

**NATIONAL POLICY No. 23**  
**MUTUAL FUNDS: “IN-HOUSE” FUNDS**

The administrator (Commission) have been concerned with the potential problems of investors who purchase interests in the dealer sponsored and managed pooled equity accounts, commonly referred to as “in-house” mutual funds. After reviewing the matter carefully, including the submission made on behalf of existing plans, we have reached the following conclusions:

Such plans will not be qualified for sale through a prospectus unless they are established in the case of the common law provinces under the terms of a trust indenture or in the case of Quebec under arrangements which have a similar effect under the Civil Code. The trust instrument or Quebec arrangement must provide for the assets to be held by an independent custodian trustee.

Existing plans will be given a reasonable period within which to comply with these requirements.