

Note: [08 Sep 2008] – Amendments to NI 81-106. Refer to CSA Notice announcing amendments to NI 81-106 dated 20 Jun 2008.

Amendments to National Instrument 81-106
Investment Fund Continuous Disclosure

- 1. *Section 1.1 of NI 81-106 Investment Fund Continuous Disclosure is amended by repealing the definition of “net asset value” and substituting the following:***

“net asset value” means the value of the total assets of the investment fund less the value of the total liabilities of the investment fund, as at a specific date, determined in accordance with Part 14.;

- 2. *Section 2.9 of NI 81-106 Investment Fund Continuous Disclosure is amended***

- (a) *in subparagraph (4)(a)(i) by striking out “and a statement of investment portfolio”; and***
- (b) *in subparagraph (4)(b)(i) by striking out “and a statement of investment portfolio”.***

- 3. *Section 2.10 of NI 81-106 Investment Fund Continuous Disclosure is amended by***

- (a) *repealing paragraph (a) and substituting the following:***

(a) the investment fund terminating or ceasing to be a reporting issuer,; ***and***

- (b) *repealing paragraph (h) and substituting the following:***

(h) if applicable, the names of each party that terminated or ceased to be a reporting issuer following the transaction and of each continuing entity.;

- 4. *Section 3.1 of NI 81-106 Investment Fund Continuous Disclosure is amended in item 15 by striking out “net asset value” and substituting “net assets”.***

- 5. *Section 3.2 of NI 81-106 Investment Fund Continuous Disclosure is amended by adding the following after item 10:***

10.1 commissions and other portfolio transaction costs..

- 6. *Section 3.6 of NI 81-106 Investment Fund Continuous Disclosure is amended by***

- (a) *repealing subparagraph 3.6(1)3. and substituting the following:***

3. to the extent the amount is ascertainable, the soft dollar portion of the total commissions and other portfolio transaction costs paid or payable to

dealers by the investment fund, where the soft dollar portion is the amount paid or payable for goods and services other than order execution.; **and**

(b) adding the following after subparagraph 3.6(1)4.:

5. the net asset value per security as at the date of the financial statements compared to the net assets per security as shown on the statement of net assets, and an explanation of each of the differences between these amounts..

7. **Subsection 3.11(2) of NI 81-106 Investment Fund Continuous Disclosure is amended by striking out “net asset value per security” and substituting “net assets per security”.**

8. **Subsection 8.2(c) of NI 81-106 Investment Fund Continuous Disclosure is amended by striking out “net asset value” and substituting “net assets”.**

9. **Section 8.4 of NI 81-106 Investment Fund Continuous Disclosure is amended by striking out “net asset value” and substituting “net assets”.**

10. **Section 9.2 of NI 81-106 Investment Fund Continuous Disclosure is repealed and the following is substituted:**

9.2 Requirement to File Annual Information Form – An investment fund must file an annual information form if the investment fund has not obtained a receipt for a prospectus during the last 12 months preceding its financial year end..

11. **Section 10.3 of NI 81-106 Investment Fund Continuous Disclosure is amended by striking out “reporting issuer” and substituting “reporting issuer or the equivalent of a reporting issuer in a foreign jurisdiction”.**

12. **Section 14.2 of NI 81-106 Investment Fund Continuous Disclosure is amended**

(a) by repealing subsection (1) and substituting the following:

- (1) The net asset value of an investment fund must be calculated using the fair value of the investment fund’s assets and liabilities.;

(b) by adding the following after subsection (1):

- (1.1) The net asset value of an investment fund must include the income and expenses of the investment fund accrued up to the date of calculation of the net asset value.

- (1.2) For the purposes of subsection (1), fair value means

- (a) the market value based on reported prices and quotations in an active market, or
 - (b) if the market value is not available, or the manager of the investment fund believes that it is unreliable, a value that is fair and reasonable in all the relevant circumstances.
- (1.3) The manager of an investment fund must
- (a) establish and maintain appropriate written policies and procedures for determining the fair value of the investment fund's assets and liabilities; and
 - (b) consistently follow those policies and procedures.
- (1.4) The manager of an investment fund must maintain a record of the determination of fair value and the reasons supporting that determination.;
- (c) ***in subsection (2) by striking out “Despite subsection (1), for” and substituting “For”; and***
- (d) ***in subsection (5) by striking out “Despite subsection (3)” and substituting “Despite paragraph (3)(a)”.***

13. Section 15.1 of NI 81-106 Investment Fund Continuous Disclosure is amended by repealing clause (1)(a)(i)(A) and substituting the following:

- (A) total expenses of the investment fund, excluding commissions and other portfolio transaction costs, before income taxes, for the financial year or interim period, as shown on its statement of operations; and.

14. Section 15.2 of NI 81-106 Investment Fund Continuous Disclosure is amended by

- (a) ***repealing subparagraph (1)(a)(i) and substituting the following:***
 - (i) multiplying the total expenses of each underlying investment fund, excluding commissions and other portfolio transaction costs, before income taxes, for the financial year or interim period, by; ***and***
- (b) ***repealing paragraph (1)(b) and substituting the following:***
 - (b) the total expenses of the investment fund, excluding commissions and other portfolio transaction costs, before income taxes, for the period..

15. *Sections 18.2, 18.3, 18.4 and 18.5 of NI 81-106 Investment Fund Continuous Disclosure are repealed.*
16. This Instrument comes into force on September 8, 2008.