

The Ontario Securities Commission

# OSC Bulletin

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The Ontario Securities Commission administers the *Securities Act* of Ontario (R.S.O. 1990, c. S.5) and the *Commodity Futures Act* of Ontario (R.S.O. 1990, c. C.20)

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## Chapter 1

# Notices

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### 1.4 Notices from the Office of the Secretary

#### 1.4.1 VRK Forex & Investments Inc. and Radhakrishna Namburi

**FOR IMMEDIATE RELEASE**  
September 17, 2020

**VRK FOREX & INVESTMENTS INC. and  
RADHAKRISHNA NAMBURI,  
File No. 2019-40**

**TORONTO** – The Commission issued an Order in the above named matter.

A copy of the Order dated September 17, 2020 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
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SECRETARY TO THE COMMISSION

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### 1.4.2 First Global Data Ltd. et al.

**FOR IMMEDIATE RELEASE**  
September 17, 2020

**FIRST GLOBAL DATA LTD.,  
GLOBAL BIOENERGY RESOURCES INC.,  
NAYEEM ALLI,  
MAURICE AZIZ,  
HARISH BAJAJ, AND  
ANDRE ITWARU,  
File No. 2019-22**

**TORONTO** – The Commission issued an Order in the above named matter.

A copy of the Order dated September 17, 2020 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
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## Chapter 2

# Decisions, Orders and Rulings

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### 2.1 Decisions

#### 2.1.1 Kinaxis Inc.

##### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from provisions in section 8.4 of National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102) exempting the filer to file a business acquisition report pursuant to section 13.1 of NI 51-102.

##### Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 8.4 and 13.1.

September 11, 2020

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ONTARIO  
(the Jurisdiction)

AND

IN THE MATTER OF  
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS  
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF  
KINAXIS INC.  
(the Filer)

DECISION

##### Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) providing exemptive relief (**Exemption Sought**) from the requirements of Sections 8.2 of NI 51-102 – *Continuous Disclosure Obligations (NI 51-102)* to file a business acquisition report (**BAR**) in connection with the completion of the acquisition (the **Acquisition**) by the Filer of the assets of Rubikloud Technologies Inc. (the **Target**) on July 2, 2020.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application (the **Principal Regulator**);
- (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 in all other provinces of Canada where the Filer is a reporting issuer (collectively, the **Passport Jurisdictions**); and
- (c) the 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 and NI 51-102, as amended from time to time, have the same meaning if used in this decision, unless otherwise defined herein.

## Representations

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

### *The Filer*

1. The Filer is a corporation existing under the provisions of the *Canada Business Corporation Act* with its head office in Ottawa, Ontario.
2. The Filer is a reporting issuer under the securities legislation of each of the provinces and territories of Canada.
3. The common shares of the Filer are posted and listed for trading on the Toronto Stock Exchange under the symbol "KXS".
4. The Filer is not in default of securities legislation in any jurisdiction.
5. The Filer is in the business of providing cloud-based software as a service for supply chain planning and related business operations.

### *The Acquisition*

6. On July 2, 2020, the Filer completed the Acquisition for a total cash purchase price of US \$60,000,000, subject to customary adjustments.
7. The Acquisition is additive for the Filer, with an objective of obtaining intellectual property and highly-qualified technical employees, consistent with the Filer's organic growth strategy.

### *Significance Tests for the BAR*

8. Under Part 8 of NI 51-102, the Filer is required to file a BAR for any completed acquisition that is determined to be significant based on the acquisition satisfying any of the three significance tests set out in section 8.3(2) of NI 51-102.
9. The Acquisition is not a significant acquisition under the asset test in section 8.3(2)(a) of NI 51-102 as the value of the Acquisition represented only approximately 3% of the consolidated assets of the Filer as at December 31, 2019.
10. The Acquisition is not a significant acquisition under the investment test in section 8.3(2)(b) of NI 51-102 as the Filer's acquisition costs represented only approximately 17% of the consolidated assets of the Filer as of December 31, 2019.
11. The Acquisition would, however, be a significant acquisition under the profit or loss test in section 8.3(2)(c) of NI 51-102; in particular, the Filer's proportionate share of the consolidated specified profit or loss of the Target exceeds 20% of the consolidated specified profit or loss of the Filer calculated using the audited financial statements of the Filer for the year ended December 31, 2019 and the audited financial statements of the Target for the year ended March 31, 2020.
12. The application of the profit or loss test produces an anomalous result for the Filer because it exaggerates the significance of the Acquisition out of proportion to its significance on an objective basis in comparison to the results of the asset test and investment test.

### *Not a Significant Acquisition*

13. The Filer believes that the application of the profit and loss test does not demonstrate any correlation with the actual significance of the Acquisition from a commercial, business or financial perspective.
14. The Filer has provided additional operational measures that better demonstrate the significance of the Acquisition of the Target to the Filer; these additional operational measures include the Filer's proportionate share of: (i) total revenue; (ii) market capitalization; and (iii) non-financial metrics such as number of employees and customers, which yield results that are generally more consistent with the results of the asset test and the investment test.

## Decision

The Principal Regulator is satisfied that the decision meets the test set out in the Legislation for the Principal Regulator to make the decision.

The decision of the Principal Regulator under the Legislation is that the Exemption Sought is granted.

"Winnie Sanjoto"  
Manager, Corporate Finance  
Ontario Securities Commission

## 2.1.2 Investors Group Securities Inc.

### Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Communication with Beneficial Owners – relief from the requirements of section 3.2 of NI 54-101 that the intermediary receive the instructions and information prescribed in that section in advance of opening an account for existing clients who are having new accounts opened for them to facilitate the migration of client accounts of the intermediary from a back-office system where client investments were registered in the name of the individual clients to a back-off system where client investments will be registered in the nominee name of the intermediary – the intermediary already knows the beneficial ownership information of each of these migrating clients and has received written standing instructions from such clients relating to the receipt of securityholder materials in respect of the intermediary's proprietary Registered Education Savings Plan (RESP) offerings – migrating clients will continue to receive securityholder materials for these mutual funds directly from the intermediary based on the previously provided instructions – accounts opened to facilitate the migration of client accounts from one back-office system to another are exempt from the requirements in section 3.2 of NI 54-101 for RESP offerings of the intermediary held by clients who had previously provided written instructions in respect of the receipt of securityholder materials for such funds, subject to conditions.

### Applicable Legislative Provisions

National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer, ss. 3.2 and 9.2.

August 17, 2020

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
MANITOBA AND ONTARIO  
(the Jurisdictions)**

**AND**

**IN THE MATTER OF  
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS  
IN MULTIPLE JURISDICTIONS**

**AND**

**IN THE MATTER OF  
INVESTORS GROUP SECURITIES INC.  
(the Filer)**

**DECISION**

### Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from the requirements of section 3.2 of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (**NI 54-101**, and such requirements, the **NI 54-101 Requirements**) in connection with the opening of accounts on the Filer's Nominee Name Platform (as defined below) to facilitate the migration of all existing Registered Education Savings Plan (**RESP**) client accounts of Instructing Clients (as defined below) on the Filer's Client Name Platform (as defined below) to the Nominee Name Platform (the **Exemption Sought**).

Under the Process for Exemptive Applications in Multiple Jurisdictions (for a dual application):

- (a) the Manitoba 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 in British Columbia, Alberta, Saskatchewan, Quebec, Newfoundland and Labrador, New Brunswick, Nova Scotia, Prince Edward Island, the Northwest Territories, Yukon and Nunavut, and
- (c) the 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 and NI 54-101 have the same meaning if used in this decision, unless otherwise defined.

## Representations

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

1. The Filer is a corporation duly constituted under the laws of Canada with its head office located in Winnipeg, Manitoba. The Filer is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**) and is registered as an investment dealer in all the provinces and territories of Canada.
2. The Filer is not in default of securities legislation in any of the provinces and territories of Canada.
3. The Filer currently relies on two back office systems to administer accounts of its clients.
4. The first system is used by the Filer and its affiliate, I.G. Investment Management, Ltd. (the investment fund manager of Investors Group proprietary mutual funds) (**IGIM**) as the book of record for, and to facilitate transactions in, accounts where client investments are registered in the name of the individual clients (the **Client Name Platform**). The Filer has approximately 3000 RESP accounts, on the Client Name Platform.
5. The second system is used by the Filer as the book of record for, and to facilitate transactions in, accounts where client investments are registered in the nominee name of the Filer or its designate (the **Nominee Name Platform**). The Filer is an intermediary for clients that have accounts on the Nominee Name Platform. The Filer has approximately 15,000 RESP accounts on the Nominee Name Platform.
6. The Filer has determined that it is in the best interests of its clients with RESP accounts to consolidate those accounts onto the Nominee Name Platform. All RESP clients on the Client Name Platform who will be migrated onto the Nominee Name Platform are existing clients of the Filer and the migration will not result in any first-time establishment of a dealer-client relationship. There are no adverse tax or other consequences to Instructing Clients as a result of the migration.
7. Generally, the NI 54-101 Requirements require that an intermediary that opens an account for a client:
  - (a) send, as part of its procedures to open the account, the client an explanation to clients and a client response form; and
  - (b)
    - (i) obtain instructions from the client on the matters to which the client response form pertains (the **Client Response Form Information**),
    - (ii) obtain the electronic mail address of the client, if available, and,
    - (iii) if applicable, enquire whether the client wishes to consent and, if so, obtain the consent of the client, to electronic delivery of documents by the intermediary to the client, before the intermediary holds securities on behalf of the client in the account (together with the information in clause (ii) above, the **Electronic Information**).
8. The Filer does not act as an intermediary for accounts on the Client Name Platform and accordingly, is not required to comply with the NI 54-101 Requirements with respect to such Client Name Platform accounts (the **RESP Client Name Accounts**). However, clients (the **Instructing Clients**) were provided with an election card (the **Election Card**) seeking written standing instructions on whether they wished to receive the annual financial statements, interim financial statements, annual management reports of fund performance, and/or interim management reports of fund performance with respect to their Investors Group mutual funds (the **IG Mutual Funds**) held in the RESP accounts, in accordance with section 5.2 of National Instrument 81-106 *Investment Fund Continuous Disclosure (NI 81-106)*. The matters to which the Election Card pertained (the **Election Card Matters**) addresses the matters to which "Part 2 — Receiving Securityholder Materials" of the client response form pertains in respect of the IG Mutual Funds.
9. To facilitate the migration, the Filer will open a new account on the Nominee Name Platform (the **RESP Nominee Name Account**) for each Instructing Client and the IG Mutual Funds held in the RESP Client Name Account for each Instructing Client (collectively, the **Eligible Investments**) will be transferred to such Instructing Client's RESP Nominee Name Account. Eligible Investments of Instructing Clients will be migrated starting in the third fiscal quarter of 2020. Once the migration is complete, and all assets have transferred, the RESP Client Name Accounts will be closed.
10. Beneficial ownership information of Instructing Clients, and their instructions on the Election Card Matters in respect of their IG Mutual Funds (the **Standing Instructions**) are already known to the Filer and IGIM. The Filer and

IGIM currently provide securityholder materials for the IG Mutual Funds directly to clients on the Client Name Platform and will continue to do so when the Eligible Investments have been migrated to the Instructing Client's RESP Nominee Name Account. An Instructing Client's Standing Instructions will continue to apply to the Eligible Investments following their migration into the Instructing Client's RESP Nominee Name Account.

11. The types and number of securityholder materials applicable to, and available for, the Eligible Investments have not changed since the time that Instructing Clients provided the Standing Instructions, and Instructing Clients were informed of all of the securityholder materials applicable to, and available for, the IG Mutual Funds at the time they provided the Standing Instructions.
12. Only Eligible Investments of Instructing Clients will be migrated from the RESP Client Name Account of Instructing Clients to such client's RESP Nominee Name Account. Any other investments of Instructing Clients currently contained within such client's Client Name Account or that Instructing Clients may wish to add to his/her Nominee Name Account will only be migrated or accepted, as applicable, following receipt by the Filer of the Client Response Form Information and the Electronic Information (together, the **Client Instructions**) in the manner required by the NI 54-101 Requirements.
13. Prior to migrating the Eligible Investments contained in the RESP Client Name Accounts of Instructing Clients into RESP Nominee Name Accounts, Instructing Clients will receive written communications from the Filer that will contain, include and/or describe, among other things:
  - (a) notice of the account migration;
  - (b) details about administrative changes resulting from the migration, including new account numbers, change of trustee of the client's RESP, etc., that would be relevant to the Instructing Client; and
  - (c) a copy of the Filer's Account Agreement, Relationship Disclosure and Other Information booklet, which contains the terms of the client's account on the Nominee Name Platform as well as the information required in the explanation to clients mandated by the NI 54-101 Requirements.
14. The Filer's network of dealing representatives will also be provided with information and details about the migration in advance of any migration of RESP Client Name Accounts of Instructing Clients to RESP Nominee Name Accounts so that they have the information necessary to be able to respond to inquiries from Instructing Clients about the migration.
15. The Filer has consulted with IIROC and confirmed that no approvals are required from IIROC in connection with the migration of the RESP Client Name Accounts.
16. The Filer will use its best efforts to obtain, within 12 months of the migration of Instructing Clients' RESP Client Name Accounts, (a) a completed client response form from Instructing Clients, and (b) the Electronic Information from Instructing Clients for whom this information is not already known to the Filer. If such information is not obtained within 12 months, the Instructing Client will be restricted from executing buys or transferring any assets other than IG Mutual Funds into the RESP Nominee Name Account until the information is obtained by the Filer.

### **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 is granted provided that:

- (a) only Eligible Investments of Instructing Clients are migrated from the RESP Client Name Account into the RESP Nominee Name Account opened for such client in connection with the migration;
- (b) all other investments of Instructing Clients that are currently contained within an Instructing Client's RESP Client Name Account, or that Instructing Clients may wish to add to his/her RESP Nominee Name Account will only be migrated or accepted, as applicable, following receipt by the Filer of the Client Instructions in the manner required by the NI 54-101 Requirements;
- (c) prior to a RESP Nominee Name Account being opened for an Instructing Client in connection with the migration, the Filer provides such Instructing Client with the information required in the explanation to clients mandated by the NI 54-101 Requirements;
- (d) the Standing Instructions of Instructing Clients will continue to apply to the Eligible Investments following their migration into the Instructing Clients' RESP Nominee Name Accounts;

## Decisions, Orders and Rulings

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- (e) Instructing Clients are informed that they can amend or update the Standing Instructions previously provided by them to the Filer, and are advised as to the manner in which they may make such amendments or updates;
- (f) the Filer uses its best efforts to obtain, within 12 months of the migration of such Instructing Clients' RESP Client Name Accounts;
  - (i) a completed client response form from Instructing Clients;
  - (ii) the Electronic Information from Instructing Clients for whom this information is not already known to the Filer;

and will not permit Instructing Clients to execute buys or transfers of any assets other than IG Mutual Funds into their respective RESP Nominee Name Accounts until such information is obtained by the Filer.

“Chris Besko”  
Director  
The Manitoba Securities Commission

### 2.1.3 CIBC Asset Management Inc.

#### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted to exchange-traded series of conventional mutual funds for continuous distribution of securities – relief granted to facilitate the offering of exchange-traded series and conventional mutual fund series within same fund structure – relief granted from the requirement in NI 41-101 to prepare and file a long form prospectus for exchange-traded series provided that a simplified prospectus is prepared and filed in accordance with NI 81-101– relief permitting all series of funds to be disclosed in same prospectus – disclosure required by NI 41-101 for exchange-traded series and not contemplated by NI 81-101 will be disclosed in prospectus – technical relief granted to mutual funds from Parts 9, 10 and 14 of National Instrument 81-102 – Investment Funds to permit funds to treat exchange-traded series in a manner consistent with treatment of other exchange-traded fund securities in continuous distribution in connection with their compliance with Parts 9, 10 and 14 of NI 81-102 – relief permitting funds to treat mutual fund series in a manner consistent with treatment of other conventional mutual fund securities in connection with their compliance with Parts 9, 10 and 14 of NI 81-102.

#### Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., ss. 59(1) and 147.

National Instrument 41-101 General Prospectus Requirements, s. 19.1.

National Instrument 81-102 – Investment Funds, Parts 9, 10 and 14 and s. 19.1.

September 16, 2020

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ONTARIO  
(the Jurisdiction)**

**AND**

**IN THE MATTER OF  
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS  
IN MULTIPLE JURISDICTIONS**

**AND**

**IN THE MATTER OF  
CIBC ASSET MANAGEMENT INC.**

**DECISION**

#### Background

The principal regulator in the Jurisdiction has received an application from CIBC Asset Management Inc. (the **Filer**) on behalf of:

1. the CIBC Conservative Fixed Income Pool, CIBC Core Fixed Income Pool and CIBC Core Plus Fixed Income Pool, each of which is an existing mutual fund managed by the Filer that offers securities under a simplified prospectus in accordance with the provisions of National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**) (the **Existing Funds**) and any additional mutual funds established in the future of which the Filer is the manager that may offer an ETF Series (as defined below) under a simplified prospectus in accordance with NI 81-101 (the **Future Funds**, and together with the Existing Funds, the **Funds**, and each individually, a **Fund**), for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that:
  - (a) exempts the Filer and each Fund from the requirement to prepare and file a long form prospectus for the ETF Securities (as defined below) in the form prescribed by Form 41-101F2 *Information Required in an Investment Fund Prospectus* (**Form 41-101F2**), subject to the terms of this decision and provided that the Filer files a prospectus for the ETF Securities in accordance with the provisions of NI 81-101, other than the requirements pertaining to the filing of a Fund Facts document (as defined below) (the **ETF Prospectus Form Requirement**); and
  - (b) permits the Filer and each Fund to treat the ETF Securities and the Mutual Fund Securities (as defined below) as if such securities were separate funds in connection with their compliance with the provisions of Parts 9, 10 and 14 of NI 81-102 (the **Sales and Redemptions Requirements**)

(collectively, the *Exemption Sought*).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (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 in all of the provinces and territories of Canada other than Ontario (together with Ontario, the **Jurisdictions**).

### **Interpretation**

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

*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 (as defined below) from time to time.

*Authorized Dealer* means a registered dealer that has entered, or intends to enter, into an agreement with the manager of a Fund authorizing the dealer to subscribe for, purchase and redeem Creation Units from one or more Funds on a continuous basis from time to time.

*Basket of Securities* means, in relation to a Fund, a group of securities or assets representing the constituents of the Fund.

*Designated Broker* means a registered dealer that has entered, or intends to enter, into an agreement with the Filer to perform certain duties in relation to the ETF Securities, including the posting of a liquid two-way market for the trading of the Fund's ETF Securities on the TSX or another Marketplace.

*ETF Series* means an exchange-traded series of a Fund that is listed or will be listed on the TSX or other Marketplace and that will be distributed pursuant to a simplified prospectus prepared in accordance with NI 81-101 and Form 81-101F1.

*ETF Facts* means a prescribed summary disclosure document required pursuant to NI 41-101, in the form prescribed by Form 41-101F4, in respect of one or more series of ETF Securities being distributed under a prospectus.

*ETF Securities* means securities of an ETF Series that are listed or will be listed on the TSX or another Marketplace and that will be distributed pursuant to a simplified prospectus prepared in accordance with NI 81-101 and Form 81-101F1.

*Form 41-101F2* means Form 41-101F2 *Information Required in an Investment Fund Prospectus*.

*Form 81-101F1* means Form 81-101F1 *Contents of Simplified Prospectus*.

*Fund Facts* means a prescribed summary disclosure document required pursuant to NI 81-101 in the form prescribed by Form NI 81-101F3, in respect of one or more series of Mutual Fund Securities being distributed under a prospectus.

*Marketplace* means a "marketplace" as defined in National Instrument 21-101 *Marketplace Operation* that is located in Canada.

*Mutual Fund Securities* means securities of a non-exchange-traded series of a Fund that are or will be distributed pursuant to a simplified prospectus prepared in accordance with NI 81-101 and Form 81-101F1.

*NI 41-101* means National Instrument 41-101 *General Prospectus Requirements*.

*NI 81-101* means National Instrument 81-101 *Mutual Fund Prospectus Disclosure*.

*Other Dealer* means a registered dealer that acts as authorized dealer or designated broker to exchange-traded funds that are not managed by the Filer.

*Prescribed Number of ETF Securities* means, in relation to a Fund, the number of ETF Securities of the Fund determined by the Filer from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

*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.

*Securityholders* means beneficial or registered holders of ETF Securities or Mutual Fund Securities, as applicable.

*TSX* means the Toronto Stock Exchange.

## **Representations**

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

### **The Filer**

1. The Filer is a corporation subsisting under the laws of Canada with its head office located in Toronto, Ontario. The Filer is registered:
  - (a) under the securities legislation of all provinces and territories of Canada as a portfolio manager;
  - (b) under the securities legislation of Ontario, Québec, and Newfoundland and Labrador as an investment fund manager;
  - (c) under the *Commodity Futures Act* (Ontario) as a commodity trading counsel and a commodity trading manager; and
  - (d) under the *Derivatives Act* (Quebec) as a derivatives portfolio manager.
2. The Filer is, or will be, the investment fund manager of the Funds.
3. Neither the Filer nor any of the Existing Funds is in default of securities legislation in any of the Jurisdictions.

### **The Funds**

4. Each Fund is, or will be, a mutual fund structured as a trust or a corporation or a class thereof that is organized and governed by the laws of the Province of Ontario. Each Fund is, or will be, a reporting issuer in the Jurisdiction(s) in which its securities are distributed.
5. Each Fund offers, or will offer, Mutual Fund Securities, and may in the future also offer ETF Securities.
6. The Funds are, or will be, governed by the provisions of NI 81-102, subject to any exemption therefrom that has been, or may be, granted by the applicable securities regulatory authorities. Securityholders will have the right to vote at a meeting of Securityholders in respect of matters prescribed by NI 81-102.
7. The Filer will apply to list the ETF Securities of the Funds on the TSX or another Marketplace and will not file a final prospectus for any of the Funds in respect of the ETF Securities until the TSX or other applicable Marketplace has conditionally approved the listing of the ETF Securities.
8. Mutual Fund Securities of the Funds will not be listed on the TSX or another Marketplace.
9. The Filer has filed or will file a simplified prospectus prepared and filed in accordance with NI 81-101 and Form 81-101F1 on behalf of the Funds in respect of the Mutual Fund Securities, subject to any exemptions that may be granted by the applicable securities regulatory authorities.
10. Mutual Fund Securities may be subscribed for or purchased directly from a Fund through registered dealers.
11. ETF Securities will be distributed on a continuous basis in one or more of the Jurisdictions under a prospectus. ETF Securities may generally only be subscribed for or purchased directly from the Funds (*Creation Units*) by Authorized Dealers or Designated Brokers. Generally, subscriptions or purchases may only be placed for a Prescribed Number of ETF Securities (or a multiple thereof) on any day when there is a trading session on the TSX or other Marketplace. Authorized Dealers or Designated Brokers subscribe for Creation Units for the purpose of facilitating investor purchases of ETF Securities on the TSX or another Marketplace.
12. In addition to subscribing for and re-selling Creation Units, Authorized Dealers, Designated Brokers and Affiliate Dealers will also generally be engaged in purchasing and selling ETF Securities of the same series as the Creation Units in the secondary market. Other Dealers may also be engaged in purchasing and selling ETF Securities of the same series as the Creation Units in the secondary market despite not being an Authorized Dealer, Designated Broker or Affiliate Dealer.

13. Each Designated Broker or Authorized Dealer that subscribes for Creation Units must deliver, in respect of each Prescribed Number of ETF Securities 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 ETF Securities subscribed for next determined following the receipt of the subscription order. In the discretion of the Filer, the Funds may also accept subscriptions for Creation Units in cash only, in securities other than Baskets of Securities and/or in a combination of cash and securities other than Baskets of Securities, in an amount equal to the net asset value of the ETF Securities subscribed for next determined following the receipt of the subscription order.
14. Upon notice given by the Filer from time to time and, in any event, not more than once quarterly, a Designated Broker may be contractually required to subscribe for Creation Units of a Fund for cash in an amount not to exceed a specified percentage of the net asset value of the Fund or such other amount established by the Filer.
15. The Designated Brokers and Authorized Dealers will not receive any fees or commissions in connection with the issuance of Creation Units to them. On the issuance of Creation Units, the Filer or the Fund may, in the Filer's discretion, charge a fee to a Designated Broker or an Authorized Dealer to offset the expenses incurred in issuing the Creation Units.
16. Each Fund will appoint a Designated Broker to perform certain other functions, which include standing in the market with a bid and ask price for ETF Securities for the purpose of maintaining liquidity for the ETF Securities.
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, ETF Securities generally will not be able to be purchased directly from a Fund. Investors are generally expected to purchase and sell ETF Securities, directly or indirectly, through dealers executing trades through the facilities of the TSX or another Marketplace. ETF Securities may also be issued directly to Securityholders upon a reinvestment of distributions of income or capital gains.
18. Securityholders that are not Designated Brokers or Authorized Dealers that wish to dispose of their ETF Securities may generally do so by selling their ETF Securities on the TSX or other Marketplace, through a registered dealer, subject only to customary brokerage commissions. A Securityholder that holds a Prescribed Number of ETF Securities or multiple thereof may exchange such ETF Securities for Baskets of Securities and/or cash in the discretion of the Filer. Securityholders may also redeem ETF Securities for cash at a redemption price equal to 95% of the closing price of the ETF Securities on the TSX or other Marketplace on the date of redemption, subject to a maximum redemption price of the applicable net asset value per ETF Security.

#### **ETF Prospectus Form Requirement**

19. The Filer believes it is more efficient and expedient to include all of the series of each Fund, including Mutual Fund Securities and ETF Securities of a Fund, in one prospectus form instead of two different prospectus forms and that this presentation will assist in providing full, true and plain disclosure of all material facts relating to the securities of the Funds by permitting disclosure relating to all series of securities to be included in one prospectus. The Filer has already filed a simplified prospectus in respect of the Existing Funds, and proposes to continue to file simplified prospectuses in respect of Future Funds.
20. The Filer will ensure that any additional disclosure included in the simplified prospectus and annual information form relating to the ETF Securities will not interfere with an investor's ability to differentiate between the Mutual Fund Securities and the ETF Securities and their respective attributes.
21. The Funds will file ETF Facts in the form prescribed by Form 41-101F4 in respect of any ETF Securities, and will continue to file Fund Facts in the form prescribed by Form 81-101F3 *Contents of Fund Facts Document* in respect of Mutual Fund Securities.
22. The Funds will comply with the provisions of NI 81-101 when filing any amendment or prospectus.

#### **Sales and Redemptions Requirements**

23. Parts 9, 10 and 14 of NI 81-102 do not contemplate both Mutual Fund Securities and ETF Securities being offered in a single fund structure. Accordingly, without the Exemption Sought from the Sales and Redemption Requirements, the Filer and the Funds would not be able to technically comply with those parts of the Instrument.
24. The Exemption Sought from the Sales and Redemption Requirements will permit the Filer and the Funds to treat the ETF Securities and the Mutual Fund Securities as if such securities were separate funds in connection with their compliance with Parts 9, 10 and 14 of NI 81-102. The Exemption Sought from the Sales and Redemption Requirements will enable each of the ETF Securities and Mutual Fund Securities to comply with Parts 9, 10 and 14 of NI 81-102 as appropriate for the type of security being offered.

**Decision**

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

1. The decision of the principal regulator is that the Exemption Sought from the ETF Prospectus Form Requirement is granted, provided that the Filer will be in compliance with the following conditions:
  - (a) the Filer files a simplified prospectus and annual information form in respect of the ETF Securities in accordance with the requirements of NI 81-101, Form 81-101F1 and Form 81-101F2, other than the requirements pertaining to the filing of a Fund Facts document;
  - (b) the Filer includes disclosure required pursuant to Form 41-101F2 (that is not contemplated by Form 81-101F1 or Form 81-101F2) in respect of the ETF Securities, in each Fund's simplified prospectus and/or annual information form, as applicable; and
  - (c) the Filer includes disclosure regarding this decision under the heading "Additional Information" and "Exemptions and Approvals" in each Fund's simplified prospectus and annual information form, respectively.
2. The decision of the principal regulator under the Legislation is that the Exemption Sought from the Sales and Redemptions Requirements is granted, provided that the Filer will be in compliance with the following conditions:
  - (a) with respect to its Mutual Fund Securities, each Fund complies with the provisions of Parts 9, 10 and 14 of NI 81-102 that apply to mutual funds that are not exchange-traded mutual funds; and
  - (b) with respect to its ETF Securities, each Fund complies with the provisions of Parts 9 and 10 of NI 81-102 that apply to exchange-traded mutual funds.

"Darren McCall"  
Manager,  
Investment Funds & Structured Products Branch  
Ontario Securities Commission

## 2.1.4 Veolia Environnement S.A.

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for relief from the prospectus and registration requirements for certain trades made in connection with an employee share offering by a French issuer – in Ontario, application for relief from prospectus requirement only – The issuer cannot rely on the employee exemption in section 2.24 of National Instrument 45-106 Prospectus Exemptions as the securities are not being offered to Canadian employees directly by the issuer but rather through special purpose entities – Canadian participants will receive disclosure documents – The special purpose entities are subject to the supervision of the local securities regulator – There is no market for the securities of the issuer in Canada – the number of Canadian participants and their share ownership are de minimus – Relief granted, subject to conditions – 5 year sunset clause.

### Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53(1) and 74(1).  
National Instrument 45-106 Prospectus Exemptions, ss. 2.15 and 2.24.

### TRANSLATION

September 4, 2020

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
QUÉBEC AND ONTARIO  
(the Jurisdictions)

AND

IN THE MATTER OF  
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS  
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF  
VEOLIA ENVIRONNEMENT S.A.  
(the Filer)

### DECISION

### Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for:

1. an exemption from the prospectus requirement (the **Prospectus Relief**) so that such requirement does not apply to:
  - a) trades of:
    - (i) units (the **Principal Classic Units**) of a fund named Sequoia Classique International (the **Principal Classic Fund**), a *fonds commun de placement d'entreprise* or "FCPE", a form of collective shareholding vehicle commonly used in France for the custody of shares held by employee-investors in employee savings plans;
    - (ii) units (the **2020 Classic Units**) of a temporary fund named Sequoia Relais 2020 (the **2020 Classic Fund**), a fund intended to merge into the Principal Classic Fund;
    - (iii) units (together with the 2020 Classic Units, the **Temporary Classic Units**, and together with the 2020 Classic Units and the Principal Classic Units, the **Classic Units**) of future temporary sub-funds of the Principal Classic Fund organized in the same manner as the 2020 Classic Fund (together with the 2020 Classic Fund, the **Temporary Classic Funds**), which will merge with the Principal Classic Fund following the completion of the Employee Share Offering (as defined below); such transaction being described as the **Merger** in section b) of the Representations (the term **Classic Fund** used herein means, prior to the Merger, the Temporary Classic Fund and following the Merger, the Principal Classic Fund);

- (iv) units (the **2020 Leveraged Units**) of a sub-fund named Plus 2020 BC (the **2020 Leveraged Fund**), of the fund named Sequoia Plus (the **Principal Leveraged Fund**);
- (v) units (together with the 2020 Leveraged Units, the **Leveraged Units**, and together with the Classic Units, the **Units**) of future sub-funds of the Principal Leveraged Fund organized in the same manner as the 2020 Leveraged Fund (together with the 2020 Leveraged Fund, the **Leveraged Funds**, and together with the Principal Classic Fund and the Temporary Classic Fund, the **Funds**),

made pursuant to an Employee Share Offering to or with Qualifying Employees (as defined below) resident in the Jurisdictions, Alberta, British Columbia, Manitoba, New Brunswick, and Saskatchewan (collectively, the **Canadian Employees**, and together with Canadian Employees who subscribe for Units, the **Canadian Participants**);

- b) trades of ordinary shares of the Filer (the **Shares**) by the Funds to or with Canadian Participants upon the redemption of Units as requested by Canadian Participants;
  - c) trades of Principal Classic Units made pursuant to an Employee Share Offering to or with holders of Leveraged Units upon the transfer of the Canadian Participants' assets in the relevant Leveraged Fund to the Principal Classic Fund at the end of the applicable Lock-Up Period (as defined below);
2. an exemption from the dealer registration requirement (the **Registration Relief**, and together with the Prospectus Relief, the **Exemption Sought**) so that such requirement does not apply to the Filer and its Local Related Entities (as defined below), the Funds, and the Management Company (as defined below) in respect of the following:
- a) trades in Units made pursuant to an Employee Share Offering to or with Canadian Employees not resident in Ontario or Manitoba;
  - b) trades in Shares by the Funds to or with Canadian Participants upon the redemption of Units as requested by Canadian Participants; and
  - c) trades in Principal Classic Units made pursuant to an Employee Share Offering to or with holders of Leveraged Units upon the transfer of the Canadian Participants' assets in the relevant Leveraged Fund to the Principal Classic Fund at the end of the applicable Lock-Up Period.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- a) the Autorité des marchés financiers is the principal regulator for this application;
- b) the Filer has provided notice that section 4.7(1) of *Regulation 11-102 respecting Passport System*, CQLR, c. V-1.1, r. 1) (**Regulation 11-102**) is intended to be relied upon in Alberta, British Columbia, Manitoba, New Brunswick, and Saskatchewan; and
- c) the 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 *Regulation 14-101 respecting Definitions*, CQLR, c. V-1.1, r. 3, *Regulation 11-102* and *Regulation 45-106 respecting Prospectus Exemptions*, CQLR c.V-1.1, r. 21 have the same meaning if used in this decision, unless otherwise defined.

### Representations

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

1. The Filer has previously been granted relief pursuant to decision number 2018-FS-0088 dated June 1, 2018 (the **2018 Decision**), in which the Filer may conduct employee offerings in accordance with the terms and conditions outlined in the 2018 Decision, exclusive of the Exemption Sought under the decision herein.
2. The Filer is a corporation formed under the laws of France. It is not and has no current intention of becoming a reporting issuer under the securities legislation of any jurisdiction of Canada. The head office of the Filer is located in France. The Shares are principally traded through Euronext Paris. The Filer is not in default of securities legislation of any jurisdiction of Canada.
3. The Filer has established a global employee share offering (the **2020 Employee Offering**) and expects to establish subsequent global employee share offerings following 2020 for the next four years that are substantially similar (the

**Subsequent Employee Offerings**, and together with the 2020 Employee Offering, the **Employee Share Offerings**) for employees of the Filer and its participating related entities, including related entities that employ Canadian Employees (the **Local Related Entities**, together with the Filer and its other related entities, the **Veolia Group**). Each Local Related Entity is controlled directly or indirectly by the Filer and is not, and has no current intention of becoming, a reporting issuer under the Legislation or in any jurisdiction of Canada.

4. As of the date hereof, Local Related Entities include Greater Moncton Water Limited, Veolia Water Technologies Canada Inc., VVNA Winnipeg Inc., Fort St-James Operation LP, Fort St-James Fuelco, Veolia Infrastructure Services, Veolia Health Op Services Montreal, Veolia Energy Canada Inc., Veolia Services Drummondville SEC, Veolia ES Canada Industrial Services, Veolia ES Canada Inc., Merritt Operations Services LP, Chemrec Inc., and Veolia Water Technologies Canada Inc. For any Subsequent Employee Offering, the list of Local Related Entities may change.
5. Each Employee Share Offering will be made under the terms as set out herein and for greater certainty, all of the representations will be true for each Employee Share Offering other than paragraphs 4 and 31, which may change (references to the 2020 Classic Fund, the 2020 Leveraged Fund and the 2020 Employee Offering will be varied such that they are read as references to the relevant Fund and relevant Employee Share Offering).
6. As of the date hereof and after giving effect to any Employee Share Offering, the Filer is and will be a “foreign issuer” as such term is defined in section 2.15(1) of *Regulation 45-102 respecting Resale of Securities*, CQLR c.V-1.1, r. 20) (**Regulation 45-102**), section 2.8(1) of *Ontario Securities Commission Rule 72-503 - Distributions Outside Canada (OSC Rule 72-503)*, section 11(1) of *Alberta Securities Commission Rule 72-501 – Distributions to Purchasers Outside Alberta (Alberta Rule 72-501)*, and the Filer is not and will not be a reporting issuer in any jurisdiction of Canada.
7. Each Employee Share Offering is comprised of two subscription options:
  - a) an offering of Shares to be subscribed through the relevant Temporary Classic Fund, which will be merged with the Principal Classic Fund following the completion of the Employee Share Offering (the **Classic Plan**);
  - b) an offering of Shares to be subscribed through the relevant Leveraged Fund (the **Leveraged Plan**).
8. Only persons who are employees of an entity forming part of the Veolia Group during the subscription period pursuant to an Employee Share Offering and who meet other employment criteria (the **Qualifying Employees**) may participate in the relevant Employee Share Offering.
9. The Principal Classic Fund and the Principal Leveraged Fund were established in order to facilitate the participation of Qualifying Employees in the Employee Share Offerings. The 2020 Classic Fund and the 2020 Leveraged Fund were established for the purpose of implementing the 2020 Employee Offering. There is no current intention for any of the 2020 Classic Fund, the 2020 Leveraged Fund, the Principal Classic Fund and the Principal Leveraged Fund or the Funds to become a reporting issuer under the Legislation or in any jurisdiction of Canada. There is no intention for any Temporary Classic Fund or Leveraged Fund that will be established for the purpose of implementing Subsequent Employee Offerings to become a reporting issuer under the Legislation or in any jurisdiction of Canada.
10. The 2020 Classic Fund, the 2020 Leveraged Fund, the Principal Classic Fund, and the Principal Leveraged Fund are registered with, and approved by, the Autorité des marchés financiers in France (the **French AMF**). It is expected that each Temporary Classic Fund and Leveraged Fund established for Subsequent Employee Offerings will be a part of the Funds and will be registered with, and approved by, the French AMF.
11. All Units acquired under the Classic Plan or the Leveraged Plan by Canadian Participants will be subject to a hold period of approximately five years (the **Lock-Up Period**), subject to certain exceptions prescribed by French law and adopted under the offering in Canada (such as death, disability or termination of employment).
12. The total amount that may be invested by a Canadian Employee in an Employee Share Offering (the **Employee Contribution**) cannot exceed 25% of his or her estimated gross annual compensation for the relevant year. For the purposes of calculating these limits, a Canadian Participant’s maximum “investment” in a Leveraged Fund will include the additional Bank Contribution, with respect to the Total Employee Contribution (as defined below).
13. Under the Classic Plan, each Employee Share Offering will be made as follows:
  - a) Canadian Participants will subscribe for the Temporary Classic Units, and the relevant Temporary Classic Fund will then subscribe for Shares using the Canadian Participants’ contributions at a subscription price that is equal to the price calculated as the arithmetical average of the closing price of the Shares (expressed in Euros) on Euronext Paris for the 20 consecutive trading days preceding the date of fixing of the subscription price by the board of directors of the Filer or the Chief Executive Officer of the Filer acting pursuant to its delegated authority received from the board of directors of the Filer (the **Reference Price**), less a specified discount in the amount of 20% to the Reference Price (the **Discount**).

- b) Following the completion of an Employee Share Offering, the relevant Temporary Classic Fund will be merged with the Principal Classic Fund (subject to the decision of the Fund's supervisory board and to the French AMF's approval). The merger is made by the transfer of all assets held in the Temporary Classic Fund into the Principal Classic Fund and the liquidation of the Temporary Classic Fund after such transfer. The Temporary Classic Units held by Canadian Participants will be replaced with Principal Classic Units on a pro rata basis and the Shares subscribed for under the Employee Share Offering will be held in the Principal Classic Fund (such transaction, the **Merger**).
- c) Any dividends paid on the Shares held in the Classic Fund will be contributed to the Classic Fund and used to purchase additional Shares. To reflect this reinvestment, new Classic Units (or fractions thereof) will be issued to Canadian Participants.
- d) At the end of the relevant Lock-Up Period or in the event of an early redemption (an **Early Redemption**) resulting from a Canadian Participant relying on one of the exceptions to the Lock-Up Period, the Canadian Participant may:
  - (i) request to have his or her Classic Units redeemed in consideration for the underlying Shares or a cash payment equal to the then market value of the underlying Shares; or
  - (ii) continue to hold Classic Units and request to have such Classic Units redeemed at a later date.

14. Under the Leveraged Plan, each Employee Share Offering will be made as follows:

- a) Canadian Participants will subscribe for the relevant Leveraged Units, and the relevant Leveraged Fund will then subscribe for Shares using the Total Employee Contribution (as defined below) and certain financing made available by Société Générale (the **Bank**), a bank governed by the laws of France. For any Subsequent Employee Offering, the Bank may change. In the event of such a change, the successor to the Bank will remain a large French commercial bank subject to French banking legislation.
- b) Canadian Participants will subscribe for Shares at the Reference Price less the Discount.
- c) The Local Related Entity that employs the respective Canadian Participant will match the Employee Contribution up to a maximum of €300 per Canadian Participant (the **Matching Contribution**, and together with the Employee Contribution, the **Total Employee Contribution**).
- d) Participation in the Leveraged Plan represents a potential opportunity for Qualifying Employees to obtain higher gains than would be available through participation in the Classic Plan by virtue of the Qualifying Employee's indirect participation in a financing arrangement involving a swap agreement (the **Swap Agreement**) between the relevant Leveraged Fund and the Bank. In economic terms, the Swap Agreement involves the following exchange of payments: for each Share which may be subscribed for by a Qualifying Employee's respective Total Employee contribution (expressed in Euros) under the Leveraged Plan at the Reference Price less the Discount, the Bank will finance the subscription of four additional Shares to be subscribed for by the relevant Leveraged Fund (on behalf of the Canadian Participant) (the **Bank Contribution**).
- e) Under the terms of the Swap Agreement, at the end of the applicable Lock-Up Period, the relevant Leveraged Fund will owe to the Bank an amount equal to  $A - [B+C]$ , where:
  - (i) "A" is the market value of all the Shares (calculated on the international reference date for each of the Employee Share Offerings) held in the relevant Leveraged Fund (as determined pursuant to the terms of the Swap Agreement);
  - (ii) "B" is the aggregate amount of all Total Employee Contributions; and
  - (iii) "C" is an amount (the **Appreciation Amount**) equal to a multiple of the Average Increase (as defined below), if any, of the Shares above the Reference Price (where the "**Average Increase**" is the average price of the Shares based on the average closing price of the Shares over the last 1,233 trading days (equivalent to approximately four calendar years) prior to the end of the Lock-Up Period),  
  
and multiplied by:  
  
the number of Shares held in the relevant Leveraged Fund.

In the event the Average Price is lower than the Reference Price, the Reference Price will be used instead.

- f) If, at the end of the applicable Lock-Up Period, the market value of the Shares held in the relevant Leveraged Fund is less than 100% of the Total Employee Contributions, the Bank will, pursuant to the terms and conditions of a guarantee contained in the Swap Agreement, make a contribution to the relevant Leveraged Fund to make up any shortfall. Accordingly, Canadian Participants will receive 100% of the value of their contribution cash back in Euros.
- g) At the end of the applicable Lock-Up Period, the Swap Agreement will terminate after the final swap payments are made. A Canadian Participant may then request the redemption of his or her Leveraged Units in consideration for cash or Shares with a value equivalent to: (i) the Total Employee Contribution; and (ii) the Canadian Participant's portion of the Appreciation Amount, if any (the **Redemption Formula**).
- h) If a Canadian Participant does not request the redemption of his or her Leveraged Units at the end of the Lock-Up Period, his or her investment in the Leveraged Fund will be transferred to the Principal Classic Fund upon the decision of the supervisory board of the Leveraged Fund and Classic Fund (subject to the approval of the French AMF). New Principal Classic Units will be issued to such Canadian Participants in recognition of the assets transferred to the Principal Classic Fund. The Canadian Participants will be entitled to request the redemption of the new Principal Classic Units whenever they wish. However, following a transfer to the Principal Classic Fund, the Total Employee Contribution and the Appreciation Amount will no longer be covered by the Swap Agreement (including the Bank's guarantee contained therein).
- i) In the event of an Early Redemption and meeting the applicable criteria, the Canadian Participant may request the redemption of Leveraged Units using the Redemption Formula. The measurement of the increase, if any, with respect to the Reference Price, will be carried out in accordance with similar rules to those applied to redemption at the end of the Lock-up Period, but it will rather be measured using values of the Shares at the time of the Early Redemption instead.
- j) At the end of the Lock-Up Period or in the event of an Early Redemption, a Canadian Participant in the Leveraged Plan will, pursuant to the terms and conditions of the guarantee contained in the Swap Agreement, be entitled to receive 100% of his or her Total Employee Contribution.
- k) Under no circumstances will a Canadian Participant in the Leveraged Plan be liable to any of the Leveraged Fund, the Bank or the Filer for any amounts in excess of his or her Employee Contribution under the Leveraged Plan.
- l) During the term of the Swap Agreement, the relevant Leveraged Fund will remit to the Bank an amount equal to the net amounts of any dividends paid on the Shares held in the Leveraged Fund as partial consideration for the obligations assumed by the Bank under the Swap Agreement.
- m) For Canadian federal income tax purposes, a Canadian Participant in a Leveraged Plan should be deemed to receive all dividends paid on the Shares financed by either the Total Employee Contribution or the Bank Contribution at the time such dividends are paid to the relevant Leveraged Fund, notwithstanding the actual non-receipt of the dividends by the Canadian Participants.
- n) The declaration of dividends on the Shares (in the ordinary course or otherwise) is determined by the board of directors of the Filer and approved by the shareholders of the Filer. The Filer has not made any commitment to the Bank as to any minimum payment of dividends during the term of the Lock-Up Period.
- o) Considering that, at the time of the initial investment decision relating to participation in a Leveraged Plan, Canadian Participants will be unable to quantify their potential income tax liability resulting from such participation, the Filer or its Local Related Entities will indemnify each Canadian Participant in the Leveraged Plan for the following costs: tax costs for the Canadian Participants associated with the payment of dividends in excess of a specified amount in Euros per calendar year per Share during the Lock-Up Period, such that, in all cases, a Canadian Participant will, at the time of the original investment decision, be able to determine his or her maximum tax liability in connection with dividends received by the relevant Leveraged Fund on his or her behalf under the Leveraged Plan.
- p) At the time the relevant Leveraged Fund's obligations under the Swap Agreement are settled, the Canadian Participant will realize a capital gain (or capital loss) by virtue of having participated in the Swap Agreement to the extent that amounts received by the relevant Leveraged Fund, on behalf of the Canadian Participant, from the Bank exceed (or are less than) amounts paid by such Leveraged Fund, on behalf of the Canadian Participant to the Bank. Any dividend amounts paid to the Bank under the Swap Agreement will serve to reduce the amount of any capital gain (or increase the amount of any capital loss) that the Canadian Participant would have otherwise realized (or lost). Capital losses (gains) realized by a Canadian Participant may generally be offset against (reduced by) any capital gains (losses) realized by the Canadian Participant

on a disposition of the Shares, in accordance with the rules and conditions under the *Income Tax Act* (Canada) or comparable provincial legislation (as applicable).

15. Each Fund's portfolio will consist almost exclusively of Shares, although the Leveraged Fund's portfolio will also include rights and associated obligations under the Swap Agreement. The Funds may also hold cash or cash equivalents pending investments in Shares for the purposes of facilitating Unit redemptions.
16. The Reference Price for an Employee Offering will not be known to the Canadian Employees until after the end of the applicable reservation period. Once the Reference Price is determined, however, it will be provided to the Canadian Employees prior to the start of the revocation period, during which Canadian Employees may choose to revoke all (but not part) of their subscription and thereby not participate in the relevant Employee Offering.
17. The manager of the Funds, Natixis Investment Managers International (the **Management Company**), is a portfolio management company governed by the laws of France. The Management Company is registered with the French AMF as an investment manager, subject to the rules of the French AMF and complies with them. The Management Company is not, and has no current intention of becoming, a reporting issuer under the Legislation or in any jurisdiction of Canada.
18. The Management Company's portfolio management activities in connection with an Employee Share Offering and the Funds are limited to subscribing for Shares of the Filer, selling such Shares as necessary in order to fund redemption requests, investing available cash in cash equivalents and such activities as may be necessary to give effect to the Swap Agreement.
19. The Management Company is also responsible for preparing accounting documents and publishing periodic informational documents. The Management Company is obliged to act in the best interests of the Canadian Participants and is liable to them, jointly and severally with the Depositary (as defined below), for any violation of the rules and regulations governing FCPEs, any violation of the rules of the FCPE or for any self-dealing or negligence. The Management Company's activities will not affect the underlying value of the Shares.
20. None of the Filer, its Local Related Entities, the Management Company or the Fund, nor any of their directors, officers, employees, agents or representatives will provide investment advice to the Canadian Participants with respect to an investment in Shares or Units.
21. Neither the Local Related Entities, the Management Company nor the Funds are currently in default of securities legislation of any jurisdiction of Canada.
22. Shares issued pursuant to an Employee Share Offering will be deposited in the relevant Fund's accounts with CACEIS Bank (the **Depositary**), a large French commercial bank subject to French banking legislation. For any Subsequent Employee Share Offering, the Depositary may change. In the event of such a change, the successor to the Depositary will remain a large French commercial bank subject to French banking legislation.
23. Participation in an Employee Share Offering is voluntary, and Canadian Employees will not be induced to participate in an Employee Share Offering by expectation of employment or continued employment.
24. The Shares and Units are not currently listed for trading on any stock exchange in Canada and there is no intention to have them so listed. As there is no market for these securities in Canada (and as none is expected to develop), any first trades of Shares by Canadian Participants will be effected through the facilities of, and in accordance with, the rules and regulations of Euronext Paris.
25. Units are not transferable by holders of such Units except upon redemption and other than as reflected in the decision document.
26. Leveraged Units will be evidenced by account statements issued by the relevant Leveraged Fund at least once per year.
27. The Filer will retain a securities dealer registered as a broker/investment dealer (the **Registrant**) under the securities legislation of Ontario and Manitoba to provide dealing services to Canadian Employees resident in such provinces who express an interest in an Employee Share Offering and to help make a determination, in accordance with industry practices, as to whether an investment in an Employee Share Offering is suitable for each such Canadian Employee based on his or her particular financial circumstances.
28. Canadian Participants will receive an information package in the French or English language (according to their preference) which will include a summary of the terms of the relevant Employee Share Offering, a description of Canadian income tax consequences relating to the subscription to and holding of Units and the redemption thereof at the end of the applicable Lock-Up Period, a Key Investor Information Document (KIID) approved by the French AMF for

each Fund describing its main characteristics and a reservation, revocation and subscription form. The information package for Canadian Participants subscribing for units pursuant to the Leveraged Plan will include all the necessary information for general inquiry and support with respect to the Leveraged Plan and will also include a risk statement which will describe certain risks associated with an investment in Leveraged Units pursuant to the Leveraged Plan.

29. Canadian Participants will have continuous access to information and relevant statements of their holdings through an online vendor.
30. Canadian Participants may consult the Filer's Annual Report (Document d'Enregistrement Universel) filed with the French AMF in respect of the Shares as well as a copy of the relevant Fund's rules. Canadian Participants will also have access to the continuous disclosure materials relating to the Filer that are provided to its shareholders generally.
31. For the 2020 Employee Offering, there are approximately 1505 Canadian Employees, with the greatest number resident in Québec (1074), and the remainder residing in Ontario (316), British Columbia (85), Manitoba (13), New Brunswick (8), Alberta (8), and Saskatchewan (1), who represent in the aggregate less than 1% of the number of Qualifying Employees of the Veolia Group worldwide.

### **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 is granted provided that:

1. With respect to the 2020 Employee Offering, the prospectus requirement will apply to the first trade in the relevant Units or Shares acquired by Canadian Participants pursuant to this decision, unless the following conditions are met:
  - a) the issuer of the security was a foreign issuer on the distribution date, as such term is defined in section 2.15 (1) of Regulation 45-102, section 11(1) of Alberta Rule 72-501 and section 2.8 (1) of OSC Rule 72-503;
  - b) the issuer of the security:
    - (i) was not a reporting issuer in any jurisdiction of Canada at the distribution date, or
    - (ii) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;
  - c) the first trade is made:
    - (i) through an exchange, or a market, outside of Canada, or
    - (ii) to a person or company outside of Canada.
2. For any Subsequent Employee Offering under this decision completed within five years from the date of this decision, provided that:
  - a) the representations other than those in paragraphs 4 and 31 remain true and correct, with necessary adaptations, in respect of that Subsequent Employee Offering; and
  - b) the conditions set out in paragraph 1 apply, with necessary adaptations, to any such Subsequent Employee Offering; and
3. In Alberta and Ontario, the prospectus exemption above, for the first trade in any Units or Shares acquired by Canadian Participants pursuant to this decision, is not available with respect to any transaction or series of transactions that is part of a plan or scheme to avoid the prospectus requirements in connection with a trade to a person or company in Canada.

"Craig Hayman"  
Commissioner  
Ontario Securities Commissioner

"Ray Kindiak"  
Commissioner  
Ontario Securities Commissioner

## 2.1.5 Venator Capital Management Ltd. and Venator Alternative Income Fund

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from paragraph 2.6(2)(c), subparagraph 2.6.1(1)(c)(v) and section 2.6.2 of NI 81-102 to permit alternative mutual funds (i) to borrow cash up to 100% of NAV to facilitate currency hedging strategy, and (ii) to collectively short sell and borrow cash up to 100% of NAV for use in strategies for non-hedging purposes – funds must remain 100% collateralized against borrowing for currency hedging strategy – relief subject to routine conditions for short selling and cash borrowing for non-hedging purposes.

### Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.6(2), 2.6.1(1)(c)(v), 2.6.2 and 19.1.

August 27, 2020

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ONTARIO  
(the Jurisdiction)

AND

IN THE MATTER OF  
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS  
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF  
VENATOR CAPITAL MANAGEMENT LTD.  
(the Filer)

AND

IN THE MATTER OF  
VENATOR ALTERNATIVE INCOME FUND  
(the Existing Fund)

DECISION

### Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Existing Fund and similarly structured mutual funds managed by the Filer and which are “alternative mutual funds”, as that term is defined in National Instrument 81-102 *Investment Funds (NI 81-102)* (the **Future Funds** and, collectively with the Existing Fund, the **Funds**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that exempts a Fund:

- 1) from the following provisions (the **Total Borrowing Limit**) of NI 81-102 in order to permit the Fund to borrow up to 100% of the Fund’s net asset value (**NAV**) under the Cash Currency Hedging Strategy (as defined below),
  - a) paragraph 2.6(2)(c) of NI 81-102, that provides that an alternative mutual fund may borrow cash or provide a security interest over any of its portfolio assets if the value of cash borrowed, when aggregated with the value of all outstanding borrowing by the fund, does not exceed 50% of the Fund’s NAV; and
  - b) section 2.6.2 of NI 81-102, which prohibits an alternative mutual fund from borrowing cash or selling securities short if, immediately after entering into a cash borrowing or short selling transaction, the aggregate value of cash borrowed combined with the aggregate market value of the securities sold short by the fund would exceed 50% of the fund’s NAV;(the **Cash Currency Hedging Strategy Relief**);
- 2) from the following provisions of NI 81-102 (the **Total Borrowing and Short Sales Limit**), in order to permit the Fund to borrow cash or short sell securities under the Leverage Strategies (as defined below), provided that, immediately after entering into a cash borrowing or short selling transaction, the aggregate value of cash borrowed combined with the aggregate market value of the securities sold short by the Fund does not exceed 100% of the Fund’s NAV:

- a) paragraph 2.6(2)(c) of NI 81-102;
- b) subparagraph 2.6.1(1)(c)(v) of NI 81-102 that restricts an alternative mutual fund from selling a security short if, at the time, the aggregate market value of the securities sold short by the fund exceeds 50% of the fund's NAV (the **Short Selling Limit**); and
- c) section 2.6.2 of NI 81-102;

(the **Leverage Strategies Relief** and together with the Cash Currency Hedging Strategy Relief, the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (i) the Ontario Securities Commission is the principal regulator for this application; and
- (ii) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in each of the other provinces and territories of Canada (the **Other Jurisdictions** and together with the Jurisdiction, the **Jurisdictions**).

### Interpretation

Terms defined in NI 81-102, National Instrument 14-101 *Definitions*, and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

### Representations

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

#### **The Filer**

1. The Filer is a corporation incorporated under the laws of the Province of Ontario with its head office located in Toronto, Ontario.
2. The Filer is the trustee, investment fund manager, promoter and portfolio manager of the Existing Fund and will be the trustee, investment fund manager, promoter and portfolio manager of the Future Funds.
3. The Filer is registered under securities legislation in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec and Saskatchewan as an adviser in the category of portfolio manager and as a dealer in the category of exempt market dealer. The Filer is registered under securities legislation in Newfoundland and Labrador, Ontario and Quebec as an investment fund manager.
4. The Filer is not in default of securities legislation in any of the Jurisdictions.

#### **The Funds**

5. Each of the Funds is, or will be, organized as a trust established under the laws of the Province of Ontario or one of the Other Jurisdictions.
6. The Existing Fund is an alternative mutual fund as defined in NI 81-102. Units of the Existing Fund are currently offered by simplified prospectus (**Prospectus**), annual information form (**Annual Information Form**) and Fund Facts dated January 23, 2020, as amended, pursuant to National Instrument 81-101 *Mutual Fund Prospectus Disclosure (NI 81-101)* filed in each of the Jurisdictions is a reporting issuer subject to NI 81-102.
7. The Existing Fund invests in an actively managed portfolio of primarily North American fixed income securities.
8. Each of the Future Funds will be an alternative mutual fund as defined in NI 81-102. Each Future Fund will offer securities pursuant to either a Prospectus, AIF or Fund Facts pursuant to NI 81-101, or a long form prospectus and ETF Facts pursuant to National Instrument 41-101 *General Prospectus Requirements*, in one or more of the Jurisdictions and will be a reporting issuer subject to NI 81-102.
9. The Existing Fund is not in default of securities legislation in any of the Jurisdictions.

#### **Reasons for the Exemption Sought**

10. The investment objectives to be utilized by each of the Funds will differ but, in each case, investment strategies that may be utilized by a Fund will include the use of

- (a) the Cash Currency Hedging Strategy that requires the use of cash borrowing in excess of the Total Borrowing Limit;
- (b) the Leverage Strategies entailing
  - (i) additional cash borrowing for investment purposes in excess of the Total Borrowing Limit (**Cash Borrowing Strategy**);
  - (ii) the use of market-neutral, offsetting, inverse or shorting strategies (**Shorting Strategies**) requiring the use of short selling in excess of the Short Selling Limit; and
  - (iii) the combined use of the cash borrowing and short sales in excess of the Total Borrowing and Short Sales Limit.

### ***The Cash Currency Hedging Strategy***

11. The Existing Fund purchases foreign equity and fixed income securities in U.S. dollars and other foreign currencies, but the units of the Existing Fund are denominated in Canadian dollars and the Existing Fund's functional currency is the Canadian dollar. Accordingly, the Filer has determined that it is in the best interests of the Existing Fund to hedge substantially all of the Existing Fund's exposure to the foreign currency back to the functional currency.
12. Currently, the foreign currency exposure of the Existing Fund (i.e. U.S. dollars) is hedged back to the Canadian dollar using currency swaps. The Filer submits that the Funds can also hedge their foreign currency exposure back to the Canadian dollar in the spot currency market, directly and more efficiently, using a short position in the foreign currency.
13. The Funds propose to borrow cash in the foreign currency pursuant to a margin facility provided by their custodian to acquire foreign equities or fixed income securities denominated in the foreign currency (the **Margin Facility**). Using U.S. securities as an example, this would result in a Fund having exposure to a long position in U.S. securities denominated in U.S. dollars and a short position in U.S. cash. These long and short positions in U.S. currency offset one another and are an efficient hedge (the **Cash Currency Hedging Strategy**).
14. A Fund will monitor its long foreign securities positions and its short foreign cash positions under its Cash Currency Hedging Strategy on a daily basis. If the Fund's short foreign cash position exceeds the daily mark-to-market value of the Fund's hedged long foreign securities positions under its Cash Currency Hedging Strategy, the Fund will as quickly as commercially reasonable, take all necessary steps to reduce the short cash position to an amount that does not exceed the value of the Fund's hedged long foreign securities positions under its Cash Currency Hedging Strategy, which may include reallocating the excess short cash position as cash borrowing under its Leverage Strategies.
15. The objective of the proposed Cash Currency Hedging Strategy is to provide a direct hedge and not to make a speculative currency investment.
16. While specified derivatives can be used to create similar investment exposure as a short currency position, the Filer submits that the use of derivatives is more complex and more expensive. Derivatives are limited in duration whereas maintaining a short currency position is not. As a result, there is a potential mismatch between the duration of the derivative as compared to the duration of the holding of the long security position that is being hedged. On each settlement of the derivative, the Fund realizes the gain or loss resulting from currency fluctuations even though the Fund continues to hold the long security position being hedged. Implementing derivatives necessitates incremental transactional steps, expense and administration for the Funds.
17. The proposed Cash Currency Hedging Strategy is also "dynamic", meaning that when a Fund buys or sells a security there would be an automatic offsetting currency transaction in real time (intra month). However, using specified derivatives, if a Fund buys or sells a security intra-month, the Fund will either be over or under-hedged until the derivative settles or it will incur additional transaction costs related to smaller derivative transactions mid-month in order to be properly hedged. It is the Filer's belief that the use of forwards at this point is approximately 50% more expensive than the proposed Cash Currency Hedging Strategy.
18. Because it is a direct hedge, dynamic and less expensive and less administratively burdensome than hedging with specified derivatives, the Filer believes that the Cash Currency Hedging Strategy is in the best interests of the Funds with respect to hedging against currency risk in the portfolio.

### ***The Leverage Strategies***

19. In addition to cash borrowing under the Cash Currency Hedging Strategy, the Filer believes that it is in the best interests of each Fund to be permitted to use the Cash Borrowing Strategy and Shorting Strategies (collectively, the **Leverage Strategies**) to meet its investment objectives and strategies.

20. Shorting Strategies are well-recognized for limiting market risk, balancing long and short positions within an investment portfolio with the objective of providing positive returns regardless of whether the broader market rises, falls or is flat. Shorting Strategies are designed to have less volatility than the broader market when measured over medium to long-term periods. Shorting Strategies also provide diversification to investors as returns are intended to be uncorrelated to the performance of the broader market—such strategies are designed to effectively remove any “beta” component from their returns and investment exposures.
21. As part of an investment strategy, short positions can serve as both a hedge against exposure to a long position, or a group of long positions, and also as a source of returns with an offsetting long position or positions. The Funds will generally seek to generate an attractive risk/return profile independent of the direction of the broad equity markets. As such, at the portfolio level, these strategies seek to hedge out the Fund’s exposure to the direction of broad equity markets, and to generate positive performance from the difference, specifically, the spread between the performance of the portfolio’s long and short positions.
22. The Funds require the flexibility to enter into physical short positions in order to implement Shorting Strategies, when doing so is, in the opinion of the Filer, in the best interests of the Funds.
23. In addition, while there may be certain situations in which using a synthetic short position may be preferable, physical shorts are typically less costly, because of the ability to execute trades with a larger number of counterparties, compared to a single counterparty for synthetic shorts. This can result in wider options for borrowing securities resulting in lower borrowing costs. Funds may also be exposed to less counterparty risk than with a synthetic short position (e.g. counterparty default, counterparty insolvency and premature termination of derivatives).

### **The Strategies Generally**

24. An alternative mutual fund that is subject to NI 81-102 is permitted to take leveraged long and short positions using specified derivatives up to a maximum of 300% of its NAV as set out in subsection 2.9.1(5) of NI 81-102 (the **Leverage Limit**). As such, the Exemption Sought would not be required if the Funds utilized solely specified derivatives (such as over-the-counter total return swaps) to obtain short exposure to the underlying cash or securities. NI 81-102 contemplates that alternative mutual funds may utilize shorting strategies (using a combination of short sale transactions and specified derivatives) subject to the Total Borrowing Limit, Short Selling Limit, Total Borrowing and Short Sales Limit and the Leverage Limit. Accordingly, the Exemption Sought simply allows the Funds to do directly what they could otherwise do indirectly through the use of specified derivatives.
25. The investment strategies of each Fund will permit the Fund to borrow cash, enter into specified derivatives transactions or sell securities short, provided that immediately after entering into a cash borrowing, specified derivative or short selling transaction, the aggregate value of cash borrowed combined with the aggregate market value of securities sold short and aggregate notional amount of the Fund’s specified derivatives positions (other than positions held for hedging purposes, as defined in NI 81-102) would not exceed the Leverage Limit. If the Leverage Limit is exceeded, the Fund shall, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate value of cash borrowed combined with the aggregate market value of securities sold short and the aggregate notional amount of the Fund’s specified derivatives positions (other than positions held for hedging purposes) to be within the Leverage Limit.
26. Any cash borrowing or physical short position entered into by a Fund will be consistent with the investment objectives and strategies of the applicable Fund.
27. The investment strategies of each Fund permit, or will permit, it to
  - (a) enter into a foreign cash borrowing transaction under the Cash Currency Hedging Strategy, provided that the aggregate value of foreign cash borrowed by the Fund under the Cash Currency Hedging Strategy does not exceed 100% Fund’s NAV (**Cash Currency Hedging Strategy Limit**); and
  - (b) enter into a cash borrowing or short selling transaction under its Leverage Strategies, provided that at the time the Fund enters into a cash borrowing transaction or sells a security short (i) the aggregate market value of securities of any one issuer (other than “government securities” as defined in NI 81-102) sold short by the Fund does not exceed 10% of the NAV of the Fund and (ii) the aggregate value of cash borrowed combined with the aggregate market value of all securities sold short by the Fund under its Leverage Strategies does not exceed 100% of the Fund’s NAV (**Leverage Strategies Limits** and together with Cash Currency Hedging Strategy Limit, the **Permitted Total Borrowing and Short Sales Limit**).

If any of the Cash Currency Hedging Strategy Limit, Leverage Strategies Limits or Permitted Total Borrowing and Short Sales Limit is exceeded, the Fund shall, as quickly as is commercially reasonable, , take all necessary steps to reduce the aggregate value of cash borrowed combined with the aggregate market value of securities sold short to be within the applicable limit or limits.

28. The Funds require the flexibility to enter into physical short positions when doing so is, in the opinion of the Filer, in the best interests of the applicable Fund and to not be obligated to utilize an equivalent short position synthetically through the use of specified derivatives as a result of regulatory restrictions in NI 81-102
29. The Filer, as a registrant and a fiduciary, is in the best position to determine whether the Funds should enter into a physical short position versus achieving the same result through the use of specified derivatives, depending on the surrounding circumstances. Accordingly, the Exemption Sought would permit the Filer to engage in the most effective portfolio management available for the benefit of the Funds and their unitholders.
30. In addition, while there may be certain situations in which using a synthetic short position may be preferable, physical shorts are typically less costly, because of the ability to execute trades with a larger number of counterparties, compared to a single counterparty for synthetic shorts. This can result in wider options for borrowing securities resulting in lower borrowing costs. Alternative mutual funds may also be exposed to less counterparty risk than with a synthetic short position (e.g. counterparty default, counterparty insolvency and premature termination of derivatives).
31. The Prospectus, AIF and fund facts will comply with the requirements of NI 81-101 and Form 41-101F4 *Information Required in an ETF Facts Document* applicable to alternative mutual funds, including cover page text box disclosure in the fund facts to highlight how the Fund differs from other mutual funds and emphasize that Leverage strategies permitted by the Fund are outside the scope of NI 81-102 applicable to both mutual funds and alternative mutual funds.
32. The investment strategies of each Fund will clearly disclose the Leverage Strategies of the Fund that are outside the scope of NI 81-102, including that the aggregate amount of cash borrowed and the market value of all securities sold short by the Fund may exceed 50% of the NAV of the Fund. The Prospectus will also contain appropriate risk disclosure, alerting investors of any material risks associated with such investment strategies.
33. The Filer has comprehensive risk management policies and/or procedures that address the risks associated with short selling in connection with the implementation of the investment strategy of each Fund.
34. Each Fund will implement the following controls when conducting a short sale:
  - (a) the Fund will assume the obligation to return to the borrowing agent the securities borrowed to effect the short sale;
  - (b) the Fund will receive cash for the securities sold short within normal trading settlement periods for the market in which the short sale is effected;
  - (c) the Filer will monitor the short positions within the constraints of the Exemption Sought as least as frequently as daily;
  - (d) the security interest provided by the Fund over any of its assets that is required to enable the Fund to effect a short sale transaction is made in accordance with industry practice for that type of transaction and relates only to obligations arising under such short sale transactions;
  - (e) the Filer will maintain appropriate internal controls regarding short sales, including written policies and procedures for the conduct of short sales, risk management controls and proper books and records; and
  - (f) the Filer will keep proper books and records of short sales and all assets of a Fund deposited with borrowing agents as security.
35. The Filer believes that it is in the best interests of each of the Funds to be permitted to borrow cash or engage in physical short selling in support of the Cash Currency Hedging Strategy and the Leverage Strategy, in excess of the current limits set out in NI 81-102 applicable to alternative mutual funds.

**Decision**

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

1. Under the Cash Currency Hedging Strategy:
  - (a) a Fund may only borrow foreign cash if immediately after the foreign cash borrowing transaction, the Fund's aggregate exposure to foreign cash borrowing under the Cash Currency Hedging Strategy does not exceed 100% of the Fund's NAV; and
  - (b) if the Fund's short cash position exceeds the daily mark-to-market value of the Fund's hedged long positions under its Cash Currency Hedging Strategy, the Fund will as quickly as commercially reasonable, take all necessary steps to reduce the short foreign cash position to an amount that does not exceed the value of the

Fund's hedged long foreign securities positions under its Cash Currency Hedging Strategy, which may include reallocating the excess short foreign cash position as cash borrowing under its Leverage Strategies.

2. Under the Leverage Strategies, a Fund may sell a security short or borrow cash only if, immediately after the cash borrowing or short selling transaction:
  - (a) the aggregate market value of all securities sold short by the Fund under the Leverage Strategies does not exceed 100% of the Fund's NAV;
  - (b) the aggregate value of cash borrowing by the Fund under the Leverage Strategies does not exceed 100% of the Fund's NAV; and
  - (c) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund under the Leverage Strategies does not exceed 100% of the Fund's NAV.
3. The Fund's aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed the Leverage Limit.
4. In the case of cash borrowing, the cash borrowing arrangement:
  - (a) otherwise complies with all of the cash borrowing requirements applicable to alternative mutual funds under section 2.6 and 2.6.2 of NI 81-102; and
  - (b) is consistent with the Fund's investment objectives and strategies.
5. In the case of a short sale, the short sale:
  - (a) otherwise complies with all of the short sale requirements applicable to alternative mutual funds under section 2.6.1 and 2.6.2 of NI 81-102; and
  - (b) is consistent with the Fund's investment objectives and strategies.
6. The Prospectus under which units of a Fund are offered:
  - (a) discloses that the Fund can:
    - (i) under the Cash Currency Hedging Strategy, borrow foreign cash with a value up to 100% of the Fund's NAV;
    - (i) under the Leverage Strategies, borrow cash and short sell securities provided that the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund under the Leverage Strategies does not exceed 100% of the Fund's NAV; and
  - (b) describes the material terms of this decision.

"Darren McKall"  
Manager, Investment Funds and Structured Products Branch  
Ontario Securities Commission

2.2 Orders

2.2.1 VRK Forex & Investments Inc. and Radhakrishna Namburi

File No. 2019-40

IN THE MATTER OF  
VRK FOREX & INVESTMENTS INC. and  
RADHAKRISHNA NAMBURI

Timothy Moseley, Vice Chair and Chair of the Panel

September 17, 2020

ORDER

**WHEREAS** on September 16, 2020, the Ontario Securities Commission held a hearing by teleconference to consider a request by the respondents to adjourn the hearing on the merits, scheduled to begin on September 18, 2020;

**ON HEARING** the submissions of the representative for Staff of the Commission and of Radhakrishna Namburi on behalf of the respondents;

**IT IS ORDERED THAT** the hearing on the merits is adjourned to a date to be set by the Office of the Secretary.

“Timothy Moseley”

2.2.2 First Global Data Ltd. et al.

File No. 2019-22

IN THE MATTER OF  
FIRST GLOBAL DATA LTD.,  
GLOBAL BIOENERGY RESOURCES INC.,  
NAYEEM ALLI,  
MAURICE AZIZ,  
HARISH BAJAJ, and  
ANDRE ITWARU

Timothy Moseley, Vice-Chair and Chair of the Panel

September 17, 2020

ORDER

**WHEREAS** the Ontario Securities Commission held a hearing in writing with respect to a motion brought by Staff of the Commission (**Staff**) for an order permitting Staff to serve and file an updated witness list, and related relief;

**ON READING** Staff's Motion Record and on considering that no party opposes the relief sought;

**IT IS ORDERED THAT:**

1. Staff is granted leave to, by no later than September 21, 2020:
  - (a) file and serve on each Respondent an updated witness list that replaces the witness identified by the initials M.G. with M.G.'s spouse (identified by the initials K.G.); and
  - (b) serve a summary of K.G.'s anticipated evidence on each Respondent; and
2. at the hearing of the merits in this proceeding, Staff may call K.G. as a witness instead of M.G.

“Timothy Moseley”

### 2.2.3 Guyana Goldfields Inc.

#### Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The issuer ceased to be a reporting issuer under securities legislation.

#### Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).

September 14, 2020

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ONTARIO  
(the “Jurisdiction”)**

**AND**

**IN THE MATTER OF  
THE PROCESS FOR CEASE TO BE  
A REPORTING ISSUER APPLICATIONS**

**AND**

**IN THE MATTER OF  
GUYANA GOLDFIELDS INC.  
(the “Filer”)**

**ORDER**

#### Background

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the “**Order Sought**”).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, and Prince Edward Island.

#### Interpretation

Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this order, unless otherwise defined.

#### Representations

This order is based on the following facts represented by the Filer:

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and
5. the Filer is not in default of securities legislation in any jurisdiction.

#### Order

The principal regulator is satisfied that the order meets the test set out in the Legislation for the principal regulator to make the order.

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

“Marie-France Bourret”  
Manager, Corporate Finance  
Ontario Securities Commission

## 2.2.4 Boyuan Construction Group, Inc.

### Headnote

Application for an order that the issuer is not a reporting issuer under applicable securities laws – requested relief granted.

### Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).

September 18, 2020

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ONTARIO  
(the Jurisdiction)**

**AND**

**IN THE MATTER OF  
THE PROCESS FOR CEASE TO BE  
A REPORTING ISSUER APPLICATIONS**

**AND**

**IN THE MATTER OF  
BOYUAN CONSTRUCTION GROUP, INC.  
(the Filer)**

**ORDER**

### Background

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 Passport System (MI 11-102) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador and Prince Edward Island.

### Interpretation

Terms defined in National Instrument 14-101 Definitions and MI 11-102 have the same meaning if used in this order, unless otherwise defined.

### Representations

This order is based on the following facts represented by the Filer:

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 Issuers Quoted in the U.S. Over-the-Counter Markets;
2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 Marketplace Operation or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and
5. the Filer is not in default of securities legislation in any jurisdiction.

### Order

The principal regulator is satisfied that the order meets the test set out in the Legislation for the principal regulator to make the order.

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

“Winnie Sanjoto”  
Manager, Corporate Finance  
Ontario Securities Commission

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## Chapter 4

# Cease Trading Orders

### 4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Angus Mining Inc.	May 8, 2020	May 20, 2020	May 20, 2020	September 18, 2020

### Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
ACGT DNA Technologies Corporation	September 18, 2020	
Altair Resources Inc.	September 18, 2020	
BetterU Education Corp.	September 18, 2020	
GreenSpace Brands Inc.	September 18, 2020	
Hello Pal International Inc.	September 21, 2020	
Interactive Capital Partners Corporation	June 22, 2020	September 18, 2020
Jonpol Resources Inc.	September 18, 2020	
Lift & Co. Corp.	September 18, 2020	
Prime Minerals Corp.	September 18, 2020	
Wayzata Finance Inc.	September 18, 2020	

### 4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Agrios Global Holdings Ltd.	September 17, 2020	
Mountain Valley MD Holdings Inc.	September 17, 2020	
Sproutly Canada, Inc.	September 16, 2020	

### 4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

**Cease Trading Orders**

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<b>Company Name</b>	<b>Date of Order</b>	<b>Date of Lapse</b>
Agrios Global Holdings Ltd.	September 17, 2020	
Mountain Valley MD Holdings Inc.	September 17, 2020	
Sproutly Canada, Inc.	September 16, 2020	

## Chapter 7

# Insider Reporting

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This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see [www.carswell.com](http://www.carswell.com)).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website ([www.sedi.ca](http://www.sedi.ca)).



## Chapter 11

# IPOs, New Issues and Secondary Financings

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### INVESTMENT FUNDS

**Issuer Name:**

Evolve Future Leadership Fund  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated Sep 4, 2020  
NP 11-202 Final Receipt dated Sep 21, 2020

**Offering Price and Description:**

Unhedged ETF Units, USD Unhedged ETF Units and Hedged ETF Units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

Project #3087105

**Issuer Name:**

AGFIQ Global Balanced ETF Portfolio Fund  
AGFIQ Global Income ETF Portfolio Fund  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated Sep 17, 2020  
NP 11-202 Final Receipt dated Sep 18, 2020

**Offering Price and Description:**

Series F Units and Mutual Fund Series Units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

Project #3095992

---

**Issuer Name:**

BlueBay Global Alternative Bond Fund (Canada)  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated Sep 18, 2020  
NP 11-202 Final Receipt dated Sep 21, 2020

**Offering Price and Description:**

Series A units, Series O units and Series F units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

Project #3101529

---

**Issuer Name:**

AGF Global Opportunities Bond ETF  
AGF Global Sustainable Growth Equity ETF  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated Sep 17, 2020  
NP 11-202 Final Receipt dated Sep 18, 2020

**Offering Price and Description:**

Units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

Project #3095998

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**Issuer Name:**

Issuer Name  
Franklin Global Growth Active ETF  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated Sep 15, 2020  
NP 11-202 Final Receipt dated Sep 17, 2020

**Offering Price and Description:**

Units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

Project #3093225

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**Issuer Name:**

Scotia Canadian Bond Index Tracker ETF  
Scotia Canadian Large Cap Equity Index Tracker ETF  
Scotia International Equity Index Tracker ETF  
Scotia U.S. Equity Index Tracker ETF  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated Sep 17, 2020  
NP 11-202 Preliminary Receipt dated Sep 17, 2020

**Offering Price and Description:**

Units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

Project #3114029

**Issuer Name:**

Dynamic Energy Evolution Fund  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated Sep 21, 2020  
NP 11-202 Preliminary Receipt dated Sep 21, 2020

**Offering Price and Description:**

Series I Units, Series H Units, Series F Units, Series FT Units, Series A Units, Series T Units, Series FH Units and Series O Units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3115003**

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**Issuer Name:**

CI Lawrence Park Alternative Investment Grade Credit Fund

CI Marret Alternative Absolute Return Bond Fund

CI Munro Alternative Global Growth Fund

Principal Regulator – Ontario

**Type and Date:**

Amendment #1 to Final Simplified Prospectus dated September 14, 2020

NP 11-202 Final Receipt dated Sep 17, 2020

**Offering Price and Description:**

ETF C\$ Series, ETF US\$ Hedged Series, Series A units, Series AH units, Series F units, Series FH units, Series I units, Series IH Units, Series P units and Series PH units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3042591**

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**Issuer Name:**

Scotia Private Emerging Markets Pool

Scotia Private Global Real Estate Pool

Principal Regulator – Ontario

**Type and Date:**

Amendment #3 to Final Simplified Prospectus dated September 14, 2020

NP 11-202 Final Receipt dated Sep 17, 2020

**Offering Price and Description:**

Pinnacle Series units, Series F units, Series I units and Series M units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #2972505**

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**Issuer Name:**

TD Income Advantage Portfolio

TD Comfort Balanced Growth Portfolio

TD Monthly Income Fund

TD Comfort Growth Portfolio

TD Tactical Monthly Income Fund

TD Comfort Aggressive Growth Portfolio

TD Global Tactical Monthly Income Fund

TD Tactical Monthly Income Class

TD Science & Technology Fund

TD Risk Management Pool

TD Health Sciences Fund

TD Canadian Equity Pool

TD US\$ Retirement Portfolio

TD Canadian Equity Pool Class

TD Retirement Balanced Portfolio

TD Global Equity Pool

TD Comfort Conservative Income Portfolio

TD Global Equity Pool Class

TD Comfort Balanced Income Portfolio

TD Tactical Pool

TD Comfort Balanced Portfolio

TD Tactical Pool Class

Principal Regulator – Ontario

**Type and Date:**

Amendment #1 to Final Simplified Prospectus dated September 10, 2020

NP 11-202 Final Receipt dated Sep 16, 2020

**Offering Price and Description:**

Advisor Series Securities, D-Series Securities, F-Series Securities, G-Series Securities,

FT5 Series Securities, FT8 Series Securities, H5 Series Securities, H8 Series Securities, Investor Series Securities,

O-Series Securities, Premium Series Securities, T5 Series Securities, T8 Series Securities, Private Series Securities

and W-Series Securities

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3071000**

---

**Issuer Name:**

NCM Entrepreneurs Class

NCM Small Companies Class

NCM Norrep Fund

Principal Regulator – Alberta

**Type and Date:**

Amendment #1 to Final Simplified Prospectus dated September 4, 2020

NP 11-202 Final Receipt dated Sep 17, 2020

**Offering Price and Description:**

Series A, Series F, Series I Shares and Series R Units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Pr043428oject #3043428**

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NON-INVESTMENT FUNDS

**Issuer Name:**

Blockchain Venture Capital Inc.

**Type and Date:**

Preliminary Long Form Prospectus dated September 16, 2020

(=Preliminary Receipt dated September 18, 2020)

**Offering Price and Description:**

0.00

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3114140**

**Issuer Name:**

BRP Inc.

Principal Regulator - Quebec

**Type and Date:**

Preliminary Shelf Prospectus dated September 18, 2020

NP 11-202 Preliminary Receipt dated September 18, 2020

**Offering Price and Description:**

\$2,500,000,000.00 - Subordinate Voting Shares, Preferred Shares, Debt Securities, Warrants, Subscription Receipts, Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3114330**

**Issuer Name:**

BTB Real Estate Investment Trust

Principal Regulator - Quebec

**Type and Date:**

Preliminary Short Form Prospectus dated September 15, 2020

NP 11-202 Preliminary Receipt dated September 15, 2020

**Offering Price and Description:**

\$30,000,000.00 - Aggregate Principal Amount

Price: \$1,000 per Series H Debenture

**Underwriter(s) or Distributor(s):**

NATIONAL BANK FINANCIAL INC.

NATIONAL BANK FINANCIAL INC.

SCOTIA CAPITAL INC.

TD SECURITIES INC.

CANACCORD GENUITY CORP.

INDUSTRIAL ALLIANCE SECURITIES INC.

LAURENTIAN BANK SECURITIES INC.

**Promoter(s):**

-

**Project #3112070**

**Issuer Name:**

IBI Group Inc.

Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated September 18, 2020

NP 11-202 Preliminary Receipt dated September 18, 2020

**Offering Price and Description:**

\$23,175,000.00 - 6.50% Listed Senior Unsecured Debentures due December 31, 2025

Price: \$1,000.00 per Debenture

**Underwriter(s) or Distributor(s):**

CIBC WORLD MARKETS INC.

NATIONAL BANK FINANCIAL INC.

TD SECURITIES INC.

DESJARDINS SECURITIES INC.

RAYMOND JAMES LTD.

SCOTIA CAPITAL INC.

LAURENTIAN BANK SECURITIES INC.

ACUMEN CAPITAL FINANCE PARTNERS LIMITED

INDUSTRIAL ALLIANCE SECURITIES INC.

**Promoter(s):**

-

**Project #3113230**

**Issuer Name:**

NeonMind Biosciences Inc.

Principal Regulator - British Columbia

**Type and Date:**

Amendment dated September 11, 2020 to Preliminary Long Form Prospectus dated June 16, 2020

NP 11-202 Preliminary Receipt dated September 15, 2020

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

Mackie Research Capital Corporation

**Promoter(s):**

Penny White

**Project #3073218**

**Issuer Name:**

Northview Canadian High Yield Residential Fund

Principal Regulator - Ontario

**Type and Date:**

Amendment dated September 16, 2020 to Preliminary Long Form Prospectus dated June 18, 2020

NP 11-202 Preliminary Receipt dated September 16, 2020

**Offering Price and Description:**

Maximum: \$430,000,000.00 of Class A Units and/or Class F Units

Price: \$12.50 per Class A Unit

\$12.50 per Class F Unit

**Underwriter(s) or Distributor(s):**

CIBC WORLD MARKETS INC.

**Promoter(s):**

STARLIGHT GROUP PROPERTY HOLDINGS INC.

**Project #3049970**

**Issuer Name:**

Topicus.com Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated September 21, 2020

NP 11-202 Preliminary Receipt dated September 21, 2020

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

CONSTELLATION SOFTWARE INC.

Project #3114924

---

**Issuer Name:**

Victoria Gold Corp.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated September 18, 2020

NP 11-202 Preliminary Receipt dated September 18, 2020

**Offering Price and Description:**

\$50,014,000.00 - 2,942,000 Common Shares

\$17.00 per Common Share

**Underwriter(s) or Distributor(s):**

BMO NESBITT BURNS INC.  
CIBC WORLD MARKETS INC.  
PI FINANCIAL CORP.

**Promoter(s):**

-

Project #3113483

---

**Issuer Name:**

Vista Gold Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Amendment dated September 17, 2020 to Preliminary Shelf Prospectus dated June 22, 2020

NP 11-202 Preliminary Receipt dated September 17, 2020

**Offering Price and Description:**

US\$25,000,000 Common Shares Warrants Subscription Receipts Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

Project #3074845

---

**Issuer Name:**

VIVO Cannabis Inc.  
Principal Regulator - Ontario

**Type and Date:**

Amendment dated September 16, 2020 to Preliminary Shelf Prospectus dated June 17, 2020

NP 11-202 Preliminary Receipt dated September 17, 2020

**Offering Price and Description:**

\$50,000,000.00

Common Shares  
Debt Securities  
Subscription Receipts  
Warrants  
Convertible Securities  
Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

Project #3073713

---

**Issuer Name:**

Wallbridge Mining Company Limited  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated September 21, 2020

NP 11-202 Preliminary Receipt dated September 21, 2020

**Offering Price and Description:**

\$56,350,000.00 - 49,000,000 Common Shares

\$1.15 per Common Share

**Underwriter(s) or Distributor(s):**

BMO NESBITT BURNS INC.  
EIGHT CAPITAL  
RBC DOMINION SECURITIES INC.  
PARADIGM CAPITAL INC.

**Promoter(s):**

-

Project #3113698

---

**Issuer Name:**

Westport Fuel Systems Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Amendment #1 dated September 18, 2020 to Final Shelf Prospectus dated February 20, 2019

Received on September 18, 2020

**Offering Price and Description:**

U.S.\$250,000,000.00 - Common Shares, Preferred Shares, Subscription Receipts, Warrants, Debt Securities, Rights, Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

Project #2847253

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**Issuer Name:**

Caldas Gold Corp. (formerly Bluenose Gold Corp.)  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated September 18, 2020  
NP 11-202 Receipt dated September 21, 2020

**Offering Price and Description:**

22,222,222 Units Issuable upon Exercise of 22,222,222  
Special Warrants

**Underwriter(s) or Distributor(s):**

SCOTIA CAPITAL INC.  
CANACCORD GENUITY CORP.  
STIFEL NICOLAUS CANADA INC.  
RED CLOUD SECURITIES INC.

**Promoter(s):**

GRAN COLOMBIA GOLD CORP.

**Project #3098638**

---

**Issuer Name:**

CareRx Corporation (formerly Centric Health Corporation)  
Principal Regulator - Ontario

**Type and Date:**

Final Shelf Prospectus dated September 17, 2020  
NP 11-202 Receipt dated September 17, 2020

**Offering Price and Description:**

\$100,000,000.00 - Common Shares Preference Shares  
Subscription Receipts Debt Securities Warrants Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3110088**

---

**Issuer Name:**

CU Inc.  
Principal Regulator - Alberta

**Type and Date:**

Final Shelf Prospectus dated September 16, 2020  
NP 11-202 Receipt dated September 16, 2020

**Offering Price and Description:**

\$1,200,000,000.00 - Debentures (Unsecured)

**Underwriter(s) or Distributor(s):**

RBC DOMINION SECURITIES INC.  
BMO NESBITT BURNS INC.  
TD SECURITIES INC.  
SCOTIA CAPITAL INC.  
CIBC WORLD MARKETS INC.  
MUFG SECURITIES (CANADA), LTD.

**Promoter(s):**

-

**Project #3111607**

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**Issuer Name:**

Justify Capital Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Final CPC Prospectus dated September 14, 2020  
NP 11-202 Receipt dated September 16, 2020

**Offering Price and Description:**

OFFERING: \$202,500.00 (1,350,000 COMMON SHARES)  
Price: \$0.15 per Common Share

**Underwriter(s) or Distributor(s):**

Haywood Securities Inc.

**Promoter(s):**

IONIC SECURITIES LTD.

**Project #3097866**

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**Issuer Name:**

Namaste Technologies Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final Shelf Prospectus dated September 16, 2020  
NP 11-202 Receipt dated September 17, 2020

**Offering Price and Description:**

\$90,000,000.00 - Common Shares Preferred Shares Debt  
Securities Subscription Receipts Warrants

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3098580**

---

**Issuer Name:**

Nuvei Corporation  
Principal Regulator - Quebec

**Type and Date:**

Final Long Form Prospectus dated September 16, 2020  
NP 11-202 Receipt dated September 16, 2020

**Offering Price and Description:**

US\$600,000,000 \$ Subordinate Voting Shares

**Underwriter(s) or Distributor(s):**

GOLDMAN SACHS CANADA INC.  
CREDIT SUISSE SECURITIES (CANADA), INC.  
BMO Nesbitt Burns Inc.  
RBC DOMINION SECURITIES INC.  
CITIGROUP GLOBAL MARKETS CANADA INC.  
MERRILL LYNCH CANADA INC.  
NATIONAL BANK FINANCIAL INC.  
SCOTIA CAPITAL INC.  
TD SECURITIES INC.  
CIBC WORLD MARKETS INC.  
RAYMOND JAMES LTD.  
STIFEL NICOLAUS CANADA INC.

**Promoter(s):**

-

**Project #3109725**

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## Chapter 12

# Registrations

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### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	FNB Capital Asset Management Inc.	Portfolio Manager	September 18, 2020
Consent to Suspension (Pending Surrender)	Inflection Management Inc.	Investment Fund Manager and Exempt Market Dealer	September 18, 2020

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## Chapter 13

# SROs, Marketplaces, Clearing Agencies and Trade Repositories

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### 13.2 Marketplaces

#### 13.2.1 NEO Exchange – Request for Comments on Proposed Significant Change to the Treatment of Weighted Closing Price Eligible Securities – Trading Notice

##### NEO EXCHANGE

##### TRADING NOTICE

##### NEO EXCHANGE REQUEST FOR COMMENTS ON PROPOSED SIGNIFICANT CHANGE TO THE TREATMENT OF WEIGHTED CLOSING PRICE ELIGIBLE SECURITIES

September 24, 2020

Notice #: 2020-004

Currently, for NEO-listed Exchange Traded Funds (“ETFs”), the Weighted Closing Price is determined by the market activity during the last 15 minutes of trading. If there is no trade in the last 15 minutes of trading, the Closing Price will be set to the Time-Weighted Average Price NBBO Midpoint calculated over that period. If the ETF has traded during the 15 minutes period then the Closing Price will be set to the NLSP nearest to 4:00 p.m. For a detailed example of how the Weighted Closing Price is calculated, please see Section 9.1 of the [NEO Exchange Trading Functionality Guide](#).

For all NEO-listed ETFs NEO is proposing to publish a print immediately following the time at which the Weighted Closing Price is available (approximately 4:30 p.m. EST each business day). Such a print would be published as a zero-volume trade at the Closing Price. The print would be done using a new cross trade type (“**Closing Price Publication**”) attributed to the NEO Exchange (broker code 301). Proposed changes to the market data specifications can be found in Appendix A.

#### Expected Date of Implementation

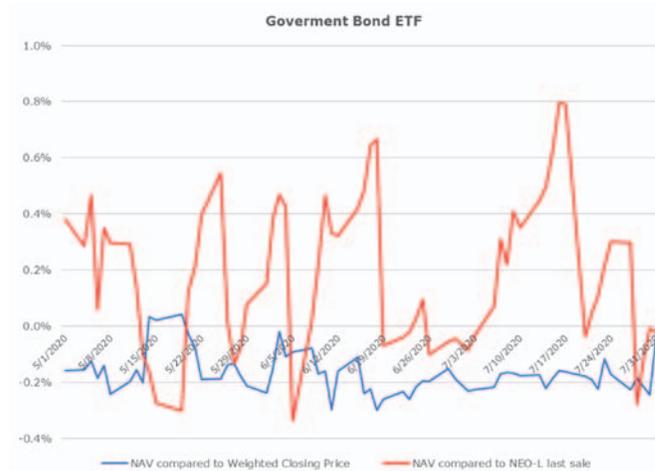
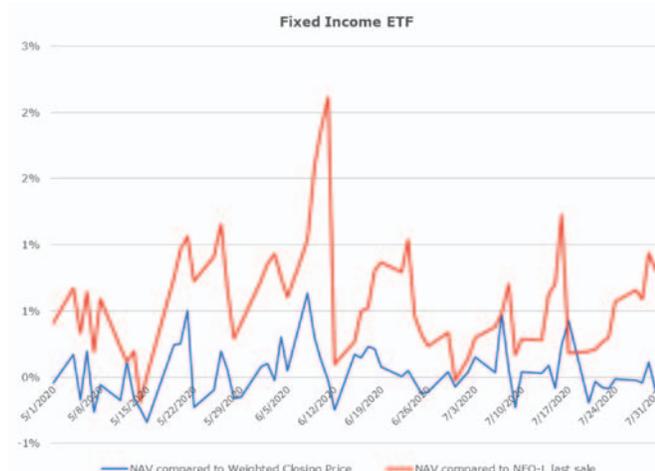
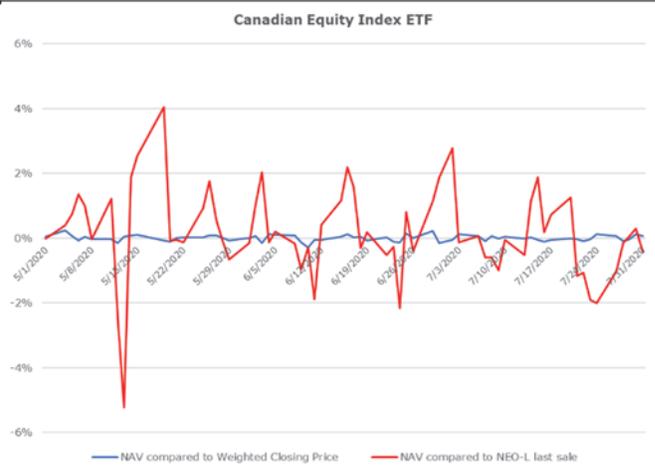
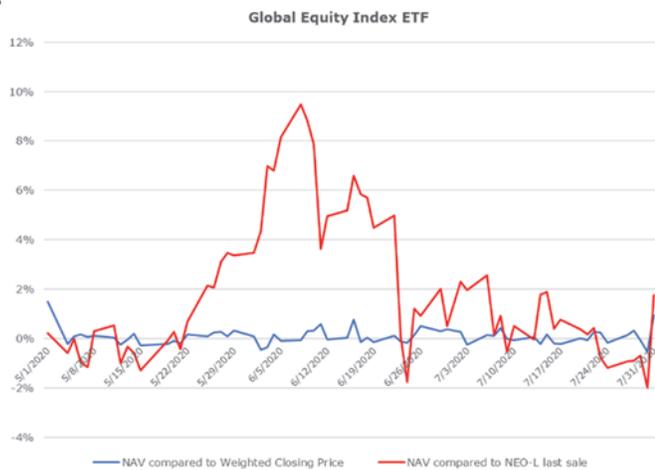
We are seeking to implement the Significant Change in Q1 of 2021 following the required availability in our testing environment for at least 60 days prior to the implementation date.

#### Rationale for the Proposed Significant Change and Relevant Supporting Analysis

We introduced the concept of the Weighted Closing Price in 2018 to provide more accurate pricing for ETFs, especially those that trade infrequently. Although it has proven a great success, as demonstrated by the data below, the fact that the closing price is a derived value that does not have an associated trade causes some downstream implications where users are not always able to leverage the Weighted Closing Price in the way it was intended.

In particular, certain global fund managers with centralized operations covering multiple countries rely on a common implementation and common procedures across their fund accounting teams when tracking ETF performance. As a result, to properly leverage the availability of the Weighted Closing Price, a trade at the Weighted Closing Price needs to occur and be published in order for the various market data terminals and feeds to make the Weighted Closing Price available for use by asset management fund operations teams. For example, for funds that hold ETFs in the portfolio, if those ETFs holdings are not marked-to-market at a price close to the NAV, a tracking error is introduced for the fund.

The following charts show the deviation from the daily NAV for four different NEO-listed ETFs over the period May 1, 2020 to July 31, 2020, compared to the Weighted Closing Price (blue line) with the previous methodology (red line) where the closing price would have been the last sale price in NEO-L. The data clearly demonstrates that the Weighted Closing Price is a significantly better representation of the value of the fund.



An additional benefit of publishing a print at the Weighted Closing Price is that it also addresses a number of market structure challenges that, on a routine and daily basis, result in stale ETF pricing for retail investors, financial advisors, investment funds and other stakeholders:

- by ensuring that a meaningful and representative closing price is visible to investors across all electronic data platforms (websites, discount platforms, etc.); and
- by providing, in an environment where fragmentation of securities trading continues to increase, a consolidated end of day closing price leveraging the NEO Closing Price methodology (approved and implemented in December 2018), which considers trading activity across all marketplaces to calculate the Weighted Closing Price.

Introducing a separate cross type tag, and the fact that the print will be attributed to NEO and not to a regular trading member, will make it easy for market participants to distinguish this print from a trade. Also, since the print will be for zero volume there is no risk of creating the perception of actual trading activity.

**Expected Impact of Proposed Significant Change on Market Structure, Members, Investors, Issuers and Capital markets**

We expect the proposed change to have a positive impact on NEO-listed ETF issuers and investors and, as a result on capital markets due to increased closing price visibility as explained above. We do not expect any impact on market structure.

**Impact on Exchange's Compliance with Ontario Securities Law and on Requirements for Fair Access and Maintenance of Fair and Orderly Markets**

There would be no foreseeable impact on compliance with securities law, fair access or maintenance of fair and orderly markets.

As the print will never set a new price (the official closing price is always established and published prior to the print) and there's no appearance of trading activity (the volume is always zero, and clearly marked as a closing price publication trade type attributed to the exchange), we believe the proposal does not create the "misleading appearance of trading activity" and therefore does not raise concerns with respect to section 126.1 of the *Securities Act* (Ontario).

**Consultation**

We consulted with several ETF issuers as well as market makers familiar with pricing challenges encountered by investors. All have been overwhelmingly positive about the proposed solution to a painful problem for the industry.

**Impact on the Systems of Members or Service Vendors**

This change will have limited to no impact on members or service vendors. As the technical change is simply the introduction of a new cross type in an existing field most vendors would process it automatically without any system changes. Those that do not wish to process this print message can easily filter it out based on the cross-type tag and/or the "zero" quantity.

**New Feature or Rule**

NYSE Arca has a similar closing price methodology for ETFs, but in the United States this problem has been solved at the level of the Security Information Processor (SIP). The CTA/UTP specifications dictate that the official market center closing price should update the consolidated last sale price.

While implementing an official Canadian closing price across all listed securities from a single centralized source would be ideal and preferred, critical technologies involved in various aspects of the industry from fund accounting, trading, through to advisor and retail investor platforms/websites do not leverage the existing Information Processor and instead consolidate (or fragment) the data further themselves, creating deviations in official closing values and perceived benchmarks. Our proposed solution would have an immediate impact for NEO-listed issuers while we work towards a more holistic industry solution.

**Comments**

Comments should be provided, in writing, no later than October 24, 2020 to:

Valerie Lockerbie  
Head of Legal and Regulatory  
Neo Exchange Inc.  
155 University Avenue, Suite 400  
Toronto, ON M5H 3B7  
e-mail: [legal@neostockexchange.com](mailto:legal@neostockexchange.com)

with a copy to:

Market Regulation Branch  
Ontario Securities Commission  
20 Queen Street West, 22nd Floor  
Toronto, ON M5H 3S8  
e-mail: [marketregulation@osc.gov.on.ca](mailto:marketregulation@osc.gov.on.ca)

Please note that, unless confidentiality is requested, all comments will be made publicly available.

**Appendix A – Revised NITCH Market Data Specification**

The following highlighted change will be made to the trade message in the NITCH Market Data Specifications, adding the new cross type. A clarifying note will be added to our documentation explaining how this new cross trade type will be used in conjunction with the other fields in the trade message.

8.6.11 Trade

Field	Offset	Length	Type	Description	
Cross Type	60	1	UInt8	The type of the Cross/BTF Order	
				<b>Value</b>	<b>Meaning</b>
				5	Internal Cross
				11	Basis Cross
				12	Contingent Cross
				14	VWAP Cross
				15	National Cross
				16	Bypass Cross
				18	Derivative Cross
19	Closing Price Publication				
...					

**Note:** When the Cross Type is set to 19 (Closing Price Publication), Executed Size will be set to 0 (zero) and both Buy Attribution and Sell Attribution will be set to 301 (NEO Exchange’s Broker ID)

## Chapter 25

# Other Information

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### 25.1 Consents

#### 25.1.1 Cronos Group Inc. – s. 4(b) of Ont. Reg. 289/00 under the OBCA

##### Headnote

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under Business Corporations Act (British Columbia).

##### Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181.  
Securities Act, R.S.O. 1990, c. S.5, as am.

##### Regulations Cited

Regulation made under the Business Corporations Act, Ont. Reg. 289/00, as am., s. 4(b) Securities Act, R.S.O. 1990, c.S.5, as am.

**IN THE MATTER OF  
R.R.O. 1990, REGULATION 289/00, AS AMENDED  
(the REGULATION)**

**UNDER THE BUSINESS CORPORATIONS ACT (ONTARIO),  
R.S.O. 1990 c. B.16, AS AMENDED  
(the OBCA)**

**AND**

**IN THE MATTER OF  
CRONOS GROUP INC.**

**CONSENT  
(Subsection 4(b) of the Regulation)**

**UPON** the application (the **Application**) of Cronos Group Inc. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) requesting the Commission's consent to the Applicant continuing in another jurisdiction pursuant to section 181 of the OBCA (the **Continuance**);

**AND UPON** considering the Application and the recommendation of the staff of the Commission;

**AND UPON** the Applicant having represented to the Commission that:

1. The Applicant is an offering corporation under the OBCA.
2. The Applicant's authorized share capital consists of an unlimited number of common shares (the **Common Shares**). The Common Shares are listed on the Toronto Stock Exchange (the **TSX**) and the NASDAQ Global Market (the **NASDAQ**) under the symbol "CRON". As at the close of business on June 24, 2020 the Applicant had 349,886,402 issued and outstanding Common Shares.
3. The Applicant intends to apply to the Director pursuant to section 181 of the OBCA (the **Application for Continuance**) for authorization to continue as a corporation under the *Business Corporations Act* (British Columbia) S.B.C. 2002, c.57, as amended (the **BCBCA**).
4. The Continuance is being proposed by the Applicant as it believes that the BCBCA provides additional flexibility compared to the OBCA, including with respect to the composition of the Applicant's board of directors going forward. This will allow the Applicant's board of directors to consider candidates for the Applicant's board of directors from a larger pool of candidates that includes candidates from outside of Canada in order to have the right composition, skills, expertise and diversity to drive long-term value.

## Other Information

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5. The material rights, duties and obligations of a corporation governed by the BCBCA are substantially similar to those of a corporation governed by the OBCA. The principal differences are highlighted for holders of Common Shares (the **Shareholders**) in the definitive proxy statement dated April 28, 2020 (the **Information Circular**) that was sent to shareholders in connection with the Applicant's annual and special meeting of shareholders held on June 25, 2020 (the **Meeting**).
6. The Applicant is a reporting issuer under the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the **Act**); and the securities legislation in all of the other provinces of Canada (other than Québec) (collectively, the **Legislation**). The Applicant will remain a reporting issuer in these jurisdictions following the Continuance.
7. The Applicant is not in default of any of the provisions of the OBCA, the Act or the Legislation, including the regulations made thereunder.
8. The Applicant is not in default of any of the rules, regulations or policies of the TSX or the NASDAQ.
9. The Applicant is not subject to any proceeding under the OBCA, the Act or the Legislation.
10. The Commission is the principal regulator of the Applicant. Following the Continuance, the head office of the Applicant will remain located in Toronto, Ontario and the Commission will continue to be the Applicant's principal regulator.
11. The Information Circular describes the proposed Continuance and discloses the reasons for it and its implications. The Information Circular also discloses the full particulars of the dissent rights of the Applicant's shareholders under section 185 of the OBCA.
12. The Shareholders authorized the Continuance at the Meeting by a special resolution approved by 96.614% of the votes cast. No Shareholders exercised dissent rights pursuant to section 185 of the OBCA.
13. On June 1, 2020, the Minister of Finance of Ontario granted its consent for the Applicant to continue out of Ontario.
14. Subsection 4(b) of the Regulation requires the Application for Continuance to be accompanied by a consent from the Commission.

**AND UPON** the Commission being satisfied that to do so would not be prejudicial to the public interest;

**THE COMMISSION CONSENTS** to the Continuance of the Applicant under the BCBCA.

**DATED** at Toronto, Ontario this 2nd day of July 2020.

"Frances Kordyback"  
Commissioner  
Ontario Securities Commission

"Lawrence Haber"  
Commissioner  
Ontario Securities Commission

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