

*Note: [01 Nov 2006] –Amendments to NI 81-101 arising from NI 81-107. Refer to Appendix C of CSA Notice announcing NI 81-107 dated 28 Jul 2006.*

**National Instrument 81-101**  
***Mutual Fund Prospectus Disclosure***

1. Section 1.1 of National Instrument 81-101 Mutual Fund Prospectus Disclosure is amended by:

(a) adding the following after the definition of “financial year”:

“independent review committee” means the independent review committee of the investment fund established under National Instrument 81-107 *Independent Review Committee for Investment Funds*”; and

(b) adding the following after the definition of “multiple SP”:

“NI 81-107” means National Instrument 81-107 *Independent Review Committee for Investment Funds*”.

2. Form 81-101F1 Contents of Simplified Prospectus is amended

(a) in Item 5 of Part A by:

(i) adding the following after subsection (3):

“(3.1) Under a separate sub-heading “Independent Review Committee” in the diagram or table, briefly describe the independent review committee of the mutual funds, including

- an appropriate summary of its mandate,
- its composition,
- that it prepares at least annually a report of its activities for securityholders which is available on the [mutual fund’s/mutual fund family’s] Internet site at [insert mutual fund’s Internet site address], or at the securityholders request at no cost, by contacting the [mutual fund/mutual fund family] at [insert mutual fund’s /mutual fund family’s e-mail address], and
- that additional information about the independent review committee, including the names of the members, is available in the mutual fund’s Annual Information Form.”;

(ii) adding the following after subsection (5):

“(6) Despite subsection (3.1), if the information required by subsection (3.1) is not the same for substantially all of the mutual funds described in the document, provide only that information that is the same for substantially all of the mutual funds and provide the remaining disclosure required by that subsection under Item 4(3.1) of Part B of this Form.”; and

- (iii) adding the following Instruction after Instruction (2):

*“(3) The information about the independent review committee should be brief. For instance, its mandate may in part be described as “reviewing, and providing input on, the manager’s written policies and procedures which deal with conflict of interest matters for the manager and reviewing such conflict of interest matters.” A cross-reference to the annual information form for additional information on the independent review committee and fund governance should be included.”.*

- (b) in Item 8 of Part A by

- (i) adding the following after subsection 8.1(3) :

*“(3.1) Under “Operating Expenses” in the table, include a description of the fees and expenses payable in connection with the independent review committee.”; and*

- (ii) adding the following after subsection 8.1(5):

*“(6) Despite subsection (3.1), if the information required by subsection (3.1) is not the same for each mutual fund described in the document, make this disclosure in the description of fees and expenses required for each fund by Item 5 of Part B of this Form and include a cross-reference to that information in the table required by this Item.”.*

- (c) in Item 4 of Part B by adding the following after subsection (3):

*“(3.1) Under a separate sub-heading “Independent Review Committee” in the diagram or table, briefly describe the independent review committee of the mutual funds, including*

- an appropriate summary of its mandate,*
- its composition,*
- that it prepares at least annually a report of its activities for securityholders which is available on the [mutual fund’s/mutual fund family’s] Internet site at [insert mutual fund’s Internet site address], or at securityholders request at no cost, by contacting the [mutual fund/mutual fund family] at [insert mutual fund’s /mutual fund family’s e-mail address], and*
- that additional information about the independent review committee, including the names of the members, is available in the mutual fund’s Annual Information Form.”.*

- (d) in Item 5 of Part B by adding the following after subparagraph (f)(ii):

“(iii) the amount of the fees and expenses payable in connection with the independent review committee, charged to the mutual fund; and”.

3. Form 81-101F2 Contents of Annual Information Form is amended

(a) in Item 4 by adding the following after subsection (2):

“(2.1) If the mutual fund has relied on the approval of the independent review committee and the relevant requirements of NI 81-107 to vary any of the investment restrictions and practices contained in securities legislation, including NI 81-102, provide details of the permitted variations.

(2.2) If the mutual fund has relied on the approval of the independent review committee to implement a reorganization with, or transfer of assets to, another mutual fund or to proceed with a change of auditor of the mutual fund as permitted by NI 81-102, provide details.”.

(b) in Item 10 by:

(i) striking out “and” at the end of paragraph 10.1(f);

(ii) adding “;and” at the end of paragraph 10.1(g); and

(iii) adding the following after paragraph 10.1(g):

“(h) the oversight of the manager of the mutual fund by the independent review committee.”.

(c) in Item 11 by adding the following after subsection 11.1(5):

“(6) Disclose the percentage of securities of each class or series of voting or equity securities beneficially owned, directly or indirectly, in aggregate, by all the independent review committee members of the mutual fund

(a) in the mutual fund if the aggregate level of ownership exceeds 10 percent,

(b) in the manager, or

(c) in any person or company that provides services to the mutual fund or the manager.”.

(d) in Item 12

(i) by repealing paragraph (1)(a) and substituting the following:

“(a) the mandate and responsibilities of the independent review committee and the

reasons for any change in the composition of the independent review committee since the date of the most recently filed annual information form;

(a.1) any other body or group that has responsibility for fund governance and the extent to which its members are independent of the manager of the mutual fund; and”;

(ii) by renumbering the Instruction as Instruction (1) and adding the following Instruction after Instruction (1):

*“(2) If the mutual fund has an independent review committee, state in the disclosure provided under paragraph (1)(b) that NI 81-107 requires the manager to have policies and procedures relating to conflicts of interest.”.*

(e) in Item 15 by repealing subsection (2) and substituting the following:

“(2) Describe any arrangements under which compensation was paid or payable by the mutual fund during the most recently completed financial year of the mutual fund, for the services of directors of the mutual fund, members of an independent board of governors or advisory board of the mutual fund and members of the independent review committee of the mutual fund, including the amounts paid, the name of the individual and any expenses reimbursed by the mutual fund to the individual

(a) in that capacity, including any additional amounts payable for committee participation or special assignments; and

(b) as consultant or expert.”

4. This Instrument comes into force on November 1, 2006.