

**NOTICE OF PROPOSED AMENDMENTS TO  
NATIONAL INSTRUMENT 81-102  
AND COMPANION POLICY 81-102CP  
MUTUAL FUNDS  
AND TO  
NATIONAL INSTRUMENT 81-101  
AND COMPANION POLICY 81-101CP  
MUTUAL FUND PROSPECTUS DISCLOSURE,  
AND  
FORM 81-101F1  
CONTENTS OF SIMPLIFIED PROSPECTUS  
AND  
FORM 81-101F2  
CONTENTS OF ANNUAL INFORMATION FORM**

**Substance and Purpose of Proposed Amendments**

***Introduction***

The Canadian Securities Administrators (the "CSA"), with this Notice, are publishing for comment proposals that would:

- allow an index mutual fund to invest a percentage of its net assets in any one issuer in excess of the 10 percent concentration restriction that is prescribed by section 2.1(1) of National Instrument 81-102;
- require an index mutual fund to include specific disclosure in its simplified prospectus about its fundamental investment objective, and the risks inherent in the fund investing in securities according to a index that is itself not widely diversified;
- require a mutual fund to disclose its management expense ratio in media other than the simplified prospectus, annual information form and annual financial statements, based on a "rolling" 12 month period; and
- require a mutual fund offering multiple classes of securities to provide cover page disclosure in its simplified prospectus of the classes offered and to provide performance and financial highlight disclosure in the simplified prospectus for different classes.

The Proposed Amendments also make a number of other changes to National Instrument 81-102 Mutual Funds ("NI 81-102"), Companion Policy 81-102CP ("81-102CP"), National Instrument 81-101 Mutual Fund Prospectus Disclosure ("NI 81-101"), Companion Policy 81-101CP ("81-101CP"), Form 81-101F1 Contents of Simplified Prospectus ("Form 81-101F1") and Form 81-101F2 Contents of Annual Information Form ("Form 81-101F2") (collectively, the "Rules"). The Proposed Amendments address some issues that have been brought to the attention of the CSA following the coming into force of NI 81-101 and NI 81-102 on February 1, 2000.

**Substance and Purpose of the Proposed Amendments to NI 81-102, 81-102CP, NI 81-101, 81-101CP, Form 81-101F1 and Form 81-101F2**

***Index Mutual Fund Amendments***

Since the summer of 1999, the CSA have been urged to permit index mutual funds to invest their net assets

in the securities of issuers that make up their target index without being limited by the 10 percent concentration restriction currently prescribed by section 2.1 of NI 81-102. These concerns resulted from the recent and arguably novel market conditions which have caused the weighting of certain issuers in certain indices to rise substantially above 10 percent. The concentration restriction in section 2.1 of NI 81-102 prevents index mutual funds from replicating the performance of their target indices. Generally, index mutual funds meet their stated investment objective by purchasing or gaining exposure to the securities of the issuers in their target index in the same proportion as such securities are reflected in such index.

As a result of applications for discretionary relief made by certain index mutual funds, the CSA granted those funds exemptions from the concentration restriction applicable to mutual funds (at that time, section 2.01 (a) of National Policy Statement No. 39), subject to a restriction that limited such funds to a 15 percent concentration restriction. By late fall 1999, it became apparent that certain index funds needed additional relief.

The Investment Funds Institute of Canada ("IFIC") wrote to the Chair of the Ontario Securities Commission in December 1999 outlining the concerns of its members.

As a result of considering IFIC's letter the CSA agreed to proceed to propose these amendments to NI 81-102. In the interim, upon the application of affected index mutual funds, the CSA further increased the concentration restriction for those mutual funds from the previously approved 15 percent concentration restriction to 25 percent.

In the course of deciding to propose an elimination of the concentration restriction for index mutual funds, the CSA considered the equivalent of the concentration restriction rule in other regulatory regimes such as the United States, Hong Kong, and Europe.<sup>1</sup> In all cases, although the concentration restriction has been or is proposed to be lessened for index mutual funds in those jurisdictions, it has not been eliminated in its entirety. The CSA seek specific comment from industry participants whether the combination of the proposed amendments relating to the concentration restrictions for index mutual funds and the increased disclosure requirements will provide sufficient protection to investors from the risks inherent in investing in a mutual fund that potentially will not be diversified. Should the concentration restriction percentage be increased for index mutual funds, rather than eliminated? If the concentration restriction percentage should be increased, but not eliminated, what is the correct threshold?

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For example, the Hong Kong Securities and Futures Commission ("SFC") imposes a 10 percent diversification rule similar to NI 81-102. To date the SFC has granted discretionary exemptions from that rule but only to index mutual funds. The SFC has not imposed any upper limit for index tracking funds in their exemptions, provided that the weightings of the individual stocks within the fund track those of the fund's target index. The Securities and Exchange Commission in the United States allows a "diversified" mutual fund to invest up to 25 percent of its assets in a single issuer, however the SEC also requires that the remaining 75 percent of the fund's assets be invested such that no one holding constitutes more than 5 percent of the fund's assets. Mutual funds must ensure, at least quarterly, that they are in compliance with these restrictions. Mutual funds established under the UCITS Directives of the European Commission must abide by restrictions less flexible than NI 81-102 (a 5 percent "ongoing", rather than "purchase", concentration restriction). These restrictions are proposed to be lessened for index mutual funds, however index mutual funds will still be subject to a restriction of 35 percent of all assets invested in any one issuer should the proposals be adopted by the member countries.

IFIC urged the CSA to do away with the concentration restriction for all mutual funds, and not just index mutual funds. The CSA is proposing to eliminate the concentration restriction only for index mutual funds for the following reasons:

- The CSA are of the view that tracking an appropriate market index is an acceptable proxy for the concentration restriction. There is no other widely accepted and disclosed proxy for actively managed funds.
- Managers of actively managed funds have alternative investment strategies available to them and are responsible for following these investment strategies in seeking to achieve a fund's objective. For example, although the 10 percent restriction limits how much an actively managed mutual fund can overweight a given issuer, it does not limit the extent to which such a fund can overweight a market sector or a group of issuers whose stock prices are correlated.
- Only in the context of index mutual funds can it be argued that the 10 percent restriction prevents a manager from pursuing the fundamental investment objective of the mutual fund, i.e. tracking the performance of a specified index.

The proposed amendments to NI 81-102 define "index mutual fund" as a mutual fund that has adopted fundamental investment objectives that require it to:

- hold securities that are included in a permitted index or indices in substantially the same proportion as those securities are reflected in that permitted index or indices; and;
- invest in a manner that causes the mutual fund to replicate the performance of that permitted index or indices.

The proposed amendments to NI 81-102 exempt index mutual funds (as so defined) from the concentration restriction contained in section 2.1 of NI 81-102 . The relatively recent increase in the weighting of some issuers in certain indices to well in excess of 10 percent provided an impetus to the CSA to propose this change. The CSA wish to allow an index mutual fund to pursue its fundamental investment objective of tracking the composition (and therefore the performance) of a specified index or indices, provided adequate disclosure is given to investors of this objective. An index mutual fund will be permitted to rely on the exception to the 10 percent concentration restriction if it:

- provides specific disclosure in its simplified prospectus as provided in the proposed amendments to Form 81-101F1;
- provides 60 days advance notice to security holders before first relying on the exception;
- includes the word "index" in its name.

The proposed amendments to Form 81-101F1 are designed to give investors sufficient notice and information about the fundamental investment objectives of index mutual funds and the risks inherent with such objectives where the concentration restrictions applicable to all mutual funds are not followed.

In addition, the CSA propose a related amendment to Form 81-101FI which will require all mutual funds, and not just index mutual funds, to disclose the risks of a high concentration of portfolio assets in any one issuer. The proposed disclosure requirement will require a mutual fund to disclose additional risks where, at any time during the previous 12 month period before the date of its simplified prospectus, the mutual fund held more than 10 percent of its net assets in securities of any one issuer.

### ***Management Expense Ratio Amendments***

The proposed amendments to NI 81-102 would require a mutual fund to disclose its management expense ratio ("MER") for a "rolling" 12 month period in media other than a simplified prospectus, annual information form or annual financial statements. Currently, a mutual fund can disclose its MER only if the MER is calculated as of a completed financial year. Incidental changes are also proposed to the existing MER provisions to accommodate the proposed "rolling" 12 month MER.

The proposed amendments to 81-102CP also clarify how a mutual fund should determine its "total expenses" for the purposes of the MER calculation where income taxes and withholding taxes are payable by that mutual fund.

### ***Other Amendments***

The proposed amendments to 81-102CP provide the CSA's views on what type of instrument, agreement or security will generally be considered by them to be a "specified derivative" for the purposes of section 2.1 of NI 81-102.

The proposed amendments to Form 81-101F1 and to Form 81-101F2 address packaging and disclosure requirements for the simplified prospectus and annual information form of a mutual fund offering multiple classes or series of securities.

The proposed amendments also implement a number of miscellaneous amendments to the Rules and the Forms that the CSA consider appropriate at this time.

### ***Section Numbering of Proposed Amendments***

The CSA have already proposed amendments to NI 81-102, 81-102CP and Forms 81-101F1 and 81-101F2 to, among other things, permit mutual funds to enter into securities lending, repurchase and reverse repurchase agreements. Those proposed amendments were published for comment in January 2000 and the comment period expired on April 30, 2000. The CSA expect that those amendments will be in force before the amendments contemplated by the current proposed amendments. The numbering of section references in the proposed amendments to the Rules and Forms and in this Notice, assumes that the "securities lending/repo amendments" are already in force and takes into account numbering changes made by those January amendments.

## **Summary of Proposed Amendments to National Instrument 81-102**

This section describes the amendments proposed to be made to NI 81-102. Section references, unless otherwise noted, are sections or proposed sections of NI 81-102.

### *Section 1.1*

The existing definition of "index mutual fund" contained in NI 81-102 will be deleted and replaced with the new proposed definition of "index mutual fund". The new definition uses a new defined term "permitted index", in place of the previous term "specified widely quoted market index". The amendment also clarifies that an "index mutual fund" may have more than one "permitted index".

The term "permitted index" is defined as an index which is widely quoted and readily available to the public and hence not one that is obscure and only known by, or accessible to, the investment community or a sector thereof. In addition, such index may not be one that is administered by an organization that is

affiliated with the mutual fund, its manager, its portfolio adviser or principal distributor, unless the index is widely recognized and used.

The changes to the term “index mutual fund” are proposed in order to ensure sufficient certainty in determining which mutual funds may rely on the proposed exemptions from the concentration restrictions.

### *Section 1.3*

Section 1.3 of NI 81-102 is proposed to be amended by the addition of subsection (3), which is an interpretative provision providing that a “simplified prospectus” includes a “prospectus”, a “preliminary simplified prospectus” includes a “preliminary prospectus” and a “*pro forma* simplified prospectus” includes a “*pro forma* prospectus”. A number of other incidental amendments are proposed in light of this interpretative provision. This proposed amendment is designed to correct inconsistencies in the use of the terms “prospectus” and “simplified prospectus” in NI 81-102 and does not change the scope of NI 81-102.

### *Section 2.1*

Section 2.1 is proposed to be amended with the addition of subsection (5) which would allow an index mutual fund to exceed the 10 percent concentration restriction if required to allow the index mutual fund to follow its fundamental investment objective. In order to rely on this exception the name of the index mutual fund must include the word “index”. The simplified prospectus of the index mutual fund must also include specified mandated disclosure. As well, the index mutual fund must provide 60 days advance written notice to existing security holders before it begins to rely on the exception (unless the simplified prospectus has contained the mandated disclosure since inception).

As noted above in this Notice, the CSA are of the view that it is appropriate to treat index mutual funds differently from other mutual funds with respect to the concentration restriction since the fundamental investment objective of index mutual funds is to track the performance of a specified index. The CSA believe that the investor protection provided by the 10 percent concentration restriction could be adequately replaced by proposed amendments to Form 81-101F1 requiring enhanced disclosure of investment objectives and the risks associated with any investment in excess of the 10 percent concentration restriction, as well as the requirement for 60 days notice in advance of relying on the exception. As noted above, however, the CSA are seeking specific comment on their proposals to completely eliminate the concentration restriction, as opposed to including a higher percentage threshold.

Since investors in existing index mutual funds would have acquired their index mutual funds at a time when the fund could not go beyond the 10 percent concentration restriction, the CSA believe it necessary for index mutual funds to inform investors of their intentions to rely on the exception provided in the proposed amendments. Accordingly, all index mutual funds that propose to rely on the exception must give investors 60 days advance notice and give them the information required by section 2.1 so that the investors can make an informed decision on whether they wish to remain invested in these index mutual funds. The CSA propose this notice requirement for all index mutual funds, including those index mutual funds that have received discretionary relief under National Policy Statement No. 39 or NI 81-102 to go beyond the 10 percent restriction to up to 25 percent in any one issuer.

### *Section 5.5*

Section 5.5 is proposed to be amended to permit the same procedures for securities regulatory approvals under Part 5 of NI 81-102 as are permitted for exemptions under section 19 of NI 81-102. These amendments will permit decisions to be made regarding Part 5 approvals by appropriate staff of the CSA and not only by the securities regulatory authorities (generally the securities commissions) of each province and territory of

Canada.

### *Section 6.3*

It is proposed that the word “affiliate” be replaced with the word “subsidiary” in paragraph 3(b) of section 6.3 in order to provide for the consistent use of terminology throughout NI 81-102.

### *Section 9.4*

Subparagraph 9.4(4)(a) is proposed to be amended to delete the words “immediately before the close of business”. The CSA understand that these words have been relied on to support an interpretation that a purchase order can be completed up to the end of business on a trade date plus four business days. The CSA did not intend for this interpretation and the proposed amendment is intended to clarify this issue. Any purchase not settled by the end of business on “T+3” must be redeemed immediately thereafter under the forced settlement rules of NI 81-102.

### *Section 15.4*

It is proposed that subsection 15.4(12) be deleted. This amendment is consistent with the proposed amendment to section 1.3 concerning the use of the term “simplified prospectus” throughout NI 81-102.

### *Section 15.6*

Section 15.6 imposes a restriction on performance data disclosure by young funds. Currently NI 81-102 does not allow such disclosure until the mutual fund has offered securities for at least “one completed financial year”. Subparagraph 15.6(1)(a)(i) is proposed to be amended to clarify that a mutual fund or asset allocation service must first have offered securities under a simplified prospectus in a jurisdiction for 12 consecutive months before including performance data in a sales communication.

### *Section 16.1*

Section 16.1 is proposed to be amended to require a mutual fund to disclose an MER in its simplified prospectus, annual information form or annual financial statements that is calculated in accordance with section 16.1 for its most recently completed financial year. Subsection 16.1(2) requires a mutual fund that wishes to disclose its MER in media other than a simplified prospectus, annual information form or annual financial statements to calculate and disclose an MER based on expenses incurred during the most recent twelve month period i.e. a “rolling” 12 month MER. Proposed new subparagraphs 16.1(2) and 16.1(3) provide the formula for the calculation of the “rolling” 12 month MER.

The words “before income taxes” have been added after the words “total expenses” to clarify that income taxes are not required to be included in determining a mutual fund’s MER.

A new subsection is proposed to allow a mutual fund to disclose its MER to a service provider that will arrange for public dissemination of the MER without the mutual fund having to disclose in notes to the MER disclosure whether the mutual fund has waived management fees or that management fees were paid directly by investors during the period for which the MER was calculated, as currently required by the subsections 16.1(2) and (3) of NI 81-102. The CSA point out in the proposed amendments to 81-102CP that they expect that the mutual fund or the service providers will provide the public with the information contemplated by the note requirements of subsections 16.1(2) and (3) in a clear and understandable manner.

### *Section 16.2*

Section 16.2, which provides a formula for the calculation of total expenses for a fund of funds, is proposed to be amended so that such calculation is also applicable to the determination of the “rolling” 12 month MER as proposed in new subparagraphs 16.1(2) and 16.1(3).

### **Summary of Proposed Amendments to Companion Policy 81-102CP**

This section describes the amendments proposed to be made to 81-102CP. Section references, unless otherwise notes, are sections or proposed sections of 81-102CP.

#### *Section 2.16*

Subsection 2.16(2) is proposed to be amended to reflect the views of the CSA that mutual funds should not enter into derivatives or derivative-like transactions in order to circumvent the concentration restriction in section 2.1 of NI 81-102. The CSA is concerned that mutual funds not engage in transactions to do indirectly through derivatives, what they are not permitted to do directly.

#### *Section 3.2*

This proposed section is new and discusses the views of the CSA with respect to funds which do not fall within the definition of “index mutual fund”, but that have a portion of their assets invested according to a permitted index. Mutual funds that are not “index mutual funds”, but that wish to seek an exemption from the concentration restrictions for substantive portions of their net assets that are invested according to a permitted index may make such an application. The section also discusses the views of the CSA with respect to the need for securityholder approval if an index mutual fund changes its “permitted index”.

#### *Section 13.2*

Subsection 13.2(5) is proposed to be added to clarify that the words “inception of the mutual fund” as they relate to the disclosure of a mutual fund’s standard performance data in a sales communication and in a report to security holders (subsections 15.8(2) and (3)), refers to the beginning of the distribution of the securities of the mutual fund under a simplified prospectus, and not to any previous time in which the mutual fund may have existed but did not offer its securities under a simplified prospectus.

#### *Section 14.1*

Section 14.1 is proposed to be amended to reflect the proposed changes to Part 16 of NI 81-102 and clarify the factors that are required to be taken into consideration when calculating “total expenses” for the purposes of calculating MER.

### **Summary of Proposed Amendments to National Instrument 81-101**

This section describes the amendments proposed to be made to NI 81-101. Section references, unless otherwise noted, are sections or proposed sections of NI 81-101.

#### *Section 1.1*

The definition of the term “commodity pool” in section 1.1 is proposed to be amended so that it will have the

meaning ascribed to that term in proposed National Instrument 81-104 Commodity Pools.<sup>2</sup>

The definition of “material contract” is also proposed to be amended by the addition of the words “for a mutual fund”. The CSA view this amendment as a clarification amendment only.

*Subparagraphs 2.3(1)(b)(i), 2.3(2)(a)(i), 2.3(3)(a)(i), 2.3(4)(a)(i) and 2.3(5)(a)(i)*

The subparagraphs noted above presently refer to material contracts “made by” a mutual fund and the proposed amendments would delete that term and substitute the word “of”. These changes, as well as the amendment to the definition of “material contract” are intended to clarify that the material contracts of mutual funds that are required to be filed are those listed in the annual information form of the mutual fund under the requirements of Form 81-101F2 regardless of whether those contracts are actually made by the mutual fund, or by the manager or other relevant entity. The CSA view this amendment as a clarification amendment only.

*Subsection 2.3(6)*

This is a new provision which provides that a material contract with the portfolio adviser or portfolio advisers of the mutual fund filed pursuant to this section 2.3 of the Instrument may be filed in an edited form so that commercial or financial information remains confidential if the disclosure of such information could reasonably be expected to significantly prejudice the competitive position of a party to the contract or interfere significantly with negotiations involving the parties to the contract. The CSA are of the view that the benefits of disclosing such information are outweighed by the adverse consequences of such disclosure for fund managers and portfolio advisers.

## **Summary of Proposed Amendments to 81-101CP**

*Subsection 2.6(2)*

This is a new provision which discusses the proposed new subsection 2.3(6) of the Instrument. It sets out the view of the CSA that fees, expenses and non-competition clauses would be the type of information that could be kept confidential. Essential terms of the contract related to the services provided by the portfolio adviser could not be kept confidential. That would include provisions relating to the term and termination of the contract.

## **Summary of Proposed Amendments to Forms 81-101F1 and 81-101F2**

This part of this Notice describes the amendments proposed to be made to Forms 81-101F1 and 81-101F2. Section references, unless otherwise noted, are item numbers of those forms.

### **Form 81-101F1**

*General Instructions*

Subsection (2) of the “General Instructions” is proposed to be amended to correspond to the proposed new subsection 1.3(3) of NI 81-102. This subsection is consistent with section 1.3 of NI 81-101 which provides

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Proposed National Instrument 81-104 Commodity Pools was re-published for a second 60 day comment period on June 2, 2000. In Ontario, at (2000) X OSCB X. It is expected to come into force prior to, or concurrently with, these proposed amendments to the Rules and the Forms.

that certain types of mutual funds cannot use a simplified prospectus.

Subsection (21) is proposed to be added to the "General Instructions" to indicate that a mutual fund that has more than one class or series has the option of treating each class or series as a separate mutual fund and preparing a separate simplified prospectus for each class or series, or combining the disclosure of one or more of the classes or series in one simplified prospectus. If a mutual fund chooses to combine classes or series in one simplified prospectus, separate disclosure in response to each Item in the Form must be provided for each class or series unless the responses would be identical for each class or series.

*Item 1 of Part A*

Items 1.1(2) and 1.2(2) are proposed to be amended to require that, for both single and multiple simplified prospectuses, if a mutual fund has more than one class or series of securities, the name of those classes or series covered by the simplified prospectus must be named on the front cover of the simplified prospectus.

*Item 6 of Part B*

Item 6(5) is proposed to be added to require that an index mutual fund disclose specific information as part of its fundamental investment objectives such as the name and nature of its target permitted index or indices, the name of any security that represented more than 10 percent of the target permitted index or indices for the 12 month period immediately preceding the date of the simplified prospectus, the maximum percentage of the index or indices that such security represented in that 12 month period, and the percentage that such security represented as at the most recent date for which that information was available prior to the date of the simplified prospectus.

*Item 9 of Part B*

Item 9 is proposed to be amended by the addition of subsections (5) and (6).

Subsection (5) applies to index mutual funds. An index mutual fund will be required to disclose the potential risks associated with having its assets invested in one or more issuers beyond the 10 percent concentration limit prescribed by section 2.1 of NI 81-102.

Subsection (6) applies to all mutual funds. Any mutual fund that had holdings of an issuer beyond the 10 percent concentration restriction at any time during the 12 months preceding the date of the simplified prospectus will be required to disclose that fact and include specific disclosure of the possible or actual risks associated with that investment. The CSA are of the view that this disclosure is necessary for all mutual funds, having regard to the fact that the 10 percent concentration restriction is a purchase test only. NI 81-102 does not require a mutual fund to reduce its holdings in any one issuer once it goes beyond the 10 percent restriction, for whatever reason due to market fluctuations. The CSA believe, however, the risks inherent in a less diversified portfolio are equally important to an actively managed mutual fund as for an index mutual fund.

*Item 11.1 of Part B*

Subsection (8) of Item 11.1 is new and clarifies that the requirement to provide performance data "since the inception of the mutual fund" refers to the time when the fund first began distributing securities under a simplified prospectus.

*Item 13.2 of Part B*

Clause 13.2(2)(c) is proposed to be amended by the deletion of the words “and operating expenses” since the words are redundant. Operating expenses are required to be included in the calculation of MER for a mutual fund.

Clause 13.2 is further proposed to be amended to address situations where the MER of a mutual fund includes fees charged directly to investors, as required by subsection 16.1(3) of NI 81-102. Subsection 13.2(4) will be amended to clarify that the cross reference to fees and expenses paid directly by investors relates to those fees and expenses not included in the calculation of MER.

### **Form 81-101F2**

#### *General Instructions*

Corresponding changes to those in Form 81-101F1 are proposed to Form 81-101F2 regarding those mutual funds that issue more than one class or series of securities.

#### *Item 1*

Corresponding changes to those in Form 81-101F1 are proposed concerning front cover disclosure of the classes or series of securities of a mutual fund covered by the annual information form.

#### *Item 15*

Item 15 is proposed to be amended by the addition of subsection (3) which would require a mutual fund that is a trust to disclose all amounts paid and expenses reimbursed during the most recently completed financial year of the mutual fund, for the services rendered by the trustee(s) of the mutual fund. This will clarify the original intention and is consistent with the title of this Item which refers to the remuneration of directors, officers and trustees of a mutual fund.

### **Specific Request for Comment**

As noted earlier in this Notice, the CSA seek comment on the proposed regime for index mutual funds and the concentration restriction in section 2.1 of NI 81-102. The proposed regime is one in which there is no restriction on investment in (or exposure to) any one issuer accompanied by enhanced disclosure of the nature and risk of index mutual funds. The CSA are aware that there are some indices in which one issuer makes up a very significant percentage of the index. One example that has been provided is the MSCI Finland Index. Nokia has comprised as much as 75 percent of that index. Another issuer has exceeded 10 percent of that index so that those two companies together have comprised more than 85 percent of that index. The CSA seek comment on whether the proposed regime is appropriate in the case of index mutual funds tracking such indices. The CSA would appreciate comment on whether additional restrictions are needed to address such situations or whether an alternative regime would be more appropriate.

### **Comments**

Interested parties are invited to make written submissions with respect to the proposed amendments. Submissions received by September 14, 2000 will be considered.

Submissions should be sent to all of the Canadian securities regulatory authorities listed below in care of the Ontario Securities Commission, in duplicate, as indicated below:

British Columbia Securities Commission  
Alberta Securities Commission

Saskatchewan Securities Commission  
The Manitoba Securities Commission  
Ontario Securities Commission  
Office of the Administrator, New Brunswick  
Registrar of Securities, Prince Edward Island  
Nova Scotia Securities Commission  
Securities Commission of Newfoundland  
Securities Registry, Government of the Northwest Territories  
Registrar of Securities, Government of the Yukon Territory  
Registrar of Securities, Government of Nunavut

c/o John Stevenson, Secretary  
Ontario Securities Commission  
20 Queen Street West  
Suite 800, Box 55  
Toronto, Ontario M5H 3S8  
jstevenson@osc.gov.on.ca

Submissions should also be addressed to the Commission des valeurs mobilières du Québec as follows:

Claude St. Pierre, Secretary  
Commission des valeurs mobilières du Québec  
800 Victoria Square  
Stock Exchange Tower  
P.O. Box 246, 22<sup>nd</sup> Floor  
Montréal, Québec H4Z 1G3  
claude.stpierre@cvmq.com

A diskette containing the submissions (in DOS or Windows format, preferably WordPerfect) should also be submitted. As securities legislation in certain provinces requires that a summary of written comments received during the comment period be published, confidentiality of submissions cannot be maintained.

Comments may also be sent via e-mail to the above noted e-mail addresses of the respective Secretaries of the Ontario Commission and of the Commission des valeurs mobilières du Québec, and also to any of the individuals noted below at their respective e-mail addresses.

Questions may be referred to any of:

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