Pool**).

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

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

(b) the Filer has provided notice that Section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon and Nunavut (together 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. The following additional terms shall have the following meanings:

Top Funds means the Existing Portfolio Series Top Funds, the Future Portfolio Series Top Funds, CI Global Managers Corporate Class and Future Global Managers Top Funds. They are referred to collectively as the Top Funds and, individually, as a Top Fund.

Underlying Pools means the Canadian Equity Pool, the International Equity Pool and the Global Equity Pool.

The Existing Top Funds means the Existing Portfolio Series Top Funds and CI Global Managers Corporate Class.

Representations

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

The Filer

1. The Filer is a corporation subsisting under the laws of the Province of Ontario with its head office located in Toronto, Ontario. The Filer is registered as follows:

   (a) under the securities legislation of all provinces as a portfolio manager;

   (b) under the securities legislation of Ontario, Québec, and Newfoundland and Labrador as an investment fund manager;

   (c) under the securities legislation of Ontario as an exempt market dealer; and

   (d) under the *Commodity Futures Act* (Ontario) as a commodity trading counsel and a commodity trading manager.

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

3. The Filer is, or will be, the manager of each Top Fund and Underlying Pool.

The Top Funds

4. Each Top Fund is, or will be, a “mutual fund”, as such term is defined under the *Securities Act* (Ontario) (the **Act**), and to which NI 81-102 applies.

5. Each Top Fund has, or will have, a simplified prospectus and annual information form prepared in accordance with NI 81-101, is, or will be, qualified for distribution in the Jurisdictions and is, or will be, a reporting issuer under the securities legislation of each Jurisdiction.

6. None of the Existing Top Funds are in default of securities legislation in any Jurisdiction.

7. The Portfolio Series Funds are fund-of-funds whose investment objectives limit them to investing in securities of other mutual funds. They invest mainly in securities of other mutual funds managed by the Filer.

8. The investment objective of CI Global Managers Corporate Class is to obtain maximum long-term capital growth. It invests primarily in equity and equity-related securities of companies around the world. Its investment strategy allows it to obtain exposure, on some or all of its assets, to securities of other mutual funds.

9. Subject to compliance with NI 81-102, the investment objectives and strategies of each Top Fund would permit the Top Fund to invest in the Underlying Pools.

The Underlying Pools

10. Each Underlying Pool is an open-ended pooled fund, governed under the laws of Ontario and under a Second Amended and Restated Declaration of Trust, dated June 26, 2014, as amended from time-to-time.

11. Each Underlying Pool is available for purchase only by institutional investors who meet the definition of an "accredited investor" as set forth in National Instrument 45-106 *Prospectus Exemptions* and/or the Act, including other mutual funds managed by the Filer.

12. None of the Underlying Pools have issued a simplified prospectus or annual information form prepared in accordance with NI 81-101.

13. None of the Underlying Pools are subject to NI 81-102.

14. None of the Underlying Pools are reporting issuers in any of the Jurisdictions.

15. While not subject to NI 81-102, the investment strategies and restrictions of each Underlying Pool are consistent with NI 81-102, and the Filer has managed each Underlying Pool in accordance with NI 81-102, as if it were applicable.

Existing Portfolio Series Top Funds' investments in the Canadian Equity Pool

16. The Filer believes that the ability for the Existing Portfolio Series Top Funds to invest in the Canadian Equity Pool is consistent with the Existing Portfolio Series Top Funds' investment objectives and strategies. While it may be possible for the Existing Portfolio Series Top Funds to gain exposure to Canadian equities by investing in other mandates, it is in the funds' best interests to have the ability to invest in units of the Canadian Equity Pool. This is because the alternatives available to the Filer are not optimal relative to investing in the Canadian Equity Pool.

17. The Existing Portfolio Series Top Funds have a Canadian equity component as part of their optimal asset mix. The Filer believes that the most economically-efficient and strategic way to obtain the desired exposure to a Canadian equity mandate is to invest in a fund that is focused exclusively on Canadian equities. Currently, Canadian equity prospectus-qualified mutual funds managed by the Filer have approximately between 25-45% foreign content which, although permitted by its investment objectives, makes it difficult for the Existing Portfolio Series Top Funds to gain the necessary Canadian equity exposure in order to achieve the optimal asset mix. The Canadian Equity Pool has a pure Canadian equity mandate, an investment in which would permit the Existing Portfolio Series Top Funds to more easily manage their Canadian equity exposure to achieve optimal asset mix and their investment objectives.

18. The Filer has determined that passive exchange-traded funds (**ETFs**) generally have greater exposure to the financial and resource sectors than the Filer considers being in the best interests of the Existing Portfolio Series Top Funds. Moreover, actively-managed ETFs are too costly of an option for such funds and the Filer would need to dedicate additional resources to select from many different ETFs in order to ensure that the Canadian equity component of the funds is invested on a diversified basis with broad exposure in the Canadian market.

Existing Portfolio Series Top Funds' investments in the International Equity Pool

19. The Filer believes that the ability for the Existing Portfolio Series Top Funds to invest in the International Equity Pool is consistent with the Existing Portfolio Series Top Funds' investment objectives and strategies and in the best interests of the Existing Portfolio Series Top Funds' unitholders. The Existing Portfolio Series Top Funds have an international equity component as part of their optimal asset mix and the Filer believes that an investment in the International Equity Pool will allow the Existing Portfolio Series Top Funds to gain exposure to a growth manager on a cost-effective basis.

20. The Filer's view is that passive International ETFs generally have greater exposure to the financial sector than the Filer considers being in the best interests of the Existing Portfolio Series Top Funds for the same reasons as set out in Paragraph 18.

21. The Filer believes that the most economically-efficient and strategic way to obtain the desired exposure to an international equity mandate managed by a growth manager is to invest in a fund that is already diversified and focused on stock selection. The ability to invest the Existing Portfolio Series Top Funds in the International Equity Pool would provide the Filer with such

diversity and stock selection benefits and will also allow them to leverage the expertise, research and investment style of the portfolio manager of the International Equity Pool.

CI Global Managers Corporate Class's investment in the Global Equity Pool

22. The Filer believes that the ability for CI Global Managers Corporate Class to invest in the Global Equity Pool is consistent with CI Global Managers Corporate Class's investment objectives and strategies and in the best interests of the CI Global Managers Corporate Class securityholders. The Filer believes that the most economically-efficient and strategic way to obtain the desired exposure to a global equity mandate managed by a growth manager is to invest in a fund that is already diversified and focused on stock selection. The ability to invest CI Global Managers Corporate Class in the Global Equity Pool would provide the Filer with such diversity and stock selection benefits and will also allow it to leverage the expertise, research and investment style of the portfolio manager of the Global Equity Pool.

23. The Underlying Pools are managed by in-house portfolio managers of the Filer, and accordingly, the Filer will benefit from understanding the investment style and approach of its portfolio managers, thereby benefiting the Top Funds.

24. The Underlying Pools are managed in compliance with NI 81-102, and an investment in the Underlying Pools by the Top Funds will not expose the investors of the Top Funds to any investment strategies or risks that they are not currently exposed to by virtue of holding the Top Funds.

25. The Underlying Pools do not utilize leverage, do not short sell and comply generally with the investment and derivative requirements set out in NI 81-102. The Underlying Pools will also comply with the restrictions relating to illiquid securities (section 2.4 of NI 81-102) and investments in other investment funds (section 2.5 of NI 81-102) for so long as they are held by one of the Top Funds.

26. Securities of the Underlying Pools are valued and redeemable on the same dates as securities of the Top Funds. The portfolio of each Underlying Pool will consist primarily of publicly traded securities. Each Underlying Pool will not hold more than 10% of its net asset value in illiquid assets (as defined in NI 81-102). An investment by a Top Fund in an Underlying Pool will be effected based on an objective NAV, which is calculated in accordance with Part 14 of NI 81-106, of the Underlying Fund.

27. Each Top Fund will invest no more than 10% of its net assets in the Underlying Pools.

28. The Independent Review Committee of the Top Funds will oversee the purchase of the Underlying Pools pursuant to National Instrument 81-107 – *Independent Review Committee for Investment Funds*.

29. The Top Funds will otherwise comply fully with section 2.5 of NI 81-102 in its investments in the Underlying Pools and will provide all applicable disclosure mandated for mutual funds investing in other mutual funds.

30. Where applicable, a Top Fund's investment in an Underlying Pool will be disclosed to investors in that Top Fund's quarterly portfolio holding reports, financial statements and/or fund facts document.

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 Request Relief is granted provided that:

(a) The Underlying Pools each comply with Parts 2, 4 and 6 of NI 81-102 and Part 14 of NI 81-106 for so long as it is held by one of the Top Funds;

(b) The prospectus of the Top Funds will disclose that they may invest in each respective Underlying Pool, which is a pooled fund managed by the Filer; and

(c) A Top Fund will not invest in an Underlying Pool if, immediately after the investment, more than 10% of its net assets, in aggregate, taken at market value at the time of the investment, would consist of investments in the Underlying Pools.

"Vera Nunes"
Manager, Investment Funds and Structured Products
Ontario Securities Commission

2.2.1 IBM Corporation – s. 80 of the CFA

Headnote

Application for an order pursuant to section 80 of the Commodity Futures Act (Ontario) (the CFA) that the applicant and its representatives be exempt from the adviser registration requirement in paragraph 22(1)(b) of the CFA in connection with advising employee plans established for the benefit of employees of the Canadian affiliate of the applicant, subject to terms and conditions and sunset clause.

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c. C.20. as am., ss. 22(1)(b) and 80.

July 5, 2016

IN THE MATTER OF
THE COMMODITY FUTURES ACT, R.S.O. 1990,
CHAPTER C.20, AS AMENDED
(the CFA)

AND

IN THE MATTER OF
IBM CORPORATION

ORDER
(Section 80 of the CFA)

UPON the application (the **Application**) of IBM Corporation (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to section 80 of the CFA that the Applicant and any individuals engaging in, or holding themselves out as engaging in, the business of advising others as to trading in Contracts (as defined below) on the Applicant's behalf (the **Representatives**) be exempt, for a specified period of time, from the adviser registration requirement in paragraph 22(1)(b) of the CFA, subject to certain terms and conditions;

AND UPON considering the Application and the recommendation of staff of the Commission;

AND WHEREAS for the purposes of this Order:

"**CEA**" means the United States *Commodity Exchange Act*, as amended from time to time;

"**CFA Adviser Registration Requirement**" means the requirement in the CFA that prohibits a person or company from acting as an adviser with respect to trading in Contracts unless the person or company is registered in the appropriate category of registration under the CFA;

"**CFTC**" means the United States Commodity Futures Trading Commission;

"**Contract**" has the meaning ascribed to that term in subsection 1(1) of the CFA;

"**Foreign Contract**" means a Contract that is primarily traded on one or more organized exchanges that are located outside of Canada and primarily cleared through one or more clearing corporations that are located outside of Canada;

"**Futures Advisory Services**" means investment advisory services provided by the IBM In-House Team to the IBM Employee Plans of the Applicant and its affiliates in respect of Foreign Contracts;

"**IBM Canada**" means IBM Canada Ltd.;

"**IBM Canada Investment Management Agreement**" means the investment management agreement between IBM Operations Corporation and IBM Canada, in its capacity as Administrator of certain IBM Canada Plans dated September 9, 1997 and amended as of February 24, 2003;

"**IBM Canada Plans**" means the IBM Employee Plans established for the benefit of employees of IBM Canada, including the IBM Canada Limited Retirement Trust Fund, and such other Canadian affiliates of the Applicant as may exist from time to time;

"**IBM Employee Plans**" mean the pension plans, retirement plans and similar plans established for the benefit of the employees of the Applicant and its affiliates globally;

"**IBM In-House Team**" means a group of investment management professionals employed by the Applicant who provide investment advisory services to IBM Employee Plans;

"**In-House Services**" means the investment advisory services provided by the IBM In-House Team to the IBM Employee Plans of the Applicant and its affiliates;

"**OSA**" means the *Securities Act*, R.S.O. 1990, c. S.5, as amended;

"**OSA Adviser Registration Requirement**" means the requirement in the OSA that prohibits a person or company from acting as an adviser with respect to investing in, buying or selling securities unless the person or company is registered in the appropriate category of registration under the OSA;

"**OSC Rule 35-502**" means OSC Rule 35-502 *Non-Resident Advisers*;

"**SEC**" means the United States Securities and Exchange Commission;

"**Trust Agreement**" means the Pension Trust Agreement between IBM Canada and State Street Trust Company Canada, as trustee, dated September 3, 2002; and

"**1940 Act**" means the *Investment Advisers Act of 1940* of the United States, as amended.

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a New York corporation formed in 1911, with its principal place of business in New York, United States.

2. The Applicant is global leader in the information technology industry. The Applicant's common stock is listed on the New York Stock Exchange and the Chicago Stock Exchange.

3. IBM Canada is governed by the Canada Business Corporations Act and carries on the business of the Applicant in Canada. IBM Canada is a wholly-owned subsidiary of the Applicant which employed approximately 15,300 people as of December 31, 2014.

4. IBM Canada established the IBM Canada Limited Retirement Plan Trust Fund for the benefit of its employees in Canada pursuant to the Trust Agreement. IBM Canada is the administrator and sponsor of the IBM Canada Limited Retirement Plan Trust Fund.

5. IBM Canada is authorized under the Trust Agreement, the Amended and Restated Plan Text of the IBM Canada Limited Retirement Plan Trust Fund dated January 1, 2014 and the Pension Benefits Act (Ontario), to appoint one or more investment managers to direct the investment of the IBM Canada Limited Retirement Plan Trust Fund.

6. The Applicant employs the IBM In-House Team to provide In-House Services to the IBM Employee Plans, including the IBM Canada Limited Retirement Trust Fund.

7. The Applicant does not charge fees for the provision of In-House Services to its affiliates. It is not intended that the Applicant profit from the provision of In-House Services. The Applicant does not provide investment advisory services to any person or company other than the IBM Employee Plans of the Applicant and its affiliates.

8. The IBM In-House Team provides In-House Services primarily from the Applicant's head office in New York. In-House Services primarily pertain to advising in respect of investments in securities; however, In-House Services may also include Futures Advisory Services.

9. No In-House Services are provided by IBM Canada or from Canada. No members of the IBM In-House Team are ordinarily resident or maintain an office in Canada.

10. The Applicant is not required to register, and is not registered, as an adviser under the 1940 Act nor under the CEA in order for the IBM In-House Team to provide In-House Services, including Futures Advisory Services, to the Applicant. Similarly, no members of the IBM In-House Team are registered, or required to register, in any capacity under the 1940 Act or the CEA in order for the IBM In-House Team to provide In-House Services, including Futures Advisory Services, to the Applicant. The requirement to be registered, or exempt from registration, as an investment adviser under the 1940 Act and as a commodity trading adviser (**CTA**) under the CEA is triggered by advising others for compensation. The SEC and the National Futures Association have both published current guidance which indicates that provision of the In-House Services by the IBM In-House Team is not considered to be "advising others" for the purposes of the 1940 Act and CEA, respectively. On this basis, the Applicant has concluded that the IBM In-House Team is not required to register.

11. Pursuant to the IBM Canada Investment Management Agreement, the Applicant has provided In-House Services to IBM Canada Plans since 1997. The Applicant had provided the In-House Services to the IBM Canada Plans without registering as an adviser under the OSA or the CFA on the basis of a good faith determination that it was not providing advice to others with respect to buying and selling securities, commodity futures contracts and commodity futures options, because it was providing such advice solely to its affiliate, IBM Canada.

12. The Applicant is authorized to provide In-House Services in respect of securities to the IBM Canada Plans pursuant to Section 7.6 of OSC Rule 35-502, which prescribes an exemption from the requirement to register as an adviser under the OSA for a person or company, not ordinarily resident in Ontario, in connection with that person or company acting as an adviser for a pension fund sponsored by an affiliate, for the benefit of the employees of the affiliate.

13. Paragraph 22(1)(b) of the CFA prohibits a person or company from acting as an adviser unless the person or company is registered as an adviser under the CFA, or is registered as a partner or an officer of a registered adviser and is acting on behalf of a registered adviser. Under the CFA, "adviser" means a person or company engaging in or holding himself, herself or itself out as engaging in the business of advising others as to trading in Contracts. The Futures Advisory Services provided by the IBM In-House Team includes advising in respect of "contracts" as defined in the CFA.

14. There is presently no exemption from the adviser requirement under the CFA for a person or company, not ordinarily resident in Ontario, in connection with that person or company acting as an adviser in Contracts for a pension fund sponsored by an affiliate for the benefit of the employees of the affiliate, similar to Section 7.6 of OSC Rule 35-502 in respect of advising in securities. Consequently, the IBM In-House Team is not currently authorized to offer the Futures Advisory Services to the IBM Canada Plans.

15. After the Applicant confirmed that it may need to be registered, or exempt from registration, as an adviser under the CFA in order to provide the Futures Advisory Services to IBM Canada Plans, the IBM In-House Team ceased to provide Futures Advisory Services to IBM Canada Plans as of September 2015.

16. Except as indicated in the previous paragraphs, the Applicant is not in default of any requirements of securities legislation or commodity futures legislation in Ontario.

17. The Applicant seeks to provide comprehensive in-house investment management services the IBM Employee Plans of the Applicant and its affiliates. The Applicant is able to provide advisory services in securities to the IBM Canada Plans in reliance on the exemption set out in Section 7.6 of OSC Rule 35-502. However, the Applicant is precluded from offering the Futures Advisory Services to the IBM Canada Plans due to lack of a statutory exemption from registration as an adviser under the CFA. If the requested relief is granted, the IBM Canada Plans will benefit from having access to the full scope of In-House Services available from the IBM In-House Team.

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to grant the exemption requested on the terms and conditions proposed,

IT IS ORDERED, pursuant to section 80 of the CFA, that the Applicant and its Representatives are exempt from the adviser registration requirement in paragraph 22(1)(b) of the CFA in respect of the provision of Futures Advisory Services to the IBM Canada Plans as to the trading of Foreign Contracts provided that and for so long as:

1. the IBM Canada Plans are sponsored or administered by an affiliate of the Applicant;

2. neither the Applicant nor any members of the IBM In-House Team provide investment advisory services to any person or company in Canada other than the Applicant, IBM Canada or the IBM Canada Plans;

3. neither the Applicant nor any members of the IBM In-House Team maintain an office in Canada to provide investment advisory services to the Applicant, IBM Canada or the IBM Canada Plans; and

4. neither the Applicant nor any members of the IBM In-House Team becomes subject to registration requirements under the 1940 Act or the CEA in order for the IBM In-House Team to provide investment advisory services to the Applicant or the IBM Employee Plans, provided that the Applicant may continue to rely on the exemptive relief provided in this Order for a period of 90 days following such time as the Applicant becomes subject to a registration requirement under the 1940 Act or the CEA.

IT IS FURTHER ORDERED that this Order will terminate on the earliest of:

1. such transition period as provided by operation of law after the effective date of the repeal of the CFA;

2. six months, or such other transition period as provided by operation of law, after the coming into force of any amendment to Ontario commodity futures law (as defined in the CFA) or Ontario securities law (as defined in the OSA) that affects the ability of the Applicant to act as an adviser to the IBM Canada Plans; and

3. five years after the date of this Order.

DATED at Toronto, Ontario, this 5th day of July, 2016.

"Grant Vingoe"
Vice Chair
Ontario Securities Commission

"Janet Leiper"
Commissioner
Ontario Securities Commission

2.2.2 Desert Eagle Resources Ltd. – s. 144

Headnote

Section 144 of the Securities Act (Ontario) – application for partial revocation of a cease trade order – cease trade order was issued due to failure to file audited annual statements and unaudited interim statements – issuer has applied for partial revocation of the cease trade order to permit the issuer to enter into a definitive agreement and an amalgamation agreement involving the issuer and a private company that will provide funding to bring the issuer's continuous disclosure up to date – partial revocation granted subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127, 144.

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED
(the "Act")

AND

IN THE MATTER OF
DESERT EAGLE RESOURCES LTD.

ORDER
(Section 144)

WHEREAS the securities of Desert Eagle Resources Ltd. (the "**Filer**") are subject to a temporary cease trade order dated November 7, 2013 issued by the Director pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, and a further cease trade order issued by the Director on November 19, 2013 pursuant to subsection 127(1) of the Act (together, the "**Ontario Order**") directing that trading in the securities of the Filer cease until the Ontario Order is revoked;

AND WHEREAS the Filer has applied to the Commission for a partial revocation of the Ontario Order pursuant to section 144 of the Act (the "**Application**");

AND UPON the Filer having represented to the Commission that:

1. The Filer is a corporation that was incorporated in Ontario on July 24, 1996.

2. The Filer's head office is located at 65 Queen Street West, Suite 815, Toronto, Ontario, M5H 2M5.

3. The Filer is a reporting issuer in Ontario, British Columbia and Alberta. The Filer is not a reporting issuer in any other jurisdiction in Canada.

4. The authorized capital of the Filer consists of an unlimited number of common shares without par value, of which 9,626,741 common shares are issued and outstanding.

5. The Ontario Order was issued as a result of the Filer's failure to file the following continuous disclosure materials as required by Ontario securities law:

    a) audited annual financial statements for the year ended June 30, 2013;

    b) management's discussion and analysis relating to the audited annual financial statements for the year ended June 30, 2013; and

    c) certification of the foregoing filings as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*

    (collectively, the "**2013 Annual Filings**").

6. Subsequent to the issuance of the Ontario Order, the Filer also failed to file the following documents:

   a) audited annual financial statements, management's discussion and analysis and certifications of annual filings for financial years ended June 30, 2014 and June 30, 2015; and

   b) interim financial statements, management's discussion and analysis and certifications of interim filings for each interim financial period subsequent to June 30, 2013

   (together with the 2013 Annual Filings, the "**Required Filings**").

7. The Filer is not in default of any requirements under Ontario securities law other than the failure to file the Required Filings.

8. On November 7, 2013, the British Columbia Securities Commission (the "**BCSC**") issued a cease trade order (the "**British Columbia Order**") against the Filer for failure to file its annual audited financial statements, annual management's discussion and analysis and certification of annual filings for the year ended June 30, 2013.

9. On February 18, 2014, the Alberta Securities Commission (the "**ASC**") issued a cease trade order (the "**Alberta Order**") against the Filer for failure to file its annual audited financial statements, annual management's discussion and analysis and certification of annual filings for the year ended June 30, 2013 and interim unaudited financial statements, interim management's discussion and analysis, and certification of interim filings for the interim period ended September 30, 2013.

10. The Filer has not previously been the subject of a cease trade order, other than those referred to in this order.

11. The Filer has been unable to file the Required Filings due to financial hardship following successive years of operating losses.

12. The Filer believes that $105,000 will be sufficient to bring its continuous disclosure up to date and to pay all related participation fees and late filing fees.

13. The Filer proposes to negotiate the terms of, and thereafter enter into a definitive agreement (the "**Definitive Agreement**") with Syracuse Main Inc. ("**Syracuse**"), a corporation incorporated on July 13, 2015 under the *Business Corporations Act* (Alberta). Syracuse is not a reporting issuer in any jurisdiction in Canada. Syracuse is engaged in providing to private small and medium enterprises online market platforms to enable those enterprises to raise equity capital. It is proposed that the Definitive Agreement will provide for the following steps (the "**Reorganization**"):

   a) the Filer will continue under the *Business Corporations Act* (British Columbia);

   b) Syracuse will incorporate a corporation under the *Business Corporations Act* (British Columbia) (the "**BC Corporation**");

   c) the Filer will amalgamate with the BC Corporation pursuant to an amalgamation agreement or an arrangement agreement (the "**Reorganization Agreement**") to create an amalgamated corporation (the "**Amalgamated Corporation**");

   d) pursuant to the amalgamation, the shareholders of the Filer will, instead of receiving shares of the Amalgamated Corporation, receive common shares of Syracuse, and Syracuse will in turn receive all the common shares of the Amalgamated Corporation; and

   e) Syracuse will continue to be engaged in providing to private small and medium enterprises online market platforms to enable those enterprises to raise equity capital.

14. The Reorganization will be carried out in reliance upon the exemption contained in Subsection 2.11(b) of National Instrument 45-106 *Prospectus Exemptions*.

15. Upon completion of the Initial Steps, defined below, and within a reasonable period of time, the Filer intends to bring its continuous disclosure up to date and apply to the Commission, the BCSC and the ASC to have the Ontario Order, the Alberta Order and the British Columbia Order (together, the "**Cease Trade Orders**"), respectively, fully revoked. Upon the Cease Trade Orders being fully revoked, the Filer intends to file the Information Circular, defined below, hold the meeting of shareholders of the Filer, referred to below, and complete the Reorganization.

16. The Definitive Agreement will contain a provision that Syracuse will fund all of the costs relating to the Filer bringing its continuous disclosure up to date, as well as the fees and costs relating to the applications to the ASC, the OSC and the BCSC for the full revocation of the Cease Trade Orders, which costs are estimated to be in the amount of $105,000, of which the Filer expects that Syracuse will have sufficient funds to pay, and are allocated as follows:

Description	Cost
Application Fees, Filing Fees and Disclosure Costs:	$45,000
Audit and Legal Fees:	$60,000
Total:	$105,000

17. A meeting of the shareholders of the Filer will be held to approve the Reorganization, and the information circular (the "**Information Circular**") to be sent to the shareholders and filed on SEDAR at www.sedar.com, will contain disclosure in accordance with NI 51-102, including Section 14.2 of Form 51-102F5 *Information Circular*.

18. The Filer has applied to the Commission, the BCSC and the ASC for a partial revocation of the Ontario Order, the British Columbia Order and the Alberta Order, respectively, in order to allow the Filer to complete the following steps (the "**Initial Steps**"):

    a) enter into the Definitive Agreement; and

    b) enter into the Reorganization Agreement.

19. As the Initial Steps involve trades in securities of the Filer (including, for greater certainty, acts in furtherance of trades in securities of the Filer), the Initial Steps cannot be carried out without a partial revocation of the Cease Trade Orders.

20. The Filer will not carry out any trades, including acts in furtherance of a trade (except for the Initial Steps), until such time as the Cease Trade Orders have been fully revoked.

21. Prior to the completion of the Initial Steps, the Filer will:

    a) provide to Syracuse a copy of the Ontario Order;

    b) provide to Syracuse a copy of this partial revocation order; and

    c) obtain from Syracuse a signed and dated acknowledgement, which clearly states that all of the Filer's securities will remain subject to the Cease Trade Orders, and that the issuance of a partial revocation order does not guarantee the issuance of a full revocation order in the future.

22. Upon issuance of this order, the Filer will issue a press release announcing the order and the intention to enter into the Definitive Agreement. Upon entering into the Definitive Agreement, the Filer will issue a press release. As material events transpire, the Filer will issue appropriate press releases and file material change reports as applicable.

AND UPON considering the Application and the recommendations of staff of the Commission;

AND UPON the Director being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED, pursuant to section 144 of the Act, that the Ontario Order is partially revoked solely to permit trades in securities of the Filer (including, for greater certainty, acts in furtherance of trades in securities of the Filer) that are necessary for and are in connection with the Initial Steps, provided that:

a) prior to the completion of the Initial Steps, the Filer will:

    i. provide to Syracuse a copy of the Ontario Order;

    ii. provide to Syracuse a copy of this partial revocation order; and

    iii. obtain from Syracuse a signed and dated acknowledgement, which clearly states that all of the Filer's securities will remain subject to the Cease Trade Orders, and that the issuance of a partial revocation order does not guarantee the issuance of a full revocation order in the future;

b) The Filer will make available to staff of the Commission on request, a copy of the written acknowledgement referred to in paragraph (a)iii; and

c) This order will terminate on the earlier of the completion of the Initial Steps and 90 days from the date hereof.

DATED at Toronto, Ontario on this 7th day of July, 2016.

"Michael Tang"
Acting Manager, Corporate Finance
Ontario Securities Commission

2.2.3 Nodal Clear, LLC – s. 147

Headnote

Application under section 147 of the Securities Act (Ontario) (Act) for an order exempting Nodal Clear, LLC from the requirement in subsection 21.2(0.1) of the Act to be recognized as a clearing agency.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 21.2(0.1), 147.

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED
(the Act)

AND

IN THE MATTER OF
NODAL CLEAR, LLC

ORDER
(Section 147 of the Act)

WHEREAS Nodal Clear, LLC (**Nodal Clear**) has filed an application (**Application**) with the Ontario Securities Commission (**Commission**) pursuant to section 147 of the Act requesting an order exempting Nodal Clear from the requirement to be recognized as a clearing agency under subsection 21.2(0.1) of the Act (**Order**);

AND WHEREAS on October 9, 2015, the Commission issued an order with an effective date of October 19, 2015 which exempted Nodal Clear on an interim basis (**Interim Order**) from the requirement to be recognized as a clearing agency under subsection 21.2(0.1) of the Act, until the earlier of (i) July 19, 2016 and (ii) the effective date of a subsequent order exempting Nodal Clear from the requirement to be recognized as a clearing agency under section 147 of the Act;

AND WHEREAS the Interim Order will be replaced by this Order and therefore be automatically revoked upon issuance of this Order;

AND WHEREAS Nodal Clear has represented to the Commission that:

1.1 Nodal Clear is a limited liability company organized under the laws of the State of Delaware in the United States (**US**) and is a wholly owned subsidiary of Nodal Exchange, LLC (**Nodal Exchange**), a limited liability company organized under the laws of Delaware that is a designated contract market within the meaning of that term under the US Commodity Exchange Act (**CEA**) subject to the regulatory supervision by the US Commodity Futures Trading Commission (**CFTC**), a US federal regulatory agency. Nodal Exchange was exempted from recognition as an exchange and from registration as a commodity futures exchange in Ontario by an order of the Commission pursuant to section 147 of the Act and sections 38 and 80 of the Commodity Futures Act, R.S.O. 1990, Chapter C.20, as amended;

1.2 Nodal Clear is a derivatives clearing organization (**DCO**), within the meaning of that term under the CEA, as of September 24, 2015. Nodal Clear is subject to regulatory supervision by the CFTC and is obligated under the CEA to give the CFTC access to all records unless prohibited by law or such records are subject to solicitor-client privilege. The CFTC reviews, assesses and enforces a DCO's adherence to the CEA and the regulations thereunder on an ongoing basis, including but not limited to, the DCO's compliance with "Core Principles" relating to financial resources, participant and product eligibility, risk management, settlement procedures, treatment of funds, default rules and procedures, rule enforcement and system safeguards. Nodal Clear is subject to ongoing examination and inspection by the CFTC;

1.3 Although Nodal Clear has not been designated by the Financial Stability Oversight Council as a systematically important financial utility under Title VIII of the Dodd Frank Act, Nodal Clear elected to be subject to the provisions of Subpart C of Part 39 of the CFTC's regulations (**Subpart C election**).

1.4 On October 19, 2015, following Nodal Clear's registration as a DCO, Nodal Clear commenced clearing nodal contracts (as defined below) as a DCO upon the transfer of the existing open contracts from LCH.Clearnet Ltd, a clearing agency recognized by the Commission under section 21.2 of the Act to Nodal Clear (the **Transfer Date**);

1.5 Nodal Clear provides clearing and settlement services for commodity futures contracts offered by Nodal Exchange that are based on electric power and natural gas (**Nodal Contracts**). Nodal Contracts are executed on a principal-to-principal basis either on Nodal Exchange, or are negotiated off-exchange pursuant to the rules of Nodal Exchange and submitted for clearing by Nodal Clear. Nodal Exchange's customers are commercial entities comprised of both buy and sell side investors, generally including commercial and investment banks, corporations, money managers, proprietary trading firms, hedge funds, and other institutional customers;

1.6 Clearing members of Nodal Clear that hold customer accounts to guarantee the clearing of Nodal Contracts are registered futures commission merchants (**FCM**) with the CFTC, while those that solely hold proprietary accounts are not required to be registered as FCMs (collectively, **Clearing Members**). FCMs are regulated by the CFTC typically for the purpose of conducting customer business in the US. Clearing Members generally consist of banks, financial institutions, and securities houses/investment banks;

1.7 Nodal Clear currently has one Clearing Member that has a head office or principal place of business in Ontario, with privileges to clear Nodal Contracts on its own behalf (**Ontario Clearing Member**);

1.8 Nodal Clear's risk model includes certain rules and procedures (and other aspects of its legal framework) governing Nodal Clear's role as central counterparty, as well as appropriate membership criteria that are risk-based. Nodal Clear operates a robust pricing and margining/collateral methodology. Nodal Clear also has in place appropriate banking and custody arrangements, default resources and management processes. These components are linked by daily monitoring and oversight, undertaken by an experienced risk management team, with appropriate oversight by the Risk Management Committee;

1.9 The membership requirements of Nodal Clear are publicly disclosed and are designed to permit fair and open access, while protecting Nodal Clear and its Clearing Members. The clearing membership requirements include fitness criteria, financial standards, operational standards and appropriate registration qualifications with applicable statutory regulatory authorities. Nodal Clear applies a due diligence process to ensure that all applicants meet the required criteria and conducts on-going monitoring of Clearing Members;

1.10 All applicants seeking to become a Clearing Member must complete an application for membership and make deposits into a Nodal Clear guaranty fund;

1.11 Nodal Clear does not have any offices or maintain other physical installations in Ontario or any other Canadian province or territory;

1.12 Nodal Clear implements and maintains a system of financial safeguards designed to anticipate potential market exposures and ensure sufficient resources are available to cover future obligations;

1.13 Nodal Clear submits that it does not pose a significant risk to the Ontario capital markets and is subject to an appropriate regulatory and oversight regime in a foreign jurisdiction;

AND WHEREAS Nodal Clear has agreed to the respective terms and conditions as set out in Schedule "A" to this order;

AND WHEREAS based on the Application and the representations Nodal Clear has made to the Commission, the Commission has determined that Nodal Clear is subject to regulatory requirements in the US that is comparable to the requirements set out in National Instrument 24-102 *Clearing Agency Requirements* and is subject to CFTC's supervision, and that granting an Order to exempt Nodal Clear from the requirement to be recognized as a clearing agency would not be prejudicial to the public interest;

AND WHEREAS the Commission will monitor developments in international and domestic capital markets and Nodal Clear's activities on an ongoing basis to determine whether it is appropriate that Nodal Clear continue to be exempted from the requirement to be recognized as a clearing agency and, if so, whether it is appropriate that it continue to be exempted subject to the terms and conditions in this order;

IT IS HEREBY ORDERED by the Commission that, pursuant to section 147 of the Act, Nodal Clear is exempt from the requirement to be recognized as a clearing agency under subsection 21.2(0.1) of the Act;

PROVIDED THAT Nodal Clear complies with the terms and conditions attached hereto as Schedule "A".

DATED July 11, 2016.

"Judith Robertson"

"Deborah Leckman"

SCHEDULE "A"

Terms and Conditions

Definitions

For the purposes of this Schedule "A":

"client clearing" means the ability of a Clearing Member to clear transactions at Nodal Clear for and on behalf of a client who is not a Clearing Member.

Unless the context requires otherwise, other terms used in this Schedule "A" shall have the meanings ascribed to them in Ontario securities law (including terms defined elsewhere in this Order).

Clearing agency activities

1. Nodal Clear's clearing agency activities in Ontario shall be limited to the clearing of Nodal Contracts for Ontario participants on Nodal Exchange.

Regulation of Nodal Clear

2. Nodal Clear shall maintain its registration, including its Subpart C election, with the CFTC as a DCO under the CEA, and continue to be subject to the regulatory oversight of the CFTC.

3. Nodal Clear shall continue to comply with its ongoing regulatory requirements as a DCO under the CEA.

Governance

4. Nodal Clear shall promote within Nodal Clear a governance structure that minimizes the potential for any conflict of interest between Nodal Clear and its shareholder(s) that could adversely affect the clearing of products cleared by Nodal Clear or the effectiveness of Nodal Clear's risk management policies, controls and standards.

Filings with CFTC

5. Nodal Clear will promptly provide staff of the Commission the following information, to the extent that it is required to file such information with the CFTC:

   (a) details of any material legal proceeding instituted against Nodal Clear;

   (b) notification that Nodal Clear has failed to comply with an undisputed obligation to pay money or deliver property to a Clearing Member for a period of thirty days after receiving notice from the Clearing Member of Nodal Clear's past due obligation;

   (c) notification that Nodal Clear has instituted a petition for a judgment of bankruptcy or insolvency or similar relief, or to wind up or liquidate Nodal Clear or has a proceeding for any such petition instituted against it;

   (d) the appointment of a receiver or the making of any voluntary arrangement with creditors; and

   (e) material changes to its bylaws and rules where such changes would impact Ontario Clearing Members or Ontario residents whose trades are cleared and settled through Clearing Members.

Prompt Notice

6. Nodal Clear shall promptly notify staff of the Commission of any of the following:

   (a) any material change or proposed material change to its status as a DCO or in its regulatory oversight by the CFTC;

   (b) any material problems with the clearing and settlement of transactions that could materially affect the safety and efficiency of Nodal Clear;

   (c) the admission of any new Ontario Clearing Members;

(d) any event of default by an Ontario Clearing Member or a Clearing Member that provides client clearing to Ontario residents; and

(e) any material system failure of a clearing service utilized by an Ontario Clearing Member.

Quarterly Reporting

7. Nodal Clear shall maintain and submit the following information to the Commission in a manner and form acceptable to the Commission on at least a quarterly basis within 30 days of the end of the quarter, and at any time promptly upon the request of staff of the Commission:

(a) a current list of all Ontario Clearing Members and their legal entity identifier (LEI);

(b) a list of all Ontario Clearing Members against whom disciplinary action has been taken in the quarter by Nodal Clear with respect to activities at Nodal Clear, or to the best of Nodal Clear's knowledge, by the CFTC or any other authority in the US that has or may have jurisdiction over Nodal Clear's Clearing Members with respect to such Ontario Clearing Members' clearing activities at Nodal Clear;

(c) a list of all investigations by Nodal Clear in the quarter relating to Ontario Clearing Members;

(d) a list of all Ontario-resident applicants who have been denied Clearing Member status in the quarter by Nodal Clear;

(e) the maximum and average daily open interest, number of transactions and notional value of Nodal Contracts cleared by type of Nodal Contract during the quarter, for each Ontario Clearing Member;

(f) the percentage of average daily open interest, number of transactions and the notional value of Nodal Contracts cleared by type of Nodal Contract during the quarter for all Clearing Members that represents the average daily open interest, total transactions and notional value of trades cleared during the quarter for each Ontario Clearing Member;

(g) the aggregate total margin amount required by Nodal Clear ending on the last trading day during the quarter for each Ontario Clearing Member;

(h) the portion of the total margin required by Nodal Clear ending on the last trading day of the quarter for all Clearing Members that represents the total margin required during the quarter for each Ontario Clearing Member; and

(i) the guaranty fund contribution, for each Ontario Clearing Member on the last trading day during the quarter, and its proportion of the total guaranty fund contributions;

(j) for each Clearing Member (identified by its LEI) offering client clearing to Ontario residents, the identity of the Ontario resident client (including LEI) receiving such services, and the value and volume by type of Nodal Contracts cleared during the quarter for and on behalf of each Ontario resident client; and

(k) a copy of Nodal Clear's bylaws and rules showing all cumulative changes made during the quarter.

Information Sharing

8. Nodal Clear shall promptly provide such information as may be requested from time to time by, and otherwise cooperate with, the Commission or its staff, subject to applicable privacy or other laws governing the sharing of information and the protection of personal information.

9. Unless otherwise prohibited under applicable law, Nodal Clear shall share information relating to regulatory and enforcement matters and otherwise cooperate with other recognized and exempt clearing agencies on such matters, as appropriate.

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

THERE IS NOTHING TO REPORT THIS WEEK.

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
American Manganese Inc.	06 July 2016	
EnerGulf Resources Inc.	05 July 2016	
Quantum International Income Corp.	05 July 2016	
RYM Capital Corp.	06 July 2016	
Vatic Ventures Corp.	05 July 2016	07 July 2016

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
DataWind Inc.	06 July 2016	18 July 2016			
Stompy Bot Corporation	04 May 2016	16 May 2016	16 May 2016	06 July 2016	

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
Blueocean Nutrasciences Inc.	03 May 2016	16 May 2016	16 May 2016		
DataWind Inc.	06 July 2016	18 July 2016			
Matica Enterprises Inc.	17 May 2016	30 May 2016	30 May 2016		
Northern Power Systems Corp.	31 March 2016	13 April 2016	13 April 2016		
Starrex International Ltd.	30 December 2015	11 January 2016	11 January 2016		
Stompy Bot Corporation	04 May 2016	16 May 2016	16 May 2016	06 July 2016	

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Chapter 5

Rules and Policies

5.1.1 OSC Notice of Policy Adopted under Securities Act – OSC Policy 15-601 Whistleblower Program

OSC NOTICE OF POLICY ADOPTED UNDER SECURITIES ACT

OSC POLICY 15-601 WHISTLEBLOWER PROGRAM

July 14, 2016

NOTICE OF POLICY

The Ontario Securities Commission (**OSC** or the **Commission**) has, under section 143.8 of the *Securities Act* (Ontario) (the **Act**), adopted OSC Policy 15-601 *Whistleblower Program* (the **Policy**), following a 60 day public comment period. The Policy is effective July 14, 2016.

SUBSTANCE AND PURPOSE OF THE POLICY

The purpose of the Policy is to provide guidance on the Whistleblower Program (the **Program**) that has been implemented by the Commission. The Program is designed to encourage individuals to report and submit to the Commission information on serious securities-related misconduct (excluding tips related to criminal or quasi-criminal[1] matters). Under the Program, individuals who meet certain eligibility criteria and who voluntarily submit information to Commission Staff (**Staff**) regarding a breach of Ontario securities law, may be eligible for a financial incentive (**whistleblower award**). Specifically, the whistleblower award may be payable if it is determined that the information submitted was of meaningful assistance to Staff in investigating the matter and obtaining a decision of the Commission under section 127 of the Act or section 60 of the *Commodity Futures Act* (Ontario) (the **CFA**), and results in a final order for monetary sanctions and/or voluntary payments totaling $1,000,000 or more.[2] The Program has the potential to increase our effectiveness in vigorously enforcing Ontario securities laws, resulting in greater deterrence against serious misconduct in the marketplace.

The Commission believes that whistleblowers could be a valuable source of specific, timely and credible information for enforcement actions concerning a wide variety of market misconduct, particularly in the areas of accounting and financial reporting, insider trading, market manipulation and general misrepresentation in corporate disclosure.

The Policy sets out all of the following:

- the Program being implemented by the Commission;
- the practices generally followed by the Commission and by Staff in administering the Program in accordance with the requirements of Ontario securities law;
- the nature of the information that may be eligible for the payment of a whistleblower award and the criteria that would make an individual eligible for a whistleblower award; and
- the factors considered in determining eligibility for, and the amount of, a whistleblower award.

In addition to the Policy, on April 19, 2016 the Government of Ontario passed certain amendments to the Act, which formed part of the *Budget Measures Act, 2016*. These amendments, which are a fundamental aspect of the Program, consist of anti-reprisal measures designed to protect employee whistleblowers from employer retaliation. These protections are necessary in order to encourage employee whistleblowers to come forward and report possible securities law violations.

The Act's anti-reprisal provisions protect whistleblowers from retaliation in the workplace by:

i. making it a violation of securities law to take reprisal against a whistleblower, thereby permitting Staff to prosecute the employer through a proceeding under section 122 or 127 of the Act; and

ii. rendering contractual provisions designed to silence a whistleblower unenforceable.

[1] Offences pursued under section 122 of the Ontario *Securities Act*, RSO 1990, c S5.
[2] Definitions of monetary sanctions and voluntary payments are set out in the Policy.

A reprisal is any measure taken against an employee that "adversely affects" their employment. It includes, among other things, disciplining, demoting or suspending the employee, or threatening to do so, terminating or threatening to terminate them, intimidating them and imposing or threatening to impose a penalty relating to their employment.

Staff may take enforcement action against employers who take reprisal against whistleblowers, whether they report misconduct internally, to the OSC, to a recognized self-regulatory organization like IIROC or the MFDA, or to a law enforcement agency.

BACKGROUND

Staff published Proposed OSC Policy 15-601 (the **Proposed Policy**) on October 28, 2015 for a 60 day public comment period (the **Comment Period**). In response, Staff received 19 comment letters. The comments received were from a range of stakeholder groups, including issuers, issuers' counsel, regulatory bodies, professional associations, investor and whistleblower advocates, as well as academics. Staff considered the comments received and thank all the commenters. A list of commenters is attached in **Appendix A** to this Notice.

In addition to the Comment Period for the Proposed Policy, Staff also published OSC Staff Consultation Paper 15-401 *Proposed Framework for an OSC Whistleblower Program* (the **Staff Consultation Paper**) on February 3, 2015 for a 90 day comment period (the **Consultation Period**). As well, Staff held a public Whistleblower Roundtable on June 9, 2015 (the **Roundtable**).

SUMMARY OF WRITTEN COMMENTS

A summary of written comments received during the Comment Period together with Staff's responses is attached at **Appendix B**.

As a result of the comments Staff received, the Policy reflects changes to certain aspects of the Program described in the Proposed Policy. Staff do not consider the changes to be material and are not republishing the Policy for a further comment period.

Some notable changes from the date of publication are as follows:

(i) Definition of "original information"

The definition of "original information" in the Proposed Policy excluded information the whistleblower obtained in connection with the provision of legal advice. In order to be eligible for an award, the information provided must be "original information". As one commenter noted, this exclusion in the Proposed Policy was inconsistent with section 15(2), under which a whistleblower who obtained information in connection with providing legal services to, or conducting the legal representation of, a client or employer that is, or that employs, the subject of the whistleblower submission may be eligible for an award. The definition of "original information" in the Policy has been revised to remove this inconsistency.

(ii) Confidentiality of information submitted to the Program and the fact of a report

Subsection 9(1) of the Proposed Policy indicated that all information submitted by a whistleblower to the Program, including the fact of the report, was expected to be kept confidential by the whistleblower. In response to comments received that the Policy should not restrict whistleblowers in using the information provided to the Commission; for example, to assist with an internal investigation, this expectation has been removed. The Policy continues to restrict whistleblowers from disclosing information received from Staff or with respect to Staff's investigation.

(iii) Eligibility of auditors

Two commenters requested that members of a corporation's audit department be excluded as eligible whistleblowers or that their eligibility be restricted to situations where the disclosure would be permitted under the relevant rules of professional conduct.

We are of the view that professionals can assess any obligations or duties they may have in the circumstances and make their own determination as to whether to report to the Commission. We have added similar language applying to auditors as the Proposed Policy contained in subsections 15(1)(c) and (d) for lawyers regarding permissible disclosure under applicable regulatory rules.

(iv) 120 day exception to ineligibility

The Proposed Policy allowed for an exception to ineligibility where at least 120 days had elapsed since the whistleblower provided the information to the relevant entity's audit committee, chief legal officer, chief compliance officer (or functional equivalents) or the individual's supervisor. The Policy adds that this exception will also apply where at least 120 days has

elapsed since the whistleblower received the information, if the whistleblower received it in circumstances indicating that one or more of those individuals were already aware of the information. This change was made in response to a comment received that noted that a whistleblower should not be required to report information to a person when the whistleblower knows that person is already aware of it.

(v) Factors that may decrease an award

One commenter requested clarity on whether a whistleblower award may be reduced if any, as opposed to all of the factors listed in paragraph 24(3)(g) of the Proposed Policy is found to exist, The commenter further suggested that the existence of any one of the listed factors could undermine the internal compliance and reporting mechanisms of an employer which would support a reduced whistleblower award. Staff agree and section 25(3)(g) has been changed to indicate that any of the listed factors could undermine the internal compliance and reporting mechanisms of an employer which would support a reduced whistleblower award. Previously, the wording indicated all factors must exist to support a reduced award.

QUESTIONS

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APPENDIX A – LIST OF COMMENTERS

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Peter Dent (Transparency International Canada)
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John P. Manley, P.C., O.C. (Canadian Council of Chief Executives)
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APPENDIX B

SUMMARY OF COMMENT LETTERS RECEIVED ON PROPOSED OSC POLICY 15-601 AND STAFF RESPONSES TO COMMENTS

Comments received on the Proposed OSC Policy 15-601 are summarized below, under the following key headings:

1. General Comments
2. Eligibility
3. Financial Incentive
4. Confidentiality
5. Anti-Retaliation
6. Program Structure

	Issue	Comment Summary	Staff Response
General Comments			
1.	***Support for the Proposed Policy***	Most commenters expressed support for the overarching goals of the Policy.	
Eligibility			
2.	***In-house counsel***	Eleven commenters provided comments on the issue of in-house counsel eligibility. Concerns expressed by commenters focused on a potential conflict with the Law Society Rules (the "*Rules*") and included the following: • It may be very difficult for a lawyer to disclose information under the Policy without offending the professional standard that obliges a lawyer to maintain the confidentiality of client information and without breaching solicitor-client privilege where applicable. As a result, a policy suggesting it may be possible to do so is confusing. • It creates the perception of a conflict of interest between the lawyer's self-interest and the duties and responsibilities counsel has to the organization which could discourage officers and directors from approaching counsel with significant legal issues or concerns. • The exclusions in section 15(1) prohibiting disclosures that are impermissible under law society rules do not adequately resolve the above concerns, since a lawyer's ethical obligations are defined by common law, in addition to the law society rules. Further, the exceptions in 15(2) conflict with a lawyer's professional obligations, and would appear to directly conflict with the "reporting-up" obligations in the *Rules*. • Given the strict limits on disclosure set out in the *Rules*, it is unlikely that there will be whistle-	We have considered comments regarding the eligibility of in-house counsel and have determined that in-house counsel should not be precluded from eligibility, provided that, either: (i) the disclosure of the information would otherwise be permitted under applicable provincial or territorial bar or law society rules or the equivalent rules applicable in another jurisdiction (this same exception applies to external counsel); or (ii) they fall within one or more of the exceptions set out in subsection 15(2) of the Policy (this does not apply to external counsel). The rules of professional conduct in other jurisdictions may contain exceptions not available to lawyers in Ontario. Accordingly, we have added the phrase "or the equivalent rules applicable in another jurisdiction" to 15(1)(c) and (d). Our rationale for including in-house counsel is that their role often extends to business activities and conduct that go far beyond providing privileged legal advice. We understand that lawyers have professional obligations with regard to confidentiality. Whistleblowers choosing to voluntarily provide information to the Commission are

	Issue	Comment Summary	Staff Response
		blowing by lawyers except in very rare cases. Comments in support of in-house counsel eligibility included the following: • The OSC should not make any policy or rule that should be seen to derogate or modify the professional duties and responsibilities of lawyers. However, whether the lawyer is professionally permitted or obliged to report wrongdoing to the Commission should be left to the lawyer, having regard to the lawyer's professional obligations. The responsibility for determining whether that lawyer complied with his or her duties should be the subject of review and determination by the professional regulatory authority. • Lawyers, like other whistleblowers face real risks of termination and black-listing from the industry as a result of whistleblowing. One commenter suggested the provisions in sections 14 and 15(2) appear to be in conflict: the definition of original information excludes information obtained in connection with the provision of legal advice, so such information would not be eligible for an award; however, section 15(2) allows for the possibility of an award in such circumstances.	responsible for assessing their professional obligations and duties. In our view, professionals are best placed to make this assessment in the circumstances and make their own determination as to whether to report to the Commission. The Policy does not override those obligations and duties. The payment of the financial incentive is intended to recognize the personal and professional risks undertaken by speaking up about misconduct. The definition of "original information" excludes information obtained through a communication that was subject to solicitor-client privilege. We will seek to discourage any whistleblowers from submitting solicitor-client privileged information to the Program. We agree with the comment concerning the definition of original information and have revised the drafting of the Policy.
3.	***Auditors***	Two commenters requested that members of the corporation's audit department be excluded as eligible whistleblowers. One of these commenters expressed concern that the exceptions in section 15(2) provide an incentive for chartered professional accountants to breach their confidentiality obligations and could undermine public trust in auditors' professionalism and responsibility. Auditors already have a duty to detect and report to management any securities law violations. If management does not satisfy the auditor's concerns, the auditor is professionally bound to exercise a range of effective responses. This commenter noted that the 120-day exception in section 15(2)(c) is particularly inappropriate in the context of an audit as it provides an incentive for external audit professionals to circumvent their managers and client after 120 days. In the alternative, the commenter requested that the Program restrict the eligibility of auditors to situations in which the disclosure would be permitted under the relevant rules of professional conduct, as sections 15(1)(c) and (d) provide for lawyers.	We have considered comments regarding the eligibility of auditors and have determined that they should not be ineligible provided they fall within one or more of the exceptions set out in subsection 15(2) of the Policy. We are of the view that professionals are best placed to assess their obligations and duties in the circumstances and make their own determination as to whether to report to the Commission. We believe the 120 day period set out in 15(2)(c) is an appropriate length of time for an entity to conduct at the very least a preliminary review of serious misconduct that has been brought to their attention. We have added similar language in 15(1)(e) for auditors as applies to lawyers under sections 15(1)(c) and (d).
4.	***Directors and officers***	Four commenters commented on the eligibility of directors and officers for a whistleblower award. Two of the commenters were in support, one was against and	We have considered comments regarding the eligibility of directors and officers and have determined

	Issue	Comment Summary	Staff Response
		one requested further clarity. One commenter requested clarification on the meaning of "directors or officers" in subsection 15(1)(g). Comments in support suggested the Policy strikes an appropriate balance by requiring first reporting "up the chain of command" in order for directors and officers to be eligible. Further, one commenter noted that independent directors and certain officers may have evidence of wrongdoing, but may not be in a position to make an internal change. Comments opposed to the eligibility of directors and officers highlighted the possibility of conflicts of interest with respect to fiduciary duties owed to the corporation, given that directors and officers are required to act on concerns in addition to merely reporting them. Given this requirement to resolve issues, this commenter considered a lapse in time insufficient to eliminate this conflict.	that they should not be precluded from eligibility, provided that they fall within one or more of the exceptions set out in subsection 15(2) of the Policy. Whistleblowers choosing to voluntarily provide information to the Commission are responsible for assessing their obligations and duties. Similar to our view with regard to in-house counsel and auditors, directors and officers are best placed to make this assessment in the circumstances and make their own determination as to whether to report to the Commission. The Policy does not override those obligations and duties. The definitions of "director" and "officer" on which the Policy is based are taken from section 1(1) of the *Securities Act*.
5.	***Culpable whistleblowers***	Two commenters disagreed with a culpable whistleblower being eligible for an award. Three commenters expressed support. Concerns with eligibility for culpable whistleblowers included: • Permitting such persons to benefit monetarily from their improper and/or illegal actions will not serve as a deterrent to similar action in the future and runs counter to efforts to promote ethical business conduct; • Even if ineligible, culpable individuals would still have an incentive to come forward, since the OSC has discretion to treat more leniently those who provide information that is helpful to an investigation (or as an alternative, the OSC could provide immunity and leniency programs to whistleblowers). One commenter accepted culpability as a factor in determining the award but requested that the OSC issue detailed guidance on how discretion regarding this factor ought to be exercised. Another commenter stated that the OSC should retain the discretion to decide on a case-by-case basis if the level of culpability of an individual would make a whistleblower award inappropriate.	Subsection 17(1) of the Policy states that whistleblowers who are complicit in the misconduct on which they report may be eligible to receive an award. However, under paragraph 25(3)(b) of the Policy, the degree of their culpability is a factor that may decrease the amount of the award. This approach recognizes that culpable whistleblowers could be a valuable source of detailed knowledge about the misconduct. As subsection 17(5) makes clear, the Commission would not be precluded from taking enforcement action against the culpable whistleblower for their role in the misconduct.
6.	***Internal reporting, escalation and compliance systems: a requirement to***	Eight commenters provided comments on whether a whistleblower must report internally before reporting to the OSC. Comments in support of not requiring whistleblowers to	We recognize the importance of effective internal compliance systems to identify, correct and self-report misconduct. These systems, if operating effectively, promote

	Issue	Comment Summary	Staff Response
	report internally	report internally first and instead leaving it up to the whistleblower to decide where to report included the following: • Individuals face many risks in reporting possible wrongdoing within their firms including thwarted career advancement, termination, difficulty finding future employment, and consequences for the person's health and family relationships; • Less wrongdoing will be uncovered if people are required to report internally first; • Allowing the individual to choose whether to report internally or externally will incentivize improvements to corporate internal reporting systems. Comments in favour of an internal reporting requirement included the following: • It will support the requirements under National Instrument 52-110 *Audit Committees* ("NI 52-110") as well as audit committees and audit reporting generally and minimize the need for restated financial statements and withdrawn audit reports; • The lack of such a requirement could encourage employees to circumvent an internal compliance regime by channeling information directly to the Commission in return for a monetary reward, which would not be similarly available from the organization. It is thus inconsistent with the stated importance of such reporting being "the first line of action"; • The Policy may provide incentives for employees to breach their duties to their employers to report information internally and to maintain confidentiality of information. One commenter suggested that an exception to such a requirement could be where the whistleblower can establish "extenuating circumstances" for him or her that would "have impeded his or her reporting" through such a mechanism. Five commenters were of the view that, in order to be eligible for the financial award, whistleblowers should be required to exercise reasonable efforts to exhaust all available internal compliance/reporting processes. Two commenters recommended that the failure to participate in the internal reporting mechanisms should also decrease the potential reward, taking into account the feasibility of internal reporting. Another commenter suggested that it would be appropriate for an employee to report to the OSC concurrently with reporting internally, as long as such reporting was a requirement.	compliance with securities laws for the ultimate benefit of investors and the capital markets. The Policy includes several measures to encourage internal reporting by whistleblowers: • Section 25 provides that a factor that may increase a whistleblower award is whether the whistleblower participated in an internal compliance reporting system and, conversely, a factor that may decrease an award is whether a whistleblower undermined or interfered with an internal compliance and reporting system. • Subsection 16(2) maintains the internal whistleblower's place as "first in line" if a second whistleblower subsequently submitted information to the Commission or the entity self-reported on the same matter, provided the first whistleblower reports to the OSC within 120 days of the internal report. • The anti-reprisal protections for whistleblowers contained in section 121.5 of the *Securities Act* amendments would apply equally to whistleblowers who report internally or to the OSC. • Whistleblowers are not required to keep their whistleblower submission confidential, and may share the information with their employer concurrently or at any time if they choose to do so. The Policy leaves the issue of where to report up to the whistleblower's discretion. We believe this is an important aspect of the Program. In our view, the decision of whether to report internally first should be a decision of the whistleblower. The whistleblower is best placed to determine the appropriate channel through which to report in their

	Issue	Comment Summary	Staff Response
		One commenter was satisfied that the Policy encourages whistleblowers to report potential violations internally but recommends that further definition of what is meant by encouragement should be put in place.	particular circumstances. In our view, the existence of the Program will promote improvement in internal compliance systems and will not undermine these systems. Reports by the SEC suggest that the SEC whistleblower program has not undermined internal reporting.[1]
7.	***Internal reporting, escalation and compliance systems: other comments***	Two commenters requested that the Policy clearly spell out what is meant by "extenuating circumstances" that might impede internal reporting either by way of examples or factors that would be considered. One commenter recommends that paragraph 15(2)(c) be revised as follows: "at least 120 days have elapsed since the whistleblower provided the information to the relevant entity's audit committee, chief legal officer, CCO (or their functional equivalents) or the individual's supervisor or *since you received the information, if you received it under circumstances indicating that the entity's audit committee, chief legal officer, chief compliance officer (or their equivalents) or your supervisor was already aware of the information".* According to the commenter a whistleblower should not be required to report information to a person when the whistleblower knows that the audit committee, chief legal officer, CCO or supervisor is already aware of it.	The reference to "extenuating circumstances" in 16(1) has been removed and instead has been replaced by a statement that "there may be circumstances in which a whistleblower may appropriately wish to report to an internal compliance and reporting mechanism". The whistleblower will determine whether, in his or her view, the internal reporting mechanism is an available channel through which to report. This may not be the case, for example, where the individual reviewing the internal reports is the subject of the whistleblower's concerns. We agree with the comment regarding 15(2)(c) and have added wording to capture the suggested change.
8.	***Internal reporting - 120 day periods in section 16***	Eight commenters provided comments on this issue. Seven commenters expressed support, while one commenter expressed concerns. Comments around the 120 day period in: (i) 16(2) to allow for a whistleblower to be eligible for an award where an employer self-reports misconduct to the OSC as long as the whistleblower reports the same information to the OSC within 120 days of the initial internal report; and (ii) 16(3) to "hold the place in line" for a whistleblower who reports internally first included: • It provides finality to the allocation of the award and encourages the timely reporting by whistleblowers of information in their possession to the OSC; • The 120 day period is reasonable for even large companies with the proper systems in place and	The 120 day requirement in subsection 16(2) was included in the Policy in order to support timely reporting to the Commission, particularly in situations where the harm is ongoing or about to occur. It is also intended to encourage whistleblowers to report matters to an internal compliance and reporting mechanism. The Commission has indicated that the timeframe within which it expects a timely report is relatively short. In our view, 120 days is an adequate time period for an entity to conduct at the very least a preliminary review. Subsection 16(3) provides that the Commission will generally consider

[1] In a speech given April 30, 2015, SEC Chair White stated that "all indications are that internal compliance functions are as strong as ever – if not stronger – and that insiders continue to report possible violations internally first." SEC Chair White has also stated that, as of the SEC's 2014 Annual Report to Congress on the Dodd-Frank Whistleblower Program, over 80% of whistleblowers who were company insiders who received awards, first raised their concerns internally to their supervisors or compliance personnel before reporting to the SEC.

	Issue	Comment Summary	Staff Response
		a longer reporting period may lead to harm to investors or the capital markets by virtue of the event not being reported or investigated in a sufficiently timely manner; • It encourages industry players to take self-correction steps at the earliest possible stage. This commenter suggested using the 120 days as a guideline rather than a strict maximum, since internal processes may sometimes take longer than 120 days; • One commenter was of the view that the word "generally" in subsection 16(3) creates uncertainty; and • Another commenter, who supported the 120 day period, stated that there should be a requirement for a whistleblower who has reported internally to wait before making a report to the OSC: (i) for a minimum of 120 days following the initial internal report; or (ii) for their employer to report the whistleblower's information to the Commission, whichever happens earlier. One commenter who opposed eligibility for a whistleblower under section 16(2) stated that if a whistleblower is eligible for an award despite the employer providing a report to the OSC, that the 120 day period should be significantly extended. The commenter also suggested that the 120 day period in section 16(3) be similarly extended to provide more time for an internal investigation into the alleged misconduct.	the timing of the initial internal report in determining who submitted the information first, provided that not more than 120 days have passed since the initial internal report. The use of the word "generally" is needed to consider the possibility that there may be circumstances where it would be inappropriate to hold the whistleblower's place in line.
9.	***Type of information submitted by whistleblowers***	*i. General comments* One commenter suggested that information submitted by whistleblowers under the Program should be limited to serious breaches such as theft, fraud, market manipulation, insider trading, and material misrepresentations & material omissions. This would likely reduce frivolous reports to the OSC and provide further clarity to potential whistleblowers. Furthermore, this commenter suggests that reporting to the OSC should be based on clear criteria or thresholds that are connected to the types of misconduct that the OSC is attempting to address. *ii. Original information* One commenter suggested that the standard for eligibility of information may be too high. The issues of whether there is a "serious violation", information "of high quality" and containing "sufficient timely, specific and credible facts relating to the alleged violation of securities laws", and that the information be "of meaningful assistance" should go to the quantum of the award rather than whether the whistleblower is eligible for an award. This commenter also suggested that subsection 14(3) is unnecessary. One commenter suggested that the OSC incorporate the	*i. General comments* The Program is available to accept reports of all types of serious securities misconduct. Frivolous reports will be triaged by Staff as is the current practice. *ii. Original information* We disagree that the standard for eligibility of information is too high. The Program has the potential to increase our effectiveness in vigorously enforcing Ontario securities laws, resulting in greater deterrence against serious misconduct in the marketplace. The receipt of high quality, specific and credible information is necessary to achieve the objectives of the Program. Those who make a frivolous, vexatious or meritless submission to the Program and those who obtained or provided information in circumstances which would bring

	Issue	Comment Summary	Staff Response
		following exclusions to the definition of "original information": • Frivolous, vexatious or meritless information; • Information obtained in circumstances which would bring the administration of the program into disrepute; and • Information obtained in connection with providing internal audit or external assurance services to, or conducting an internal or financial audit of, a client or employer that is, or that employs, the subject of the whistleblower submission. One commenter suggested that the definition of "original information" should also exclude any information that was provided through an internal reporting and compliance mechanism (other than the employee utilizing such mechanism to begin with). This avoids a circumstance where another employee who received the information through internal reporting gives that information to the OSC to receive an award. A similar exclusion should be made in section 15 of the Policy to exclude from those eligible to receive an award individuals who obtain the information in this manner. *iii. Privileged information* Two commenters suggest that all privileged information should be excluded from the definition of "original information", including information that is the subject of litigation privilege and/or settlement privilege. This exclusion should also be incorporated into subsection 5(1)(c) of the Policy. One commenter also requests clarification on how the OSC will ensure that it does not see privileged information and recommends that the declaration, signed by whistleblowers, cover privilege issues, including a warning that the OSC does not wish to obtain privileged information. The commenter also requests clarification of the OSC's anticipated response in the event that a whistleblower does reveal privileged information. According to this commenter, the OSC should not be permitted to rely on privileged information in any proceeding and the Policy should confirm that OSC staff will: • View privileged information as inadmissible in any subsequent hearing; • Agree that the privilege has not been waived as a result of the disclosure by the whistleblower; and • Agree that privileged information will not be further disclosed to third parties. *iv. Authorization to access and release information* Another commenter expressed concern that a broad	the administration of the Program into disrepute are ineligible for an award under paragraphs 15(1)(n) and (o). Further, Staff will take steps to discourage unmeritorious claims of misconduct. For example, we will ask whistleblowers to complete a certification containing a caution that it is an offence under the Ontario *Securities Act* to knowingly provide false or misleading information to the OSC. We have determined that those who receive information through internal reporting should not be precluded from eligibility. We have not made the change to the definition of "original information" to exclude information provided through an internal reporting and compliance mechanism. *iii. Privileged information* The Whistleblower Submission Form will indicate that whistleblowers should not reference or attach any documents that may reflect legal advice, that are communications with a lawyer for the purpose of obtaining legal advice or related working papers or that may otherwise be subject to solicitor-client privilege. Asking whistleblowers not to submit documents subject to litigation or settlement privilege would be asking the whistleblower to make an assessment that they may not be in a position to make so we have not made the suggested change. Staff currently has in place protocols to deal with privileged information. These protocols will be applied to whistleblower submissions. *iv. Authorization to access and release information* The Whistleblower Submission Form will highlight that the Commission is not asking whistleblowers to obtain documents or other things that are not in their possession or control. PIPEDA contemplates non-consensual disclosure to appropriate bodies in certain circumstances, including

	Issue	Comment Summary	Staff Response
		definition of "original information" will encourage whistleblowers to voluntarily provide information that they neither have authorized access to, nor authorization to release. This could include information relating to customers, investors, suppliers, contractors and other arms' length third parties who have provided information on the basis that its confidentiality be protected under the requirements of the *Personal Information Protection and Electronic Documents Act* (PIPEDA) and other similar acts. The commenter recommends that whistleblowers provide an initial report describing the possible securities law violation using information that is either publicly available or that is within the whistleblower's authority to access and release. Upon reviewing this initial report, Staff could then request additional information from the whistleblower, consistent with the definition of "original information" as set out in the Policy.	where there is a reasonable belief that the information relates to a contravention of the laws of a province.
Financial Incentive			
10.	**General Comments**	Seven commenters provided comments on the Policy's current approach to the financial incentive for whistleblowers. While many commenters continue to support the offering of a financial incentive to whistleblowers, some expressed concerns that a financial incentive could result in frivolous whistleblower reports and other negative consequences. These concerns were similar to those raised and considered after an extensive consultation period which included the publication of OSC Staff Consultation Paper 15-401 *Proposed Framework for an OSC Whistleblower Program* in February 2015 and the public OSC Whistleblower Roundtable held in June 2015.	The Policy includes a financial incentive for whistleblowers. The financial incentive is a critical element of the Program. As noted above, other elements of the Program are aimed at discouraging unmeritorious claims of misconduct. The Policy contains incentives for whistleblowers to report in a timely manner. For example, the timeliness of a report is a factor that may increase a whistleblower award (paragraph 25(2)(a)) and conversely, an unreasonable delay in reporting may decrease the amount of a whistleblower award (paragraph 25(3)(c)), including "whether the whistleblower was aware of relevant facts but failed to take reasonable steps to report the violations or prevent the violations from occurring or continuing". The Program will only apply to administrative proceedings under section 127 of the *Securities Act* or section 60 of the *Commodity Futures Act*. We are targeting complex securities law matters, such as insider trading, market manipulation and disclosure cases, which are squarely within the Commission's purview and typically handled administratively. Criminal proceedings and proceedings brought by SROs or other regulators are not within the scope of the Program.

	Issue	Comment Summary	Staff Response
			The Commission is an independent adjudicative tribunal and will continue to impose sanctions with regard to the matter at hand and exercise its discretion on sanctions as a result of the misconduct, not as a result of the involvement of a whistleblower.
11.	**Amount of incentive**	There were a number of suggestions to change the financial incentive, including capping the award at $10 million, increasing the percentage award maximum beyond 15%, reducing the eligibility threshold to below $1 million and allowing awards based on non-monetary sanctions. One commenter supported the Policy's "variable cap" approach to the whistleblower award. One commenter suggested the damage suffered by the individual whistleblower should be a factor taken into consideration when determining the award quantum for whistleblowers providing information.	The Commission considered comments regarding the threshold for awards and concluded that the proposed $1 million threshold for award eligibility, with a 5-15% award range should remain to ensure a sustainable Program, with awards of up to $5 million in certain circumstances. As set out in paragraph 25(2)(h), a unique hardship experienced by the whistleblower is a factor that may increase an award.
12.	**Length of time in receiving the award**	Two commenters expressed concern for the length of time a whistleblower must wait to receive the award. The commenters suggested that consideration ought to be given to making a payment of a portion of the award at the positive conclusion of the initial proceeding or payment of monetary penalties, which would not be subject to claw back in the event an appeal is ultimately successful.	While the Commission works to conclude enforcement proceedings as efficiently as possible, we recognize that it may take several years from the date a whistleblower makes a submission until an award is paid in the case of an appeal.
13.	**Factors that may decrease the amount of a whistleblower award**	One commenter requested clarity on the requirement that all the conditions in subsection 24(3)(g) be met for a whistleblower award to be decreased, since in their view, the fulfillment of any one of the conditions would undermine the internal compliance and reporting mechanisms of an employer.	We agree that meeting any of the conditions in section 25(3)(g) (previously 24(3)(g)) may result in a decrease to any award and we have revised the Policy to that effect.
14.	**Source of funding**	Two commenters expressed concern that the costs of funding the whistleblower program may be shifted onto compliant market participants. One of these commenters suggested that any monetary award should be contingent upon and paid from actual recoveries of these monies through the OSC's enforcement process. Another commenter suggested that the Policy should be more transparent as to the level and source of funding for the Program. This commenter also suggested adding to the award criteria a provision that prohibits the OSC from taking into consideration the balance of its designated funds (or other source of funding that it determines).	Awards of up to $1.5 million will not be tied to the recovery of sanctions monies and will be paid from funds held pursuant to designated settlements and orders. In cases where the total monetary sanctions/voluntary payments are equal to or greater than $10 million, awards above $1.5 million, up to a maximum of $5 million, will only be paid if the funds are recovered. Whistleblower awards will be funded from funds held pursuant to designated settlements and orders. Award recommendations will be made without regard to availability of funds. We have structured the parameters of the financial incentive to support a sustainable Program. Operation of the Program within the Enforcement Branch will be included

	Issue	Comment Summary	Staff Response
			in the OSC's operating budget.
15.	**Public disclosure of awards**	One commenter suggests that the OSC should have to publicly disclose that a whistleblower award has been paid, without the identity of the whistleblower (unless they have consented). According to the commenter, it is important for the OSC to demonstrate that the Whistleblower Program has improved the number and quality of tips it received. An annual report should be issued by the OSC on the Whistleblower Program or a section of its annual enforcement activity report should be devoted to it.	As stated in section 24 of the Policy, "The Commission may publicly disclose that a whistleblower award has been paid. If such an award is paid, it may be publicly disclosed without the identity of the whistleblower." Decisions on disclosure will be made on a case-by-case basis. Results of the operations of the Program will be incorporated as part of the Commission's Enforcement Activity Report.
Confidentiality			
16.		One commenter suggested that the requirement in subsection 9(1) that a whistleblower keep confidential information submitted to the Commission may prevent a whistleblower from assisting the OSC and would not allow a whistleblower to report non-compliance to their employer. One commenter expressed concern that permitting whistleblowers to be called by Staff to testify in a proceeding does not provide whistleblowers with the necessary protections. This commenter suggested that Staff not be permitted to require an informant to testify without the whistleblower's voluntary consent.	We have removed subsection 9(1) which previously indicated that a whistleblower keep confidential information submitted to the Commission. A whistleblower may share the information provided by the whistleblower to the Commission with his or her employer. However, the Policy continues to include the expectation in section 9 (previously subsection 9(2)) that a whistleblower maintain as confidential any information provided to a whistleblower by Commission Staff or that the whistleblower becomes aware of because of the whistleblower's ongoing participation in the investigation of a matter. While it is anticipated that it would only occur in rare cases, the possibility remains that Staff may need to call a whistleblower to testify in a hearing.
Anti-Retaliation			
17.		Eight commenters provided comments on the anti-retaliation measures in the Policy. Four commenters expressed support for the anti-retaliation provisions. Suggestions for broader anti-retaliation protections included amendments to the *Securities Act* to create civil remedies that would allow whistleblowers to seek damages from employers. Commenters expressed concerns including: • There should be a clear exception from the application of anti-retaliation provisions where there has been a failure to report using internal	On April 19, 2016 the Government of Ontario passed certain amendments to the Act, which formed part of the *Budget Measures Act, 2016*. These amendments, which are a fundamental aspect of the Program, consist of anti-reprisal measures designed to protect employee whistleblowers from employer retaliation. These protections are necessary in order to encourage employee whistleblowers to come forward and report possible securities law violations.

	Issue	Comment Summary	Staff Response
		mechanisms and the employer can establish such reporting is part of the employee's duties; • There are already common law and workplace standards to protect employees against retaliation; and • That an employer still be able to take disciplinary action to deal with a whistleblower's participation in illegal activities.	The Act's anti-reprisal provisions protect whistleblowers from retaliation in the workplace by: • making it a violation of securities law to take reprisal against a whistleblower, thereby permitting Staff to prosecute the employer through a proceeding under section 122 or 127 of the Act; and • rendering contractual provisions designed to silence a whistleblower unenforceable. In keeping with Staff's position that the whistleblower is best placed to determine which reporting avenue to pursue, the anti-reprisal protections are available equally to whistleblowers who report internally or to the Commission, to a recognized self-regulatory organization like IIROC or the MFDA or to a law enforcement agency. An employer is not prevented from taking action to deal with a whistleblower's participation in illegal activities.
Program Structure			
18.		Several commenters recommended the Commission provide assistance to whistleblowers. These suggestions included the following: • Guidance that whistleblowers should be strongly encouraged to review before submitting information to help those who will be navigating the Policy; • Information about the process for submitting information under the Program; and • If a whistleblower is not comfortable reporting internally, one commenter recommends that the guidance should encourage the whistleblower to seek external counsel prior to reporting. One commenter stated that the Policy does not address how the Whistleblower Program would affect the OSC's credit for cooperation program and suggested that credit for cooperation should be expressly available to entities that are targets of a report, especially where the whistleblower has not reported the issue internally. Four commenters commented on the interaction of the Policy with existing regulatory frameworks. Three of these commenters were concerned about whistleblower confidentiality where information is shared with SROs.	Information concerning the Program and alerting potential whistleblowers to a variety of considerations will be available on the Program's website at www.officeofthewhistleblower.ca The Whistleblower Submission Form will be available on this website. The application of OSC Staff Notice 15-792 *Revised Credit for Cooperation Program* is assessed on a case-by-case basis. At present, this is an OSC only initiative. Subsection 11(2) of the Policy provides that the Commission "will not disclose the whistleblower's identity, or information that could reasonably be expected to reveal the whistleblower's identity", to other regulatory bodies or law enforcement without the whistleblower's consent. The Commission believes that whistleblowers could be a valuable

	Issue	Comment Summary	Staff Response
		One commenter stated that the type of assistance provided by a whistleblower should be one of the factors that influences the amount of the award rather than its own standalone provision as the current section suggests that if the whistleblower does not provide the degree of assistance requested by Staff, then he or she will not be eligible for the award. Two commenters suggested that whistleblowers have the opportunity to make written submissions in connection with the whistleblower award and the ability to appeal the recommendation of the Staff Committee concerning eligibility and quantum. One of the commenters also suggested that written reasons for an award decision be provided in accordance with administrative fairness and that materials which form the basis of an award determination should be available for review by whistleblowers, subject to necessary redactions and confidentiality obligations One commenter recommends that the OSC carefully study the impact of the Policy after its adoption and implement any necessary changes to encourage internal reporting at the outset and include requirements for issuers to have robust whistleblower protections in place.	source of specific, timely and credible information for enforcement actions concerning a wide variety of market misconduct, including (but not limited to) the areas of accounting and financial reporting, insider trading, market manipulation and general misrepresentation in corporate disclosure. The degree of assistance provided by the whistleblower is a factor that may increase the award (paragraph 25(2)(c)). The statement in 15(1)(a) will apply in situations where the refusal to provide additional information is of a serious nature that impedes the investigation. The program is a voluntary program that is administered as a Commission Policy. As such, Staff's view is that the determination of eligibility and amount of award are not Commission decisions within the meaning of the *Securities Act* (e.g., not decisions of the Commission acting in its adjudicative capacity or other powers under the *Securities Act*). There is no requirement for the Commission to provide written reasons with a whistleblower award determination. The award, if any, flows from the whistleblower's voluntary decision to participate in the Program and is distinct from the quasi-judicial powers the Commission has in carrying out its adjudicative role. The award recommendation will be based on the particular factors relating to the whistleblower's submission. Staff will consider all of these factors in recommending an award. We will periodically assess the Program to ensure it is meeting the targeted objectives.

OSC POLICY 15-601
WHISTLEBLOWER PROGRAM

PART 1 – PURPOSE AND INTERPRETATION

Purpose

The Ontario Securities Commission (the Commission) has adopted OSC Policy 15-601 *Whistleblower Program* (the Policy) to provide guidance on:

- the Whistleblower Program (the Program) that has been implemented by the Commission;
- the practices generally followed by the Commission and by Staff of the Commission (Commission Staff) in administering the Program in accordance with the requirements of Ontario securities law;
- the nature of the information that may be eligible for the payment of a financial incentive (whistleblower award) and the criteria that would make an individual eligible for a whistleblower award; and
- the factors considered by: (i) Commission Staff in recommending that a whistleblower be eligible for the payment of a whistleblower award and the amount of a whistleblower award; and (ii) the Commission in determining a whistleblower's eligibility and the amount of the whistleblower award.

The Commission has implemented the Program to encourage individuals to report information on serious securities- or derivatives-related misconduct (excluding tips related to criminal or quasi-criminal[1] matters) to the Commission or, where appropriate in the circumstances, through an internal compliance and reporting mechanism. The Commission believes that the Program may assist in preventing or limiting harm to investors that may result from such misconduct.

The Program is established in furtherance of the Commission's mandate to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in capital markets. It is also in keeping with the principle that effective and responsive securities regulation requires timely, open and efficient administration and enforcement of the Ontario *Securities Act*, RSO 1990, c S5, as amended (the Act) by the Commission.

Under the Program, individuals who meet certain eligibility criteria and who voluntarily submit information to Commission Staff regarding a breach of Ontario securities law may be eligible for a whistleblower award if it is determined that the information submitted was of meaningful assistance to Commission Staff in investigating the matter and obtaining a decision of the Commission that results in a final order imposing monetary sanctions and/or the making of a voluntary payment of $1,000,000 or more.

Definitions

1. In the Policy

"award eligible outcome" means a Commission order made under section 127 of the Act or section 60 of the *Commodity Futures Act* (Ontario), RSO 1990, c C20, as amended (the CFA), including without limitation an order made in connection with the approval of a settlement, as modified as a result of any appeal, that results in the imposition of total monetary sanctions against, and/or the making of voluntary payments by, one or more respondents in an amount of $1,000,000 or more and the later of the following has occurred:

(a) the appeal period in section 9 of the Act or section 5 of the CFA has expired; or

(b) the right to appeal the Commission's decision has been exhausted;

"information that has been voluntarily submitted" means:

(a) information that the whistleblower voluntarily provided to the Commission before a request, inquiry or summons related to the subject matter of the information provided, was directed at the whistleblower or anyone representing the whistleblower, by the Commission, another securities regulator, an SRO, or a law enforcement agency;

(b) information that the whistleblower voluntarily provided to another securities regulator, a securities-related SRO or a law enforcement agency, before receiving a request, inquiry or summons from the Commission; and

[1] Offences pursued under section 122 of the Ontario *Securities Act*, RSO 1990, c S5.

(c) excludes information:

(i) provided in response to a request, inquiry or summons by the Commission, another securities regulatory authority, an SRO or a law enforcement agency; or

(ii) that is required to be reported by the whistleblower to the Commission, another securities regulatory authority, an SRO or a law enforcement agency, as a result of a pre-existing legal duty;

"internal compliance and reporting mechanism" includes an individual's supervisor, a whistleblower hotline, an ombudsman, the compliance department, or any other established mechanism for reporting misconduct at the entity at which the individual works;

"monetary sanctions" include administrative penalties ordered under paragraphs 127(1) 9 of the Act or 60(1) 9 of the CFA and disgorgement ordered under paragraphs 127(1) 10 of the Act or 60(1) 10 of the CFA;

"Ontario securities law" includes Ontario securities law, as that term is defined in subsection 1(1) of the Act, and Ontario commodity futures law, as that term is defined in subsection 1(1) of the CFA;

"original information" means:

(a) information that is not already known to the Commission from any other source, that the whistleblower obtained:

(i) from the whistleblower's independent knowledge, derived from the whistleblower's experiences, communications and observations in employment, business or social interactions; or

(ii) from the whistleblower's critical analysis of publicly available information, if the analysis reveals information that is not generally known or available to the public; and

(b) excludes information the whistleblower obtained in the following circumstances:

(i) through a communication that was subject to solicitor-client privilege;

(ii) from an allegation made in a judicial or administrative hearing, an enforcement matter of a securities-related self-regulatory organization (SRO), a government report, hearing, audit or investigation, or news media, unless the whistleblower is the source of the information; or

(iii) by a means or in a manner that violates applicable criminal law;

"voluntary payments" mean payments made to the Commission, excluding any costs voluntarily paid;

"whistleblower" means an individual, or two or more individuals acting jointly, who:

(a) voluntarily provide(s) original information relating to a violation of Ontario securities law that has occurred, is ongoing or is about to occur, to the Commission; and

(b) submit(s) the information in the form described in sections 2 or 3 of the Policy;

"whistleblower award" means a financial award that the Commission determines should be paid to an eligible whistleblower following an award eligible outcome in an enforcement proceeding through the process described in section 22 of the Policy.

PART 2 – HOW TO SUBMIT ORIGINAL INFORMATION TO THE WHISTLEBLOWER PROGRAM

Procedure for submitting original information

2. The Commission expects whistleblowers who submit original information to the Program to:

(a) complete the whistleblower submission form available at www.officeofthewhistleblower.ca;

(b) read and certify in writing, among other things, that the whistleblower has read and understands the Policy and has submitted information that, to the best of their knowledge and belief, is true and complete;

(c) be aware that it is an offence under subsection 122(1) of the Act or subsection 55(1) of the CFA to make a statement to the Commission that is misleading or untrue or does not state a fact that is required to be stated

to make the statement not misleading and that the whistleblower may be prosecuted for knowingly providing misleading or untrue information to the Commission; and

(d) submit the completed whistleblower submission form and certification online, or send it by mail to the address in section 27 of the Policy.

Procedure for submitting original information anonymously

3. A whistleblower may submit original information to the Program anonymously if:

(a) the whistleblower is represented by a lawyer;

(b) the whistleblower completes the whistleblower submission form described in 2(a), signs the certification described in 2(b), and provides the completed and signed form to the whistleblower's lawyer;

(c) the whistleblower's lawyer completes the whistleblower submission form available at www.officeofthewhistleblower.ca, on an anonymous basis on behalf of the whistleblower;

(d) the whistleblower's lawyer reads and certifies in writing, among other things, that the lawyer has been provided with a completed and signed whistleblower submission form by the whistleblower; and

(e) the whistleblower's lawyer submits the completed anonymous whistleblower submission form and lawyer certification online or sends it by mail to the address in section 27 of the Policy.

Anonymous whistleblowers

4. Before any payment of a whistleblower award will be made to a whistleblower who has provided information on an anonymous basis under section 3 of the Policy, the Commission will generally require the whistleblower to provide the Commission with his or her identity, and any additional information necessary to enable the Commission to verify that the whistleblower is not ineligible for a whistleblower award under section 15 of the Policy.

Whistleblower assistance

5. (1) Beyond the whistleblower's initial submission, Commission Staff may request that a whistleblower provide certain additional information, including:

(a) explanations and other assistance so that Commission Staff may evaluate and use the information submitted by the whistleblower;

(b) where the whistleblower has knowledge of documents that support the whistleblower's submission to the Program but does not have possession of the documents, a description of, and, when known, a precise location for the documents;

(c) all additional information in the whistleblower's possession that is related to the subject matter of the whistleblower's submission, except information subject to solicitor-client privilege or obtained by a means or in a manner that constitutes a criminal offence under applicable law;

(d) testimony at a Commission proceeding, if necessary; and

(e) information relating to whether the whistleblower is eligible for a whistleblower award.

(2) Commission Staff do not expect a whistleblower to obtain documents or other things that are not in the whistleblower's possession or control.

Use of information and documents submitted

6. Information or documents submitted to the Commission by a whistleblower are collected in accordance with Ontario securities law.

7. The Commission has no obligation to use the information or documents submitted by a whistleblower. Regardless of whether the information or documents submitted by a whistleblower ultimately results in the payment of a whistleblower award, the Commission may still use the information or documents for any purpose in carrying out its mandate.

8. (1) Any documents or things provided to the Commission may be used by the Commission, in its discretion, to determine whether there has been a violation of Ontario securities law.

(2) Any documents or things provided to the Commission will not be returned to the person who submitted the documents or things.

Confidentiality of information

9. The Commission expects that whistleblowers will maintain as confidential any information provided to a whistleblower by Commission Staff or of which the whistleblower becomes aware because of the whistleblower's ongoing participation in the investigation of a matter.

Obtaining information about the status of a matter

10. (1) Commission Staff will generally not provide information about the status of a matter to a whistleblower or make public any information about a matter it may be investigating, including whether an investigation has been undertaken. This is in part because of Commission Staff's duty to comply with section 16 of the Act and section 12 of the CFA, as described in OSC Staff Notice 15-703 *Guidelines for Staff Disclosure of Investigations*.

(2) Commission Staff may communicate information about a matter to a whistleblower in the following circumstances:

(a) if no further action is to be taken on the basis of the information provided by the whistleblower, or if a decision is made not to proceed with the matter, Commission Staff may, in Commission Staff's discretion, inform the whistleblower who provided the information but need not provide an explanation or reasons;

(b) if the information provided by the whistleblower leads to an investigation, this fact will not be communicated to the whistleblower unless it is necessary for Commission Staff to inform the whistleblower of the investigation in order to proceed with the investigation;

(c) once there is a public announcement of a notice of hearing, statement of allegations or settlement agreement, communication with a whistleblower who submitted information to the Program is in the discretion of Commission Staff;

(d) if there has been an award eligible outcome, and the Commission needs to determine whether the whistleblower is eligible for a whistleblower award, Commission Staff may contact the whistleblower to request additional information to confirm the whistleblower's eligibility for an award.

PART 3 – WHISTLEBLOWER PROTECTIONS

Confidentiality

11. (1) Commission Staff will make all reasonable efforts to keep the identity of a whistleblower, and information that could be reasonably expected to reveal the whistleblower's identity, confidential, subject to the following exceptions:

(a) when required by law, including circumstances where Commission Staff is required to make disclosure of the whistleblower's identity in connection with an administrative proceeding under section 127 of the Act or section 60 of the CFA in order to permit a respondent to make full answer and defence; or

(b) subject to subsection (2), when Commission Staff determines that it is necessary for the purposes of the Act or the CFA to disclose the information to any of the entities listed in section 153 of the Act or section 85 of the CFA.

Consent to disclose to another regulatory authority

(2) The Commission will not disclose the whistleblower's identity, or information that could be reasonably expected to reveal the whistleblower's identity, to any of the entities listed in section 153 of the Act or section 85 of the CFA without the whistleblower's consent.

Freedom of information

12. (1) The Commission will recommend that requests for information relating to a whistleblower's identity, or information that could be reasonably expected to reveal the whistleblower's identity, made under the *Freedom of Information and Personal Protection of Privacy Act* (FOIPPA) be denied based on:

(a) section 14(1)(d) of FOIPPA, which provides protection for confidential sources of information in a law enforcement context; and

(b) section 21(3)(b) of FOIPPA, which protects personal information that has been compiled as part of an investigation into the possible violation of the law.

(2) In the Commission's view, sections 14(1)(d) or 21(3)(b) of FOIPPA would apply to information provided to the Commission by a whistleblower.

(3) The Commission cannot guarantee that requests for information made under FOIPPA and relating to a whistleblower's identity, or information that could be reasonably expected to reveal the whistleblower's identity, will not be disclosed, because the final decision with respect to access to records resides with the Information and Privacy Commissioner of Ontario or a court of competent jurisdiction.

No reprisals

13. Section 121.5 of the Act prohibits reprisals by an employer against an employee in certain circumstances and voids certain contractual provisions between employers and employees that preclude or purport to preclude whistleblowers from reporting securities- or derivatives-related misconduct to their employers, the Commission, recognized self-regulatory organizations or law enforcement agencies, which may include employee codes of conduct that would impede such reporting. This provision may be enforced under section 122 or 127 of the Act.

PART 4 – ELIGIBILITY FOR A WHISTLEBLOWER AWARD

Information eligible for a whistleblower award

14. (1) The Commission expects that information that will be eligible for a whistleblower award under the Program will relate to a serious violation of Ontario securities law and will be

(a) original information;

(b) information that has been voluntarily submitted;

(c) of high quality and contain sufficient timely, specific and credible facts relating to the alleged violation of Ontario securities law; and

(d) of meaningful assistance to Commission Staff in investigating the matter and obtaining an award eligible outcome.

(2) The Commission expects all of the criteria in subsection (1) to be met before the Commission makes a whistleblower award. Information that meets only some of the criteria, such as information from an investor who believes that he or she has suffered a loss as a result of an alleged breach of Ontario securities law, would generally not be eligible because the information would not ordinarily meet the criteria set out in paragraphs (1)(c) and (d). The Commission recognizes that there may be circumstances when an investor may submit information of sufficient depth and quality to meet all of the criteria in subsection (1) and may therefore be eligible for a whistleblower award.

(3) No whistleblower award will be provided for information that Commission Staff determines is:

(a) misleading or untrue;

(b) speculative or lacks specificity;

(c) subject to solicitor client privilege;

(d) publicly known;

(e) obtained by a means or in a manner that constitutes a criminal offence under applicable law; or

(f) not related to a violation of Ontario securities law.

Whistleblowers who are ineligible for a whistleblower award

15. (1) Subject to the exceptions in subsection (2), whistleblowers in one or more of the following categories will generally be considered ineligible for a whistleblower award:

(a) those who without good reason refused a request for additional information from Commission Staff under section 5 of the Policy;

(b) those who disclosed information provided to a whistleblower by Commission Staff or of which the whistleblower becomes aware because of the whistleblower's ongoing participation in the investigation of a matter, contrary to section 9 of the Policy;

(c) those who obtained information in connection with providing legal services to, or conducting the legal representation of, a client that is, or that employs, the subject of the whistleblower submission, unless disclosure of that information would otherwise be permitted by a lawyer under applicable provincial or territorial bar or law society rules, or the equivalent rules applicable in another jurisdiction;

(d) those who obtained information in connection with providing legal services to, or conducting the legal representation of, an employer that is, or that employs, the subject of the whistleblower submission, unless disclosure of that information would otherwise be permitted by a lawyer under applicable provincial or territorial bar or law society rules, or the equivalent rules applicable in another jurisdiction;

(e) those who obtained information in connection with providing internal audit or external assurance services to, or conducting an internal or financial audit of, a client or employer that is, or that employs, the subject of the whistleblower submission, unless disclosure of that information would otherwise be permitted by an auditor under the applicable rules of professional conduct;

(f) those who obtained information while conducting an inquiry or investigation into possible violations of law by a client or employer that is, or that employs, the subject of the whistleblower submission;

(g) those who were directors or officers of the entity that is, or that employs, the subject of the whistleblower submission at the time the information was acquired;

(h) those who had job responsibilities as Chief Compliance Officers (CCO) of or a functionally equivalent position at the entity that is, or that employs, the subject of the whistleblower submission at the time the information was acquired;

(i) those who are or were employed by or an independent contractor for the Commission, another securities regulatory authority, an SRO or a law enforcement agency at the time the information was acquired;

(j) a spouse, parent, child, sibling or resident of the same household of an employee, former employee or contractor of the Commission, another securities regulatory authority, an SRO or a law enforcement agency at the time the information was acquired;

(k) those who acquired the information from a person who is ineligible for a whistleblower award, unless the information is about a possible violation of Ontario securities law involving that person;

(l) those who have been convicted of a criminal offence in relation to the subject matter of the matter for which the whistleblower could otherwise receive an award;

(m) those who, in their dealings with the Commission, knowingly make statements or submit information that is misleading or untrue or does not state a fact that is required to be stated to make the statement not misleading;

(n) those who make a frivolous, vexatious or meritless submission to the Program; or

(o) those who obtained or provided the information in circumstances which would bring the administration of the Program into disrepute.

Exceptions

(2) A whistleblower listed in paragraphs (1)(d) to (h) may be eligible for a whistleblower award if:

(a) the whistleblower has a reasonable basis to believe that disclosure of the information to the Commission is necessary to prevent the subject of the whistleblower submission from engaging in conduct that is likely to cause or continue to cause substantial injury to the financial interest or property of the entity or investors;

(b) the whistleblower has a reasonable basis to believe the subject of the whistleblower submission is engaging in conduct that will impede an investigation of the misconduct; or

(c) at least 120 days have elapsed since the whistleblower provided the information to the relevant entity's audit committee, chief legal officer, CCO (or their respective functional equivalents) or the individual's supervisor, or, at least 120 days have elapsed since the whistleblower received the information, if in the circumstances the whistleblower received the information, the whistleblower became aware that one or more of those individuals were already aware of the information.

Internal reporting

16. (1) The Commission encourages whistleblowers who are employees to report potential violations of Ontario securities law in the workplace through an internal compliance and reporting mechanism in accordance with their employer's internal compliance and reporting protocols. However, the Commission does not require whistleblowers to do so, recognizing that there may be circumstances in which a whistleblower may appropriately wish not to report to an internal compliance and reporting mechanism.

(2) If a whistleblower reports information about a violation of Ontario securities law to an internal compliance and reporting mechanism, and the whistleblower's employer organization provides the whistleblower's information to the Commission, or the results of an audit or investigation initiated in response to information reported by the whistleblower to the employer organization, and an award eligible outcome results from that self-report, the whistleblower may be entitled to a whistleblower award provided the whistleblower reports the same information to the Commission within 120 days of the initial internal report.

(3) If a whistleblower submits information about a violation of Ontario securities law to the Commission but delays doing so to permit the whistleblower's employer organization to respond to a report made by the whistleblower to an internal compliance and reporting mechanism, and another whistleblower has in the intervening period submitted information about the same violation of Ontario securities law to the Commission, the Commission will generally consider the timing of the initial internal report in determining who submitted the information first, provided that not more than 120 days have passed since the initial internal report.

Culpable whistleblowers

17. (1) A whistleblower who is complicit in the violation of Ontario securities law about which the whistleblower submitted information to the Commission may nonetheless be eligible for a whistleblower award.

(2) The degree to which a whistleblower is complicit in the conduct that is the subject of the information provided to the Commission is a factor that may decrease the amount of any whistleblower award that may be made.

(3) In determining whether the required $1,000,000 threshold for an award eligible outcome has been satisfied for the purposes of making any whistleblower award, the Commission will not take into account any voluntary payments made by a complicit whistleblower or monetary sanctions that a complicit whistleblower is ordered to pay, or that are ordered against any entity whose liability is based substantially on conduct that the whistleblower directed, planned or initiated.

(4) Any portion of the voluntary payment made by, and/or monetary sanctions awarded against, a whistleblower who is complicit in the violation of Ontario securities law reported to the Commission, will be deducted from any whistleblower award paid to a complicit whistleblower.

(5) The provision of information to the Commission by a culpable whistleblower does not preclude the Commission from taking enforcement action against the whistleblower for the whistleblower's role in the violation of Ontario securities law.

PART 5 – WHISTLEBLOWER AWARDS

Amount of whistleblower award

18. (1) If there is an award eligible outcome, the Commission will pay an eligible whistleblower a whistleblower award of between 5 and 15% of the total monetary sanctions imposed and/or voluntary payments made in the relevant proceeding or multiple related proceedings.

(2) The Commission will determine the percentage amount of the whistleblower award based on the factors set out in section 25 of the Policy.

(3) If multiple related proceedings arise based on information provided by a whistleblower, the total monetary sanctions imposed and/or voluntary payments made in each proceeding will be considered to determine whether the $1,000,000 threshold for an award eligible outcome has been met.

(4) If the total monetary sanctions imposed and/or voluntary payments made in a proceeding, or multiple related proceedings, is equal to or greater than $10,000,000, the maximum amount of any whistleblower award is $1,500,000 subject to subsection (5).

(5) If the total monetary sanctions imposed and/or voluntary payments made in a proceeding, or multiple related proceedings, is equal to or greater than $10,000,000, and the Commission collects monetary sanctions and/or voluntary payments in respect of that proceeding in an amount equal to or greater than $10,000,000, the whistleblower award will not be limited to $1,500,000 and the whistleblower may receive a whistleblower award of between 5 and 15% of the monetary sanctions or voluntary payments collected from that proceeding to a maximum of $5,000,000.

Enforcement outcome eligible for a whistleblower award

19. To receive a whistleblower award, the Commission generally expects that a whistleblower will be eligible and have voluntarily provided original information that was of meaningful assistance to Commission Staff in an administrative proceeding under section 127 of the Act or section 60 of the CFA that resulted in an award eligible outcome following a hearing or a settlement.

No award – circumstances

20. The Commission will generally not make a whistleblower award if:

(a) the information submitted is not eligible under section 14;

(b) the whistleblower is not eligible under section 15; or

(c) the outcome of any proceeding resulting from a whistleblower submission is not an award eligible outcome (e.g., the matter is pursued quasi-criminally, the voluntary payments made and/or monetary sanctions ordered are less than $1,000,000 or the Commission's decision to order monetary sanctions is overturned on appeal).

Timeframe for an award

21. The Commission works to conclude enforcement proceedings as efficiently as possible but it may take several years or more from the date a whistleblower submits the whistleblower submission form and certification until an administrative proceeding under section 127 of the Act or section 60 of the CFA has been concluded or a settlement reached, monetary sanctions have been ordered or voluntary payments made and the respondent's appeal rights have expired, and a whistleblower award can be made.

Whistleblower award process

22. (1) At the conclusion of any administrative proceeding under section 127 of the Act or section 60 of the CFA brought based on information submitted by a whistleblower, Commission Staff will prepare a recommendation containing an analysis of:

(a) the eligibility of the whistleblower for a whistleblower award, with reference to Part 4 of the Policy; and

(b) the amount and effectiveness of assistance provided by the whistleblower based on the award criteria with reference to section 25 of the Policy.

The recommendation will be prepared at this time to ensure that timely information is considered even if any appeals are not yet exhausted, but the quantum may require adjustment as a result of any appeals.

Staff Committee

(2) A Commission Staff committee (the Staff Committee), including the Director of Enforcement, will review the Commission Staff recommendation.

Staff Committee recommendation

(3) The Staff Committee will then make a recommendation that will be provided to the Commission regarding the whistleblower's eligibility and, if eligible, the recommended amount for the whistleblower award.

Eligibility – additional information

(4) To help the Staff Committee and the Commission assess whether a whistleblower is eligible for a whistleblower award, the Commission or Commission Staff may request additional information from the whistleblower.

Commission discretion

(5) The Commission will review the Staff Committee recommendations and determine if a whistleblower is eligible for a whistleblower award, and if so, may exercise its discretion to modify the amount of the whistleblower award recommended by the Staff Committee.

Authorization for payment of whistleblower award

23. The Commission will authorize the payment of a whistleblower award to a whistleblower once the Commission has determined:

(a) that the whistleblower is eligible;

(b) that there was an award eligible outcome; and

(c) the amount to be awarded.

Public disclosure

24. The Commission may publicly disclose that a whistleblower award has been paid without disclosing the identity of the whistleblower.

Determining amount of whistleblower award

25. (1) In exercising its discretion to determine the appropriate percentage of a whistleblower award, the Commission may consider the factors set out in subsection (2) and (3) and may increase or decrease the percentage of the whistleblower award based on its analysis of the factors, and/or use the factors to determine how to apportion an award among multiple whistleblowers, if applicable in the circumstances.

Factors that may increase the amount of a whistleblower award

(2) The following factors may increase the amount of a whistleblower award:

Timing of Report

(a) the timeliness of the whistleblower's initial report to the Commission or to an internal reporting mechanism of the entity involved in committing, or impacted by, the violation of Ontario securities law;

Significance of information

(b) the significance of the information provided by the whistleblower, including:

(i) whether the information provided by the whistleblower caused Commission Staff to open an investigation or broaden the scope of an existing investigation;

(ii) the truthfulness, reliability and completeness of the information;

(iii) whether the allegations in the proceeding related, in whole or in part, to violations of Ontario securities law identified by the whistleblower; or

(iv) the degree to which the information meaningfully contributed to a successful investigation of the violation and obtaining an award eligible outcome;

Degree of assistance

(c) the level of assistance the whistleblower provided to Commission Staff, including:

(i) whether the whistleblower provided ongoing, extensive and timely cooperation and assistance by, for example, helping to explain complex transactions, interpreting key evidence, or identifying new and productive lines of inquiry; or

(ii) whether the whistleblower appropriately encouraged or authorized others who might not otherwise have participated in the investigation to assist Commission Staff;

Impact on Investigation or Proceeding

(d) as a result of the whistleblower's assistance, less time was needed to investigate or bring an enforcement proceeding;

Remediation and recovery

(e) the whistleblower's efforts to remedy the harm caused by the violations of Ontario securities law that were reported, including assisting the authorities in recovering any amounts obtained as a result of non-compliance with the Act or the CFA;

Internal compliance and reporting systems

(f) whether and the extent to which, the whistleblower or any legal representative of the whistleblower participated in internal compliance and reporting systems by:

(i) reporting the possible violations of Ontario securities law through an internal compliance and reporting mechanism before, or at the same time as, reporting them to the Commission; or

(ii) assisting in any internal investigation or inquiry concerning the reported violations.

(g) the impact the whistleblower's report to the Commission or an internal compliance and reporting mechanism had on the behavior of the person or entity that committed the violation, for example by causing the person or entity to promptly correct the violation;

Unique hardship

(h) any unique hardships experienced by the whistleblower resulting from the whistleblower's report to the Commission or an internal compliance and reporting mechanism;

Contribution to the Commission's mandate

(i) the degree to which providing an award to the whistleblower would:

(i) enhance the Commission's ability to pursue the purposes of the Act or the CFA;

(ii) encourage the submission of high quality information from other whistleblowers, having regard to the whistleblower's submission of significant information and meaningful assistance, even when the monetary sanctions available for collection were limited or potential monetary sanctions were reduced or eliminated by the Commission because, for example, the entity self-reported following the whistleblower's report to an internal reporting mechanism;

Contribution to the Commission's priorities

(j) whether the subject matter of the action is a Commission priority because:

(i) the reported misconduct involved regulated entities or fiduciaries;

(ii) the violations of securities laws were particularly serious given the nature of the violation, the age and duration of the violation, the number of violations and the repetitive or ongoing nature of the violations;

(iii) the danger to investors or others presented by the violations involved in the enforcement actions, including the amount of harm or potential harm caused by the underlying violations, the type of harm resulting from or threatened by the underlying violations, and the number of individuals or entities harmed; or

(iv) without the information, Commission Staff would have been unable or unlikely to investigate the matter.

Factors that may decrease the amount of a whistleblower award

(3) The following factors may decrease the amount of a whistleblower award:

Erroneous or incomplete information

(a) the information provided by the whistleblower was difficult for Commission Staff to use because, for example, the whistleblower had little knowledge of the violation of Ontario securities law, or the information provided by the whistleblower contained errors, was incomplete or lacking in detail, unclear or not organized;

Whistleblower culpability

(b) the degree to which the whistleblower was culpable or involved in the violations reported that became the subject of the Commission's enforcement proceeding, including:

(i) the whistleblower's role in the reported violations of Ontario securities law;

(ii) whether the whistleblower benefitted financially from the violations;

(iii) whether the whistleblower has violated Ontario securities law in the past;

(iv) the egregiousness of the whistleblower's conduct; and

(v) whether the whistleblower knowingly interfered with the Commission's investigation of the violations;

Unreasonable delay in reporting

(c) whether the whistleblower unreasonably delayed reporting the violation(s) of Ontario securities law, including:

(i) whether the whistleblower was aware of relevant facts but failed to take reasonable steps to report the violations or prevent the violations from occurring or continuing;

(ii) whether the whistleblower was aware of the relevant facts but only reported them after learning about a related inquiry, investigation, or enforcement action; and

(iii) whether there was a legitimate reason for the whistleblower to delay reporting the violations;

Refusal of assistance

(d) the whistleblower refused to provide additional information or assistance to the Commission when requested pursuant to section 5 of the Policy;

Interference with Commission Staff's investigation

(e) the whistleblower or the whistleblower's lawyer negatively affected Commission Staff's ability to pursue the matter;

(f) the whistleblower or the whistleblower's lawyer violated instructions provided by Commission Staff;

Interference with internal compliance and reporting mechanisms

(g) whether the whistleblower undermined the integrity of internal compliance and reporting systems by:

(i) interfering with an entity's established legal, compliance or audit procedures to prevent or delay detection of the reported violation of Ontario securities law;

(ii) making any material false, fictitious or fraudulent statements or representations that hindered an entity's efforts to detect, investigate, or remediate the reported violation of Ontario securities law; or

(iii) providing any false writing or document knowing the writing or document contained any false, fictitious or fraudulent statements or entries that hindered an entity's efforts to detect, investigate, or remediate the reported violation of Ontario securities law.

No appeal

26. The Commission's determination whether or not to grant a whistleblower award and any amount awarded to a whistleblower are not subject to appeal. No private right of action is conferred on a whistleblower to seek a whistleblower award.

PART 6 – CONTACT

Contact information

27. Potential whistleblowers who have questions about the Program or their eligibility should contact the Commission's Office of the Whistleblower at:

1-888-OSC-5553

OR visit the website at

www.officeofthewhistleblower.ca

To submit information by mail, please send to:

Office of the Whistleblower – Confidential
Ontario Securities Commission
22nd Floor
20 Queen Street West,
Toronto, ON M5H 3S8

PART 7 – TRANSITION

Transition

28. No one will be eligible for the payment of a whistleblower award under the Policy for information that is submitted to the Commission before the Policy comes into force on July 14, 2016.

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 11

IPOs, New Issues and Secondary Financings

Issuer Name:
American Hotel Income Properties REIT LP
Principal Regulator – British Columbia
Type and Date:
Preliminary Short Form Prospectus dated July 11, 2016
NP 11-202 Preliminary Receipt dated July 11, 2016
Offering Price and Description:
Cdn$90,003,600.00 – 8,696,000 Units
Price: Cdn$10.35 per Offered Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
National Bank Financial Inc.
Canaccord Genuity Corp.
TD Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Haywood Securities Inc.
Industrial Alliance Securities Inc
Promoter(s):
-
Project #2505261

Issuer Name:
Avnel Gold Mining Limited
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated July 11, 2016
NP 11-202 Preliminary Receipt dated July 11, 2016
Offering Price and Description:
$325,000,000.00
Debt Securities(unsecured), Ordinary Shares, Warrants, Subscription Receipts, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2506443

Issuer Name:
Centerra Gold Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectu dated July 5, 2016
NP 11-202 Preliminary Receipt dated July 6, 2016
Offering Price and Description:
$170,005,500.00 – 23,130,000 Subscription Receipts, each representing the right to receive one Common Share.
Price: $7.35 per Subscription Receipt
Underwriter(s) or Distributor(s):
BMO NESBITT BURNS INC.
CREDIT SUISSE SECURITIES (CANADA), INC.
SCOTIA CAPITAL INC.
Promoter(s):
-
Project #2505257

Issuer Name:
Donnelley Financial Solutions, Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated June 30, 2016
NP 11-202 Preliminary Receipt dated July 5, 2016
Offering Price and Description:
US$ * – * Shares of Common Stock
Price: US$ * per Share
Underwriter(s) or Distributor(s):
-
Promoter(s):
R. R. Donnelley & Sons Company
Project #2504610

Issuer Name:
Dynamic Global Equity Income Fund
Dynamic Global Strategic Yield Fund
Dynamic U.S. Equity Income Fund
Dynamic U.S. Strategic Yield Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated June 30, 2016
NP 11-202 Preliminary Receipt dated July 5, 2016
Offering Price and Description:
Series A, F, L, FL, N, FN and O Units
Underwriter(s) or Distributor(s):
1832 Asset Management L.P.
1832 Asset Management L.P.
Promoter(s):
1832 Asset Management L.P.
Project #2504489

Issuer Name:
Excellon Resources Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated July 8, 2016
NP 11-202 Preliminary Receipt dated July 8, 2016
Offering Price and Description:
$13,250,001.00 – 11,521,740 Units
Price: $1.15 per Unit
Underwriter(s) or Distributor(s):
Cantor Fitzgerald Canada Corporation
Sprott Private Wealth L.P.
Cormark Securities Inc.
PI Financial Corp.
Promoter(s):
-
Project #2505061

Issuer Name:
First Trust Dorsey Wright Dynamic U.S. Sector Rotation Index ETF (CAD-Hedged)
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated July 8, 2016
NP 11-202 Preliminary Receipt dated July 8, 2016
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
FT PORTFOLIOS CANADA CO.
Project #2506138

Issuer Name:
Guyana Goldfields Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated July 4, 2016
NP 11-202 Preliminary Receipt dated July 5, 2016
Offering Price and Description:
$130,002,000.00 – 13,830,000 Common Shares
Price: $9.40 per Common Share
Underwriter(s) or Distributor(s):
BMO NESBITT BURNS INC.
SCOTIA CAPITAL INC.
RBC DOMINION SECURITIES INC.
CORMARK SECURITIES INC.
TD SECURITIES INC.
Promoter(s):
-
Project #2501424

Issuer Name:
Inovalis Real Estate Investment Trust
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated July 11, 2016
NP 11-202 Preliminary Receipt dated July 11, 2016
Offering Price and Description:
$40,000,700.00 – 4,210,600 Units
Price: $9.50 per Offered Unit
Underwriter(s) or Distributor(s):
Desjardins Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
GMP Securities L.P.
Dundee Securities Limited
Laurentian Bank Securities Inc.
Industrial Alliance Securities Inc.
Manulife Securities Incorporated
Promoter(s):
-
Project #2505228

Issuer Name:
LAURENTIAN BANK OF CANADA
Principal Regulator – Quebec
Type and Date:
Preliminary Short Form Prospectus dated July 5, 2016
NP 11-202 Preliminary Receipt dated July 6, 2016
Offering Price and Description:
$135,128,400.00 – 2,824,000 Subscription Receipts each representing the right to receive one Common Share
Price: $47.85 per Subscription Receipt
Underwriter(s) or Distributor(s):
TD SECURITIES INC.
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
LAURENTIAN BANK SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
RBC DOMINION SECURITIES INC.
DESJARDINS SECURITIES INC.
SCOTIA CAPITAL INC.
CANACCORD GENUITY CORP.
CORMARK SECURITIES INC.
Promoter(s):
-
Project #2504015

Issuer Name:
LSC Communications, Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated June 30, 2016
NP 11-202 Preliminary Receipt dated July 5, 2016
Offering Price and Description:
US$ * – * Shares of Common Stock
Price: US$ * per Share
Underwriter(s) or Distributor(s):
-
Promoter(s):
R. R. Donnelley & Sons Company
Project #2504612

Issuer Name:
Mandalay Resources Corporation
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated July 11, 2016
NP 11-202 Preliminary Receipt dated July 11, 2016
Offering Price and Description:
$35,006,000.00 – 30,440,000 Common Shares
Price: $1.15 per Offered Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Promoter(s):
-
Project #2505119

Issuer Name:
NYX Gaming Group Limited
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated July 4, 2016
NP 11-202 Preliminary Receipt dated July 5, 2016
Offering Price and Description:
$150,012,500.00 – 54,550,000 Ordinary Shares and 13,637,500 Ordinary Share Purchase Warrants Issuable on Exercise of Outstanding Special Warrants
Price: $2.75 per Subscription Receit and
Price: $2.75 per Special Warrant
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
MACQUARIE CAPITAL MARKETS CANADA LTD.
NATIONAL BANK FINANCIAL INC.
CANTOR FITZGERALD CANADA CORPORATION
CORMARK SECURITIES INC.
DUNDEE SECURITIES LTD.
GLOBAL MAXFIN CAPITAL INC.
MACKIE RESEARCH CAPITAL CORPORATION
Promoter(s):
-
Project #2504883

Issuer Name:
Slate Office REIT
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated July 7, 2016
NP 11-202 Preliminary Receipt dated July 7, 2016
Offering Price and Description:
$500,000,000.00 – Units, Debt Securities, Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2505759

Issuer Name:
Wallbridge Mining Company Limited
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated July 8, 2016
NP 11-202 Preliminary Receipt dated July 11, 2016
Offering Price and Description:
$4,500,000.00 – 43,750,000 Units and 10,000,000 FT Shares
Price: $0.08 per Unit and $0.10 per FT Share
Underwriter(s) or Distributor(s):
Secutor Capital Management Corporation
Canaccord Genuity Corp.
Promoter(s):
-
Project #2506192

Issuer Name:
WPT Industrial Real Estate Investment Trust
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated July 5, 2016
NP 11-202 Preliminary Receipt dated July 5, 2016
Offering Price and Description:
US$60,000,395.00 – 5,429,900 Units
Price: US$11.05 per Unit
Underwriter(s) or Distributor(s):
DESJARDINS SECURITIES INC.
CIBC WORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
NATIONAL BANK FINANCIAL INC.
GMP SECURITIES L.P.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
Promoter(s):
-
Project #2502969

Issuer Name:
Advanced Folio Fund
Aggressive Folio Fund
Balanced Folio Fund
Canadian Dividend Class (Laketon)
Canadian Equity Class
Canadian Equity Class (Laketon)
Canadian Equity Fund (Laketon)
Canadian Growth Class (GWLIM)
Canadian Growth Fund (GWLIM)
Canadian Low Volatility Class (London Capital)
Canadian Value Class (FGP)
Cash Management Class
Conservative Folio Fund
Core Bond Fund (Portico)
Core Plus Bond Fund (Portico)
Corporate Bond Fund (Portico)
Diversified Fixed Income Folio Fund
Dividend Class (GWLIM)
Dividend Fund (GWLIM)
Focused Canadian Equity Class (CGOV)
Global Dividend Class (Setanta)
Global Equity Class (Setanta)
Global Infrastructure Equity Fund (London Capital)
Global Low Volatility Fund (ILIM)
Global Monthly Income Fund (London Capital)
Global Real Estate Fund (London Capital)
Growth and Income Class (GWLIM)
Income Fund (Portico)
International Equity Class (Putnam)
Quadrus International Equity Fund (Putnam)
Mackenzie Canadian Concentrated Equity Fund
Mackenzie Canadian Large Cap Balanced Fund
Mackenzie Canadian Large Cap Dividend Fund
Mackenzie Canadian Large Cap Growth Fund
Mackenzie Canadian Resource Fund
Mackenzie Emerging Markets Class
Mackenzie Floating Rate Income Fund
Mackenzie Global Growth Class
Mackenzie Ivy European Class
Mackenzie Ivy Foreign Equity Fund
Mackenzie Ivy Global Balanced Fund
Mackenzie Precious Metals Class
Mackenzie Strategic Income Class
Mackenzie Strategic Income Fund
Mackenzie US All Cap Growth Fund
Mackenzie US Mid Cap Growth Class
Mid Cap Canada Fund (GWLIM)
Moderate Folio Fund
Money Market Fund
Monthly Income Fund (London Capital)
North American High Yield Bond Fund (Putnam)
North American Specialty Class
Real Return Bond Fund (Portico)
Short Term Bond Fund (Portico)
U.S. and International Equity Class
U.S. and International Specialty Class
U.S. Dividend Class (GWLIM)
U.S. Low Volatility Fund (Putnam)
U.S. Value Class (Putnam)
U.S. Value Fund (London Capital)
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated June 29, 2016
NP 11-202 Receipt dated July 7, 2016
Offering Price and Description:
Quadrus series, H series, L series, N series, QF series, D5 series, H5 series, L5 series, N5 series, D8 series, H8 series, L8 series, N8 series, Series R and QF5 securities @ Net Asset Value
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.
Quadrus Investment Services Ltd.
Quadrus Investment Services Inc.
Promoter(s):
Mackenzie Financial Corporation
Project #2481507

Issuer Name:
Bank of Nova Scotia, The
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated July 7, 2016
NP 11-202 Receipt dated July 7, 2016
Offering Price and Description:
$15,000,000,000.00
Senior Debt Securities (Unsubordinated Indebtedness)
Subordinated Debt Securities (Subordinated Indebtedness)
Preferred Shares
Common Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2500400

Issuer Name:
Birchcliff Energy Ltd.
Principal Regulator – Alberta
Type and Date:
Final Short Form Prospectus dated July 6, 2016
NP 11-202 Receipt dated July 6, 2016
Offering Price and Description:
$634,500,000.00 – 101,520,000 Subscription Receipts
Underwriter(s) or Distributor(s):
NATIONAL BANKFINANCIAL INC.
CORMARK SECURITIES INC.
GMP SECURITIES L.P.
SCOTIA CAPITAL INC.
CIBC WORLD MARKETS INC.
HSBC SECURITIES (CANADA)INC.
TD SECURITIES INC.
RAYMOND JAMES LTD.
BMO NESBITT BURNS INC.
CANACCORD GENUITY CORP.
MACQUARIE CAPITAL MARKETS CANADA LTD.
ALTACORP CAPITAL INC.
HAYWOOD SECURITIES INC.
INTEGRAL WEALTH SECURITIES LIMITED
PETERS & CO. LIMITED
Promoter(s):
-
Project #2500206

Issuer Name:
BonaVista Canadian Equity Value Fund
BonaVista Global Balanced Fund
Phillips, Hager & North $U.S. Money Market Fund
Phillips, Hager & North Balanced Fund
Phillips, Hager & North Bond Fund
Phillips, Hager & North Canadian Equity Fund
Phillips, Hager & North Canadian Equity Underlying Fund
Phillips, Hager & North Canadian Equity Underlying Fund II
Phillips, Hager & North Canadian Equity Value Fund
Phillips, Hager & North Canadian Growth Fund
Phillips, Hager & North Canadian Income Fund
Phillips, Hager & North Canadian Money Market Fund
Phillips, Hager & North Community Values Balanced Fund
Phillips, Hager & North Community Values Bond Fund
Phillips, Hager & North Community Values Canadian Equity Fund
Phillips, Hager & North Community Values Global Equity Fund
Phillips, Hager & North Currency-Hedged Overseas Equity Fund
Phillips, Hager & North Currency-Hedged U.S. Equity Fund
Phillips, Hager & North Dividend Income Fund
Phillips, Hager & North Global Equity Fund
Phillips, Hager & North High Yield Bond Fund
Phillips, Hager & North Inflation-Linked Bond Fund
Phillips, Hager & North LifeTime 2015 Fund
Phillips, Hager & North LifeTime 2020 Fund
Phillips, Hager & North LifeTime 2025 Fund
Phillips, Hager & North LifeTime 2030 Fund
Phillips, Hager & North LifeTime 2035 Fund
Phillips, Hager & North LifeTime 2040 Fund
Phillips, Hager & North LifeTime 2045 Fund
Phillips, Hager & North LifeTime 2050 Fund
Phillips, Hager & North Long Inflation-linked Bond Fund
Phillips, Hager & North Monthly Income Fund
Phillips, Hager & North Overseas Equity Fund
Phillips, Hager & North Short Term Bond & Mortgage Fund
Phillips, Hager & North Total Return Bond Fund
Phillips, Hager & North U.S. Dividend Income Fund
Phillips, Hager & North U.S. Equity Fund
Phillips, Hager & North U.S. Growth Fund
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund
Phillips, Hager & North Vintage Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated June 30, 2016
NP 11-202 Receipt dated July 5, 2016
Offering Price and Description:
Series A, Advisor Series, Series H, Series D, Series F, Series I and Series O units
Underwriter(s) or Distributor(s):
Phillips, Hager & North Investment Funds Ltd.
Promoter(s):
RBC Global Asset Management Inc.
Project #2485597

Issuer Name:
CIBC Asia Pacific Fund
CIBC Asia Pacific Index Fund
CIBC Balanced Fund
CIBC Balanced Index Fund
CIBC Canadian Bond Fund
CIBC Canadian Bond Index Fund
CIBC Canadian Equity Fund
CIBC Canadian Equity Value Fund
CIBC Canadian Index Fund
CIBC Canadian Real Estate Fund
CIBC Canadian Resources Fund
CIBC Canadian Short-Term Bond Index Fund
CIBC Canadian Small-Cap Fund
CIBC Canadian T-Bill Fund
CIBC Dividend Growth Fund
CIBC Dividend Income Fund
CIBC Emerging Markets Fund
CIBC Emerging Markets Index Fund
CIBC Energy Fund
CIBC European Equity Fund
CIBC European Index Fund
CIBC Financial Companies Fund
CIBC Global Bond Fund
CIBC Global Bond Index Fund
CIBC Global Equity Fund
CIBC Global Monthly Income Fund
CIBC Global Technology Fund
CIBC International Equity Fund
CIBC International Index Fund
CIBC International Small Companies Fund
CIBC Latin American Fund
CIBC Managed Aggressive Growth Portfolio
CIBC Managed Balanced Growth Portfolio
CIBC Managed Balanced Portfolio
CIBC Managed Growth Portfolio
CIBC Managed Income Plus Portfolio
CIBC Managed Income Portfolio
CIBC Managed Monthly Income Balanced Portfolio
CIBC Money Market Fund
CIBC Monthly Income Fund
CIBC Nasdaq Index Fund
CIBC Precious Metals Fund
CIBC Short-Term Income Fund
CIBC U.S. Broad Market Index Fund
CIBC U.S. Dollar Managed Balanced Portfolio
CIBC U.S. Dollar Managed Growth Portfolio
CIBC U.S. Dollar Managed Income Portfolio
CIBC U.S. Dollar Money Market Fund
CIBC U.S. Equity Fund
CIBC U.S. Index Fund
CIBC U.S. Small Companies Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated June 29, 2016
NP 11-202 Receipt dated July 7, 2016
Offering Price and Description:
Premium Class, Class O, Class T4, Class T6, Class T8 and Institutional Class Units @ Net Asset Value
Underwriter(s) or Distributor(s):
CIBC SECURITIES INC.
CIBC Securities Inc.
Promoter(s):
CANADIAN IMPERIAL BANK OF COMMERCE
Project #2486062

Issuer Name:
Dundee Precious Metals Inc.
Principal Regulator – Ontario
Type and Date:
Final Short Form Prospectus dated July 4, 2016
NP 11-202 Receipt dated July 5, 2016
Offering Price and Description:
$47,520,000.00 – 15,840,000 Common Shares, Price: $3.00 per Offered Share
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
CIBC WORLD MARKETS INC.
DUNDEE SECURITIES LTD.
GMP SECURITIES L.P.
PARADIGM CAPITAL INC.
SCOTIA CAPITAL INC.
BMO NESBITT BURNS INC.
Promoter(s):
-
Project #2499695

Issuer Name:
Exemplar Growth and Income Fund
Exemplar Investment Grade Fund
Exemplar Leaders Fund (formerly, Northern Rivers Conservative Growth Fund)
Exemplar Performance Fund
Exemplar Tactical Corporate Bond Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated June 29, 2016
NP 11-202 Receipt dated July 6, 2016
Offering Price and Description:
Series A, AI, AN, U, F, FI, FN, G, I, L, LI, and M units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2491746

Issuer Name:
Franklin Bissett Canadian All Cap Balanced Fund
Franklin Bissett Canadian Dividend Fund
Franklin Bissett Canadian Equity Corporate Class
Franklin Bissett Money Market Corporate Class
Franklin Bissett Money Market Fund
Franklin Quotential Diversified Income Corporate Class Portfolio
Franklin Quotential Diversified Income Portfolio
Franklin U.S. Monthly Income Corporate Class
Franklin U.S. Monthly Income Fund
Franklin World Growth Corporate Class
Templeton Frontier Markets Fund
Principal Regulator – Ontario
Type and Date:
Amendment #1 dated June 27, 2016 to Final Simplified Prospectus dated May 27, 2016
NP 11-202 Receipt dated July 5, 2016
Offering Price and Description:
Series A, F and O units and Series A, F and O shares @ Net Asset Value
Underwriter(s) or Distributor(s):
Franklin Templeton Investments Corp.
Franklin Templeton Investments Corp.
Bissett Investment Management, a division of Franklin Templeton Investments Corp.
Franklin Templeton Investments Corp.
Promoter(s):
Franklin Templeton Investments Corp.
Project #2469490

Issuer Name:
Horizons Active Cdn Bond ETF
Horizons Active Cdn Dividend ETF (formerly Horizons Dividend ETF)
Horizons Active Cdn Municipal Bond ETF
Horizons Active Corporate Bond ETF (formerly Horizons Corporate Bond ETF)
Horizons Active Emerging Markets Dividend ETF
Horizons Active Floating Rate Bond ETF (formerly Horizons Floating Rate Bond ETF)
Horizons Active Floating Rate Preferred Share ETF
Horizons Active Floating Rate Senior Loan ETF
Horizons Active Global Dividend ETF (formerly Horizons Global Dividend ETF)
Horizons Active Global Fixed Income ETF (formerly known as Horizons Active Yield Matched Duration ETF)
Horizons Active High Yield Bond ETF (formerly Horizons High Yield Bond ETF)
Horizons Active Preferred Share ETF (formerly Horizons Preferred Share ETF)
Horizons Active US Dividend ETF
Horizons Active US Floating Rate Bond (USD) ETF (formerly Horizons U.S. Floating Rate Bond ETF)
Horizons Cdn Equity Managed Risk ETF (formerly Horizons Canadian Black Swan ETF)
Horizons Managed Global Opportunities ETF
Horizons Managed Multi-Asset Momentum ETF
Horizons S&P/TSX 60 Equal Weight Index ETF (formerly Horizons AlphaPro S&P/TSX 60 Equal Weight Index ETF)
Horizons US Equity Managed Risk ETF (formerly Horizons US Black Swan ETF)
Principal Regulator – Ontario
Type and Date:
Amendment dated June 28, 2016 to Final Long Form Prospectus dated February 4, 2016
NP 11-202 Receipt dated July 6, 2016
Offering Price and Description:
Class E Units and Advisor Class Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
ALPHAPRO MANAGEMENT INC.
Project #2432195

Issuer Name:
Horizons Global Currency Opportunities ETF
Horizons Global Risk Parity ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated June 28, 2016
NP 11-202 Receipt dated July 6, 2016
Offering Price and Description:
Class E Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
AlphaPro Management Inc.
Project #2490426

Issuer Name:
Mackenzie Emerging Markets Opportunities Class*
Mackenzie Global Growth Class*
Mackenzie International Growth Class*
Mackenzie International Growth Fund
Principal Regulator – Ontario
Type and Date:
Amendment #6 dated July 4, 2016 to Final Simplified Prospectus dated September 29, 2015
NP 11-202 Receipt dated July 11, 2016
Offering Price and Description:
Series A, D, F, FB, I, O, PW, PWF, PWF8, PWT8, PWX, PWX8, T6 and T8 securities @ Net Asset Value
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.
LBC Financial Services Inc
LBC Financial Services Inc.
Promoter(s):
Mackenzie Financial Corporation
Project #2380257

Issuer Name:
Mackenzie Private Canadian Focused Equity Pool
Mackenzie Private Canadian Focused Equity Pool Class
Mackenzie Private Global Equity Pool
Mackenzie Private Global Equity Pool Class
Principal Regulator – Ontario
Type and Date:
Amendment #2 dated July 4, 2016 to Final Simplified Prospectus dated November 20, 2015
NP 11-202 Receipt dated July 11, 2016
Offering Price and Description:
Series PW, PWT5, PWF, PWF5, PWX and PWX5 securities @Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Mackenzie Financial Corporation
Project #2399699

Issuer Name:
Phillips, Hager & North Balanced Pension Trust
Phillips, Hager & North Canadian Equity Pension Trust
Phillips, Hager & North Canadian Equity Plus Pension Trust
Phillips, Hager & North Conservative Equity Income Fund
Phillips, Hager & North Overseas Equity Pension Trust
Phillips, Hager & North Small Float Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated June 30, 2016
NP 11-202 Receipt dated July 5, 2016
Offering Price and Description:
Series A and Series O units
Underwriter(s) or Distributor(s):
-
Promoter(s):
RBC Global Asset Management Inc.
Project #2485604

Issuer Name:
PIMCO Balanced Income Fund (Canada)
Principal Regulator – Ontario
Type and Date:
Amendment #1 dated June 27, 2016 to Final Simplified Prospectus dated October 30, 2015
NP 11-202 Receipt dated July 8, 2016
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
PIMCO Canada Corp.
Project #2363543

Issuer Name:
Renaissance Canadian Equity Private Pool (formerly Frontiers Canadian Equity Pool)
Renaissance Canadian Fixed Income Private Pool (formerly Frontiers Canadian Fixed Income Pool)
Renaissance Ultra Short-Term Income Private Pool (formerly Frontiers Canadian Short Term Income Pool)
Renaissance Emerging Markets Equity Private Pool (formerly Frontiers Emerging Markets Equity Pool)
Renaissance Equity Income Private Pool (formerly Frontiers Equity Income Pool)
Renaissance Global Bond Private Pool (formerly Frontiers Global Bond Pool)
Renaissance International Equity Private Pool (formerly Frontiers International Equity Pool)
Renaissance U.S. Equity Currency Neutral Private Pool (formerly Frontiers U.S. Equity Currency Neutral Pool)
Renaissance U.S. Equity Private Pool (formerly Frontiers U.S. Equity Pool)
Principal Regulator – Ontario
Type and Date:
Amendment #1 dated June 29, 2016 to Final Simplified Prospectus dated April 19, 2016
NP 11-202 Receipt dated July 8, 2016
Offering Price and Description:
Class A, Premium Class, Premium-T4 Class, Premium-T6 Class, Class H-Premium, Class H-Premium T4, Class H-Premium T6, Class F-Premium, Class F-Premium T4, Class F-Premium T6, Class FH-Premium, Class FH-Premium T4, Class FH-Premium T6, Class N-Premium, Class N-Premium T4, Class N-Premium T6, Class NH-Premium, Class NH-Premium T4 units, and Class NH-Premium T6 units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2408744

Issuer Name:
Santacruz Silver Mining Ltd.
Principal Regulator – British Columbia
Type and Date:
Final Short Form Prospectus dated July 8, 2016
NP 11-202 Receipt dated July 8, 2016
Offering Price and Description:
$13,240,000.00 – 33,100,000 Units, Price: $0.40 per Unit
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
M Partners Inc.
Promoter(s):
-
Project #2498232

Issuer Name:
Tamarack Valley Energy Ltd.
Principal Regulator – Alberta
Type and Date:
Final Short Form Prospectus dated July 5, 2016
NP 11-202 Receipt dated July 5, 2016
Offering Price and Description:
$8,003,200.00 – 1,952,000 Flow-Through Shares
and
$64,002,420.00 – 17,487,000 Subscription Receipts
each representing the right to receive one Common Share
Underwriter(s) or Distributor(s):
NATIONAL BANK FINANCIAL INC.
DUNDEE SECURITIES LTD.
MACQUARIE CAPITAL MARKETS CANADA LTD.
CIBC WORLD MARKETS INC.
FIRSTENERGY CAPITAL CORP.
PETERS & CO. LIMITED
DESJARDINS SECURITIES INC.
ACUMEN CAPITAL FINANCE PARTNERS LIMITED
ALTACORP CAPITAL INC.
Promoter(s):
-
Project #2499710

Issuer Name:
WisdomTree Emerging Markets Dividend Index ETF
WisdomTree Europe Hedged Equity Index ETF
WisdomTree International Quality Dividend Growth Index ETF
WisdomTree U.S. Earnings 500 Index ETF
WisdomTree U.S. High Dividend Index ETF
WisdomTree U.S. MidCap Dividend Index ETF
WisdomTree U.S. Quality Dividend Growth Index ETF
WisdomTree U.S. SmallCap Dividend Index ETF
WisdomTree International Quality Dividend Growth Dynamic Hedged Index ETF
WisdomTree U.S. High Dividend Dynamic Hedged Index ETF
WisdomTree U.S. Quality Dividend Growth Dynamic Hedged Index ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated July 6, 2016
NP 11-202 Receipt dated July 8, 2016
Offering Price and Description:
Non-Hedged Units"), Hedged Units and Dynamic Hedged Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
WisdomTree Asset Management Canada, Inc.
Project #2472242

Issuer Name:
WisdomTree International Quality Dividend Growth Dynamic Hedged Index ETF
WisdomTree U.S. High Dividend Dynamic Hedged Index ETF
WisdomTree U.S. Quality Dividend Growth Dynamic Hedged Index ETF
WisdomTree Emerging Markets Dividend Index ETF
WisdomTree Europe Hedged Equity Index ETF
WisdomTree International Quality Dividend Growth Index ETF
WisdomTree U.S. Earnings 500 Index ETF
WisdomTree U.S. High Dividend Index ETF
WisdomTree U.S. MidCap Dividend Index ETF
WisdomTree U.S. Quality Dividend Growth Index ETF
WisdomTree U.S. SmallCap Dividend Index ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated July 6, 2016
NP 11-202 Receipt dated July 8, 2016
Offering Price and Description:
Non-Hedged Units, Hedged Units and Dynamic Hedged Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
WistomTree Asset Management Canada Inc.
Project #2489463

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: KFL Capital Management Ltd. To: AR3 Capital Management Inc.	Portfolio Manager,Commodity Trading Manager, Investment Fund Manager and Exempt Market Dealer	July 4, 2016
New Registration	West Harbour Capital	Exempt Market Dealer	July 6, 2016
Voluntary Surrender	Salman Partners Inc.	Investment Dealer	July 8, 2016
Change in Registration Category	Palisade Capital Management Ltd.	From: Exempt Market Dealer To: Investment Fund Manager and Exempt Market Dealer	July 8, 2016
New Registration	Wedge Capital Management L.L.P.	Portfolio Manager	July 11, 2016
Change in Registration Category	JDM Investment Partners Ltd.	From: Investment Fund Manager, Portfolio Manager and Exempt Market Dealer To: Investment Fund Manager, Portfolio Manager, Exempt Market Dealer and Commodity Trading Manager	July 11, 2016

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.3.1 CDCC – Amendments to the CDCC Default Manual and to Sections A-308 and A-401 of the CDCC Rules – Notice of Commission Approval

NOTICE OF COMMISSION APPROVAL

AMENDMENTS TO THE CDCC DEFAULT MANUAL AND TO SECTIONS A-308 AND A-401 OF THE CDCC RULES

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and The Canadian Derivatives Clearing Corporation (CDCC), the Commission approved on July 8, 2016, changes to the CDCC Default Manual and sections A-308 and A-401 of the CDCC Rules.

A copy of the CDCC notices was published for comment on December 23, 2015 on the Commission's website at: http://www.osc.gov.on.ca. No comments were received.

13.3.2 CDS – Proposed Amendments to the CDS Fee Schedule – ISIN Issuance and CDS Elibility Services, and Entitlements and Corporate Action Events Management – OSC Staff Notice of Request for Comment

OSC STAFF NOTICE OF REQUEST FOR COMMENT

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS)

PROPOSED AMENDMENTS TO
THE CDS FEE SCHEDULE – ISIN ISSUANCE AND CDS ELIBILITY SERVICES,
AND ENTITLEMENTS AND CORPORATE ACTION EVENTS MANAGEMENT

The Ontario Securities Commission (OSC) is publishing for a 30 day public comment period revised CDS proposals to implement revisions to certain existing fees, as well as new fees, applicable to ISIN Issuance and CDS Eligibility Services, and new fees applicable to entitlement and corporate action event management.

Concurrent with these two revised filings, CDS has withdrawn the original proposal "CDS Proposed Amendments to the CDS fee schedule re Issuer Services Program" dated November 13, 2014 (http://www.osc.gov.on.ca/en/Marketplaces_cds_20141113_rfc-amd-cds-fee-schedule.htm). Further details including comment letters regarding the original filing can be found on the CDS website at http://www.cds.ca/resource/en/154.

Under the orders issued by the Autorite des marches financiers, British Columbia Securities Commission and OSC (Regulatory Authorities) recognizing CDS as a clearing agency pursuant to the **Securities Acts** in Ontario, Quebec and British Columbia (Acts), CDS requires prior Regulatory Authorities' approval before implementing any amendments to its fee schedule, including new fees. As such, Regulatory Authorities staff published on May 14, 2015 Multilateral CSA Staff Notice 24-313 *CSA Staff's Review of Proposed Amendments to Fee Schedule of The Canadian Depository for Securities Limited (CDS Limited) and CDS Clearing and Depository Services Inc. (CDS Clearing) (collectively, CDS)* to describe their approach when reviewing proposed amendments to CDS Fees http://www.osc.gov.on.ca/en/SecuritiesLaw_csa_20150514_24-313_fee-schedule.htm. OSC staff will continue to follow this approach when reviewing the two revised fee proposals.

A copy of the CDS Notices is published on our website at http://www.osc.gov.on.ca.

13.3.3 Nodal Clear, LLC – Application for Exemptive Relief – Notice of Commission Order

NODAL CLEAR, LLC (NODAL CLEAR)

APPLICATION FOR EXEMPTIVE RELIEF

NOTICE OF COMMISSION ORDER

On July 11, 2016, the Commission issued an order under section 147 of the *Securities Act* (Ontario) (Act) exempting Nodal Clear from the requirement in subsection 21.2(0.1) of the Act to be recognized as a clearing agency (Order), subject to terms and conditions as set out in the Order.

The Commission published Nodal Clear's application and draft exemption order for comment on May 5, 2016 on the OSC website at http://www.osc.gov.on.ca/en/Marketplaces_xxr-nodal-exchange_20160505_nco-exemption.htm and at (2016), 39 OSCB 4382. A comment letter was received from the TMX Group Limited. A copy of the comment letter is posted at http://www.osc.gov.on.ca/documents/en/Marketplaces/com_20160602_dobrowskyd.pdf. We summarize below the main comments and Staff's responses to them. In issuing the Order, no substantive changes were made to the draft order published for comment.

A copy of the Order is published in Chapter 2 of this Bulletin.

Comment	Response
TMX comments that in conducting a comparison of regulatory and oversight regimes, the Commission's comparison should be broader than Parts 3 and 4 of NI 24-102, which includes compliance with the principles set out in the April 2012 final report entitled *Principles for financial market infrastructures* published by the Bank for International Settlements' Committee on Payments and Market Infrastructure (formerly the Committee on Payment and Settlement Systems) and the Technical Committee of the International Organization of Securities Commissions, as amended from time to time. The Commission should also compare Part 2 of NI 24-102 and additional terms and conditions in the recognition orders that Canadian clearing agencies are subject to.	When we review an application from an applicant clearing agency seeking exemption from the recognition requirement, we assess the application according to the approach outlined in the Companion Policy to NI 24-102, which includes an assessment of whether the regulation by the home regulator(s) generally results in similar outcomes in substance to the requirements of Parts 3 and 4 of NI 24-102. We do not compare Part 2 of NI 24-102 because both recognized and exempt clearing agencies are subject to the requirements set out in Part 2 of NI 24-102. The requirements in Part 2 of NI 24-102 for recognized clearing agencies are different from the requirements for exempt clearing agencies due to difference in the level of risk the recognized clearing agencies pose to Ontario's capital markets.
TMX comments that the rule and fee change requirements in Nodal Clear's home jurisdiction are less onerous and involve shorter timelines than related requirements in NI 24-102. Not subjecting foreign clearing agencies, like Nodal Clear, to the same rule and fee review and approval process to which Canadian clearing agencies are subject creates an uneven playing field causing Canadian clearing agencies to be put at a competitive disadvantage.	The requirements in Part 2 of NI 24-102 relating to filing of significant changes and fee changes with the Commission or other provincial securities regulatory authority only apply to recognized clearing agencies. Our approach to recognition or exemption of a clearing agency is based largely on whether the clearing agency poses significant risk to the Ontario capital markets. To the extent that the clearing agency does not pose a significant risk to the Ontario markets, and is subject to an appropriate regulatory and oversight regime in its home jurisdiction, we will generally be of the view that it is appropriate to defer day-to-day oversight to the home regulator, subject to certain terms and conditions, to reduce overlap and duplication.
TMX comments that it is unreasonable to grant greater deference to a foreign regulator than another Canadian provincial securities commission. In particular, TMX comments that very few of the requirements to which the Canadian Derivatives Clearing Corporation (CDCC) is subject are imposed on Nodal Clear.	Our approach to recognition or exemption of a domestic clearing agency is consistent with our approach to recognition or exemption of foreign-based clearing agencies. It is based largely on whether the clearing agency poses significant risk to the Ontario capital markets. The different treatments of CDCC and Nodal Clear are due to difference in the level of risk posed to our markets.

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Chapter 25

Other Information

25.1 Consents

25.1.1 Frankly Inc. – s. 4(b) of Ont. Reg. 289/00 under the OBCA

Headnote

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under the British Columbia Business Corporations Act.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181.
Securities Act, R.S.O. 1990, c. S.5, as am.

Regulations Cited

Regulation made under the Business Corporations Act, Ont. Reg. 289/00, as am., s. 4(b).

IN THE MATTER OF
R.R.O. 1990, REGULATION 289/00, AS AMENDED
(THE "REGULATION") MADE UNDER THE
BUSINESS CORPORATIONS ACT (ONTARIO),
R.S.O. 1990, c. B.16, AS AMENDED
(THE "OBCA")

AND

IN THE MATTER OF
FRANKLY INC.

CONSENT
(Subsection 4(b) of the Regulation)

UPON the application of Frankly Inc. (the "**Corporation**") to the Ontario Securities Commission (the "**Commission**") requesting the consent (the "**Consent**") of the Commission pursuant to subsection 4(b) of the Regulation for the Corporation to continue to another jurisdiction pursuant to Section 181 of the OBCA;

AND UPON considering the application and the recommendation of the staff of the Commission;

AND UPON the Corporation having represented to the Commission that:

1. The Corporation was incorporated under the *Business Corporations Act* (Ontario) by certificate of incorporation effective on June 7, 2013 under the name WB III Acquisition Corp. On December 22, 2014, the Corporation changed its name to Frankly Inc.

2. The Corporation's head office is located at 333 Bryant Street, Suite 240, San Francisco, California, 94107 and the registered office is located at 5 Hazelton Avenue, Suite 300, Toronto, Ontario, M5R 2E1.

3. The authorized share capital of the Corporation consists of an unlimited number of common shares (the "**Common Shares**") and an unlimited number of Class A Restricted Voting Shares (the "**Restricted Voting Shares**") of which 21,998,304 Common Shares and 10,095,027 Restricted Voting Shares were issued and outstanding as of May 31, 2016.

4. The Corporation's issued and outstanding Common Shares are listed for trading on the TSX Venture Exchange (the "**TSXV**") under the symbol "TLK". The Corporation does not have any securities listed on any other exchange except the TSXV.

5. The Corporation proposes to make an application to the Director pursuant to Section 181 of the OBCA (the "**Application for Continuance**") for authorization to continue into the Province of British Columbia under the *Business Corporations Act* (British Columbia) (the "**BCBCA**"). The Corporation intends to keep its current name and trading symbol. The Corporation has a name reservation granted by the Registrar of Companies, British Columbia in the name "Frankly Inc.", under name reservation number NR 8487109.

6. Pursuant to subsection 4(b) of the Regulation, where a corporation is an offering corporation under the OBCA, the Application for Continuance must be accompanied by a consent of the Commission.

7. The Corporation is an offering corporation under the provisions of the OBCA and is a reporting issuer within the meaning of the *Securities Act*, R.S.O. 1990, c. s. 5, as amended (the "**OSA**") and within the meaning of the *Securities Act* (British Columbia), R.S.B.C. 1996, c. 418 (the "**BCSA**") and the *Securities Act* (Alberta), R.S.A. 2000, c. S-4 (the "**ASA**"). The Corporation intends to remain a reporting issuer in Ontario, British Columbia and Alberta after the Continuance. The Corporation is not a reporting issuer or equivalent in any other jurisdiction.

8. The Commission is the Corporation's principal regulator. Following the Continuance, the British

Columbia Securities Commission will become the Corporation's principal regulator.

9. The Corporation is not in default under any provision of the OBCA, the OSA, the BCSA or the ASA or the regulations or rules made thereunder and is not in default under any rules, regulations or policies of the TSXV.

10. The Corporation is not a party to any proceeding or, to the best of its knowledge, information and belief, any pending proceeding under the OBCA, OSA, BCSA or the ASA.

11. A summary of the material provisions respecting the proposed Continuance was provided to the shareholders of the Corporation ("**Shareholders**") in the management information circular of the Corporation dated May 31, 2016 (the "**Circular**") in respect of the Corporation's annual general and special meeting of shareholders held on June 30, 2016 (the "**Meeting**"). The Circular was mailed to Shareholders of record at the close of business on May 24, 2016 and was filed on the System for Electronic Document Analysis and Retrieval on June 9, 2016.

12. In accordance with the OBCA, the special resolution of Shareholders obtained at the Meeting in connection with the proposed Continuance (the "**Continuance Resolution**") required the approval of a minimum majority of 66 2/3% of the aggregate votes cast by Shareholders present in person or by proxy at the Meeting. Each Shareholder was entitled to one vote for each Common Share and Restricted Voting Share held.

13. Shareholders had the right to dissent with respect to the proposed Continuance pursuant to Section 185 of the OBCA, and the Circular disclosed full particulars of this right in accordance with applicable law.

14. The Continuance Resolution was approved at the Meeting by 73.92% of the votes cast by Shareholders in respect of the Continuance Resolution. None of the Shareholders exercised dissent rights pursuant to section 185 of the OBCA.

15. Following completion of the Continuance, the registered office of the Corporation will be located in British Columbia and the head office of the Corporation will remain in California.

16. The Corporation believes that the BCBCA will provide the Corporation with greater flexibility than the OBCA with respect to directors as the BCBCA does not have a requirement that any of the directors be Canadian residents. Full disclosure of the reasons for and implications of the proposed Continuance were included in the Circular.

17. The material rights, duties and obligations of a corporation governed by the BCBCA are substantially similar to those of a corporation governed by the OBCA.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

THE COMMISSION HEREBY CONSENTS to the continuance of the Corporation as a corporation under the BCBCA.

DATED this 8th day of July, 2016.

"Janet Leiper"
Commissioner
Ontario Securities Commission

"Tim Moseley"
Commissioner
Ontario Securities Commission

25.2 Permissions

25.2.1 Pacific Exploration & Production Corporation – s. 38(3)

Headnote

Filer granted permission from the Director, pursuant to s. 38(3) of the Securities Act (Ontario), to make listing representations in its Information Circular to the effect that the filer intends to make application to the Toronto Stock Exchange, the TSXV, or such other designated offshore securities market, for its Common Shares to be admitted for listing and trading.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 38(3).

July 5, 2016

Norton Rose Fulbright Canada LLP
200 Bay Street, Suite 3800
Royal Bank Plaza, South Tower
Toronto, Ontario, M5J 2Z4

Attention: Mr. Bruce Sheiner

Re: Pacific Exploration & Production Corporation

Application for Permission to Make a Listing Representation

Further to your letter submitted on behalf of Pacific Exploration & Production Corporation (the **Corporation**) dated June 17, 2016 (the **Application**), we understand that:

1. The Corporation is incorporated in the province of British Columbia under the *Business Corporations Act* (British Columbia) with corporation number BC0989606.

2. The common shares of the Corporation were listed on the Toronto Stock Exchange (**TSX**) under stock symbol PRE until May 25, 2016, on which date the common shares were delisted. The Corporation remains listed on the Colombia stock exchange (La Bolsa de Valores de Colombia) under the stock symbol PREC.

3. The Corporation is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland (collectively, the **Reporting Jurisdictions**).

4. The Corporation is undertaking a restructuring transaction pursuant to a proceeding under the *Companies' Creditors Arrangement Act* (the **CCAA**), together with the proceedings in Columbia under Ley 1116 of 2006 and in the United States under chapter 15 of title 11 of the United States Code.

5. The proposed plan of compromise and arrangement (the **Plan**) will include the following general steps:

   (a) U.S.$250 million principal amount of debtor-in-possession (**DIP**) financing will be exchanged for approximately 29.3% of the common shares of the reorganized Corporation;

   (b) Warrants issued as part of the DIP financing will be exercised into approximately 12.5% of the common shares of the reorganized Corporation; and

   (c) The claims of certain affected creditors (the **Affected Creditors**) in respect of approximately U.S.$4.1 billion under certain of the Corporation's notes, approximately U.S.$1.2 billion under certain of the Corporation's credit facilities, as well as the claims of certain other Affected Creditors, will be settled in exchange for approximately 58.2% of the common shares of the reorganized Corporation.

6. A meeting of Affected Creditors of the Corporation is expected to be held at the end of July 2016 to present a resolution to approve the Plan.

7. In connection with the proposed recapitalization and financial transaction announced by the Corporation on April 19, 2016 (the **Restructuring Transaction**), it is expected that Affected Creditors will be provided with an information circular and proxy statement (the **Circular**) describing the Restructuring Transaction.

8. The Circular will contain representations identical or substantially similar to the following (the **Listing Representations**):

   (a) "In connection with the Plan, the Corporation has agreed to cause its common shares to be publicly listed and available for trading on the TSX, TSX-V or such other Designated Offshore Securities Market as is acceptable to the Corporation, the Plan Sponsor and certain other participants in the Plan";

   (b) "The conditions to the Plan being effective include the following ... The Consolidation Common Shares shall have been conditionally approved for listing on the TSX, the TSX-V or such other Designated Offshore Securities Market acceptable to the Requisite Consenting Creditors without any vote or approval of the Existing Shareholders,

subject only to receipt of customary final documentation";

(c) "It is a condition to implementation of the Plan that the New Common Shares shall have been conditionally approved for listing on the TSX, the TSX-V or such other Designated Offshore Securities Market acceptable to the Majority Consenting Creditors"; and

(d) "The Corporation has agreed with the DIP Note Purchasers that it shall cause the New Common Shares to be publicly listed and available for trading on the TSX or, if such listing is not available as a consequence of listing requirements, on the TSX-V, provided that if neither such listing is available to the Corporation following the Restructuring as a consequence of the listing requirements of such exchanges, on such other Designated Offshore Securities Market as is acceptable to the Corporation, the Requisite Consenting Creditors and the Plan Sponsor (having regard to the listing requirements of the other stock exchanges and the liquidity provided thereby".

9. While discussions have commenced with the TSX regarding relisting the Corporation's common shares on the TSX, no approval has yet been received for such listing, conditional or otherwise, nor has the TSX consented to, or indicated that they do not object to, the Listing Representations.

10. Owing to the delisting from the TSX on May 25, 2016, the Corporation can no longer rely on subsection 38(3)(a) of the *Securities Act* (Ontario) (the **Act**) to make the Listing Representations and must instead make this application.

11. The Corporation seeks permission to include the Listing Representations in the Circular to be provided and made available to Affected Creditors in the Reporting Jurisdictions.

Based upon the representations above and the representations contained in your Application, permission is hereby granted pursuant to subsection 38(3) of the Act to include the Listing Representations in the Circular.

Yours very truly,

"Jo-Anne Matear"
Manager, Corporate Finance Branch
Ontario Securities Commission

25.3 Exemptions

25.3.1 Sprott Asset Management LP and Sprott Silver Bullion Fund – Part 6 of NI 81-101 Mutual Fund Prospectus Disclosure

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the prescribed risk disclosure in requirements in Part I, Item 4(1) and (2)(b) of Form 81-101F3 Contents of a Fund Facts Document.

Applicable Legislative Provisions

National Instrument 81-101 Mutual Fund Prospectus Disclosure, s. 6.1.
Form 81-101F3 Contents of a Fund Facts Document, Part I, Item 4(1), Item 4(2)(b).

June 10, 2016

Borden Ladner Gervais LLP
Scotia Plaza, 40 King Street W.
Toronto, ON M5H 3Y4

Attention: Andrew McLean

Dear Mr. McLean:

Re: Sprott Asset Management LP (the Filer) and Sprott Silver Bullion Fund (the Fund)

Simplified Prospectus dated May 27, 2016

Exemptive Relief Application under Part 6 of National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (NI 81-101)

Application No. 2016/0295; SEDAR Project No. 2470843

By letter dated June 1, 2016 (the **Application**), the Filer, on behalf of the Fund, applied to the Director of the Ontario Securities Commission (the **Director**) under Part 6 of NI 81-101 for relief from Item 4 of Form 81-101F3 *Contents of Fund Facts* in order to vary the prescribed disclosure under the heading "How risky is it?" and the sub-heading "Risk rating" in the fund facts document.

This letter confirms that, based on the information and representations made in the Application, and for the purposes described in the Application, the Director intends to grant the requested exemption to be evidenced by the issuance of a receipt for the Fund's prospectus.

Yours very truly,

"Vera Nunes"
Manager, Investment Funds & Structured Products Branch
Ontario Securities Commission

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