

The Ontario Securities Commission

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The Ontario Securities Commission

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Table of Contents

Editor's Note: On Friday, April 29, 2022, the Securities Commission Act, 2021 (SCA), came into force by proclamation of the Lieutenant Governor of Ontario. The SCA's proclamation implemented key structural and governance changes to the OSC: the separation of the OSC Chair and Chief Executive Officer roles, and the creation of a new Capital Markets Tribunal. These new structural and governance changes are now reflected in the Bulletin, with one section to report and record the activities of the Capital Markets Tribunal and one section to report and record the activities of the Ontario Securities Commission: www.capitalmarketstribunal.ca/en/resources.

A.	Capital Markets Tribunal..... (nil)	
A.1	Notices of Hearing..... (nil)	
A.2	Other Notices..... (nil)	
A.3	Orders..... (nil)	
A.4	Reasons and Decisions (nil)	
B.	Ontario Securities Commission7161	
B.1	Notices (nil)	
B.2	Orders.....7161	
B.2.1	Bloomberg Tradebook Singapore Pte Ltd.7161	
B.2.2	QuestEx Gold & Copper Ltd.7173	
B.2.3	Merrill Lynch Financial Assets Inc.7174	
B.2.4	FAX Capital Corp.7175	
B.2.5	Pine Valley Mining Corporation – s. 144(1)7176	
B.3	Reasons and Decisions7177	
B.3.1	Fractionvest Inc.7177	
B.3.2	Canada Life Investment Management Ltd.....7184	
B.3.3	Minister of Energy (Ontario) and Hydro One Limited.....7188	
B.4	Cease Trading Orders7197	
B.4.1	Temporary, Permanent & Rescinding Issuer Cease Trading Orders7197	
B.4.2	Temporary, Permanent & Rescinding Management Cease Trading Orders7197	
B.4.3	Outstanding Management & Insider Cease Trading Orders7197	
B.5	Rules and Policies..... (nil)	
B.6	Request for Comments..... (nil)	
B.7	Insider Reporting.....7199	
B.8	Legislation (nil)	
B.9	IPOs, New Issues and Secondary Financings7239	
B.10	Registrations7247	
B.10.1	Registrants7247	
B.11	SROs, Marketplaces, Clearing Agencies and Trade Repositories.....7249	
B.11.1	SROs.....7249	
B.11.1.1	Investment Industry Regulatory Organization of Canada (IIROC) – Proposed Amendments to Permit Reduced Margin for Swap Position Partial Offsets Held in Inventory – Request for Comment7249	
B.11.2	Marketplaces.....7250	
B.11.2.1	Bloomberg Tradebook Singapore Pte Ltd. – Application for Exemption From Recognition as an Exchange and the Marketplace Rules – Notice of Commission Order7250	
		B.11.2.2 Bloomberg Tradebook Canada Company – Proposed Change to Add Foreign Non-Debt Securities – Notice of Approval..... 7251
		B.11.3 Clearing Agencies (nil)
		B.11.4 Trade Repositories (nil)
		B.12 Other Information 7253
		B.12.1 Consents 7253
		B.12.1.1 Stone Investment Group Limited – s. 21(b) of Ont. Reg. 398/21 under the OBCA 7253
		B.12.2 Approvals 7255
		B.12.2.1 Picton Mahoney Fortified Core Bond Fund and Picton Mahoney Asset Management 7255
	Index 7257

B. Ontario Securities Commission

B.2 Orders

B.2.1 Bloomberg Tradebook Singapore Pte Ltd.

Headnote

Section 147 of the Securities Act (Ontario), section 15.1 of NI 21-101, section 12.1 of NI 23-101 and section 10 of NI 23-103 – Application for an order that a recognised market operator authorized by the Monetary Authority of Singapore is exempt from the requirement to be recognized as an exchange in Ontario and from the requirements of NI 21-101, NI 23-101 and NI 23-103 in their entirety – requested order granted.

Applicable Legislative Provisions

Securities Act, RSO 1990, c. S.5, as am., ss. 21, 147.

National Instrument 21-101 Marketplace Operation, s. 15.1.

National Instrument 23-101 Trading Rules, s. 12.1.

National Instrument 23-103 Electronic Trading and Direct Electronic Access to Marketplaces, s. 10.

July 27, 2022

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S. 5,
AS AMENDED
(the Act)

AND

IN THE MATTER OF
BLOOMBERG TRADEBOOK SINGAPORE PTE LTD.

ORDER

WHEREAS Bloomberg Tradebook Singapore Pte Ltd. (**Applicant**) has filed an application dated June 8, 2022 (**Application**) with the Ontario Securities Commission (**Commission**) requesting an order for the following relief (collectively, the **Requested Relief**):

- (a) exempting the Applicant from the requirement to be recognized as an exchange under subsection 21(1) of the Act pursuant to section 147 of the Act; and
- (b) exempting the Applicant from the requirements in National Instrument 21-101 *Marketplace Operation* (**NI 21-101**) pursuant to section 15.1 of NI 21-101, the requirements of National Instrument 23-101 *Trading Rules* (**NI 23-101**) pursuant to section 12.1 of NI 23-101 and the requirements of National Instrument 23-103 *Electronic Trading and Direct Electronic Access to Marketplaces* (**NI 23-103**) pursuant to section 10 of NI 23-103;

AND WHEREAS the Applicant has represented to the Commission that:

1. The Applicant is a private limited company incorporated under the laws of Singapore and a wholly owned direct subsidiary of Bloomberg L.P., a Delaware limited partnership;
2. The Applicant has obtained recognition by the Monetary Authority of Singapore (**MAS**) as a Recognized Market Operator (**RMO**);
3. The Applicant's current recognition as an RMO by the MAS, dated August 5, 2021, permits the Applicant to (i) operate an organised market (**OM**), and (ii) in respect of participants in Singapore, make available its OM to Professional Investors, Accredited Investors and Expert Investors, as such terms are defined within the Applicant's RMO Recognition Letter and the Singapore *Securities and Futures Act* (Cap. 289) (**SFA**);

4. The Applicant operates an OM, known as BTBS, for trading securities, units in a collective investment scheme, securities-based derivative contracts and over-the-counter derivatives contracts (the **Market Instruments**), but the subjects of this order are:

- (a) any debt security (as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103)*) that is a foreign security (as defined in NI 31-103) or a debt security that is denominated in a currency other than the Canadian dollar, including:
 - (i) debt securities issued by the United States (**U.S.**) government (including agencies or instrumentalities thereof);
 - (ii) debt securities issued by a foreign government;
 - (iii) debt securities issued by corporate or other non-governmental issuers (U.S. and foreign); and
 - (iv) asset-backed securities (including mortgage backed securities), denominated in either U.S. or foreign currencies (collectively, **Foreign Debt Securities**).¹

Pursuant to a marketplace conduit arrangement with the Applicant's Canadian alternative trading system affiliate, Bloomberg Tradebook Canada Company (**Tradebook Canada**), the Applicant provides transaction negotiation services for unlisted debt securities, as that term is defined in NI 21-101, and any debt securities denominated in Canadian dollars (**Canadian Debt Securities**), as set out in the term and condition to the Commission's order in *In the Matter of Bloomberg Tradebook Canada Company (2021)*, 44 OSCB 6772. Following the date that the Commission grants the Requested Relief, the Applicant will continue to provide transaction negotiation services for Canadian Debt Securities only under the marketplace conduit arrangement with Tradebook Canada;

- (b) swaps, including:
 - (i) interest rate swaps (**IRS**), as defined in section 1a(47) of the U.S. *Commodity Exchange Act*;
 - (ii) credit default swaps (**CDS**), as defined in section 1a(47) of the U.S. *Commodity Exchange Act*;
 - (iii) foreign exchange swaps (**FX**), as defined in section 1a(47) of the U.S. *Commodity Exchange Act* (but without regard to any exclusions from the definition), including precious metals swaps, foreign exchange spot and deposits; and
- (c) any foreign securities as defined in NI 31-103 that are not debt securities as defined in NI 31-103 (**Foreign Non-Debt Securities**, and together with Foreign Debt Securities, IRS, CDS and FX, the **Ontario Market Instruments**), including:
 - i. securities of foreign exchange-traded funds, which refers to a fund in continuous distribution that is incorporated, formed or created under the laws of a foreign jurisdiction; and
 - ii. stock loans, which refer to securities lending arrangements in which securities are temporarily transferred from one party (the lender) to another party (the borrower) in return for a fee. Under the lending arrangement, the borrower is obliged to redeliver to the lender the securities or identical securities to those that were transferred or lent, either on demand or at the end of the loan term

5. This order only relates to the Ontario Market Instruments and making BTBS protocols available to Ontario Users (as defined below) for such instruments. However, BTBS supports request-for-quote, request-for-trade and request-for-stream trade negotiation protocols that may be used to negotiate, but not legally execute, a trade in the following Market Instruments: equity shares, bonds, including sovereign bonds, credit bonds, and exchange-traded commodities and exchange-traded notes bond types, money market instruments, securities financing transactions (including repurchase transactions, buy-sell and sell-buy back transactions), exchange-traded funds, interest rate swaps, credit default swaps, foreign exchange derivatives (e.g., non-deliverable forwards and swaps, average rate forwards, options), deliverable foreign exchange derivatives (e.g., deliverable forwards and deliverable swaps), precious metal derivatives, OTC equity options, listed equity, index and exchange-traded funds options, foreign exchange spot and deposits;

¹ For greater certainty, "Foreign Debt Securities" includes convertible debt securities and the following money market instruments (U.S. and foreign): commercial paper, agency discount notes, government treasury bills, certificates of deposit, bankers' acceptances, promissory notes and bearer deposit notes.

6. The Applicant is subject to regulatory supervision by the MAS and is required to comply with applicable Singapore laws, subsidiary legislation, notices and guidelines issued by the MAS (collectively, the **Applicable Rules**), which include, among other things, rules on (i) the conduct of business (including rules regarding client categorization, communication with clients and other investor protections and client agreements), (ii) market conduct (including rules applicable to firms operating an OM), and (iii) systems and controls (including rules on outsourcing, governance, record-keeping and conflicts of interest). The MAS requires the Applicant to comply at all times with a set of threshold conditions for authorization and ongoing requirements, including requirements that the Applicant has sound business and controlled business operations and that it has appropriate resources for the activities it carries on. The Applicant is required to maintain a permanent and effective compliance function, which is headed by the Applicant's Compliance Officer. The Applicant's Compliance Department is responsible for implementing and maintaining adequate policies and procedures designed to ensure that the Applicant, its officers and all its employees comply with their obligations under the Applicable Rules;
7. An OM is obliged under MAS rules to have requirements governing the conduct of participants, to monitor compliance with those requirements and report to the MAS (i) significant breaches of the rules in the BTBS Rulebook, (ii) disorderly trading conditions, and (iii) conduct that may involve market abuse. As required by the Applicable Rules, the Applicant has implemented a trade surveillance program. As part of the program and as required by the MAS, the Applicant's Compliance Department conducts market monitoring of certain trading activity on BTBS to identify disorderly trading and market abuse or anomalies. The trade surveillance program is designed to maintain a fair and orderly market for BTBS participants;
8. BTBS is available to participants via an approved service provider (Bloomberg Terminal access is provided this way) or via application programming interface (**API**), a non-Bloomberg API;
9. The Applicant requires that its Singapore participants be "professional investors" as defined in the Applicant's recognition letter from the MAS, "accredited investors" or "expert investors" as defined in sections 4A(1)(a) and 4A(1)(b) of the SFA. Each prospective participant must: comply and ensure that its authorised traders comply, and, in each case, continue to comply, with the BTBS Rulebook and applicable law; have the legal capacity to trade in the Market Instruments it selects to trade on BTBS; have appropriate systems and arrangements for the orderly execution, clearance and/or settlement, as applicable, of transactions in all Market Instruments it selects to negotiate on BTBS; have all registrations, authorizations, approvals and/or consents required by applicable law in connection with the negotiation of Market Instruments on BTBS; have adequate experience, knowledge and competence to transact in the Market Instruments; have and shall maintain a valid LEI compliant with the ISO 17442 standard and included in the Global LEI database maintained by the Central Operating Unit appointed by the LEI Regulatory Oversight Committee; and not be a natural person, independent software provider, trading venue or unregulated organised trading platform or system;
10. All participants that are located in Ontario, including participants with their headquarters or legal address in Ontario (e.g., as indicated by a participant's Legal Entity Identifier (LEI)) and all traders conducting transactions on its behalf, regardless of the traders' physical location (inclusive of non-Ontario branches of Ontario legal entities), as well as any trader physically located in Ontario who conducts transactions on behalf of any other entity (**Ontario Users**), are required to sign a user acknowledgment representing that they meet the criteria set forth in the user acknowledgment, including that they are appropriately registered under Ontario securities laws, exempt from registration or not subject to registration requirements. The user acknowledgment requires an Ontario User to make an ongoing representation each time it uses BTBS that it continues to meet the criteria set forth in the user acknowledgment. An Ontario User is required to immediately notify the Applicant if it ceases to meet any of the above criteria represented by it on an ongoing basis;
11. Because BTBS sets requirements for the conduct of its participants and surveils certain trading activity of its participants, it is considered by the Commission to be an exchange;
12. Because the Applicant seeks to provide Ontario Users with direct access to trading the Ontario Market Instruments in accordance with the Requested Relief on BTBS, it is considered by the Commission to be carrying on business as an exchange in Ontario and is required to be recognized as such or exempted from recognition pursuant to section 21 of the Act;
13. The Applicant has no physical presence in Ontario and does not otherwise carry on business in Ontario except as described herein; and
14. The Applicant satisfies the exemption criteria as described in Appendix I to Schedule "A";

AND WHEREAS the products traded on BTBS are not commodity futures contracts as defined in the *Commodity Futures Act* (Ontario) and the Applicant is not considered to be carrying on business as a commodity futures exchange in Ontario;

AND WHEREAS the Commission will monitor developments in international and domestic capital markets and the Applicant's activities on an ongoing basis to determine whether it is appropriate for the Requested Relief to continue to be granted subject to the terms and conditions set out in Schedule "A" to this order;

AND WHEREAS the Applicant has acknowledged to the Commission that the scope of the Requested Relief and the terms and conditions imposed by the Commission set out in Schedule "A" to this order may change as a result of the Commission's monitoring of developments in international and domestic capital markets or the Applicant's activities, or as a result of any changes to the laws in Ontario affecting trading in derivatives or securities;

AND WHEREAS based on the Application, together with the representations made by and acknowledgments of the Applicant to the Commission, the Commission has determined that the Applicant satisfies the criteria set out in Appendix I to Schedule "A" and that the granting of the Requested Relief would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission that (i) pursuant to section 147 of the Act, the Applicant is exempt from recognition as an exchange under subsection 21(1) of the Act, and (ii) pursuant to sections 15.1(1) of NI 21-101, 12.1 of NI 23-101 and 10 of NI 23-103, the Applicant is exempt from the requirements in NI 21-101, NI 23-101 and NI 23-103,

PROVIDED THAT the Applicant complies with the terms and conditions contained in Schedule "A".

DATED July 27, 2022

"Michelle Alexander"
Manager, Market Regulation
Ontario Securities Commission

SCHEDULE "A"
TERMS AND CONDITIONS

Meeting Criteria for Exemption

1. The Applicant will continue to meet the criteria for exemption included in Appendix I to this Schedule.

Regulation and Oversight of the Applicant

2. The Applicant will maintain its recognition as a Recognised Market Operator (**RMO**) with the Monetary Authority of Singapore (**MAS**) to operate an organised market (**OM**) and will continue to be subject to the regulatory oversight of the MAS.
3. The Applicant will continue to comply with the ongoing requirements applicable to it as an RMO recognised by the MAS.
4. The Applicant will promptly notify the Commission if its recognition as an RMO has been revoked, suspended, or amended by the MAS, or the basis on which its recognition as an RMO has been granted has significantly changed.
5. The Applicant must do everything within its control, which includes cooperating with the Commission as needed, to carry out its activities as an exchange exempted from recognition under subsection 21(1) of the Act in compliance with Ontario securities law.

Access

6. The Applicant will not provide direct access to a participant in Ontario including a participant with its headquarters or legal address in Ontario (e.g., as indicated by a participant's Legal Entity Identifier (LEI)) and all traders conducting transactions on its behalf, regardless of the traders' physical location (inclusive of non-Ontario branches of Ontario legal entities), as well as any trader physically located in Ontario who conducts transactions on behalf of any other entity (**Ontario User**) unless the Ontario User is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements.
7. For each Ontario User provided direct access to its OM, the Applicant will require, as part of its application documentation or continued access to the OM, the Ontario User to represent that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements.
8. The Applicant may reasonably rely on a written representation from the Ontario User that specifies either that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements, provided the Applicant notifies such Ontario User that this representation is deemed to be repeated each time it sends or responds to a request for quote, request for trade or request for stream, or otherwise uses the Applicant's OM.
9. The Applicant will require Ontario Users to notify the Applicant if their registration as applicable under Ontario securities laws has been revoked, suspended, or amended by the Commission or if they are no longer exempt from or become subject to those requirements and, following notice from the Ontario User and subject to applicable laws, the Applicant will promptly restrict the Ontario User's access to the Applicant's OM if the Ontario User is no longer appropriately registered or exempt from those requirements.

Trading by Ontario Users

10. The Applicant will not provide access to an Ontario User to trading in products other than the Ontario Market Instruments set out in Representation 4, without prior Commission approval.
11. With respect to debt securities:
 - (a) the Applicant will only permit Ontario Users to trade Foreign Debt Securities² as defined in Representation 4;
 - (b) the Applicant will only provide transaction negotiation services in accordance with the terms and conditions of Bloomberg Tradebook Canada Company's (**Tradebook Canada**) approval as an alternative trading system in Ontario with respect to Canadian Debt Securities, as defined in Representation 4;

² For greater certainty, this class of foreign debt securities includes the following money market instruments (U.S. and foreign): commercial paper, agency discount notes, government treasury bills, certificates of deposit, bankers' acceptances, promissory notes and bearer deposit notes.

B.2: Orders

12. With respect to swaps, the Applicant will only permit Ontario Users to trade IRS, CDS and FX, as defined in Representation 4.
13. With respect to equity securities, the Applicant will only permit Ontario Users to trade Foreign Non-Debt Securities as defined in Representation 4.
14. The Applicant will only permit Ontario Users to negotiate trades in those products outlined in terms and conditions 10 through 13 which are permitted to be traded in Singapore under applicable securities laws and regulations.

Submission to Jurisdiction and Agent for Service

15. With respect to a proceeding brought by the Commission arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of the activities of the Applicant in Ontario, the Applicant will submit to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Ontario and (ii) an administrative proceeding in Ontario.
16. The Applicant will maintain with the Commission a valid and binding appointment of an agent for service in Ontario upon whom the Commission may serve a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of the Applicant's activities in Ontario.

Prompt Reporting

17. The Applicant will notify staff of the Commission promptly of:
 - (a) any authorization to carry on business granted by the MAS is revoked or suspended or made subject to terms or conditions on the Applicant's operations;
 - (b) the Applicant institutes a petition for a judgment of bankruptcy or insolvency or similar relief, or to wind up or liquidate the Applicant or has a proceeding for any such petition instituted against it;
 - (c) a receiver is appointed for the Applicant or the Applicant makes any voluntary arrangement with creditors;
 - (d) the Applicant marketplace is not in compliance with this Order or with any applicable requirements, laws or regulations of the MAS where it is required to report such non-compliance to the MAS;
 - (e) any known investigations of, or disciplinary action against, the Applicant by the MAS or any other regulatory authority to which it is subject; and
 - (f) the Applicant makes any material change to the eligibility criteria for Ontario Users.

Semi-Annual Reporting

18. The Applicant will maintain the following updated information and submit such information in a manner and form acceptable to the Commission on a semi-annual basis (by July 31 for the first half of the calendar year and by January 31 of the following year for the second half), and at any time promptly upon the request of staff of the Commission:
 - (a) a current list of all Ontario Users and whether the Ontario User is registered under Ontario securities laws or is exempt from or not subject to registration, and, to the extent known by the Applicant, other persons or companies located in Ontario trading on the Applicant's OM as customers of Ontario Users (**Other Ontario Participants**);
 - (b) the legal entity identifier assigned to each Ontario User, and, to the extent known by the Applicant, to Other Ontario Participants in accordance with the standards set by the Global Legal Entity Identifier System;
 - (c) a list of all Ontario Users whom the Applicant has referred to the MAS, or, to the best of the Applicant's knowledge, whom have been disciplined by the MAS with respect to such Ontario Users' activities on the Applicant's OM and the aggregate number of all participants referred to the MAS since the previous report by the Applicant;
 - (d) a list of all active investigations since the last report by the Applicant relating to Ontario Users and the aggregate number of active investigations since the last report relating to all participants undertaken by the Applicant;
 - (e) a list of all Ontario applicants for status as a participant who were denied such status or access to the Applicant since the last report, together with the reasons for each such denial;
 - (f) for each product,

B.2: Orders

- (i) the total trading volume and value originating from Ontario Users, and, to the extent known by the Applicant, from Other Ontario Participants, presented on a per Ontario User or per Other Ontario Participant basis; and
- (ii) the proportion of worldwide trading volume and value on the Applicant's OM conducted by Ontario Users, and, to the extent known by the Applicant, by Other Ontario Participants, presented in the aggregate for such Ontario Users and Other Ontario Participants;

provided in the required format.

Information Sharing

19. The Applicant will provide such information as may be requested from time to time by, and otherwise cooperate with, the Commission or its staff, subject to any applicable privacy or other laws (including solicitor-client privilege) governing the sharing of information and the protection of personal information.

APPENDIX I

CRITERIA FOR EXEMPTION OF A FOREIGN EXCHANGE TRADING OTC DERIVATIVES FROM RECOGNITION AS AN EXCHANGE

PART 1 REGULATION OF THE EXCHANGE

1.1 Regulation of the Exchange

The exchange is regulated in an appropriate manner in another jurisdiction by a foreign regulator (**Foreign Regulator**).

1.2 Authority of the Foreign Regulator

The Foreign Regulator has the appropriate authority and procedures for oversight of the exchange. This includes regular, periodic oversight reviews of the exchange by the Foreign Regulator.

PART 2 GOVERNANCE

2.1 Governance

The governance structure and governance arrangements of the exchange ensure:

- (a) effective oversight of the exchange,
- (b) that business and regulatory decisions are in keeping with its public interest mandate,
- (c) fair, meaningful and diverse representation on the board of directors (**Board**) and any committees of the Board, including:
 - (i) appropriate representation of independent directors, and
 - (ii) a proper balance among the interests of the different persons or companies using the services and facilities of the exchange,
- (d) the exchange has policies and procedures to appropriately identify and manage conflicts of interest for all officers, directors and employees, and
- (e) there are appropriate qualifications, remuneration, limitation of liability and indemnity provisions for directors, officers and employees of the exchange.

2.2 Fitness

The exchange has policies and procedures under which it will take reasonable steps, and has taken such reasonable steps, to ensure that each director and officer is a fit and proper person and past conduct of each officer or director affords reasonable grounds for belief that the officer or director will perform his or her duties with integrity.

PART 3 REGULATION OF PRODUCTS

3.1 Review and Approval of Products

The products traded on the exchange and any changes thereto are submitted to the Foreign Regulator, and are either approved by the Foreign Regulator or are subject to requirements established by the Foreign Regulator that must be met before implementation of a product or changes to a product.

3.2 Product Specifications

The terms and conditions of trading the products are in conformity with the usual commercial customs and practices for the trading of such products.

3.3 Risks Associated with Trading Products

The exchange maintains adequate provisions to measure, manage and mitigate the risks associated with trading products on the exchange that may include, but are not limited to, daily trading limits, price limits, position limits, and internal controls.

PART 4 ACCESS

4.1 Fair Access

- (a) The exchange has established appropriate written standards for access to its services including requirements to ensure
 - (i) participants are appropriately registered as applicable under Ontario securities laws, or exempted from these requirements,
 - (ii) the competence, integrity and authority of systems users, and
 - (iii) systems users are adequately supervised.
- (b) The access standards and the process for obtaining, limiting and denying access are fair, transparent and applied reasonably.
- (c) The exchange does not unreasonably prohibit, condition or limit access by a person or company to services offered by it.
- (d) The exchange does not
 - (i) permit unreasonable discrimination among participants, or
 - (ii) impose any burden on competition that is not reasonably necessary and appropriate.
- (e) The exchange keeps records of each grant and each denial or limitation of access, including reasons for granting, denying or limiting access.

PART 5 REGULATION OF PARTICIPANTS ON THE EXCHANGE

5.1 Regulation

The exchange has the authority, resources, capabilities, systems and processes to allow it to perform its regulation functions, whether directly or indirectly through a regulation services provider, including setting requirements governing the conduct of its participants, monitoring their conduct, and appropriately disciplining them for violations of exchange requirements.

PART 6 RULEMAKING

6.1 Purpose of Rules

- (a) The exchange has rules, policies and other similar instruments (**Rules**) that are designed to appropriately govern the operations and activities of participants and do not permit unreasonable discrimination among participants or impose any burden on competition that is not reasonably necessary or appropriate.
- (b) The Rules are not contrary to the public interest and are designed to
 - (i) ensure compliance with applicable legislation,
 - (ii) prevent fraudulent and manipulative acts and practices,
 - (iii) promote just and equitable principles of trade,
 - (iv) foster co-operation and co-ordination with persons or companies engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in the products traded on the exchange,
 - (v) provide a framework for disciplinary and enforcement actions, and
 - (vi) ensure a fair and orderly market.

PART 7 DUE PROCESS

7.1 Due Process

For any decision made by the exchange that affects a participant, or an applicant to be a participant, including a decision in relation to access, exemptions, or discipline, the exchange ensures that:

- (a) parties are given an opportunity to be heard or make representations, and
- (b) it keeps a record of, gives reasons for, and provides for appeals or reviews of its decisions.

PART 8 CLEARING AND SETTLEMENT

8.1 Clearing Arrangements

The exchange has or requires its participants to have appropriate arrangements for the clearing and settlement of transactions for which clearing is mandatory through a clearing house.

8.2 Risk Management of Clearing House

The exchange has assured itself that the clearing house has established appropriate risk management policies and procedures, contingency plans, default procedures and internal controls.

PART 9 SYSTEMS AND TECHNOLOGY

9.1 Systems and Technology

Each of the exchange's critical systems has appropriate internal controls to ensure completeness, accuracy, integrity and security of information, and, in addition, has sufficient capacity and business continuity plans to enable the exchange to properly carry on its business. Critical systems are those that support the following functions:

- (a) order entry,
- (b) order routing,
- (c) execution,
- (d) trade reporting,
- (e) trade comparison,
- (f) data feeds,
- (g) market surveillance,
- (h) trade clearing, and
- (i) financial reporting.

9.2 System Capability/Scalability

Without limiting the generality of section 9.1, for each of its systems supporting order entry, order routing, execution, data feeds, trade reporting and trade comparison, the exchange:

- (a) makes reasonable current and future capacity estimates;
- (b) conducts capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner;
- (c) reviews the vulnerability of those systems and data centre computer operations to internal and external threats, including physical hazards and natural disasters;
- (d) ensures that safeguards that protect a system against unauthorized access, internal failures, human errors, attacks and natural catastrophes that might cause improper disclosures, modification, destruction or denial of service are subject to an independent and ongoing audit which should include the physical environment, system capacity, operating system testing, documentation, internal controls and contingency plans;
- (e) ensures that the configuration of the system has been reviewed to identify potential points of failure, lack of back-up and redundant capabilities;
- (f) maintains reasonable procedures to review and keep current the development and testing methodology of those systems; and

- (g) maintains reasonable back-up, contingency and business continuity plans, disaster recovery plans and internal controls.

9.3 Information Technology Risk Management Procedures

The exchange has appropriate risk management procedures in place including those that handle trading errors, trading halts and respond to market disruptions and disorderly trading.

PART 10 FINANCIAL VIABILITY

10.1 Financial Viability

The exchange has sufficient financial resources for the proper performance of its functions and to meet its responsibilities.

PART 11 TRADING PRACTICES

11.1 Trading Practices

Trading practices are fair, properly supervised and not contrary to the public interest.

11.2 Orders

Rules pertaining to order size and limits are fair and equitable to all market participants and the system for accepting and distinguishing between and executing different types of orders is fair, equitable and transparent.

11.3 Transparency

The exchange has adequate arrangements to record and publish accurate and timely information as required by applicable law or the Foreign Regulator. This information is also provided to all participants on an equitable basis.

PART 12 COMPLIANCE, SURVEILLANCE AND ENFORCEMENT

12.1 Jurisdiction

The exchange or the Foreign Regulator has the jurisdiction to perform member and market regulation, including the ability to set rules, conduct compliance reviews and perform surveillance and enforcement.

12.2 Member and Market Regulation

The exchange or the Foreign Regulator maintains appropriate systems, resources and procedures for evaluating compliance with exchange and legislative requirements and for disciplining participants.

12.3 Availability of Information to Regulators

The exchange has mechanisms in place to ensure that the information necessary to conduct adequate surveillance of the system for supervisory or enforcement purposes is available to the relevant regulatory authorities, including the Commission, on a timely basis.

PART 13 RECORD KEEPING

13.1 Record Keeping

The exchange has and maintains adequate systems in place for the keeping of books and records, including, but not limited to, those concerning the operations of the exchange, audit trail information on all trades, and compliance with, and/or violations of exchange requirements.

PART 14 OUTSOURCING

14.1 Outsourcing

Where the exchange has outsourced any of its key services or systems to a service provider, it has appropriate and formal arrangements and processes in place that permit it to meet its obligations and that are in accordance with industry best practices.

PART 15 FEES

15.1 Fees

- (a) All fees imposed by the exchange are reasonable and equitably allocated and do not have the effect of creating an unreasonable condition or limit on access by participants to the services offered by the exchange.
- (b) The process for setting fees is fair and appropriate, and the fee model is transparent.

PART 16 INFORMATION SHARING AND OVERSIGHT ARRANGEMENTS

16.1 Information Sharing and Regulatory Cooperation

The exchange has mechanisms in place to enable it to share information and otherwise co-operate with the Commission, self-regulatory organizations, other exchanges, clearing agencies, investor protection funds, and other appropriate regulatory bodies.

16.2 Oversight Arrangements

Satisfactory information sharing and oversight agreements exist between the Commission and the Foreign Regulator.

PART 17 IOSCO PRINCIPLES

17.1 IOSCO Principles

To the extent it is consistent with the laws of the foreign jurisdiction, the exchange adheres to the standards of the International Organisation of Securities Commissions (IOSCO) including those set out in the “Principles for the Regulation and Supervision of Commodity Derivatives Markets” (2011).

B.2.2 QuestEx Gold & Copper Ltd.

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).

July 26, 2022

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

AND

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

AND

IN THE MATTER OF
QUESTEX GOLD & COPPER LTD.
(the Filer)

ORDER**

Background

¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (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 dual application):

- (a) the British Columbia Securities Commission is the principal regulator for this application;
- (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 Alberta; and
- (c) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

¶ 2 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

- ¶ 3 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

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

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

“Noreen Bent”
Chief, Corporate Finance Legal Services
British Columbia Securities Commission

OSC File #: 2022/0303

B.2.3 Merrill Lynch Financial Assets 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).

July 27, 2022

**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
MERRILL LYNCH FINANCIAL ASSETS 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 the Filer 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, Prince Edward Island and Newfoundland and Labrador.

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.

“Michael Balter”
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2022/0346

B.2.4 FAX Capital Corp.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – issuer deemed to be no longer 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).

July 27, 2022

**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
FAX CAPITAL CORP.
(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, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, the Northwest Territories and Nunavut.

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.

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

OSC File #: 2022/0331

B.2.5 Pine Valley Mining Corporation – s. 144(1)

Headnote

Section 144(1) – Application to vary a cease trade order – cease trade order varied to permit beneficial shareholders, who are not insiders or control persons, to sell securities outside of Canada, subject to conditions.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127 and 144.

**IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, C. S.5,
AS AMENDED
(the “Act”)**

AND

**IN THE MATTER OF
PINE VALLEY MINING CORPORATION
(the “Issuer”)**

**ORDER
(Section 144(1) of the Act)**

WHEREAS the securities of the Issuer are subject to a temporary cease trade order issued by the Director of the Ontario Securities Commission (the “**Commission**”) on April 3, 2009, under paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, as extended by a further cease trade order issued by the Director on April 15, 2009 pursuant to subsection 127(1) of the Act directing that trading in the securities of the Issuer, whether direct or indirect, cease until further order by the Director (the “**Cease Trade Order**”);

AND WHEREAS a cease trade order with respect to the Issuer’s securities was also issued by the British Columbia Securities Commission on April 1, 2009, and the Alberta Securities Commission on July 9, 2009;

AND WHEREAS the Issuer’s securities are not listed on and do not trade on any exchange in Canada;

AND WHEREAS an application was made on behalf of a shareholder of the Issuer to the Commission pursuant to section 144(1) of the Act to vary the Cease Trade Order;

AND UPON the Director being satisfied that:

- a) the terms and conditions to the Cease Trade Order put Ontario resident shareholders of the Issuer at a disadvantage to certain shareholders who are free to trade their shares over a foreign market;
- b) effective June 23, 2016, the Canadian Securities Administrators harmonized the response to a specified default under National Policy 11-207 *Failure-to-File Cease*

Trade orders and Revocations in Multiple Jurisdictions to include standard carve-out language permitting shareholders to sell securities of an issuer subject to a cease trade order over a foreign organized regulated market if certain conditions are satisfied; and

- c) it is not prejudicial to the public interest to vary the Cease Trade Order under section 144(1) of the Act;

IT IS ORDERED that, pursuant to section 144(1) of the Act, the Cease Trade Order be varied by including the following section:

DESPITE THIS ORDER, a beneficial securityholder of the Reporting Issuer who is not, and was not at the date of this order, an insider or control person of the Reporting Issuer, may sell securities of the Reporting Issuer acquired before the date of this order if both of the following apply:

- (a) The sale is made through a “foreign organized regulated market”, as defined in section 1.1 of the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada; and
- (b) The sale is made through an investment dealer registered in a jurisdiction of Canada in accordance with applicable securities legislation.

DATED this 19th day of July, 2022.

“Erin O’Donovan”
Manager, Corporate Finance Branch
Ontario Securities Commission

OSC File #: 2022/0284

B.3 Reasons and Decisions

B.3.1 Fractionvest Inc.

Headnote

OSC Innovation Office – exemptive relief provided to an Ontario corporation from the requirement to register under Ontario securities legislation – Filer will conduct a time-limited pilot test of its innovative business that involves operating a platform that utilizes blockchain technology to facilitate the distribution of tokens that represent a fractional ownership in a real estate asset – there has been a recent growth of tokenized real estate businesses and offerings and the Filer has not identified another registered Canadian company that utilizes blockchain technology to tokenize interests in real estate assets in the same manner – pilot test will involve one single property located in the Greater Toronto Area and will only be available to a limited number of accredited investors that complete the Filer’s onboarding process – the property will be owned by a special purpose vehicle that is a limited partnership under the laws of Ontario – token holders will be limited partners of the limited partnership - the property will be rented and token holders will receive regular distributions of rental income less expenses – Filer must submit an application to become registered within 9 months from the date of the decision – relief expires 18 months from the date of the decision – relief provided from section 25 of the Securities Act (Ontario).

Applicable Legislative Provisions

Statutes Cited

Securities Act, R.S.O 1990, c. S.5, as am., s. 25.

Instruments Cited

National Instrument 45-106 Prospectus Exemptions.

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.

Ontario Securities Commission Rule 72-503 Distributions Outside of Canada.

July 26, 2022

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

AND

IN THE MATTER OF
FRACTIONVEST INC.
(the Filer)

DECISION

Background

The Ontario Securities Commission (the **OSC**), through its Innovation Office, engages with businesses that have innovative products, services or applications that benefit investors. The OSC LaunchPad support program assists businesses with navigating regulatory requirements and engages in discussions on tailoring regulatory requirements, including time-limited registration or exemptive relief from securities law requirements, to allow them to test their innovative business models.

The Filer has developed a permissioned blockchain-powered platform (the **Platform**) that provides a system for tokenizing real estate assets and issuing tokens that represent fractional ownership in a real estate asset (the **Tokens**).

Globally there has been a recent growth of tokenized real estate businesses and offerings. The Filer seeks to make real estate ownership more attainable by utilizing blockchain technology to remove some of the friction of investing in real estate and offer a way for investors to purchase a fractional interest in a specific property, benefit from any increase in the value of the property and receive a proportional share of any rental income without the significant upfront costs and efforts typically required. The Platform

will allow for the issuance of Tokens on the blockchain that relate to a specific property, provide an immutable record of ownership of the Tokens, and use smart contracts to define ownership rights, hold periods and transfer restrictions. The Filer has not identified another registered Canadian company that utilizes blockchain technology to tokenize and fractionalize interests in real estate in the same manner.

The OSC recognizes that to keep abreast of and facilitate innovation and limit risks to investors, an environment to conduct commercial tests of novel business models, products and services is required. The Filer is seeking exemptive relief, as described below, to conduct a time-limited pilot test involving one property in order to test the Platform in a controlled environment to address any technical issues and assess potential technical improvements prior to launching the Platform (the **Pilot Test**).

Relief Sought for Time-Limited Pilot Testing

The OSC has received an application from the Filer (the **Application**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Filer from the requirement to register as a dealer under the Legislation in respect of the operation of the Platform and other activities in connection with the Pilot Test (the **Exemption Sought**). The Exemption Sought will expire on the earlier of the date that is 18 months after the date of the Decision, or the date on which the Filer becomes registered.

Interpretation

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

Representations

The Filer

1. The Filer is a corporation incorporated under the laws of Ontario, with its registered office located at 100 King Street West, 1 First Canadian Place, Suite 6200, Toronto, Ontario, Canada, M5X 1B8.
2. The Filer is a financial technology start-up that seeks to democratize real estate ownership by connecting the benefits of blockchain technology to real estate transactions to provide potentially better outcomes for investors.
3. The Filer is not a reporting issuer under applicable securities laws of any of the provinces or territories of Canada (the **Canadian Jurisdictions**) and has no present intention of becoming a reporting issuer in any of the Canadian Jurisdictions.
4. The Filer is not in default of securities laws of any of the Canadian Jurisdictions.
5. Following the completion of the Pilot Test, the Filer intends to seek registration in Ontario and will consider registration in other Canadian Jurisdictions on a case-by-case basis as perceived demand warrants.

The Platform

6. The Platform is a permissioned blockchain-powered platform, built on the Ethereum network. The Platform provides an end-to-end process for tokenizing the ownership rights of a real estate asset, issuing Tokens to investors, allowing for the digital recording of ownership of Tokens on the blockchain, and facilitating the distribution of rental income. The Platform may also facilitate the transfer of Tokens, however transfers of Tokens are restricted for the Pilot Test. The Filer intends that, once the Filer is registered, the Platform will facilitate transfers of Tokens as permitted by securities legislation.
7. The Filer believes that the Platform can offer the potential benefits of process efficiency and reduced costs from automation of processes as a result of smart contracts defining ownership rights, rules related to the Token issuance, hold periods and transfer restrictions. The Platform has the potential to increase the speed of issuing securities, distributing rental income and managing corporate actions, lower the cost of entry for real estate ownership and provide access to a broader group of investors and to liquidity and secondary market opportunities, where permitted by securities legislation.
8. The Filer has formalized a partnership through Fractionvest Dubai with a third party blockchain software service provider to support the initial development and roll-out of the Platform.
9. The Platform enables the issuance of Tokens on the Ethereum blockchain. The Tokens follow the ERC-20 (Ethereum Request for Comment 20) token standard used by smart contracts for token implementation on the Ethereum blockchain. It defines a set of basic guidelines and functions for token ownership and immutable transferability that any new token created on the Ethereum network using that standard must follow. The Tokens will be enhanced ERC-20 tokens.

10. The Platform includes smart contracts developed by the Filer that will place specific restrictions on the investors and the Tokens, including:
 - a. requiring all prospective investors to complete the Filer's onboarding processes (described below) and be verified and approved by the Filer before being permitted to purchase Tokens;
 - b. placing limits on the amount and/or value of Tokens that an investor may purchase; and
 - c. restricting investors from transferring their Tokens for a specified period of time;
11. The blockchain software service provider will conduct an audit review of the Platform's smart contracts to ensure they are operating as intended prior to the Pilot Test.

The Pilot Test

12. The Filer seeks to conduct a Pilot Test involving the operation of the Platform and the issuance of Tokens that represent the economic rights of ownership of a real estate asset (the **Security Token Offering**).
13. The Filer's objective for the Pilot Test is to gather data and operational feedback, address any issues and assess potential technical improvements. Specifically, the Filer would like to test the effectiveness of the Platform, including the creation of Tokens, the implementation of transfer restrictions and the functioning of the smart contracts, with real-world constraints, such as handling banking connections, varied inputs simultaneously at different stages of a user transaction, different user operating systems and environments, and transaction throughput on a live permissioned blockchain, which are not as rigorously tested in a simulated test environment. The Pilot Test will allow the Filer to address any issues with a limited number of accredited investors before making the Platform available more broadly.

i. The SPV and the Property

14. The Filer intends to establish a single purpose special purpose vehicle (the **SPV**) as a limited partnership under the laws of Ontario, Canada. The Filer will be the general partner of the SPV and the Tokens will represent limited partnership interests of the SPV.
15. The Tokens are securities under the Legislation.
16. The SPV will be the issuer of the Tokens and sole legal owner of the Property (as defined below). The SPV will not own more than one property and will not carry on any business other than owning the Property and issuing the Tokens.
17. The Filer will not be a limited partner of the SPV and will not own any Tokens.
18. The Filer, in its capacity of general partner of the SPV, will hold legal title to the Property on behalf of the SPV.
19. The subject real estate asset for the Pilot Transaction (the **Property**) will have the following characteristics:
 - a. located in the Greater Toronto Area;
 - b. market value in the range of \$500,000 – \$1,500,000;
 - c. a single-family home or condominium unit; and
 - d. free of any mortgage or other financial lien;

ii. Investor Onboarding Process

20. All investors on the Platform will be required to complete an onboarding process, including identity verification, anti-money-laundering (**AML**) and sanctions screening, conducted through Onfido, an eKYC service provider which has an established partnership with the Filer's blockchain software service provider for such services.
21. Only "accredited investors" as defined in section 73.3 of the Legislation, or the equivalent under the legislation of the jurisdiction of the investor, will be permitted to purchase Tokens.
22. The Filer will comply with the requirements of the exemption in section 2.3 of National Instrument 45-106, including by requiring investors to confirm their accredited investor status and, where applicable, complete the risk acknowledgement in the required Form 45-106F9 *Form for Individual Accredited Investors*.
23. The Filer uses technology, including a questionnaire required to be completed by investors via the Platform, to facilitate the determination of whether a purchase of Tokens is suitable for an investor.

B.3: Reasons and Decisions

24. Each prospective investor must complete the steps described in paragraphs 20, 22 and 23 and be verified and approved by the Filer before they are permitted to purchase Tokens.
 25. The maximum investment amount for an accredited investor in Ontario is \$150,000, however the amount that may be suitable for an investor to invest may be lower than the maximum investment amount.
 26. The total number of investors participating in the Pilot Test and Security Token Offering will vary dependent on the Property's features and individual investor demand. The Filer anticipates that the total number of investors will be in the range of 5 – 50, but no more than 100.
 27. Though the Filer expects a majority of the investors to be residents of the Jurisdiction, the Filer may permit non-resident international investors to purchase Tokens provided that they complete the required onboarding processes described above, and the Filer is satisfied that they are permitted to participate in the Security Token Offering under the laws of the jurisdiction of their residence, and the Filer is in compliance with the requirements of that jurisdiction in relation to the offer the Tokens to investors in that jurisdiction. The Filer will comply with the requirements of Ontario Securities Commission Rule 72-503 *Distributions Outside of Canada* for any distributions of Tokens to investors outside of Canada.
- iii. *The Security Token Offering*
28. The Filer will identify an independent third-party vendor for the target Property, which may be an individual vendor known to the Filer. The vendor will not be a director, employee, or advisor of the Filer, but in the case of any personal affiliation between a director, staff member, or advisor of the Filer and the vendor of the Property, the transaction will be managed as an arm's length commercial transaction and the Property will be offered and purchased at market value.
 29. The Filer will use the services of an independent third-party valuator to prepare an appraisal for the Property and determine the purchase price of the Property. Based on the purchase price, the Filer will set an offering amount for the Security Token Offering, including all acquisition costs, expenses and fees to acquire the Property (the **Offering Amount**), and an offering period (the **Offering Period**).
 30. Investors that are verified and approved by the Filer will be provided with the Token Purchase Agreement (defined below) and other documents relevant to the Security Token Offering and the Pilot Test, via the Platform. Investors interested in purchasing Tokens will be required to sign the Token Purchase Agreement using a secure electronic signature application via the Platform.
 31. The Filer expects the Security Token Offering to involve the issuance of 100,000 Tokens. The price of the Tokens at the time of issuance will be determined based on the Offering Amount, divided by the number of Tokens issued.
 32. No additional Tokens for the Property will be created or issued after the Security Token Offering, except as may be necessary to represent any subsequent approved capital contributions in respect of material works to the Property.
 33. The Filer requires investors to purchase Tokens by transferring Canadian or U.S. dollars to the Filer's bank account. The funds will be held in escrow at a Canadian custodian (as defined in section 1.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103)*) in a trust account for the benefit of the investors, separate and apart from the Filer's or its subsidiary's own assets, until either (i) the Offering Amount is raised, in which case the Property acquisition and Security Token Offering will close simultaneously and the Tokens will be sent to investors' wallets, or (ii) the Offering Amount is not met within the Offering Period or the Property becomes no longer available for sale, in which case investors' escrowed funds will be returned to them.
 34. The Filer will not accept crypto assets as payment for Tokens.
 35. The Filer will provide each investor with a two-day right of withdrawal during which time they may cancel their Token purchase.
 36. The Tokens are subject to a minimum hold period of two years. The Filer will not facilitate any transfers or resales of Tokens, except in limited special cases where an investor needs to sell their Tokens because of an unforeseen financial need. In these circumstances the Filer will work with the Token holder to find a buyer for the Tokens provided that they buyer satisfies the Filer's Investor Onboarding Process described in paragraphs 20-27 above.
 37. There is no market for the Tokens distributed by the Filer and the Filer has no present intention of listing Tokens on any marketplace (as the term is defined in National Instrument 21-101 *Marketplace Operation*).
 38. As the Tokens are subject to a hold period and for the purpose of the Pilot Test the Filer will hold the private keys on behalf of the investors. The private keys will be stored by the Filer in a Hashicorp Vault Cloud Hardware Security Module (HSM) which is not connected to the internet. Once the Filer is registered it intends that investors will be offered the option to hold their own private keys.

B.3: Reasons and Decisions

39. Investors will be able to see the number of Tokens they hold in their account on the Platform, however they will not be able to transfer the Tokens. The Filer, in its capacity as general partner of the SPV, will maintain a centralized register of Token holders (limited partners of the SPV), which will include the name and address of each investor and the address of the investor's digital wallet on the Ethereum network where the Tokens are held. A copy of the register will be held with the Filer's legal counsel.
40. If the Tokens are lost or stolen, the Filer will burn the Tokens and reissue them to the investor's wallet.
41. The Property will be rented and managed by an independent third-party property manager.
42. Rental income, net of expenses and reserves, earned by the SPV will be distributed to Token holders from time to time. Token holders will receive net rental income from the Property *pro rata* to their Token holdings.
43. The Security Token Offering for the Property includes a maximum investment term of 5 years (the **Investment Term**), at the end of which Token holders will determine through a voting process whether the Property should be sold by the SPV or retained for a further term.
44. Holders of the Tokens will be entitled to vote for:
 - a. approval for carrying out any material works to the Property, which incur costs in excess of 5% of the original cost of the Property or involve a period of longer than two calendar months without rental income;
 - b. approval for any modification in the initial Investment Term of the Property;
 - c. approval for the sale of the Property; and
 - d. approval for the appointment, change or removal of the property manager of the Property.
45. In order to purchase the Tokens, investors will be obligated to enter into a subscription agreement with the Filer and the SPV (the **Token Purchase Agreement**).
46. The Filer will provide investors with a copy of the limited partnership agreement of the SPV, which provides Token holders with information rights in respect of the SPV and Property, including access to the SPV's books and information about the rental income, expenses, and reserves relating to the Property.
47. Every prospective Token purchaser will be provided with an offering memorandum (the **Offering Memorandum**) which describes the Filer and the Security Token Offering, including key information about the Property, all acquisition related costs with a detailed transaction breakdown, anticipated net rent (showing the breakdown of total rent minus any associated fees such as property maintenance fees), and illustrative examples of how investors may calculate total or annualized return on investment through a range of potential inputs (e.g. illustrative projections of capital appreciation, net exit value), investment risk factors, a breakdown of fees payable to the Filer, a summary of the limited partnership agreement which governs the SPV, eligibility for investment and the online subscription process through the Platform.
48. The description of investment risk factors in the Offering Memorandum will include, among other risks, the illiquidity of the underlying Property, lack of any Token secondary market, mandated Token hold periods and that the expiry of the hold period does not mean there will be a market for the Tokens at that time, lack of assurance that the Filer will become registered and associated potential inability of the Filer to conduct registerable activity beyond the date that the decision expires.
49. The Offering Memorandum will describe the rights of action for a misrepresentation in section 130.1 of the Legislation.
50. Copies of the Token Purchase Agreement and the Offering Memorandum will be accessible to investors via the Platform.
51. The Filer will have a dedicated customer service email address for complaints and inquiries. Any complaint will be acknowledged within seven days and investigated and resolved within a target maximum of sixty days.

Decision

The OSC is satisfied that the Decision meets the test set out in the Legislation for the regulator to make the decision for the purposes of pilot testing this novel business.

The decision of the OSC under the Legislation is that the Exemption Sought is granted, provided that all of the following conditions are met:

- a. The Filer will conduct only one issuance of Tokens representing the economic rights of ownership of a single real estate asset, the Property.

B.3: Reasons and Decisions

- b. The Filer will limit the Security Token Offering to no more 100 investors in total.
- c. The Filer will only permit “accredited investors”, as defined in section 73.3 of the Legislation, or the equivalent under the legislation of the jurisdiction of the investor, that have completed the Filer’s onboarding process described in representations 24-26 and have been approved and verified by the Filer, to purchase Tokens.
- d. The value of the Tokens acquired by each investor does not exceed \$150,000, however the amount that may be suitable for an investor to invest may be lower than the maximum investment amount.
- e. The Filer will deal fairly, honestly and in good faith with all purchasers of Tokens.
- f. The Filer will establish, maintain and apply policies and procedures that establish a system of controls and supervision designed to manage the risks associated with the Filer’s business, including risks resulting from use of the Platform, cybersecurity breaches and potential conflicts of interest including as between the Filer, any vendor of the Property, any property manager of the Property, and/or any other service provider.
- g. The Filer will ensure that any conflicts of interest will be identified and addressed in the best interests of the investor.
- h. The Filer will hold all funds received by investors for the purchase of Tokens in escrow with a Canadian Custodian (as defined in section 1.1 of NI 31-103) in a trust account for the benefit of investors, separate and apart from the Filer’s or its subsidiary’s own assets, until either (i) the Offering Amount is raised, in which case the Property and Token acquisitions will close simultaneously and the Tokens will be sent to investors’ wallets, or (ii) the Offering amount is not met within the Offering Period or the Property becomes no longer available for sale, in which case investors’ escrowed funds will be returned to them, in full, and without penalty.
- i. Neither the Filer nor any of its directors, officers, employees, agents or representatives will make recommendations or provide investment advice to any purchaser of Tokens.
- j. The Filer will not publicly advertise the Security Token Offering, other than on the Filer’s website and its social media channels.
- k. The Filer will not operate a marketplace as the term is defined in subsection 1(1) of the Legislation and National Instrument 21-101 *Marketplace Operation* and the Filer will not list the Tokens on a marketplace or crypto-asset trading platform.
- l. The Filer will not facilitate secondary trading of Tokens via the Platform and will not list the Tokens on an organized marketplace or crypto-asset trading platform.
- m. In order to purchase the Tokens, investors will be required to enter into the Token Purchase Agreement.
- n. The Filer will provide each investor with a copy of the Offering Memorandum which includes the information described in representation 46 and describes the rights of action for a misrepresentation in section 130.1 of the Legislation. The Offering Memorandum will describe the Decision and that the Filer will be required to be registered to operate the Platform after the date the Decision expires.
- o. The Filer will provide each investor with a two-day right of withdrawal during which time they may cancel their Token purchase.
- p. The Filer will hold the private keys to investors’ wallets on behalf of investors in a HSM wallet not connected to the internet, separate and apart from the Filer’s assets. Investors will be able to see the number of Tokens their hold in their wallet on the Platform, however they will not be able to transfer the Tokens.
- q. The Filer, in its capacity as general partner of the SPV, will maintain a centralized register of Token holders (limited partners of the SPV), which will include the name and address of each investor and the address of the investor’s digital wallet on the Ethereum network where the Tokens are held. A copy of the register will be held with the Filer’s legal counsel.
- r. No Tokens will be issued or gifted to insiders, employees, consultants, or advisors.
- s. The Filer notifies holders of Security Tokens of the following events, within 10 days of the occurrence of such event:
 - (i) loss of any Security Tokens;
 - (ii) a discontinuation of the Filer’s business;

B.3: Reasons and Decisions

- (iii) any material change in the Filer's business;
 - (iv) any material issues identified or experienced in respect of the Filer's business or the Filer's Platform during the Pilot Test;
 - (v) the Filer receiving notice of any regulatory related investigations or proceedings in any jurisdiction in which it intends to offer the Security Tokens; and
 - (vi) a change of control of the Filer or the Property Manager;
- t. The Filer will keep books, records and other documents reasonably necessary for the proper recording of its business.
- u. The Filer will document and, in a manner that a reasonable purchaser would consider fair and effective, respond to each complaint received from an investor in Security Tokens.
- v. The Filer will provide the OSC with:
 - (i) a written report every two months (within 10 days of the end of each such period) in a format acceptable to the OSC, with information relating to the Filer's progress-to-date in respect of the Pilot Test, including the milestones achieved, any issues experienced or identified and the Filer's proposed resolution to such issues, and any modifications made to the Platform or the Filer's business; and
 - (ii) any report, document or information that may be requested for the purpose of monitoring compliance with securities legislation and the conditions of this decision, on a timely basis, in a format acceptable to the OSC.
- w. The Filer will post a copy of this decision on its website.
- x. This decision may be amended by the OSC from time to time upon written notice to the Filer.
- y. Before the end of the Pilot Test and no later than 9 months following the date of the Decision, the Filer will submit a substantially complete application to become registered as a dealer.
- z. This Decision shall expire on the earlier of the date that is 18 months after the date of the Decision, or the date on which the Filer becomes registered.

"Pat Chaukos"
Director, Office of Economic Growth and Innovation
Ontario Securities Commission

B.3.2 Canada Life Investment Management Ltd.

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from subsection 2.1(1) of National Instrument 81-102 – Investment Funds to permit funds to invest more than 10 percent of net assets in debt securities issued, or guaranteed fully as to principal and interest, by foreign governments or supranational agencies – subject to conditions.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.1(1) and 19.1.

July 27, 2022

**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
CANADA LIFE INVESTMENT MANAGEMENT LTD.
(the Filer)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer, on behalf of the Canada Life Global Strategic Income Fund, Canada Life Strategic Income Fund II, Canada Life Global Balanced Fund and Canada Life Pathways Global Core Plus Bond Fund (the **Current Funds**), and investment funds subject to National Instrument 81-102 Investment Funds (**NI 81-102**), that may be established in the future from time to time and are or will be managed by the Filer or by an affiliate or successor of the Filer (the **Future Funds** and together with the Current Funds, the **Funds**), for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**), for an exemption from subsection 2.1(1) of NI 81-102 (the **Concentration Restriction**), to permit each Fund to invest up to:

- (a) 20% of its net assets, taken at market value at the time of purchase in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by supranational agencies or governments other than the government

of Canada, the government of a jurisdiction in Canada, or the government of the United States of America and are rated “AA” by S&P Global Ratings (S&P) or its “DRO affiliate” (as defined in NI 81-102), or have an equivalent rating by one or more other “designated rating organizations” (as defined in NI 81-102) or their DRO affiliates; and

- (b) 35% of its net assets, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by supranational agencies or governments other than the government of Canada, the government of a jurisdiction in Canada, or the government of the United States of America and are rated “AAA” by S&P or its DRO affiliate, or have an equivalent rating by one or more other designated rating organizations or their DRO affiliates (such evidences of indebtedness are collectively referred to as **Foreign Government Securities**)

(together, the **Requested Relief**)

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 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:

Background Facts

The Filer

1. The Filer is a corporation governed under the laws of Canada with its head office in London, Ontario.
2. The Filer is a wholly-owned investment management subsidiary of The Canada Life Assurance Company.

B.3: Reasons and Decisions

3. The Filer is registered as a portfolio manager in each province and territory of Canada; as an investment fund manager in each of Ontario, Québec and Newfoundland and Labrador; and as a commodity trading manager in Ontario.
4. The Filer is the manager, trustee and portfolio manager of each Current Fund. The Filer or an affiliate will be the manager of the Future Funds.
5. The Filer is not in default of securities legislation in any of the Jurisdictions.

The Funds Generally

6. Each Fund is or will be an open-ended mutual fund trust established under the laws of Ontario.
7. Securities of the Current Funds are offered pursuant to a simplified prospectus filed in all the provinces and territories of Canada (each, a **Simplified Prospectus**) and, accordingly the Current Funds are reporting issuers subject to NI 81-102, and securities of the Current Funds are available for distribution in each of the Jurisdictions.
8. None of the Current Funds are in default of securities legislation in any of the Jurisdictions.
9. Each Future Fund will prepare and file either a Simplified Prospectus under National Instrument 81-101 *Mutual Fund Prospectus Disclosure (NI 81-101)* or a longform prospectus and ETF Facts (if applicable) (each a **Prospectus**) under National Instrument 41-101 *General Prospectus Requirements* to distribute their securities in one or more of the Jurisdictions and will be a reporting issuer subject to NI 81-102.

Canada Life Global Strategic Income Fund

10. Canada Life Global Strategic Income Fund's investment objective is to seek to provide current income with the potential for long-term growth by investing primarily in fixed income and/or income-oriented equity investments from issuers anywhere in the world. The Fund will pursue this objective by investing in securities directly and/or by investing in mutual fund securities.
11. The Fund has the flexibility to invest across all fixed income credit qualities and can invest in a wide variety of assets from anywhere in the world including government bonds, high yield bonds and loans.
12. The portfolio managers of the Fund will allocate assets across credit quality, duration, structures, sectors, currencies and countries in a risk-efficient manner. In following this style, in conjunction with fundamental investment analysis, there may be periods where the portfolio managers believe that Foreign Government Securities are better suited to the Fund's investment objectives.

13. Allowing the Fund to hold highly rated fixed-income securities issued by foreign governments will enable the Fund to preserve capital in foreign markets during adverse market conditions, have access to assets with minimal credit risk and enable the portfolio manager to assess its views on interest rates and duration.
14. The increased flexibility to hold Foreign Government Securities may also yield higher returns than Canadian or United States of America shorter-term government fixed-income alternatives.

Canada Life Strategic Income Fund

15. Canada Life Strategic Income Fund's investment objective is to aim to generate income by investing primarily in a diversified portfolio of fixed income securities issued by companies or governments of any size, anywhere in the world. The Fund also seeks to achieve long-term capital growth by investing in fixed income securities and other investments. The Fund will employ a flexible approach, allocating assets across credit quality, structures, sectors, currencies and countries.
16. The Fund will pursue a flexible approach to investing in fixed income and/or equity asset classes anywhere in the world. The Fund will generally invest 30% to 70% of its assets in any one asset class, but may invest 0% to 100% of its assets in any one asset class. Allocations between asset classes are based on economic conditions and/or the portfolio manager's assessment of relative valuations. Fixed income investments may include, but are not limited to, fixed income securities, corporate bonds (investment-grade and non investment-grade), convertible bonds, and/or government bonds. The Fund may hold cash and/or short-term debt securities in anticipation of, or in response to, unfavourable market conditions, and/or for liquidity purposes.
17. In respect of fixed income portion of the Fund's portfolio, the portfolio managers of the Fund will allocate assets across credit quality, duration, structures, sectors, currencies and countries in a risk-efficient manner. In following this style, in conjunction with fundamental investment analysis, there may be periods where the portfolio managers believe that Foreign Government Securities are better suited to the Fund's investment objectives.
18. Allowing the Fund to hold highly rated fixed-income securities issued by foreign governments will enable the Fund to preserve capital in foreign markets during adverse market conditions, have access to assets with minimal credit risk and enable the portfolio manager to assess its views on interest rates and duration.
19. The increased flexibility to hold Foreign Government Securities may also yield higher returns than

Canadian or United States of America shorter-term government fixed-income alternatives.

Canada Life Strategic Income Fund II

20. Canada Life Strategic Income Fund II's investment objective is to seek to provide current income with the potential for long-term capital growth by investing in a portfolio of fixed income and/or income-oriented equity investments, either primarily through ownership of other Canada Life Funds or by investing in fixed income and/or income-oriented equity securities directly.

21. The Fund will pursue a flexible approach to investing in fixed income and/or equity asset classes anywhere in the world. The Fund will generally invest 30% to 70% of its assets in any one asset class, but may invest 0% to 100% of its assets in any one asset class. Allocations between asset classes are based on economic conditions and/or the portfolio manager's assessment of relative valuations. Fixed income investments may include, but are not limited to, fixed income securities, corporate bonds (investment-grade and noninvestment-grade), convertible bonds, and/or government bonds. The Fund may hold cash and/or short-term debt securities in anticipation of, or in response to, unfavourable market conditions, and/or for liquidity purposes.

22. In respect of fixed income portion of the Fund's portfolio, the portfolio managers of the Fund will allocate assets across credit quality, duration, structures, sectors, currencies and countries in a risk-efficient manner. In following this style, in conjunction with fundamental investment analysis, there may be periods where the portfolio managers believe that Foreign Government Securities are better suited to the Fund's investment objectives.

23. Allowing the Fund to hold highly rated fixed-income securities issued by foreign governments will enable the Fund to preserve capital in foreign markets during adverse market conditions, have access to assets with minimal credit risk and enable the portfolio manager to assess its views on interest rates and duration.

24. The increased flexibility to hold Foreign Government Securities may also yield higher returns than Canadian or United States of America shorter-term government fixed-income alternatives.

Canada Life Global Balanced Fund

25. Canada Life Global Balanced Fund's investment objective is to seek capital growth and current income by investing primarily in a combination of equity and fixed income securities of issuers located anywhere in the world.

26. The portfolio manager has the ability to move from 0% to 100% between equities and fixed income securities. The fixed income portfolio manager

employs a value investment style. For high-quality bonds, the fixed income portfolio manager analyzes macroeconomic factors, such as economic growth, inflation, and monetary and fiscal policy, in order to position the maturity and credit quality of the fixed income portfolio for different stages in the economic cycle. The fixed income portfolio manager analyzes securities that typically have a lower credit quality, such as high-yield debt securities, using a bottom-up approach to assess their valuation. This company-specific analysis focuses on stability of cash flows and recovery value of the debt instruments. The Fund may hold cash and/or short-term debt securities in anticipation of, or in response to, unfavourable market conditions, and/or for liquidity purposes.

27. The Fund has a foreign investment mandate and invests globally. The Requested Relief would enable each Fund to expose the fixed income and cash equivalents portion of its portfolio to foreign markets, consistent with the Fund's foreign investment mandate. Allowing the Fund to hold highly rated short-term Foreign Government Securities would enable the Fund to preserve capital in foreign markets during adverse market conditions.

28. The increased flexibility to hold Foreign Government Securities may also yield higher returns than Canadian or United States of America shorter-term government fixed-income alternatives.

Canada Life Pathways Global Core Plus Bond Fund

29. Canada Life Pathways Global Core Plus Bond Fund's investment objective is to seek income with the potential for long-term capital growth by investing primarily in fixed income and/or income-oriented equity securities.

30. The investment approach follows a value investment style maximizing the relative value for risk around the world. The Fund has the flexibility to invest across all fixed income credit qualities and can invest in a wide variety of assets from anywhere in the world including government bonds, high yield bonds and loans. In following this style, in conjunction with fundamental investment analysis, there may be periods where the portfolio managers believe that Foreign Government Securities are better suited to the Fund's investment objectives. The Fund can allocate to assets across structures, sectors, currencies and countries. The Fund may invest up to 100% of its net assets in any one sector. The Fund may also hold cash and/or short-term debt securities in anticipation of, or in response to, unfavourable market conditions, and/or for liquidity purposes.

31. Allowing the Fund to hold highly rated fixed-income securities issued by foreign governments will enable the Fund to preserve capital in foreign markets during adverse market conditions, have

B.3: Reasons and Decisions

access to assets with minimal credit risk and enable the portfolio manager to assess its views on interest rates and duration.

32. The increased flexibility to hold Foreign Government Securities may also yield higher returns than Canadian or United States of America shorter-term government fixed-income alternatives.

Necessity for Relief

33. The Concentration Restriction prohibits a fund from purchasing a security of an issuer, other than a "government security" as defined in NI 81-102, if immediately after the purchase more than 10% of the net asset value of the fund, taken at market value at the time of the purchase, would be invested in securities of the issuer.
34. Foreign Government Securities are not within the meaning of "government security" as defined in NI 81-102.
35. The Filer believes that the ability to purchase Foreign Government Securities beyond the limit in the Concentration Restriction in NI 81-102 will better enable the Funds to achieve its fundamental investment objectives, thereby benefitting the Funds' investors. Accordingly, the Filer is seeking the Requested Relief for the Funds.

Generally

36. Each Fund will only purchase Foreign Government Securities if the purchase is consistent with that Fund's fundamental investment objectives.
37. The Funds' Prospectus will disclose the risks associated with concentration of net assets of the Fund in Foreign Government Securities.
38. The Filer believes the Requested Relief will enhance the Funds' ability to pursue and achieve their investment objectives.

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 Requested Relief is granted provided that:

1. the Funds have investment objectives and strategies that permit them to invest a majority of their net assets in fixed income securities, including Foreign Government Securities;
2. paragraphs (a) and (b) of the Requested Relief cannot be combined for any one issuer;

3. any security that may be purchased under the Requested Relief is traded on a mature and liquid market;
4. the acquisition of Foreign Government Securities purchased pursuant to this decision is consistent with the fundamental investment objectives of the Fund;
5. the Fund's Prospectus discloses the additional risk associated with the concentration of the net asset value of the Fund in securities of fewer issuers, such as the potential additional exposure to the risk of default of the issuer in which the Fund has so invested and the risks, including foreign exchange risks, of investing in the country in which the issuer is located; and
6. the Fund's Prospectus discloses, in the investment strategies section, a summary of the nature and terms of the Requested Relief, along with the conditions imposed and the type of securities covered by this decision.

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

Application File #: 2022/0161
SEDAR Project #: 3364333

B.3.3 Minister of Energy (Ontario) and Hydro One Limited

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Aggregation relief granted to the Province of Ontario as represented by the Minister of Energy and provincial government entities for the purposes of the take-over bid, early warning, insider reporting, and control block distribution requirements, provided all investments decisions concerning Hydro One Limited, Hydro One Inc. and Hydro One Holdings Limited, are made independently.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 74, 121(2)(a)(ii).
National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.
National Instrument 51-102 Continuous Disclosure Obligations.
National Instrument 62-103 The Early Warning System and Related Take-over Bid and Insider Reporting Issues.
National Instrument 62-104 Take-Over Bids and Issuer Bids.

July 28, 2022

**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
HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO,
AS REPRESENTED BY THE MINISTER OF ENERGY**

AND

**HYDRO ONE LIMITED
(the Filers)**

DECISION

BACKGROUND

The principal regulator in the Jurisdiction has received an application from Her Majesty the Queen in Right of Ontario (the **Province**), as represented by the Minister of Energy, and Hydro One Limited (**Hydro One**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**), and subject to the conditions specified below, granting:

- (a) the TOB/EW Relief (as defined below) to each Non-Aggregated Holder in respect of voting or equity securities of Hydro One and securities convertible into voting or equity securities of Hydro One;
- (b) the Primary Insider Reporting Requirement Relief and the Supplementary Insider Reporting Requirement Relief (each as defined below) to each Non-Aggregated Holder in respect of securities of Hydro One and debt securities of Hydro One Inc. (**HOI**) and/or Hydro One Holdings Limited (**HOHL**);
- (c) the Control Person Relief (as defined below) to each Non-Aggregated Holder (other than the Minister of Energy) in respect of securities of Hydro One and debt securities of HOI and/or HOHL; and
- (d) the CD Relief (as defined below) to Hydro One in respect of securities beneficially owned or controlled by any Non-Aggregated Holder.

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 for the Passport Exemptions; and

- (b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 – *Passport System (MI 11-102)* is intended to be relied upon in each of Non-Principal Jurisdictions (as defined below).

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. The terms “**applicable definitions**”, “**applicable provisions**”, “**control**”, “**owns**”, “**owned**”, “**ownership**” and similar terms in respect of a security, have the meanings given to those terms in NI 62-103.

CD Relief means relief pursuant to section 13.1 of NI 51-102 from any requirement to report beneficial ownership or control or direction over securities in an information circular or annual information form;

Common Shares means common shares of Hydro One;

Control Person Relief means relief pursuant to section 74(1) of the Legislation from the prospectus requirement;

Electricity Act means the *Electricity Act, 1998* (Ontario);

Governance Agreement means the governance agreement dated as of November 5, 2015 by and between the Province and Hydro One, as amended and supplemented to date (including pursuant to the letter agreement dated as of July 11, 2018 by and between the Province and Hydro One);

Minister of Energy means the Minister of Energy in his or her capacity as a holder of securities of Hydro One on behalf of the Province under the Electricity Act or such other member of the Executive Council as may be assigned as a holder of securities of Hydro One on behalf of the Province from time to time;

NI 51-102 means National Instrument 51-102 – *Continuous Disclosure Obligations*;

NI 55-104 means National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*;

NI 62-103 means National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*;

NI 62-104 means National Instrument 62-104 – *Take-over Bids and Issuer Bids*;

Non-Aggregated Holder means each of:

- (i) the Minister of Energy;
- (ii) OPG, in respect of itself and the ONFA Funds; and
- (iii) any (A) agency of the Crown in right of Ontario, (B) corporation that is owned, operated or controlled by the Crown in right of Ontario, within the meaning of section 1.4 of NI 62-104, or (C) board, commission, authority or incorporated body of the Crown in right of Ontario, in each case that may acquire, dispose, hold or vote Hydro One, HOI or HOHL securities from time to time, provided that any decisions with respect to the acquisition, disposition, holding or voting of Hydro One, HOI or HOHL securities are made in all circumstances by such entity or by a third party investment manager;

Non-Principal Jurisdictions means each of the provinces and territories of Canada, except Ontario;

OBCA means the *Business Corporations Act* (Ontario);

OFA means the Ontario Financing Authority;

OPG means Ontario Power Generation Inc.;

Primary Insider Reporting Requirement Relief means relief from the requirements to file:

- (i) insider reports under section 107 of the *Securities Act* (Ontario) and sections 3.2 and 3.3 of NI 55-104; and
- (ii) insider reports under any provisions of Canadian securities legislation substantially similar to section 107 of the *Securities Act* (Ontario) and sections 3.2 and 3.3 of NI 55-104;

PWU means the Power Workers' Union;

Rule 48-501 means Ontario Securities Commission Rule 48-501 – *Trading During Distributions, Formal Bids and Share Exchange Transactions*;

SIPP means a Statement of Investment Policies and Procedures;

Supplementary Insider Reporting Requirement Relief means relief from the requirements to file:

- (i) insider reports under sections 3.1, 3.4 and 3.5 and Part 4 of NI 55-104;
- (ii) insider reports under any provisions of Canadian securities legislation substantially similar to sections 3.1, 3.4 and 3.5 and Part 4 of NI 55-104; and
- (iii) an insider profile under National Instrument 55-102 – *System for Electronic Disclosure by Insiders* (SEDI);

The Society means The Society of Energy Professionals;

TOB/EW Relief means relief pursuant to section 6.1(1) of NI 62-104 from the requirements of Part 2, section 5.2, subsection 5.3(1) and section 5.4 of NI 62-104;

TSX means the Toronto Stock Exchange; and

Voting Security means a security of Hydro One carrying a voting right either under all circumstances or under some circumstances that have occurred and are continuing, and includes a Common Share.

REPRESENTATIONS

This decision is based on the following facts represented by the Province, in respect of facts concerning the Province and the Non-Aggregated Holders in paragraphs 1, 4 to 6 and 11 to 31, and Hydro One, in respect of facts concerning Hydro One, HOI and HOHL in paragraphs 2 to 4 and 7 to 10:

1. In April 2015, the Province announced its intention to broaden the ownership of Hydro One. At that time, the Province publicly communicated its intention to reduce its stake over time, until it holds approximately 40% of Hydro One Common Shares.
2. Hydro One was incorporated on August 31, 2015 under the OBCA as part of a corporate reorganization intended by the Minister of Energy to facilitate the broadening of ownership in the company. The head office of Hydro One is in Toronto, Ontario.
3. Hydro One, through its subsidiaries, owns and operates substantially all the electricity transmission network in Ontario, and is the largest electricity distributor in Ontario by number of customers.
4. On November 5, 2015, Hydro One completed an initial public offering (the “**IPO**”), by way of secondary offering by the Minister of Energy, of Common Shares. Concurrently with the closing of the IPO, the Minister of Energy also sold Common Shares to two trusts established for the benefit of the PWU and Common Shares to two trusts established for the benefit of The Society. Additional Common Shares were distributed on November 12, 2015 in connection with the over-allotment option granted to the underwriters of the IPO.
5. On April 14, 2016, the Minister of Energy sold additional Common Shares in connection with a subsequent public secondary offering. Additional Common Shares were distributed on April 29, 2016 pursuant to an over-allotment option granted to the underwriters in that secondary offering.
6. On May 17, 2017, the Minister of Energy sold an additional tranche of Common Shares in connection with its third public secondary offering.
7. As a result of the IPO, Hydro One is a reporting issuer in each of the provinces and territories of Canada.
8. HOI was incorporated as Ontario Hydro Services Company Inc. on December 1, 1998, under the *Business Corporations Act* (Ontario). On May 1, 2000 the company changed its name to Hydro One Inc. Prior to the establishment of Hydro One and the completion of the IPO, HOI was the parent company of the Hydro One business. HOI’s head office is located in Toronto, Ontario.
9. Hydro One owns all of the issued shares of HOI, a reporting issuer in each of the provinces of Canada and a registrant with the U.S. Securities and Exchange Commission. Hydro One also indirectly owns all of the shares of HOHL, a reporting issuer in the province of Ontario. In December 2020, HOHL filed a U.S. debt short form base shelf prospectus to facilitate and preserve flexibility for Hydro One’s funding strategies. To date, no debt securities have been issued under the HOHL U.S. debt prospectus. HOHL’s head office is located in Toronto, Ontario.
10. The Common Shares are listed on the TSX and certain of the debt securities of HOI are listed on the New York Stock Exchange.

B.3: Reasons and Decisions

11. OPG was incorporated on December 1, 1998 pursuant to the *Business Corporations Act* (Ontario). All of the shares of OPG are held by the Minister of Energy. OPG is an Ontario-based electricity generation company whose principal business is the generation and sale of electricity. OPG's head office is located in Toronto, Ontario.
12. OPG is a reporting issuer in British Columbia, Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia and Newfoundland.
13. During 2015, OPG entered into renewed three-year collective agreements with each of the PWU and The Society. Changes to the respective collective agreements included increases to employee pension plan contributions. The changes to the collective agreements also provide OPG employees contributing to OPG's pension plan that are represented by the PWU (as at April 1, 2015) and The Society (as at January 1, 2016) with eligibility to annually receive Common Shares from OPG for up to 15 years starting in the third year of the respective agreements, if they are still employed by OPG and members of the PWU or The Society.
14. OPG, certain of its subsidiaries and the Minister of Finance on behalf of the Province entered into the Ontario Nuclear Funds Agreement as of April 1, 1999. Pursuant to that agreement, segregated funds (the **ONFA Funds**) have been established to ensure that sufficient funds are accumulated and will be available to pay for the costs of nuclear station decommissioning and used fuel and nuclear waste management. For the purposes of this application, the ONFA Funds mean such segregated funds, excluding a trust fund established as required by the Nuclear Fuel Waste Act (Canada) (the **NFWA Trust**).
15. The ONFA Funds are legally and beneficially owned by OPG, but are contractually dedicated under the Ontario Nuclear Funds Agreement to pay for costs of nuclear station decommissioning and nuclear waste management for used fuel and low and intermediate level waste, over a very long time period. The Province has a security interest over the ONFA Funds. The ONFA Funds, including the NFWA Trust, also help satisfy federal nuclear regulatory requirements for financial guarantees of nuclear decommissioning and used fuel and nuclear waste management costs. Agreements entered into between the Province, OPG and others require that the ONFA Funds be maintained in third party custodial accounts that are segregated from the rest of OPG's assets.
16. The investment activities of the ONFA Funds are jointly managed by OPG and, on behalf of the Province, the OFA. The OFA is a statutory corporation without share capital established by the Capital Investment Plan Act, 1993. It is a Crown agency, accountable to the Minister of Finance. Its objects include assisting the Province and certain other public bodies to borrow and invest money, managing financial risks and providing such other financial services as are considered advantageous to the Province. Ontario Regulation 85/05 exempts the OFA from registration requirements under the securities legislation in connection with its duties and responsibilities under its governing statute. The OFA is authorized by Order in Council to enter into various agreements relating to the ONFA Funds on behalf of the Province.
17. OPG and the OFA jointly appoint external investment managers for the ONFA Funds. Day-to-day investment decisions and voting decisions are made by each investment manager, guided by its investment mandate and an investment framework under a SIPP. The SIPPs applicable to the ONFA Funds are reviewed and approved annually by OPG and the Province, represented by the Deputy Minister of Finance.
18. From time to time, other government entities of the Province may similarly acquire securities of Hydro One or debt securities of HOI or debt securities of HOHL, as applicable, for investment purposes in the course of carrying out their particular mandates. Depending on the structure of such entities and their activities, the Minister of Energy may be considered, or be deemed, to beneficially own and/or exercise control or direction over securities held by certain of the entities pursuant to the Legislation.
19. Following the May 2017 secondary offering referred to above, the Province stated that it has completed its initiative to broaden the ownership of Hydro One and it does not anticipate any further offerings of Common Shares by the Province, other than certain sales for the collective benefit of Indigenous communities. Further, subsection 48.2(5) of the Electricity Act prohibits the Minister of Energy from selling or divesting Common Shares or any other Voting Securities, if the Minister of Energy would own less than 40% of the outstanding number of Voting Securities of that class or series after the sale. If, as a result of the issuance of additional Voting Securities by Hydro One, the Minister of Energy owns less than 40% of the outstanding number of Voting Securities of any class or series, pursuant to subsection 48.2(6) of the Electricity Act the Minister of Energy must, subject to the approval of the Lieutenant Governor in Council and the necessary appropriations from the Ontario legislature, take steps to acquire as many Voting Securities of that class or series as are necessary to increase the Minister of Energy's ownership to not less than 40% of the outstanding number of Voting Securities of that class or series (the **40% Requirement**). The manner in which, and the time by which, the Minister of Energy must acquire these additional Voting Securities will be determined by the Lieutenant Governor in Council and the Minister of Energy's actions and the acquisition must comply with the securities legislation and any other applicable law.
20. Subsection 48.2(1) of the Electricity Act also stipulates that no person or entity, and no combination of persons or entities acting jointly or in concert, may beneficially own or exercise control or direction over more than 10% of any class or series of Voting Securities (the **10% Ownership Restriction**). However, the 10% Ownership Restriction does not apply with respect to Voting Securities held by the Minister of Energy. Accordingly, under the current statutory regime, Hydro One

could not be subject to a take-over bid or other contest for control involving a third party, which obviates the need for certain of the protections otherwise afforded by the early warning reporting system and the take-over bid rules.

21. Upon the closing of the IPO, the Province and Hydro One entered into the Governance Agreement. The provisions of the Governance Agreement reflect the Province's intention, with respect to the Minister of Energy's ownership interest in Hydro One, to engage in the business and affairs of Hydro One and its subsidiaries as an investor and not a manager and to make the independent board of directors responsible for the management of or supervision of the management of the business and affairs of Hydro One.
22. The Province has agreed in the Governance Agreement, among other things, not to acquire previously issued Voting Securities if after that acquisition, the Province would own more than 45% of any class or series of Voting Securities (including Common Shares) (the **45% Restriction**). The 45% Restriction does not require the Province to sell any of the Voting Securities that it currently owns through the Minister of Energy, nor does it limit the Province from acquiring Voting Securities on a treasury issuance by Hydro One, including pursuant to the exercise by the Province of its pre-emptive rights under the Governance Agreement. The 45% Restriction was established to permit the Minister of Energy, as considered appropriate, to acquire and hold a small percentage of shares above the 40% threshold to mitigate the risk that a dilutive transaction would trigger the 40% Requirement.
23. For purposes of the 45% Restriction, beneficial ownership of or control or direction over the Voting Securities held by certain government entities, including OPG and the ONFA Funds, are not taken into account.
24. Pursuant to the Governance Agreement, the Province agreed not to act jointly or in concert with any person in connection with the exercise by that other person of that person's rights as a shareholder in Hydro One or take any steps, directly or indirectly, to solicit any other person to exercise that person's rights as a shareholder in a manner if the Province would be prohibited under the Governance Agreement from directly exercising its own rights as a shareholder in that manner. These restrictions prohibit the Minister of Energy from acting in concert with OPG or other Non-Aggregated Holders for such purposes. A person's rights as a shareholder include for such purpose the right to requisition a meeting of shareholders, to nominate someone for election as a director and to vote any Voting Securities. However, the Minister of Energy is not prohibited from soliciting proxies to vote another person's shares in a particular manner, if the Minister of Energy would have been entitled to vote Voting Securities in that manner under the Governance Agreement.
25. The Province has entered into a confidentiality agreement with Hydro One and has instituted a comprehensive set of internal controls to protect confidential information of Hydro One and restrict trading in its securities. The internal controls are designed to prevent individuals who work on matters relating to the Voting Securities held by the Minister of Energy from disclosing material confidential information except in the necessary course of business to persons at Hydro One or the Province and its advisors who are involved in those matters.
26. Requiring aggregation of the holdings of Non-Aggregated Holders such as OPG with the holdings of the Minister of Energy may make it more difficult for the Minister of Energy to fulfill his or her public mandate under the Electricity Act by aggregating purchases by other Non-Aggregated Holders for purposes of the normal course purchase exemption in section 4.1 of NI 62-104. As well, aggregation of the Minister of Energy's holdings with those of other government entities would create difficulties for the normal investment activities of Non-Aggregated Holders, which have their own investment mandates and policy objectives independent from that of the Minister of Energy and all for passive investment purposes and not with a view to exercising control over Hydro One, because:
 - (a) secondary market purchases of Common Shares made by a Non-Aggregated Holder other than the Minister of Energy, could be considered a take-over bid under the Legislation and require compliance with, or an exemption from, the formal take-over bid requirements of the Legislation;
 - (b) purchases and sales in Common Shares by a Non-Aggregated Holder other than the Minister of Energy, could require compliance by the Minister of Energy with the early warning reporting and insider reporting requirements of the Legislation;
 - (c) all sales of securities of Hydro One, HOI or HOHL made by a Non-Aggregated Holder other than the Minister of Energy, could be considered control person distributions requiring a prospectus or an applicable prospectus exemption; and
 - (d) secondary market purchases by Non-Aggregated Holders other than the Minister of Energy, which do not in the ordinary course receive or have access to information as to material facts or material changes concerning Hydro One, HOI or HOHL before the material facts or material changes are generally disclosed, could be prohibited during the "issuer-restricted period", as defined in Rule 48-501, in connection with an offering of Common Shares by Hydro One or the Minister of Energy.
27. As of May 30, 2022, the Minister of Energy held 282,412,648 Common Shares representing approximately 47.2% of the outstanding Common Shares (excluding Common Shares owned by OPG).

B.3: Reasons and Decisions

28. As of May 30, 2022, OPG held 4,708,481 Common Shares. OPG does not have any agreement, arrangement or understanding with the Minister of Energy or any other governmental entity with respect to the Common Shares or the voting of those shares.
29. As of May 30, 2022, the fair value of the ONFA Funds (excluding the NFWA Trust) was approximately \$21.9 billion. Given the size of the ONFA Funds' portfolio and that Hydro One has a market capitalization in excess of \$20 billion (as of April 30, 2022) and has been included in various stock indices, it is expected that the investment managers for the ONFA Funds will seek to invest in securities of Hydro One, HOI and HOHL, as applicable, from time to time.
30. Pursuant to a decision document dated June 6, 2017 (the **2017 Decision**), the principal regulator granted to the Filers relief substantially similar to the relief hereby requested (the **2017 Relief**), which included a sunset provision whereby the 2017 Relief terminated on June 6, 2022. The 2017 Decision also granted relief from section 2.2 of Rule 48-501 to each Non-Aggregated Holder other than the Minister of Energy in respect of the Common Shares (the **48-501 Relief**), which 48-501 Relief was not subject to a sunset provision and continues to apply.
31. Renewal of the 2017 Relief is required as it continues to be the case that the aggregation of the holdings of Non-Aggregated Holders such as OPG with the holdings of the Minister of Energy may make it more difficult for the Minister of Energy to fulfill his or her public mandate under the Electricity Act and would create difficulties for the normal investment activities of Non-Aggregated Holders, which have their own investment mandates and policy objectives independent from that of the Minister of Energy and all for passive investment purposes and not with a view to exercising control over Hydro One.
32. The Ministry of Energy will send a copy of this decision with an explanatory memo to all Deputy Ministers advising them of this decision and the requirements under this decision. All Deputy Ministers will be instructed to distribute a copy of the decision to all agencies, provincial Crown corporations and other provincial government entities for which they are responsible, that in the ordinary course own or control equity or debt securities. Any entity that determines that it intends to rely on this decision as a Non-Aggregated Holder will be instructed to notify the Ministry of Energy and provide a name and contact information of a person within the Non-Aggregated Holder designated to monitor compliance with the terms and conditions of this decision. Any entity that in the ordinary course owns or controls equity or debt securities but determines that it will not rely on this decision (an **Other Holder**) will be instructed to identify a contact person for the Ministry of Energy and to ensure that information is provided to the Ministry of Energy to ensure compliance with applicable securities laws. The Ministry of Energy will maintain a list of all such Non-Aggregated Holders and Other Holders and the associated contact persons. The contact persons at each Non-Aggregated Holder will be instructed to refer to the conditions of this decision each time the Non-Aggregated Holder relies on this decision to verify that the conditions have been complied with. The contact persons will be instructed to immediately report any known or suspected violation of the terms of the decision by the Non-Aggregated Holder to the Ministry of Energy.
33. On an annual basis, the Ministry of Energy will send a reminder to all Deputy Ministers of the availability of the decision and instruct each Deputy Minister to advise all agencies, provincial Crown corporations and other provincial government entities for which they are responsible of the availability of this decision. The Ministry of Energy will also, on an annual basis, send a reminder to the contact people at all Non-Aggregated Holders and Other Holders of the terms and conditions of this decision and instruct that the Ministry of Energy be notified immediately of any known or suspected violation of the terms of this decision by the Non-Aggregated Holder.

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 under the Legislation is that the Primary Insider Reporting Requirement Relief and Supplementary Insider Reporting Requirement Relief is granted to each Non-Aggregated Holder and the Control Person Relief is granted to each Non-Aggregated Holder other than the Minister of Energy, provided that since the date of this decision:
 - (a) decisions on each of the acquisition, disposition, holding or voting of Hydro One securities or debt securities of HOI or HOHL owned or controlled by the Non-Aggregated Holder relying on the exemption are made, and have been made, in all circumstances by that Non-Aggregated Holder or by an independent third party;
 - (b) the Non-Aggregated Holder relying on the exemption is not, and has not been, a joint actor with any other Non-Aggregated Holder with respect to Hydro One securities or debt securities of HOI or HOHL owned or controlled by a Non-Aggregate Holder or securities into which those securities are convertible, exercisable or exchangeable, determined without regard to the provisions of securities legislation that deem an affiliate, and presume an associate, to be acting jointly or in concert with the offeror;

- (c) no person or entity, including the Minister of Energy, that makes, advises on, participates in the formulation of, or exercises influence over, decisions on the acquisition, disposition, holding or voting of Hydro One securities or debt securities of HOI or HOHL owned or controlled by or on behalf of the Non-Aggregated Holder relying on the exemption (other than the Minister of Energy in regards to itself as a Non-Aggregated Holder), also makes, advises on, participates in, the formulation of or exercises influence over, decisions on the acquisition, disposition, holding or voting of Hydro One securities or debt securities of HOI or HOHL owned or controlled by or on behalf of any other Non-Aggregated Holder, except for the purposes of (A) monitoring or ensuring compliance with regulatory requirements or the Governance Agreement or (B) setting, monitoring or ensuring compliance with general investment policies, guidelines, objectives or restrictions;
 - (d) the Non-Aggregated Holder relying on the exemption complies with the applicable provisions and Part 2 of NI 62-104 (or relies on another exemption therefrom pursuant to NI 62-104) in connection with the Hydro One securities and debt securities of HOI or HOHL owned or controlled by such Non-Aggregated Holder, provided that for such purposes, including the definition of “take-over bid” and “offeror’s securities” in NI 62-104 and the definition of “significant shareholder” in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions* and clause (c) of the definition of “insider” in section 1(1) of the Legislation, such Non-Aggregated Holder shall be entitled to treat securities of Hydro One and debt securities of HOI and HOHL that it owns and controls, and securities into which those securities are convertible, exercisable or exchangeable, separately from securities of Hydro One and debt securities of HOI and HOHL owned or controlled by the other Non-Aggregated Holders;
 - (e) the Minister of Energy has reasonable grounds for believing that each Non-Aggregated Holder complies with the applicable provisions and securities legislation related to the applicable definitions in connection with the Hydro One securities and debt securities of HOI and HOHL owned or controlled by the Non-Aggregated Holder, as modified by this decision;
 - (f) the Minister of Energy has taken reasonable steps to ensure that each Non-Aggregated Holder complies with the requirements of this decision;
 - (g) the Non-Aggregated Holder relying on the exemption complies with the prospectus requirement (or relies on another exemption therefrom pursuant to the Legislation) in respect of any trade by it of Hydro One securities and debt securities of HOI and HOHL owned or controlled by such Non-Aggregated Holder if such trade would constitute a distribution pursuant to National Instrument 45-102 – *Resale of Securities* or pursuant to the control block distribution definition (as defined in NI 62-104), provided that for such purposes such Non-Aggregated Holder shall be entitled to treat securities of Hydro One and debt securities of HOI and HOHL that it owns and controls, and securities into which those securities are convertible, exercisable or exchangeable, separately from securities of Hydro One and debt securities of HOI and HOHL owned or controlled by the other Non-Aggregated Holders;
 - (h) the Non-Aggregated Holder discloses in any early warning report, insider report or other disclosure document filed by it pursuant to the Legislation regarding its beneficial ownership or control or direction over Hydro One securities or debt securities of HOI and HOHL (i) its reliance on this decision, (ii) the Non-Aggregated Holders for which ownership and control of securities of Hydro One or debt securities of HOI or HOHL has been disclosed, and (iii) the fact that securities owned or controlled by other Non-Aggregated Holders have not been, or may not have been, disclosed;
 - (i) the Minister of Energy maintains (i) a list of the Non-Aggregated Holders that are, by reason of this decision, treated separately for the purposes of compliance with the applicable provisions and securities legislation related to the applicable definitions, and (ii) contact details for a person at each Non-Aggregated Holder responsible for monitoring compliance with the terms and conditions of this decision; and
 - (j) the Non-Aggregated Holder relying on the exemption other than the Minister of Energy, does not in the ordinary course receive or have access to information as to material facts or material changes concerning Hydro One, HOI or HOHL before the material facts or material changes are generally disclosed.
2. The CD Relief is granted provided that, in any information circular or annual information form filed by Hydro One, it discloses the existence of this decision and complies with the requirements of NI 51-102 in respect of the reporting of beneficial ownership of, or control or direction over, securities of Hydro One and debt securities of HOI or HOHL by Non-Aggregated Holders, provided that any such disclosure may rely solely on insider reports and early warning reports filed by Non-Aggregated Holders.
3. The Primary Insider Reporting Requirement Relief, Supplementary Insider Reporting Requirement Relief, CD Relief, and the Control Person Relief shall terminate on the earlier of: (i) the date that is five years after the date of this decision, and (ii) the date that the Non-Aggregated Holder becomes subject to disclosure requirements that are substantially similar to the disclosure requirements regarding beneficial ownership or control over securities of Hydro One or debt securities of

B.3: Reasons and Decisions

HOI or HOHL for which an exemption has been granted pursuant to this decision and such disclosure requirements require the aggregation of holdings by the Minister of Energy with other Non-Aggregated Holders.

“Erin O’Donovan”

Acting Manager, Corporate Finance
Ontario Securities Commission

4. The decision of the principal regulator under the Legislation is that:
- (a) the TOB/EW Relief are granted to each Non-Aggregated Holder provided that since the date of this decision the conditions set out in 1(a) – (j) above are satisfied with respect to such Non-Aggregated Holder; and
 - (b) the TOB/EW Relief shall terminate on the earlier of: (i) the date that is five years after the date of this decision, and (ii) the date that the Non-Aggregated Holder becomes subject to disclosure requirements that are substantially similar to the disclosure requirements regarding beneficial ownership or control over securities of Hydro One or debt securities of HOI or HOHL for which an exemption has been granted pursuant to this decision and such disclosure requirements require the aggregation of holdings by the Minister of Energy with other Non-Aggregated Holders.

“David Mendicino”

Manager, Office of Mergers & Acquisitions
Ontario Securities Commission

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B.4 Cease Trading Orders

B.4.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
THERE IS NOTHING TO REPORT THIS WEEK.				

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Blackwell Intelligence Inc.	May 9, 2022	July 28, 2022

B.4.2 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
THERE IS NOTHING TO REPORT THIS WEEK.		

B.4.3 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		

Company Name	Date of Order	Date of Lapse
Agrios Global Holdings Ltd.	September 17, 2020	
Gatos Silver, Inc.	April 1, 2022	
Gatos Silver, Inc.	April 12, 2022	
Red White & Bloom Brands Inc.	May 4, 2022	
Rapid Dose Therapeutics Corp.	June 29, 2022	
Sproutly Canada, Inc.	June 30, 2022	
Gatos Silver, Inc.	July 7, 2022	

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B.7 Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as in Thomson Reuters Canada's internet service SecuritiesSource (see www.westlawnextcanada.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).

B.9 IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:

Fidelity Advantage Ether ETF
Principal Regulator – Ontario

Type and Date:

Combined Preliminary and Pro Forma Long Form
Prospectus dated Jul 27, 2022
NP 11-202 Preliminary Receipt dated Jul 28, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3412762

Issuer Name:

Fidelity Advantage Ether ETF Fund
Fidelity Global Small Cap Opportunities Fund
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated Jul 27, 2022
NP 11-202 Preliminary Receipt dated Jul 28, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3412811

Issuer Name:

US High Interest Savings Account Fund
Principal Regulator – Ontario

Type and Date:

Preliminary Long Form Prospectus dated Jul 29, 2022
NP 11-202 Preliminary Receipt dated Jul 29, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3414238

Issuer Name:

Lysander-Canso Corporate Treasury ActivETF
Lysander-Canso Floating Rate ActivETF
Lysander-Slater Preferred Share ActivETF
Principal Regulator – Ontario

Type and Date:

Combined Preliminary and Pro Forma Long Form
Prospectus dated Jul 29, 2022
NP 11-202 Final Receipt dated Jul 29, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3398890

Issuer Name:

Pender Alternative Arbitrage Plus Fund
Principal Regulator – British Columbia

Type and Date:

Combined Preliminary and Pro Forma Simplified
Prospectus dated Jul 26, 2022
NP 11-202 Preliminary Receipt dated Jul 28, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3412350

Issuer Name:

Epoch Global Equity Class
 Epoch Global Equity Fund
 Epoch Global Shareholder Yield Fund
 Epoch International Equity Fund
 Epoch U.S. Large-Cap Value Class
 Epoch U.S. Large-Cap Value Fund
 Epoch U.S. Shareholder Yield Fund
 TD Advantage Balanced Growth Portfolio
 TD Advantage Balanced Income Portfolio
 TD Advantage Balanced Portfolio
 TD Alternative Risk Focused Pool
 TD Balanced Growth Fund
 TD Balanced Index Fund
 TD Canadian Blue Chip Dividend Fund
 TD Canadian Bond Fund
 TD Canadian Bond Index Fund
 TD Canadian Core Plus Bond Fund
 TD Canadian Corporate Bond Fund
 TD Canadian Diversified Yield Fund
 TD Canadian Equity Class
 TD Canadian Equity Fund
 TD Canadian Equity Pool
 TD Canadian Equity Pool Class
 TD Canadian Index Fund
 TD Canadian Large-Cap Equity Fund
 TD Canadian Low Volatility Class
 TD Canadian Low Volatility Fund
 TD Canadian Money Market Fund
 TD Canadian Small-Cap Equity Class
 TD Canadian Small-Cap Equity Fund
 TD China Income & Growth Fund
 TD Comfort Aggressive Growth Portfolio
 TD Comfort Balanced Growth Portfolio
 TD Comfort Balanced Income Portfolio
 TD Comfort Balanced Portfolio
 TD Comfort Conservative Income Portfolio
 TD Comfort Growth Portfolio
 TD Diversified Monthly Income Fund
 TD Dividend Growth Class
 TD Dividend Growth Fund
 TD Dividend Income Class
 TD Dividend Income Fund
 TD Dow Jones Industrial Average Index Fund
 TD Emerging Markets Class
 TD Emerging Markets Fund
 TD European Index Fund
 TD Fixed Income Pool
 TD Global Balanced Opportunities Fund
 TD Global Conservative Opportunities Fund
 TD Global Core Plus Bond Fund
 TD Global Entertainment & Communications Fund
 TD Global Equity Focused Fund
 TD Global Equity Income Balanced Pool
 TD Global Equity Income Pool
 TD Global Equity Pool
 TD Global Equity Pool Class
 TD Global Income Fund
 TD Global Low Volatility Class
 TD Global Low Volatility Fund
 TD Global Tactical Monthly Income Fund
 TD Global Unconstrained Bond Fund
 TD Health Sciences Fund

TD High Yield Bond Fund
 TD Income Advantage Portfolio
 TD International Index Currency Neutral Fund
 TD International Index Fund
 TD International Stock Class
 TD International Stock Fund
 TD Monthly Income Fund
 TD Nasdaq Index Fund
 TD North American Dividend Fund
 TD North American Small-Cap Equity Fund
 TD North American Sustainability Balanced Fund
 TD North American Sustainability Bond Fund
 TD North American Sustainability Equity Fund
 TD Precious Metals Fund
 TD Premium Money Market Fund
 TD Real Return Bond Fund
 TD Resource Fund
 TD Retirement Balanced Portfolio
 TD Retirement Conservative Portfolio
 TD Risk Management Pool
 TD Science & Technology Fund
 TD Short Term Bond Fund
 TD Short Term Investment Class
 TD Tactical Monthly Income Class
 TD Tactical Monthly Income Fund
 TD Tactical Pool
 TD Tactical Pool Class
 TD U.S. Blue Chip Equity Fund
 TD U.S. Corporate Bond Fund
 TD U.S. Dividend Growth Fund
 TD U.S. Equity Focused Currency Neutral Fund (formerly Epoch U.S. Blue Chip Equity Currency Neutral Fund)
 TD U.S. Equity Focused Fund (formerly Epoch U.S. Blue Chip Equity Fund)
 TD U.S. Equity Pool
 TD U.S. Index Currency Neutral Fund
 TD U.S. Index Fund
 TD U.S. Low Volatility Fund
 TD U.S. Mid-Cap Growth Class
 TD U.S. Mid-Cap Growth Fund
 TD U.S. Money Market Fund
 TD U.S. Monthly Income Fund
 TD U.S. Monthly Income Fund - C\$
 TD U.S. Quantitative Equity Fund
 TD U.S. Small-Cap Equity Fund
 TD Ultra Short Term Bond Fund
 TD US\$ Retirement Portfolio
 Principal Regulator – Ontario

Type and Date:

Combined Preliminary and Pro Forma Simplified Prospectus dated Jul 28, 2022
 NP 11-202 Final Receipt dated Jul 29, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3400349

Issuer Name:

Harvest Brand Leaders Enhanced Income ETF
Harvest Canadian Equity Enhanced Income Leaders ETF
Harvest Equal Weight Global Utilities Enhanced Income ETF
Harvest ESG Equity Income Index ETF
Harvest Healthcare Leaders Enhanced Income ETF
Harvest Tech Achievers Enhanced Income ETF
Principal Regulator – Ontario

Type and Date:

Preliminary Long Form Prospectus dated Jul 29, 2022
NP 11-202 Preliminary Receipt dated Jul 29, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3414480

Issuer Name:

CI American Small Companies Corporate Class
CI American Small Companies Fund
CI Asian Opportunities Corporate Class
CI Asian Opportunities Fund
CI Canadian Asset Allocation Corporate Class
CI Canadian Asset Allocation Fund
CI Canadian Balanced Corporate Class
CI Canadian Balanced Fund
CI Canadian Bond Corporate Class
CI Canadian Bond Fund
CI Canadian Core Plus Bond Fund
CI Canadian Dividend Corporate Class
CI Canadian Dividend Fund
CI Canadian Dividend Private Pool
CI Canadian Equity Corporate Class
CI Canadian Equity Fund
CI Canadian Equity Private Pool
CI Canadian Fixed Income Private Pool
CI Canadian Income & Growth Corporate Class
CI Canadian Income & Growth Fund
CI Canadian Investment Corporate Class
CI Canadian Investment Fund
CI Canadian Long-Term Bond Pool
CI Canadian Short-Term Bond Pool
CI Corporate Bond Corporate Class
CI Corporate Bond Fund
CI Diversified Yield Corporate Class
CI Diversified Yield Fund
CI Dividend Income & Growth Corporate Class
CI Dividend Income & Growth Fund
CI Emerging Markets Bond Fund
CI Emerging Markets Corporate Class
CI Emerging Markets Fund
CI Global Alpha Innovators Corporate Class
CI Global Balanced Corporate Class (formerly CI Black Creek Global Balanced Corporate Class)
CI Global Balanced Fund (formerly CI Black Creek Global Balanced Fund)
CI Global Bond Corporate Class
CI Global Bond Fund
CI Global Concentrated Equity Private Pool
CI Global Core Plus Bond Fund
CI Global Dividend Corporate Class
CI Global Dividend Fund
CI Global Dividend Opportunities Corporate Class
CI Global Dividend Opportunities Fund
CI Global Energy Corporate Class
CI Global Enhanced Government Bond Private Pool
CI Global Equity & Income Fund
CI Global Equity Alpha Private Pool
CI Global Equity Corporate Class
CI Global Equity Fund
CI Global Health Sciences Corporate Class
CI Global Income & Growth Corporate Class
CI Global Income & Growth Fund
CI Global Leaders Corporate Class (formerly, CI Black Creek Global Leaders Corporate Class)
CI Global Leaders Fund (formerly, CI Black Creek Global Leaders Fund)
CI Global Quality Dividend Managed Corporate Class
CI Global Quality Dividend Managed Fund
CI Global Resource Corporate Class

B.9: IPOs, New Issues and Secondary Financings

CI Global Resource Fund
CI Global Smaller Companies Corporate Class
CI Global Smaller Companies Fund
CI Global Smaller Companies Private Pool
CI Global Stock Selection Fund
CI Global Unconstrained Bond Private Pool
CI Global Value Corporate Class
CI Global Value Fund
CI Gold Corporate Class
CI High Income Corporate Class
CI High Income Fund
CI High Interest Savings Fund
CI High Yield Bond Corporate Class
CI High Yield Bond Fund
CI Income Fund
CI International Equity Alpha Private Pool
CI International Equity Corporate Class (formerly, CI Black Creek International Equity Corporate Class)
CI International Equity Fund (formerly, CI Black Creek International Equity Fund)
CI International Equity Growth Private Pool
CI International Value Corporate Class
CI International Value Fund
CI Investment Grade Bond Fund
CI Investment Grade Bond Private Pool (formerly, CI Global Investment Grade Credit Private Pool)
CI Money Market Fund
CI Mosaic Balanced ETF Portfolio
CI Mosaic Balanced Growth ETF Portfolio
CI Mosaic Balanced Income ETF Portfolio
CI Mosaic ESG Balanced ETF Portfolio
CI Mosaic ESG Balanced Growth ETF Portfolio
CI Mosaic ESG Balanced Income ETF Portfolio
CI Mosaic Growth ETF Portfolio
CI Mosaic Income ETF Portfolio
CI MSCI World ESG Impact Fund
CI Portfolio Series Balanced Fund
CI Portfolio Series Balanced Growth Fund
CI Portfolio Series Conservative Balanced Fund
CI Portfolio Series Conservative Fund
CI Portfolio Series Growth Fund
CI Portfolio Series Income Fund
CI Portfolio Series Maximum Growth Fund
CI Preferred Share Fund
CI Pure Canadian Small/Mid Cap Equity Corporate Class
CI Pure Canadian Small/Mid Cap Equity Fund
CI Select 100e Managed Portfolio Corporate Class
CI Select 20i80e Managed Portfolio Corporate Class
CI Select 30i70e Managed Portfolio Corporate Class
CI Select 40i60e Managed Portfolio Corporate Class
CI Select 50i50e Managed Portfolio Corporate Class
CI Select 60i40e Managed Portfolio Corporate Class
CI Select 70i30e Managed Portfolio Corporate Class
CI Select 80i20e Managed Portfolio Corporate Class
CI Select Canadian Equity Corporate Class
CI Select Canadian Equity Fund
CI Select Canadian Equity Managed Corporate Class
CI Select Global Equity Corporate Class
CI Select Global Equity Fund
CI Select Income Managed Corporate Class
CI Select International Equity Managed Corporate Class
CI Select Staging Fund (formerly, Select Staging Fund)
CI Select U.S. Equity Managed Corporate Class

CI Short-Term Bond Fund
CI Short-Term Corporate Class
CI Short-Term US\$ Corporate Class
CI Synergy American Corporate Class
CI Synergy American Fund
CI Synergy Canadian Corporate Class
CI Synergy Global Corporate Class
CI U.S. Dividend Fund
CI U.S. Dividend Registered Fund
CI U.S. Dividend US\$ Fund
CI U.S. Equity Private Pool
CI U.S. Income US\$ Fund
CI U.S. Stock Selection Corporate Class
CI U.S. Stock Selection Fund
CI US Money Market Fund
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated Jul 22, 2022

NP 11-202 Final Receipt dated Jul 26, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3399566

Issuer Name:

Vanguard All-Equity ETF Portfolio

Vanguard Balanced ETF Portfolio

Vanguard Conservative ETF Portfolio

Vanguard Conservative Income ETF Portfolio

Vanguard Global Minimum Volatility ETF

Vanguard Global Momentum Factor ETF

Vanguard Global Value Factor ETF

Vanguard Growth ETF Portfolio

Vanguard Retirement Income ETF Portfolio

Principal Regulator – Ontario

Type and Date:

Final Long Form Prospectus dated Jul 29, 2022

NP 11-202 Final Receipt dated Jul 29, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3405231

Issuer Name:

Desjardins Alt Long/Short Global Equity Markets ETF
Principal Regulator – Quebec

Type and Date:

Preliminary Long Form Prospectus dated Jul 25, 2022
NP 11-202 Preliminary Receipt dated Jul 26, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3411927

Issuer Name:

BetaPro US 30-Year T-Bond -3x Daily Bear ETF
BetaPro US 30-Year T-Bond 3x Daily Bull ETF
Principal Regulator – Ontario

Type and Date:

Combined Preliminary and Pro Forma Long Form
Prospectus dated Jul 26, 2022
NP 11-202 Preliminary Receipt dated Jul 27, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3412425

Issuer Name:

McElvaine Value Fund
Principal Regulator – British Columbia

Type and Date:

Final Simplified Prospectus dated Jul 27, 2022
NP 11-202 Final Receipt dated Jul 28, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3401067

Issuer Name:

Hamilton Enhanced Utilities ETF
Principal Regulator – Ontario

Type and Date:

Combined Preliminary and Pro Forma Long Form
Prospectus dated Jul 26, 2022
NP 11-202 Preliminary Receipt dated Jul 26, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3412165

Issuer Name:

Evolve Global Materials & Mining Enhanced Yield Index
ETF

Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Long Form Prospectus dated July
22, 2022

NP 11-202 Final Receipt dated Jul 26, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3355991

Issuer Name:

Desjardins Alt Long/Short Equity Market Neutral ETF
Principal Regulator - Quebec

Type and Date:

Amendment #1 to Final Long Form Prospectus dated July
20, 2022

NP 11-202 Final Receipt dated Jul 29, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3335487

Issuer Name:

Dividend 15 Split Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus (NI 44-102) dated July 26,
2022

NP 11-202 Preliminary Receipt dated July 27, 2022

Offering Price and Description:

Maximum Offerings: \$1,000,000,000 Preferred Shares
Class A Shares

Price: \$9.73 per Preferred Shares and \$7.65 per Class A
Shares

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3412364

Issuer Name:

Dividend Select 15 Corp.
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Shelf Prospectus (NI 44-102) dated
July 27, 2022

Received on July 27, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3315242

Issuer Name:

North American Financial 15 Split Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus (NI 44-102) dated July 26,
2022

NP 11-202 Preliminary Receipt dated July 27, 2022

Offering Price and Description:

Maximum Offerings: \$900,000,000 Preferred Shares Class
A Shares

Price: \$9.73 per Preferred Shares and \$4.10 per Class A
Shares

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3412365

Issuer Name:

Dividend Select 15 Corp.
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Shelf Prospectus (NI 44-102) dated
July 27, 2022

NP 11-202 Receipt dated July 28, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3315242

NON-INVESTMENT FUNDS

Issuer Name:

A2Z Smart Technologies Corp.
Principal Regulator - Ontario

Type and Date:

Amendment dated July 26, 2022 to Preliminary Shelf
Prospectus dated April 26, 2022
NP 11-202 Preliminary Receipt dated July 26, 2022

Offering Price and Description:

CAD\$64,000,000.00 - Common Shares, Warrants, Options,
Subscription Receipts, Debt Securities, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3372216

Issuer Name:

Element Nutritional Sciences Inc.
Principal Regulator - Ontario

Type and Date:

Amendment dated to Preliminary Shelf Prospectus dated
December 9, 2021
Received on July 29, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3387825

Issuer Name:

EQB Inc. (formerly Equitable Group Inc.)
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated July 25, 2022
NP 11-202 Preliminary Receipt dated July 26, 2022

Offering Price and Description:

Common Shares Preferred Shares Debt Securities
Subscription Receipts Warrants Share Purchase Contracts
Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3412016

Issuer Name:

Frontenac Mortgage Investment Corporation
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated July 29, 2022 to Final Long Form
Prospectus dated June 16, 2022
Received on July 29, 2022

Offering Price and Description:

Qualifying for Distribution an Unlimited Number of Common
Shares

Price: \$30.00 per Common Share

Underwriter(s) or Distributor(s):

-

Promoter(s):

W.A. ROBINSON ASSET MANAGEMENT LTD.

Project #3380479

Issuer Name:

Halo Tek Inc.
Principal Regulator - Ontario

Type and Date:

Amendment dated July 27, 2022 to Preliminary Long Form
Prospectus dated April 28, 2022
NP 11-202 Preliminary Receipt dated July 28, 2022

Offering Price and Description:

Distribution of * Common Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3374391

Issuer Name:

MegaWatt Lithium and Battery Metals Corp. (formerly,
Walcott Resources Ltd.)

Principal Regulator - British Columbia

Type and Date:

Amendment dated July 27, 2022 to Preliminary Shelf
Prospectus dated April 28, 2022
NP 11-202 Preliminary Receipt dated July 27, 2022

Offering Price and Description:

\$10,000,000.00 - Common Shares Warrants Subscription
Receipts Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3357411

B.9: IPOs, New Issues and Secondary Financings

Issuer Name:

EQB Inc. (formerly Equitable Group Inc.)
Principal Regulator - Ontario

Type and Date:

Final Shelf Prospectus dated July 25, 2022
NP 11-202 Receipt dated July 26, 2022

Offering Price and Description:

Common Shares Preferred Shares Debt Securities
Subscription Receipts Warrants Share Purchase Contracts
Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3412016

Issuer Name:

Geologica Resource Corp
Principal Regulator - British Columbia

Type and Date:

Amendment dated July 22, 2022 to Final Long Form
Prospectus dated April 27, 2022
NP 11-202 Receipt dated July 27, 2022

Offering Price and Description:

Minimum Offering of 6,500,000 Shares at \$0.10 per Share
for Gross Proceeds of \$650,000.00 Maximum Offering of
10,000,000 Shares at \$0.10 per Share for Gross Proceeds
of \$1,000,000 .00

Underwriter(s) or Distributor(s):

Research Capital Corp

Promoter(s):

Douglas H. Unwin

Project #3353803

B.10 Registrations

B.10.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Brownstone Asset Management Inc.	Portfolio Manager	July 27, 2022
New Registration	PRIORI-T CAPITAL INC.	Exempt Market Dealer	July 27, 2022
Voluntary Surrender	Les services financiers CCFL S.E.N.C. / CCFL Financial Services	Exempt Market Dealer	July 28, 2022

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B.11

SROs, Marketplaces, Clearing Agencies and Trade Repositories

B.11.1 SROs

B.11.1.1 Investment Industry Regulatory Organization of Canada (IIROC) – Proposed Amendments to Permit Reduced Margin for Swap Position Partial Offsets Held in Inventory – Request for Comment

REQUEST FOR COMMENT

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

PROPOSED AMENDMENTS TO PERMIT REDUCED MARGIN FOR SWAP POSITION PARTIAL OFFSETS HELD IN INVENTORY

IIROC is publishing for public comment proposed amendments to the IIROC Rules (**Proposed Amendments**) that would permit margin reductions for Dealer Member inventory offsets of:

- non-equivalent notional amounts between two swap positions, and
- non-equivalent quantities between swap positions and underlying securities.

The objective of the Proposed Amendments is to align the margin requirements for swap contract offsets with the net position risk by extending the current margin treatment for swap offsets to partial swap offsets.

A copy of the IIROC Notice including the text of the Proposed Amendments is also published on our website at www.osc.ca. The comment period ends on October 3, 2022.

B.11.2 Marketplaces

B.11.2.1 Bloomberg Tradebook Singapore Pte Ltd. – Application for Exemption From Recognition as an Exchange and the Marketplace Rules – Notice of Commission Order

NOTICE OF COMMISSION ORDER

**APPLICATION BY
BLOOMBERG TRADEBOOK SINGAPORE PTE LTD.
FOR EXEMPTION FROM RECOGNITION AS AN EXCHANGE AND THE MARKETPLACE RULES**

On July 27, 2022, the Commission issued an order (the **Order**) exempting Bloomberg Tradebook Singapore Pte. Ltd. (the **Applicant**) from:

- (a) the requirement to be recognized as an exchange under section 21(1) of the *Securities Act* (Ontario) (the **Act**) pursuant to section 147 of the Act; and
- (b) the requirements in National Instrument 21-101 *Marketplace Operation* (**NI 21-101**) pursuant to section 15.1 of NI 21-101, the requirements of National Instrument 23-101 *Trading Rules* (**NI 23-101**) pursuant to section 12.1 of NI 23-101, and the requirements of National Instrument 23-103 *Electronic Trading and Direct Electronic Access to Marketplaces* (**NI 23-103**) pursuant to section 10 of NI 23-103.

A copy of the Order is published in Chapter B.2 of the OSC Bulletin published on August 4, 2022.

The Commission published the Applicant's application and draft order for comments on June 16, 2022 in the OSC Bulletin and the OSC website. No comments were received. No changes were made to the draft order published for comment.

The Order is consistent with Staff Notice 21-702 – *Regulatory Approach for Foreign-Based Stock Exchanges* and the updated exemption criteria included at Appendix 1 to Schedule A of the Order.

B.11.2.2 Bloomberg Tradebook Canada Company – Proposed Change to Add Foreign Non-Debt Securities – Notice of Approval

NOTICE OF APPROVAL

BLOOMBERG TRADEBOOK CANADA COMPANY

PROPOSED CHANGE TO ADD FOREIGN NON-DEBT SECURITIES

On July 26, 2021, the Ontario Securities Commission (the **OSC**) approved the amendment proposed by Bloomberg Tradebook Canada Company (**Bloomberg Canada**) to its Form 21-101F2 to add “Foreign Non-Debt Securities” to the list of securities available on the marketplace system operated by Bloomberg Tradebook Singapore Pte Ltd, which is accessed through an ATS conduit arrangement with Bloomberg Canada (the **Proposed Change**).

In accordance with the OSC’s *Process for the Review and Approval of the Information Contained in Form 21-101F2 and Exhibits Thereto*, a notice outlining and requesting feedback on the Proposed Change was published on the OSC website and in the OSC Bulletin on June 16, 2022 at (2022), 45 OSCB 6163. No comments were received.

Implementation Date

Bloomberg Canada intends to implement the Proposed Change in Q3 2022.

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B.12

Other Information

B.12.1 Consents

B.12.1.1 Stone Investment Group Limited – s. 21(b) of Ont. Reg. 398/21 under the OBCA

Headnote

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

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. 398/21, s. 21(b).

**IN THE MATTER OF
ONTARIO REGULATION 398/21,
AS AMENDED
(the "Regulation")**

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

AND

**IN THE MATTER OF
STONE INVESTMENT GROUP LIMITED**

**CONSENT
(subsection 21(b) of the Regulation)**

UPON the application of Stone Investment Group Limited (the "**Applicant**") to the Ontario Securities Commission (the "**Commission**") requesting the consent from the Commission to continue into the federal jurisdiction pursuant to subsection 21(b) of the Regulation;

AND UPON considering the application and the recommendation of the staff to 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, of which **25,028,571** were issued and outstanding as of June 15, 2022. The common shares of the Applicant are not listed for trading on any stock exchange.
3. The Applicant intends to apply (the "**Application for Continuance**") to the Director of the OBCA for authorization to continue under the Canada Business Corporations Act, R.S.C. 1985, c. C-44 (the "**CBCA**") pursuant to section 181 of the OBCA (the "**Continuance**").
4. The principal reason for the Continuance is because such Continuance is a part of a series of transactions with Starlight Investments Capital LP ("**Starlight**") through a plan of arrangement which will result in the acquisition by Starlight of all the Common Shares of the Applicant (the "**Plan of Arrangement**").

B.12: Other Information

5. The Applicant will be a wholly-owned subsidiary of Starlight following closing of the transactions pursuant to the Plan of Arrangement. As such, it will meet the conditions to apply to cease to be a reporting issuer in Ontario and in all other jurisdictions of Canada where it has reporting issuer status.
6. The transactions contemplated in the Plan of Arrangement will close on or about June 24, 2022.
7. The material rights, duties and obligations of a corporation governed by the CBCA are substantially similar to those of a corporation governed by the OBCA.
8. The Applicant is an offering corporation under the OBCA and is a reporting issuer under the *Securities Act* (Ontario), R.S.O. 1990, c. S.5 as amended (the "**Act**") and the securities legislation of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Saskatchewan and Yukon (the "**Legislation**"). Following completion of the transactions contemplated in the Plan of Arrangement, the Applicant will cease to be a reporting issuer pursuant to the Act and the Legislation.
9. The Commission is currently the Applicant's principal regulator.
10. The Applicant is not in default under any provision of the OBCA, Act or Legislation, including the regulations made thereunder.
11. The Applicant is not subject to any proceeding under the OBCA, Act or Legislation.
12. The Applicant's management information circular dated May 18, 2022 for its annual general and special meeting of holders of the Applicant's common shares (the "**Shareholders**"), held on June 15, 2022 (the "**Shareholders' Meeting**"), described the proposed Continuance and disclosed the reasons for it and its implications. It also disclosed full particulars of the dissent rights of the Shareholders under section 185 of the OBCA.
13. The Shareholders approved the proposed Continuance at the Shareholders' Meeting by a special resolution that was approved by 96.37% of the votes cast; there are two Shareholders that have exercised dissent rights pursuant to section 185 of the OBCA.
14. Subsection 21(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 HEREBY CONSENTS to the continuance of the Applicant as a corporation under the CBCA.

DATE at Toronto on this 17th day of June, 2022.

"David Surat"
Manager (Acting), Corporate Finance
Ontario Securities Commission

OSC File #: 2022/0288

B.12.2 Approvals

B.12.2.1 Picton Mahoney Fortified Core Bond Fund and Picton Mahoney Asset Management

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption from subsection 2.1(2) of NI 81-101 to file a prospectus more than 90 days after the date of the receipt for the preliminary prospectus.

Applicable Legislative Provisions

National Instrument 81-101 Mutual Fund Prospectus Disclosure, ss. 2.1(2), 6.1.

VIA SEDAR

July 25, 2022

Osler, Hoskin & Harcourt LLP

Attention: Shawn Cymbalisky

Re: Picton Mahoney Fortified Core Bond Fund (the Fund) and Picton Mahoney Asset Management (PMAM)

Preliminary Simplified Prospectus and Annual Information Form dated April 12, 2022

Exemptive Relief Application under Section 6.1 of National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (NI 81-101)

Application No. 2022/0330; SEDAR Project No. 3367424

By letter dated July 6, 2022 (the **Application**), PMAM, the investment fund manager of the Fund, applied to the Director of the Ontario Securities Commission (the **Director**) under section 6.1 of NI 81-101 for relief from the operation of subsection 2.1(2) of NI 81-101, which prohibits an issuer from filing a prospectus more than 90 days after the date of the receipt for the preliminary prospectus.

This letter confirms that, based on the information and representations made in the Application, and for the purposes described in the Application, the Director intends to grant the requested exemption to be evidenced by the issuance of a receipt for the Fund's prospectus, subject to the condition that the prospectus be filed no later than **November 9, 2022**.

Yours very truly,

"Darren McKall"

Manager, Investment Funds and Structured Products Branch
Ontario Securities Commission

Application File #: 2022/0330

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Index

Editor's Note: On Friday, April 29, 2022, the Securities Commission Act, 2021, came into force by proclamation of the Lieutenant Governor of Ontario. The new structural and governance changes are now reflected in the Bulletin index with the use of the "Capital Markets Tribunal" designation to differentiate those proceedings from the proceedings of the Ontario Securities Commission: www.capitalmarketstribunal.ca.

Agrios Global Holdings Ltd.		Merrill Lynch Financial Assets Inc.	
Cease Trading Order	7197	Order	7174
Blackwell Intelligence Inc.		Minister of Energy (Ontario)	
Cease Trading Order	7197	Decision.....	7188
Bloomberg Tradebook Canada Company		Performance Sports Group Ltd.	
Marketplaces – Proposed Change to Add Foreign		Cease Trading Order.....	7197
Non-Debt Securities – Notice of Approval.....	7251	Picton Mahoney Asset Management	
Bloomberg Tradebook Singapore Pte Ltd.		Approval	7255
Order.....	7161	Picton Mahoney Fortified Core Bond Fund	
Marketplaces – Application for Exemption From		Approval	7255
Recognition as an Exchange and the Marketplace		Pine Valley Mining Corporation	
Rules – Notice of Commission Order.....	7250	Order – s. 144(1).....	7176
Brownstone Asset Management Inc.		Priori-T Capital Inc.	
New Registration.....	7247	New Registration	7247
Canada Life Investment Management Ltd.		QuestEx Gold & Copper Ltd.	
Decision	7184	Order	7173
FAX Capital Corp.		Rapid Dose Therapeutics Corp.	
Order.....	7175	Cease Trading Order.....	7197
Fractionvest Inc.		Red White & Bloom Brands Inc.	
Decision	7177	Cease Trading Order.....	7197
Gatos Silver, Inc.		Sproutly Canada, Inc.	
Cease Trading Order	7197	Cease Trading Order.....	7197
Hydro One Limited		Stone Investment Group Limited	
Decision	7188	Consent – s. 21(b) of Ont. Reg. 398/21 under the	
IIROC		OBCA	7253
SROs – Proposed Amendments to Permit Reduced			
Margin for Swap Position Partial Offsets Held in			
Inventory – Request for Comment	7249		
Investment Industry Regulatory Organization of			
Canada			
SROs – Proposed Amendments to Permit Reduced			
Margin for Swap Position Partial Offsets Held in			
Inventory – Request for Comment	7249		
Les services financiers CCFL S.E.N.C. / CCFL Financial			
Services			
Voluntary Surrender.....	7247		

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