

# Chapter 1

## Notices

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### 1.1 Notices

#### 1.1.1 OSC Notice of Coming into Force of Local Amendments to National Instrument 41-101 General Prospectus Requirements, National Instrument 81-106 Investment Fund Continuous Disclosure, and National Instrument 81-107 Independent Review Committee for Investment Funds

**OSC NOTICE OF COMING INTO FORCE OF  
LOCAL AMENDMENTS TO  
NATIONAL INSTRUMENT 41-101 GENERAL PROSPECTUS REQUIREMENTS,  
NATIONAL INSTRUMENT 81-106 INVESTMENT FUND CONTINUOUS DISCLOSURE, AND  
NATIONAL INSTRUMENT 81-107 INDEPENDENT REVIEW COMMITTEE FOR INVESTMENT FUNDS**

**March 17, 2022**

On December 7, 2021 the Ontario Securities Commission (the **OSC**) adopted

- local amendments to National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**),
- local amendments to National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**), and
- local amendments to National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**)

in Ontario (collectively, the **Local Amendments**), and

- local changes to Companion Policy 81-101 *Mutual Fund Prospectus Disclosure* (**81-101CP**), and
- local changes to the commentary in NI 81-107

in Ontario (collectively, the **Local Changes**).

The above material was published on January 13, 2022 in the Bulletin. See (2022), 45 OSCB 308.

The text of the Local Amendments is contained in Annexes A, C and D of this Notice. The text of the Local Changes is contained in Annexes B and E of this Notice.

#### **Effective Dates**

Pursuant to section 143.4 of the *Securities Act* (Ontario), the Local Amendments will come into force on April 13, 2022.

The Local Change in Annex B will become effective on June 2, 2022. The Local Change in Annex E will become effective on April 13, 2022.

#### **Contents of Annexes**

Annex A: Local Amendments to National Instrument 41-101 *General Prospectus Requirements* in Ontario

Annex B: Local Change to Companion Policy 81-101 *Mutual Fund Prospectus Disclosure* in Ontario

Annex C: Local Amendments to National Instrument 81-106 *Investment Fund Continuous Disclosure* in Ontario

Annex D: Local Amendment to National Instrument 81-107 *Independent Review Committee for Investment Funds* in Ontario

Annex E: Local Change to the Commentary in National Instrument 81-107 *Independent Review Committee for Investment Funds* in Ontario

ANNEX A

LOCAL AMENDMENTS TO  
NATIONAL INSTRUMENT 41-101 *GENERAL PROSPECTUS REQUIREMENTS*  
IN ONTARIO

1. ***National Instrument 41-101 General Prospectus Requirements is amended by this Instrument.***
2. ***Form 41-101F2 Information Required in an Investment Fund Prospectus is amended by replacing in Item 19.4(c) “available on the [investment fund’s/investment fund family’s] Internet site at [insert investment fund’s Internet site address]” with “available on the investment fund’s website at [insert the investment fund’s designated website address]”.***
3. ***Form 41-101F3 Information Required in a Scholarship Plan Prospectus is amended by replacing Item 12(2) of Part A with the following:***
  - (2) State the name, address, toll-free telephone number and email address of the investment fund manager of the plan and the scholarship plan’s designated website address. If applicable, also state the website address of the investment fund manager of the plan..
4. ***Subparagraph 9.1(1)(b)(ii) is amended by deleting “and” following subclause 9.1(1)(b)(ii)(C)(II).***

**Transition**

5. Before September 6, 2022, an investment fund is not required to comply with National Instrument 41-101 *General Prospectus Requirements*, as amended by sections 2 and 3 of this Instrument, if the investment fund complies with *National Instrument 41-101 General Prospectus Requirements* as it was in force on January 5, 2022.

**Effective Date**

6. This Instrument comes into force in Ontario on April 13, 2022.

ANNEX B

LOCAL CHANGE TO  
COMPANION POLICY 81-101 MUTUAL FUND PROSPECTUS DISCLOSURE  
IN ONTARIO

1. Companion Policy 81-101 Mutual Fund Prospectus Disclosure is changed by this Document.
2. The Sample Fund Facts Document in Appendix A – Sample Fund Facts Document is replaced by the following:



## XYZ Canadian Equity Fund – Series B

## FUND FACTS

June 30, 20XX

This document contains key information you should know about XYZ Canadian Equity Fund. You can find more details in the fund's simplified prospectus. Ask your representative for a copy, contact XYZ Mutual Funds at 1-800-555-5556 or investing@xyzfunds.com, or visit www.xyzfunds.com.

**Before you invest in any fund, consider how the fund would work with your other investments and your tolerance for risk.**

**Quick facts**

<b>Fund code:</b>	XYZ123	<b>Fund manager:</b>	XYZ Mutual Funds
<b>Date series started:</b>	March 31, 2000	<b>Portfolio manager:</b>	Capital Asset Management Ltd.
<b>Total value of fund on June 1, 20XX:</b>	\$1 billion	<b>Distributions:</b>	Annually, on December 15
<b>Management expense ratio (MER):</b>	2.25%	<b>Minimum investment:</b>	\$500 initial, \$50 additional

**What does the fund invest in?**

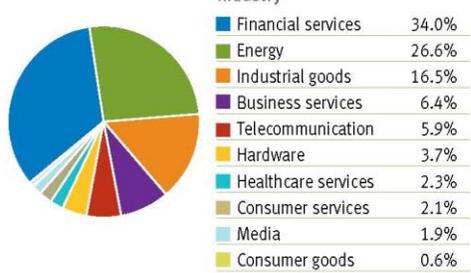
The fund invests in a broad range of stocks of Canadian companies. They can be of any size and from any industry. The charts below give you a snapshot of the fund's investments on June 1, 20XX. The fund's investments will change.

**Top 10 investments (June 1, 20XX)**

1. Royal Bank of Canada	7.5%
2. Toronto-Dominion Bank	7.1%
3. Canadian Natural Resources	5.8%
4. The Bank of Nova Scotia	4.1%
5. Cenovus Energy Inc.	3.7%
6. Suncor Energy Inc.	3.2%
7. Enbridge Inc.	3.1%
8. Canadian Imperial Bank of Commerce	2.9%
9. Manulife Financial Corporation	2.7%
10. Canadian National Railway Company	1.9%
<b>Total percentage of top 10 investments</b>	<b>42.0%</b>

<b>Total number of investments</b>	<b>93</b>
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**Investment mix (June 1, 20XX)**



Industry	Percentage
Financial services	34.0%
Energy	26.6%
Industrial goods	16.5%
Business services	6.4%
Telecommunication	5.9%
Hardware	3.7%
Healthcare services	2.3%
Consumer services	2.1%
Media	1.9%
Consumer goods	0.6%

**How risky is it?**

The value of the fund can go down as well as up. You could lose money.

One way to gauge risk is to look at how much a fund's returns change over time. This is called "volatility".

In general, funds with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. Funds with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

**Risk rating**

XYZ Mutual Funds has rated the volatility of this fund as **medium**.

This rating is based on how much the fund's returns have changed from year to year. It doesn't tell you how volatile the fund will be in the future. The rating can change over time. A fund with a low risk rating can still lose money.

Low	Low to medium	Medium	Medium to high	High
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For more information about the risk rating and specific risks that can affect the fund's returns, see the Risk section of the fund's simplified prospectus.

**No guarantees**

Like most mutual funds, this fund doesn't have any guarantees. You may not get back the amount of money you invest.

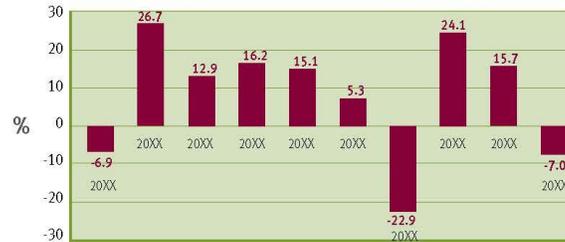


**How has the fund performed?**

This section tells you how Series B units of the fund have performed over the past 10 years. Returns are after expenses have been deducted. These expenses reduce the fund’s returns.

**Year-by-year returns**

This chart shows how Series B units of the fund performed in each of the past 10 years. The fund dropped in value in 3 of the 10 years. The range of returns and change from year to year can help you assess how risky the fund has been in the past. It does not tell you how the fund will perform in the future.



**Best and worst 3-month returns**

This table shows the best and worst returns for Series B units of the fund in a 3-month period over the past 10 years. The best and worst 3-month returns could be higher or lower in the future. Consider how much of a loss you could afford to take in a short period of time.

	Return	3 months ending	If you invested \$1,000 at the beginning of the period
<b>Best return</b>	32.6%	April 30, 2003	Your investment would rise to \$1,326.
<b>Worst return</b>	-24.7%	November 30, 2008	Your investment would drop to \$753.

**Average return**

The annual compounded return of Series B units of the fund was 6.8% over the past 10 years. If you had invested \$1,000 in the fund 10 years ago, your investment would now be worth \$1,930.

**Who is this fund for?**

**Investors who:**

- are looking for a long-term investment
- want to invest in a broad range of stocks of Canadian companies
- can handle the ups and downs of the stock market.

**!** Don’t buy this fund if you need a steady source of income from your investment.

**A word about tax**

In general, you’ll have to pay income tax on any money you make on a fund. How much you pay depends on the tax laws where you live and whether or not you hold the fund in a registered plan, such as a Registered Retirement Savings Plan or a Tax-Free Savings Account.

Keep in mind that if you hold your fund in a non-registered account, fund distributions are included in your taxable income, whether you get them in cash or have them reinvested.



**How much does it cost?**

The following tables show the fees and expenses you could pay to buy, own and sell Series B units of the fund. The fees and expenses — including any commissions — can vary among series of a fund and among funds. Higher commissions can influence representatives to recommend one investment over another. Ask about other funds and investments that may be suitable for you at a lower cost.

**1. Sales charges**

You may pay a sales charge when you buy the fund.

Sales charge option	What you pay		How it works
	in per cent (%)	in dollars (\$)	
<b>Initial sales charge</b>	0% to 4% of the amount you buy	\$0 to \$40 on every \$1,000 you buy	<ul style="list-style-type: none"> <li>You and your representative decide on the rate.</li> <li>The initial sales charge is deducted from the amount you buy. It goes to your representative's firm as a commission.</li> </ul>

**2. Fund expenses**

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

As of March 31, 20XX, the fund's expenses were 2.30% of its value. This equals \$23 for every \$1,000 invested.

**Annual rate (as a % of the fund's value)**

**Management expense ratio (MER)**

This is the total of the fund's management fee (which includes the trailing commission) and operating expenses. XYZ Mutual Funds waived some of the fund's expenses. If it had not done so, the MER would have been higher.

2.25%

**Trading expense ratio (TER)**

These are the fund's trading costs.

0.05%

**Fund expenses**

2.30%

**More about the trailing commission**

The trailing commission is an ongoing commission. It is paid for as long as you own the fund. It is for the services and advice that your representative and their firm provide to you.

XYZ Mutual Funds pays the trailing commission to your representative's firm. It is paid from the fund's management fee and is based on the value of your investment. The rate depends on the sales charge option you choose.

Sales charge option	Amount of trailing commission	
	in per cent (%)	in dollars (\$)
<b>Initial sales charge</b>	0% to 1% of the value of your investment each year	\$0 to \$10 each year on every \$1,000 invested



**How much does it cost? cont'd**

**3. Other fees**

You may have to pay other fees when you buy, hold, sell or switch units of the fund.

Fee	What you pay
Short-term trading fee	1% of the value of units you sell or switch within 90 days of buying them. This fee goes to the fund.
Switch fee	Your representative's firm may charge you up to 2% of the value of units you switch to another XYZ Mutual Fund.
Change fee	Your representative's firm may charge you up to 2% of the value of units you switch to another series of the fund.

**What if I change my mind?**

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

- withdraw from an agreement to buy mutual fund units within two business days after you receive a simplified prospectus or Fund Facts document, or
- cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, annual information form, Fund Facts document or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

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

**For more information**

Contact XYZ Mutual Funds or your representative for a copy of the fund's simplified prospectus and other disclosure documents. These documents and the Fund Facts make up the fund's legal documents.

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Toronto, ON M1A 2B3

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Email: [investing@xyzfunds.com](mailto:investing@xyzfunds.com)  
[www.xyzfunds.com](http://www.xyzfunds.com)

To learn more about investing in mutual funds, see the brochure **Understanding mutual funds**, which is available on the website of the Canadian Securities Administrators at [www.securities-administrators.ca](http://www.securities-administrators.ca).

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3. This change becomes effective in Ontario on June 2, 2022.

ANNEX C

LOCAL AMENDMENTS TO  
NATIONAL INSTRUMENT 81-106 *INVESTMENT FUND CONTINUOUS DISCLOSURE*  
IN ONTARIO

1. *National Instrument 81-106 Investment Fund Continuous Disclosure is amended by this Instrument.*
2. *Subsections 12.2.2(2), 12.2.3(1) and 12.2.3(2) are amended by replacing “12.2.1(1)(g)(ii)” with “12.2.1(g)(ii)”.*

**Effective Date**

3. This Instrument comes into force in Ontario on April 13, 2022.

ANNEX D

LOCAL AMENDMENT TO  
NATIONAL INSTRUMENT 81-107 *INDEPENDENT REVIEW COMMITTEE FOR INVESTMENT FUNDS*  
IN ONTARIO

1. *National Instrument 81-107 Independent Review Committee for Investment Funds is amended by this Instrument.*
2. *Section 6.2 is amended by adding the following section heading:*
  - 6.2 Transactions in securities of related issuers .

**Effective Date**

3. This Instrument comes into force in Ontario on April 13, 2022.

ANNEX E

LOCAL CHANGE TO  
COMMENTARY IN  
NATIONAL INSTRUMENT 81-107 INDEPENDENT REVIEW COMMITTEE FOR INVESTMENT FUNDS  
IN ONTARIO

1. ***The Commentary to National Instrument 81-107 Independent Review Committee for Investment Funds is changed by this Document.***
2. ***Commentary 1 to section 6.5 is changed by adding the following at the end of the second paragraph:***

*Paragraph 1(d) requires that the market quotations for the transactions be transparent. The CSA expect that if the price information is publicly available from a marketplace, newspaper or through a data vendor, for example, this will be the price. If the price is not publicly available, the CSA expect the investment fund to obtain at least one quote from an independent, arm's-length purchaser or seller, immediately before the purchase or sale..*
3. This change becomes effective in Ontario on April 13, 2022.