

Headnote

National Policy 11-203 *Process For Exemptive Relief Applications in Multiple Jurisdictions* – Exemptive relief granted to exchange-traded funds for initial and continuous distribution of units – Relief to permit the funds’ prospectus to not contain an underwriter’s certificate, to include a modified statement of investors rights and relief from take-over bid requirements in connection with normal course purchase of units on the Toronto Stock Exchange – Relief granted subject to manager filing a prescribed summary document for each fund on SEDAR and other terms and conditions set out in decision document – Relief permitting a modified statement of investors rights and certain conditions subject to sunset clause – National Instrument 41-101 – *General Prospectus Requirements* and Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*.

Applicable Legislative Provisions

National Instrument 41-101 *General Prospectus Requirements*, s. 19.1 and item 36.2 of Form 41-101F2

National Instrument 41-101 *General Prospectus Requirements*, s. 5.9 and item 39.3 of Form 41-101F2

Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*

Citation: Re Auspice Capital Advisors Ltd., 2015 ABASC 666

Date: 20150501

In the Matter of
the Securities Legislation of
Alberta and Ontario
(the **Recipient Jurisdictions**)

and

In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of
Auspice Capital Advisors Ltd.
(the **Filer**)

and

Canadian Crude Oil Index ETF and
Canadian Natural Gas Index ETF
(**Existing ETFs**)

Decision

Background

The securities regulatory authority or regulator in each of Alberta and Ontario (each a **Decision Maker**) has received an application from the Filer on behalf of the Existing ETFs and each other exchange-traded mutual funds that an ETF Manager (as defined below) may establish in the future (the **Future ETFs**, and together with the Existing ETFs, the **ETFs** and each, an **ETF**) for a decision under the securities legislation of the Recipient Jurisdictions (the **Legislation**) exempting:

- (a) each ETF Manager and each ETF from:
 - (i) the requirement to include a certificate of an underwriter in an ETF's prospectus (the **Underwriter's Certificate Requirement**); and
 - (ii) the requirement to include in an ETF's prospectus the statement respecting purchasers' statutory rights of withdrawal and remedies of rescission or damages in substantially the form prescribed in item 36.2 of Form 41-101F2 *Information Required in an Investment Fund Prospectus* (the **Prospectus Form Requirement**); and
- (b) the Units (as defined below) of each ETF from the requirements of the Legislation related to take-over bids. (the **Take-Over Bid Requirements**) (collectively, the **Exemption Sought**).

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 section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon by British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Northwest Territories, Yukon; 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, National Instrument 81-102 *Investment Funds* (**NI 81-102**) have the same meaning if used in this decision, unless otherwise defined herein.

The following terms used in this decision have the following meanings:

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

- (b) **Authorized Dealer** means a registered dealer that has entered, or intends to enter, into an agreement with an ETF Manager authorizing the dealer to subscribe for, purchase and redeem Creation Units from one or more ETFs on a continuous basis from time to time.
- (c) **Basket of Securities** means a group of securities determined by an ETF Manager from time to time representing the constituents of the investment portfolio then held by certain ETFs.
- (d) **Creation Unit** means, in relation to an ETF, the number of Units determined by an ETF Manager from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.
- (e) **Dealer** in respect of an ETF means an Affiliate Dealer, Authorized Dealer or Other Dealer.
- (f) **Designated Broker** means a registered dealer that has entered, or intends to enter, into an agreement with an ETF Manager to perform certain duties in relation to the ETF, including posting a liquid two-way market for the trading of the ETF's Units on the TSX or another Marketplace.
- (g) **ETF Facts** means a prescribed summary disclosure document required pursuant to amendments to the Legislation made after the date of this decision, in respect of one or more classes or series of Units being distributed under a prospectus.
- (h) **ETF Manager** means the Filer or an affiliate of the Filer.
- (i) **Marketplace** means a "marketplace" as defined in National Instrument 21-101 *Marketplace Operation* in Canada.
- (j) **Other Dealer** means a registered dealer that acts as an Authorized Dealer or Designated Broker to other exchange-traded funds that are not managed by an ETF Manager and that has received relief under a Prospectus Delivery Decision.
- (k) **Prospectus Delivery Decision** means a decision granting relief from the Prospectus Delivery Requirement to a Designated Broker or Dealer, and any future decision granted to a Designated Broker or Dealer that grants similar relief.
- (l) **Prospectus Delivery Requirement** means the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to which the prospectus requirement of the Legislation applies, send or deliver to the purchaser or its agent, unless the dealer has previously done so, the latest prospectus and any amendment either before entering into an agreement of purchase and sale resulting from the order or

subscription, or not later than midnight on the second business day after entering into that agreement.

- (m) **Summary Document** means a document, in respect of one or more classes or series of Units being distributed under a prospectus, prepared in accordance with Appendix A.
- (n) **TSX** means the Toronto Stock Exchange.
- (o) **Unitholder** means a holder of a Unit.
- (p) **Unit** means a unit of a class or series of units of an ETF.

Representations

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

1. Each ETF will be mutual fund trust governed by the laws of Ontario and a reporting issuer under the securities legislation of each of the Jurisdictions.
2. Each Existing ETF is and each Future ETF will be subject to NI 81-102, subject to any exemptions therefrom that have been, or may be, granted by the applicable securities regulator or securities regulatory authority.
3. An ETF may also be a “commodity pool”, as such term is defined in National Instrument 81-104 *Commodity Pools* in that such an ETF may adopt fundamental investment objectives that permit that ETF to use or invest in “specified derivatives” (as defined in NI 81-102) in a manner that is not permitted under NI 81-102.
4. Units will be distributed on a continuous basis in one or more of the Jurisdictions. An ETF Manager will file in each of the Jurisdictions, a long form prospectus in accordance with National Instrument 41-101 *General Prospectus Requirements* on behalf of each ETF, subject to any exemptions that have been or may be granted by the applicable securities regulator or securities regulatory authority.
5. The Units of each ETF will be listed on the TSX or another Marketplace. An ETF Manager will not file a (final) prospectus for any ETF until the TSX or another Marketplace has conditionally approved the listing of Units of such ETF.
6. The Filer will be the manager and trustee of the Existing ETFs and an ETF Manager will be the manager and trustee of each Future ETF.
7. The Filer is a corporation organized under the laws of Alberta, with a head office in Calgary, Alberta. The Filer is registered as: (i) an investment fund manager in Alberta, British Columbia and Ontario; (ii) an exempt market dealer in Alberta, British Columbia and Ontario; (iii) a portfolio manager in Alberta; and (iv) a commodity trading manager in Ontario.

8. Neither the Filer nor either Existing ETF is in default of securities legislation in any of the Jurisdictions.
9. Horizons ETFs Management (Canada) Inc., a registered portfolio manager, will act as portfolio advisor to the Existing ETFs.
10. The ETF Manager of each ETF will act as trustee of it and be registered as an investment fund manager in a jurisdiction of Canada.
11. Units may generally only be subscribed for or purchased directly from the ETF in an amount equal to a Creation Unit by Authorized Dealers or Designated Brokers. Authorized Dealers or Designated Brokers will subscribe for Creation Units for the purpose of facilitating investor purchases of Units on the TSX or another Marketplace.
12. Each Authorized Dealer or Designated Broker that subscribes for Units must deliver, in respect of each Creation Unit to be issued, a Basket of Securities and/or cash in an amount sufficient so that the value of the Basket of Securities and/or cash delivered is equal to the net asset value of the Units subscribed for next determined following the receipt of the subscription order. In the discretion of an ETF Manager, an ETF may accept subscriptions equal to the net asset value of Units next determined following the receipt of the subscription order in cash only, in securities other than a Basket of Securities or a combination thereof.
13. The net asset value per Unit will be calculated and published daily on the website of the ETFs.
14. In addition to subscribing for and re-selling Creation Units, Authorized Dealers, Designated Brokers and Affiliate Dealers are also generally engaged in purchasing and selling Units of the same class or series as the Creation Units in the secondary market. Other Dealers may also be engaged in purchasing and selling Units of the same class or series as the Creation Units in the secondary market despite not being an Authorized Dealer, Designated Broker or Affiliate Dealer.
15. According to the Authorized Dealers and Designated Brokers, Creation Units are generally commingled with other Units purchased by the Authorized Dealers, Designated Brokers and Affiliate Dealers in the secondary market. As such, it is not practicable for the Authorized Dealers, Designated Brokers or Affiliate Dealers to determine whether a particular re-sale of Units involves Creation Units or Units purchased in the secondary market.
16. Designated Brokers perform certain other functions, which include standing in the market with a bid and ask price for Units for the purpose of maintaining liquidity for the Units.
17. Except for Authorized Dealer and Designated Broker subscriptions for Creation Units, as described above, and other distributions that are exempt from the Prospectus Delivery Requirement under the Legislation, Units generally may not be purchased directly from

the ETF. Investors are generally expected to purchase and sell Units, directly or indirectly, through dealers executing trades through the facilities of the TSX or another Marketplace. Units may also be issued directly to ETF investors upon the reinvestment of distributions of income or capital gains.

18. The Authorized Dealers and Designated Brokers do not provide the same services in connection with a distribution of Creation Units as would typically be provided by an underwriter in a conventional underwriting.
19. The Authorized Dealers and Designated Brokers are not involved in the preparation of an ETF's prospectus, do not incur any marketing costs or receive any underwriting fees or commissions from the ETFs or the ETF Managers in connection with the distribution of Creation Units. The Authorized Dealers and Designated Brokers generally seek to profit from their ability to create and redeem Units by engaging in arbitrage trading to capture spreads between the trading prices of Units and their underlying securities and by making markets for their clients to facilitate client trading in Units.
20. The Filer generally conducts and each ETF Manager will conduct its own marketing, advertising and promotion of the ETFs. Each ETF Manager may, at its discretion, charge an administration fee on the issuance of Creation Units to Authorized Dealers or Designated Brokers.
21. Except as described above, Units may not be purchased directly from the ETF. As noted, investors are generally expected to purchase Units through the facilities of the TSX or another Marketplace on which the Units are listed. However, Units may be issued directly to Unitholders upon the reinvestment of distributions of income or capital gains.
22. Unitholders that wish to dispose of their Units may generally do so by selling their Units on the TSX, through a registered broker or dealer, subject only to customary brokerage commissions. Unitholders may also redeem their Units for cash at a redemption price equal to 95% of the closing price of the Units on the TSX on the effective date of redemption. A Unitholder that holds a Creation Unit or an integral multiple thereof may exchange such Units for a Basket of Securities and/or cash at the discretion of the applicable ETF Manager.
23. As trustee and manager, an ETF Manager will be entitled to receive a fixed annual fee from each ETF. Such annual fee will be calculated as a fixed percentage of the net asset value of each ETF. As manager, an ETF Manager will be responsible for the payment of all expenses of the ETFs, except for the management fee, the costs and expenses incurred in complying with National Instrument 81-107 *Independent Review Committee for Investment Funds*, brokerage expenses and commissions, income taxes, withholding taxes, as well as other applicable taxes, the costs of complying with any new governmental or regulatory requirement introduced after establishment of an ETF, extraordinary expenses, and other expenses as may be specified in an ETF's constating document or other material contract.

24. Unitholders will have the right to vote at a meeting of Unitholders of the ETF in certain circumstances, including prior to any change in the fundamental investment objective of the ETF, any change to their voting rights, and the introduction of a fee or expense to be charged to the ETF or to its Unitholders where such change could result in an increase in the amount of fees or expenses payable by the ETF or its Unitholders.
25. Although Units will trade on the TSX and the acquisition of Units can therefore be subject to the Take-Over Bid Requirements:
 - (a) it will not be possible for one or more Unitholders to exercise control or direction over the ETF as the declaration of trust governing the ETF will ensure that there can be no changes made to the ETF which do not have the support of the applicable ETF Manager;
 - (b) it will be difficult for purchasers of Units to monitor compliance with the Take-Over Bid Requirements because the number of outstanding Units will always be in flux as a result of the ongoing issuance and redemption of Units by the ETF; and
 - (c) the way in which Units will be priced deters anyone from either seeking to acquire control, or offering to pay a control premium, for outstanding Units because pricing of a Unit will be dependent upon, and will generally represent a prescribed percentage of, the level of the portfolio of the ETF as a whole.
26. The application of the Take-Over Bid Requirements to an ETF would have an adverse impact upon the liquidity of the Units because they could cause Dealers, Designated Brokers and other large Unitholders to cease trading Units once prescribed take-over bid thresholds are reached. This, in turn, could serve to provide conventional mutual funds with a competitive advantage over an ETF.
27. The Filer understands that the Canadian securities administrators have taken the view that the first re-sale of a Creation Unit on the TSX or another Marketplace will generally constitute a distribution of Creation Units under the Legislation and that the Authorized Dealers, Designated Brokers and Affiliate Dealers are subject to the Prospectus Delivery Requirement in connection with such re-sales. Re-sales of Units in the secondary market that are not Creation Units would not ordinarily constitute a distribution of such Units.
28. Under a Prospectus Delivery Decision, Authorized Dealers, Designated Brokers and Affiliate Dealers are exempt from the Prospectus Delivery Requirement in connection with the re-sale of Creation Units to investors on the TSX or another Marketplace. Under a Prospectus Delivery Decision, Other Dealers are also exempt from the Prospectus Delivery Requirement in connection with the re-sale of creation units of other exchange-traded funds that are not managed by an ETF Manager.

29. The applicable Prospectus Delivery Decision includes a condition that the Designated Broker or Dealer undertakes that it will send or deliver to each purchaser of Units who is a customer of the Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer, and to whom a trade confirmation is required under the Legislation to be sent or delivered by the Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer in connection with the purchase, the latest Summary Document filed in respect of the Units, not later than midnight on the second day, exclusive of Saturdays, Sundays and holidays, after the purchase of the Units.
30. An ETF Manager will file with the applicable Jurisdictions on the System for Electronic Document Analysis and Retrieval (**SEDAR**) a Summary Document for each class or series of Units offered by the ETF Manager and provide or make available to the Designated Brokers and Dealers, the requisite number of copies of the Summary Document for the purpose of facilitating their compliance with a Prospectus Delivery Decision.
31. The Exemption Sought from the Prospectus Form Requirement is required to reflect the relief provided in the Prospectus Delivery Decision. Accordingly, an ETF Manager will include language in each ETF's prospectus explaining the impact on a purchaser's statutory rights as a result of the Prospectus Delivery Decision in replacement of the language prescribed by the Prospectus Form Requirement.
32. The securities regulatory authorities are developing proposed rule amendments that would require an ETF Manager to file an ETF Facts in connection with the filing of a prospectus. If the amendments are adopted, the requirement to file an ETF Facts would supercede the requirement to file a Summary Document under this decision. Since the introduction of the ETF Facts will likely be subject to a transition period, there may be a period of time where some ETFs have an ETF Facts while others have a Summary Document. If an ETF Manager files an ETF Facts, the ETF Manager will use the ETF Facts instead of a Summary Document to satisfy its obligations with respect to the Summary Document under this decision.

Decision

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought in respect of the Underwriter Certificate Requirement and Prospectus Form Requirement is granted in respect of an ETF and its ETF Manager provided that by the date a particular condition is first applicable to the ETF and its ETF Manager, and on an ongoing basis thereafter, the ETF and its ETF Manager will be in compliance with the following conditions:

- (a) the ETF Manager files on SEDAR with each of the Jurisdictions and displays on its website in a manner that would be considered prominent to a reasonable investor a Summary Document for each class or series of Units of the ETF being distributed;

- (b) the ETF Manager files concurrently on SEDAR the Summary Document for each class or series of Units when filing a final prospectus for that ETF;
- (c) the ETF Manager amends the Summary Document at the same time it files any amendments to the ETF's prospectus that affect the disclosure in the Summary Document and files the amended Summary Document with the applicable Jurisdictions on SEDAR and makes it available on its website in a manner that would be considered prominent to a reasonable investor;
- (d) the ETF Manager provides or makes available to each Dealer or Designated Broker, the number of copies of the Summary Document of the Units that the Dealer or Designated Broker reasonably requests in support of compliance with its respective Prospectus Delivery Decision;
- (e) the ETF's prospectus, on the date which is the earliest of the filing of (A) the ETF's preliminary prospectus, (B) the ETF's pro forma prospectus and (C) an amendment to the ETF prospectus,
 - (i) incorporates the relevant Summary Document by reference;
 - (ii) contains the disclosure referred to in paragraph 31 above; and
 - (iii) discloses both this decision and the Prospectus Delivery Decisions under Item 34.1 of Form 41-101F2 *Information Required in an Investment Fund Prospectus*;
- (f) the ETF Manager obtains an executed acknowledgement from each Authorized Dealer, Designated Broker and Affiliate Dealer, and uses its best efforts to obtain an acknowledgment from each Other Dealer:
 - (i) indicating its election, in connection with the re-sale of Creation Units on the TSX or another Marketplace, to send or deliver the Summary Document in accordance with a Prospectus Delivery Decision or, alternatively, to comply with the Prospectus Delivery Requirement; and
 - (ii) if a Dealer or Designated Broker agrees to deliver the Summary Document in accordance with a Prospectus Delivery Decision:
 - (A) an undertaking that the Dealer or Designated Broker will attach or bind one ETF's Summary Document with another ETF's Summary Document only if the documents are being sent or delivered under the Prospectus Delivery Decision at the same time to an investor purchasing Units of each such ETF; and

- (B) confirming that the Dealer or Designated Broker has in place written policies and procedures to ensure that it is in compliance with the conditions of the Prospectus Delivery Decision;
- (g) the ETF Manager keeps records of which Designated Brokers and Dealers have provided it with an acknowledgement under a Prospectus Delivery Decision, and which intend to rely on and comply with the Prospectus Delivery Decision or intend to comply with the Prospectus Delivery Requirement;
- (h) the ETF Manager files with its principal regulator on or before January 31st in each calendar year, a certificate signed by an ultimate designated person certifying that, to the best of the knowledge of such person, after making due inquiry, the ETF Manager has complied with the terms and conditions of this decision during the previous calendar year;
- (i) if the ETF Manager files an ETF Facts instead of a Summary Document, the latest ETF Facts filed in respect of the Units must be substituted for a Summary Document in order to satisfy the foregoing conditions;
- (j) conditions (a), (b), (c) and (e)(i) do not apply to the Exemption Sought if the applicable ETF Manager files an ETF Facts; and
- (k) conditions (d), (e)(ii), (e)(iii), (f), (g) and (h) do not apply to the Exemption Sought as of the effective date following any applicable transition period for any legislation or rule relating to the Prospectus Delivery Decision;

Subject to any applicable transition provisions, the exemption granted in respect of the Exemption Sought from the Prospectus Form Requirement will terminate on the date an amendment to the Legislation relating to Prospectus Form Requirement as it applies to an exchange-traded mutual fund becomes effective.

Further, the decision of the Decision Makers under the Legislation is that the Exemption Sought in respect of the Take-Over Bid Requirements is granted provided that any purchaser of Units (the **Unit Purchaser**), and any person or company acting jointly or in concert with the Unit Purchaser (a **Concert Party**), prior to making a take-over bid for Units that is not otherwise exempt from the Take-over Bid Requirements, provides the applicable ETF Manager with an undertaking not to exercise any votes attached to the Units held by the Unit Purchaser and any Concert Party that represent more than 20% of the votes attached to the outstanding Units.

“original signed by”
 Tom Graham
 Director, Corporate Finance

APPENDIX A**CONTENTS OF SUMMARY DOCUMENT****General Instructions:**

1. *Items 1 to 10 represent the minimum disclosure required in a Summary Document for a fund. The inclusion of additional information is not precluded so long as the Summary Document does not exceed a total of four pages in length (two pages double-sided).*
2. *Terms defined in National Instrument 81-102 Investment Funds, National Instrument 81-105 Mutual Fund Sales Practices or National Instrument 81-106 Investment Fund Continuous Disclosure and used in this Summary Document have the meanings that they have in those national instruments.*
3. *Information in the Summary Document must be clear and concise and presented in plain language.*
4. *The format and presentation of information in the Summary Document is not prescribed but the information must be presented in a manner that assists in readability and comprehension.*
5. *The order of the Items outlined below is not prescribed, except for Items 1 and 2, which must be presented as the first 2 items in the Summary Document.*
6. *Each reference to a fund in this Appendix A refers to an ETF as defined in the decision above.*

Item 1 -- Introduction

Include at the top of the first page a heading consisting of:

- (a) the title "Summary Document";
- (b) the name of the manager of the fund;
- (c) the name of the fund to which the Summary Document pertains; and
- (d) the date of the document.

Item 2 -- Cautionary Language

Include a statement in italics in substantially the following form:

“The following is a summary of the principal features of this fund. You can find more detailed information about the fund in the prospectus. The prospectus is available on [insert name of the manager of the fund] website at [insert manager of the fund website], or by contacting [insert name of the manager of the fund] at [insert manager of the fund’s email address], or by calling [insert telephone number of the manager of the fund”].

Item 3 -- Fund Details

Include the following disclosure:

- (a) ticker symbol;
- (b) fund identification code(s);
- (c) index ticker (as applicable);
- (d) exchange;
- (e) currency;
- (f) inception date;
- (g) RSP eligibility;
- (h) DRIP eligibility;
- (i) expected frequency and timing of distributions, and if applicable, the targeted amount for distributions;
- (j) management expense ratio, if available; and
- (k) portfolio manager, when the fund is actively managed.

Item 4 -- Investment Objectives

Include a description of the fundamental nature of the fund, or the fundamental features of the fund that distinguishes it from other funds.

INSTRUCTIONS:

Include a description of what the fund primarily invests in, or intends to primarily invest in, such as

- (a) *a description of the fund, including what the fund invests in, and if it is trying to replicate an index, the name of the index, and an overview of the nature of securities covered by the index or the purpose of the index; and*
- (b) *the key investment strategies of the fund.*

Item 5 -- Investments of the Fund

1. Include a table disclosing:

- (a) the top 10 positions held by the fund; and
- (b) the percentage of net asset value of the fund represented by the top 10 positions.

2. Include at least one, and up to two, charts or tables that illustrate the investment mix of the fund's investment portfolio.

INSTRUCTIONS:

- (a) *The information required under this Item is intended to give a snapshot of the composition of the fund's investment portfolio. The information required to be disclosed under this Item must be as at a date within 30 days before the date of the Summary Document.*
- (b) *The information required under Item 5(2) must show a breakdown of the fund's investment portfolio into appropriate subgroups and the percentage of the aggregate net asset value of the fund constituted by each subgroup. The names of the subgroups are not prescribed and can include security type, industry segment or geographic location. The fund should use the most appropriate categories given the nature of the fund. The choices made must be consistent with disclosure provided under "Summary of Investment Portfolio" in the fund's MRFP.*
- (c) *For new funds where the information required to be disclosed under this Item is not available, provide a brief statement explaining why the required information is not available.*

Item 6 -- Risk

1. Include a statement in italics in substantially the following form:

“All investments involve risk. When you invest in the fund the value of your investment can go down as well as up. For a description of the specific risks of this fund, see the fund’s prospectus.”

2. If the cover page of the fund’s prospectus contains text box risk disclosure, also include a description of those risk factors in the Summary Document.

Item 7 -- Fund Expenses

1. Include an introduction using wording similar to the following:

“You don’t pay these expenses directly. They affect you because they reduce the fund’s returns.”

2. Provide information about the expenses of the fund in the form of the following table:

	Annual rate (as a % of the fund’s value)
Management expense ratio (MER) This is the total of the fund’s management fee and operating expenses.	
Trading expense ratio (TER) These are the fund’s trading costs.	
Fund expenses The amount included for fund expenses is the amount arrived at by adding the MER and the TER.	

3. If the information in (2) is unavailable because the fund is new including wording similar to the following:

“The fund’s expenses are made up of the management fee, operating expenses and trading costs. The fund’s annual management fee is []% of the fund’s value. Because this fund is new, its operating expenses and trading costs are not yet available.”

INSTRUCTIONS:

Use a bold font or other formatting to indicate that fund expenses is the total of all ongoing expenses set out in the chart and is not a separate expense charged to the fund.

Item 8 -- Trailing Commissions

1. If the manager of the fund or another member of the fund's organization pays trailing commissions, include a brief description of these commissions.
2. The description of any trailing commission must include a statement in substantially the following words:

"The trailing commission is paid out of the management fee. The trailing commission is paid for as long as you own the fund."

Item 9 -- Other Fees

1. Provide information about the amount of fees payable by an investor, other than those already described or payable by designated brokers and underwriters.
2. Include a statement using wording similar to the following:

"You may pay brokerage fees to your dealer when you purchase and sell units of the fund."

INSTRUCTIONS:

- (a) *Examples include any redemption charges, sales charges or other fees, if any, associated with buying and selling securities of the fund.*
- (b) *Provide a brief description of each fee disclosing the amount to be paid as a percentage (or, if applicable, a fixed dollar amount) and state who charges the fee.*

Item 10 -- Statement of Rights

State in substantially the following words:

Under securities law in some provinces and territories, you have:

- *the right to cancel your purchase within 48 hours after you receive confirmation of the purchase, or*
- *other rights and remedies if this document or the fund's prospectus contains a misrepresentation. You must act within the time limit set by the securities law in your province or territory.*

For more information, see the securities law of your province or territory or ask a lawyer.

Item 11 -- Past Performance

If the fund includes past performance:

1. Include an introduction using wording similar to the following:

This section tells you how the fund has performed over the past [insert the lesser of 10 years or the number of completed calendar years] years. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

It's important to note that this doesn't tell you how the fund will perform in the future as past performance may not be repeated. Also, your actual after-tax return will depend on your personal tax situation.

2. Show the annual total return of the fund, in chronological order for the lesser of:
 - (a) each of the 10 most recently completed calendar years; and
 - (b) each of the completed calendar years in which the fund has been in existence and which the fund was a reporting issuer.
3. Show the
 - (a) final value, of a hypothetical \$1,000 investment in the fund as at the end of the period that ends within 30 days before the date of the Summary Document and consists of the lesser of:
 - (i) 10 years, or
 - (ii) the time since inception of the fund,
 and
 - (b) the annual compounded rate of return that would equate the initial \$1,000 investment to the final value.

INSTRUCTIONS:

In responding to the requirements of this Item, a fund must comply with the relevant sections of Part 15 of National Instrument 81-102 Investment Funds as if those sections applied to a Summary Document.

Item 12 -- Benchmark Information

If the Summary Document includes benchmark information, ensure this information is consistent with the fund's MRFP and presented in the same format as Item 11.