The Ontario Securities Commission

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

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FILE NO.: 2017-13

IN THE MATTER OF
BENEDICT CHENG,
FRANK SOAVE,
JOHN DAVID ROTHSTEIN and
ERIC TREMBLAY

NOTICE OF HEARING
Subsection 127(1) and section 127.1 of the
Securities Act, RSO 1990, c S.5

PROCEEDING TYPE: Public Settlement Hearing

HEARING DATE AND TIME: August 31, 2018 at 9:00 a.m.

LOCATION: 20 Queen Street West, 17th Floor, Toronto, Ontario

PURPOSE

The purpose of this hearing is to consider whether it is in the public interest for the Commission to approve the Settlement Agreement dated August 29, 2018, between Staff of the Commission and Eric Tremblay in respect of the Amended Statement of Allegations filed by Staff of the Commission dated October 26, 2017.

REPRESENTATION

Any party to the proceeding may be represented by a representative at the hearing.

FAILURE TO ATTEND

IF A PARTY DOES NOT ATTEND, THE HEARING MAY PROCEED IN THE PARTY'S ABSENCE AND THE PARTY WILL NOT BE ENTITLED TO ANY FURTHER NOTICE IN THE PROCEEDING.

FRENCH HEARING

This Notice of Hearing is also available in French on request of a party. Participation may be in either French or English. Participants must notify the Secretary's Office in writing as soon as possible if the participant is requesting a proceeding be conducted wholly or partly in French.

AVIS EN FRANÇAIS

L'avis d'audience est disponible en français sur demande d'une partie, que la participation à l'audience peut se faire en français ou en anglais et que les participants doivent aviser le Bureau du secrétaire par écrit le plut tôt si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

Dated at Toronto this 29th day of August, 2018

"Grace Knakowski"
Secretary to the Commission

For more information

Please visit www.osc.gov.on.ca or contact the Registrar at registrar@osc.gov.on.ca.

1.5 Notices from the Office of the Secretary

1.5.1 Benedict Cheng et al.

FOR IMMEDIATE RELEASE
August 31, 2018

BENEDICT CHENG,
FRANK SOAVE,
JOHN DAVID ROTHSTEIN and
ERIC TREMBLAY

TORONTO – Take notice that the hearing in the above-named matter scheduled to be heard on September 4, 2018 at 10:00 a.m. will be heard on September 4, 2018 at 10:30 a.m.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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media_inquiries@osc.gov.on.ca

For investor inquiries:

OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.5.2 Benedict Cheng et al.

FOR IMMEDIATE RELEASE
August 31, 2018

BENEDICT CHENG,
FRANK SOAVE,
JOHN DAVID ROTHSTEIN and
ERIC TREMBLAY

TORONTO – Following a hearing held today, the Commission issued an Order approving the Settlement Agreement reached between Staff of the Commission and Eric Tremblay in the above named matter.

A copy of the Order dated August 31, 2018, Settlement Agreement dated August 29, 2018 and Oral Reasons for Approval of a Settlement dated August 31, 2018 are available at http://www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Thomson Reuters Corporation

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer bid – Modified Dutch auction – Application for relief from the requirement to take up and pay for shares on a pro rata basis and the related disclosure requirements for the issuer bid circular (section 2.26 of National Instrument 62-104 Take-Over Bids and Issuer Bids and item 8 of Form 62-104F2) – Application for relief from the requirement to take up all securities deposited under the issuer bid and not withdrawn if all the terms and conditions of the Offer have been complied with or waived unless and the Offer is under subscribed (subsection 2.32(4) of National Instrument 62-104 Take-Over Bids and Issuer Bids) – requested relief granted, subject to conditions.

Applicable Legislative Provisions

National Instrument 62-104 Take-Over Bids and Issuer Bids, ss. 2.26, 2.32(4), 6.1.
Form 62 104F2, Item 8.

August 22, 2018

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
THOMSON REUTERS CORPORATION
(the "Filer")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the "**Legislation**") that, in connection with the proposed purchase by the Filer of a portion of its issued and outstanding common shares (the "**Shares**") pursuant to a formal issuer bid (the "**Offer**"), the Filer be exempt, subject to the conditions set forth herein, from the following requirements in the Legislation (the "**Exemption Sought**"):

(a) the requirement in Section 2.26 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* ("**NI 62-104**") to take up and pay for Shares deposited pursuant to the Offer proportionately according to the number of Shares deposited by each shareholder (the "**Proportionate Take-up Requirement**");

(b) the requirement in Item 8 of Form 62-104F2 to NI 62-104 to provide disclosure of the proportionate take-up and payment of Shares under the Offer in the Filer's issuer bid circular (the "**Circular**") (the "**Proportionate Take-Up Disclosure Requirement**"); and

(c) the requirement in subsection 2.32(4) of NI 62-104 that the Offer not be extended if all of the terms and conditions of the Offer have been complied with or waived unless the Filer first takes up all Shares deposited under the Offer and not withdrawn (the "**Extension Take-Up Requirement**").

Furthermore, the principal regulator in the Jurisdiction has received a request from the Filer for a decision that this application, supporting materials related to it, and this decision be kept confidential and not be made public until the earlier of: (a) the date on which the Filer publicly announces the Offer; and (b) the date that is 30 days after the date of this decision (the "Confidentiality Sought").

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

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11 102 *Passport System* ("**MI 11-102**") is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, the Northwest Territories, Yukon and Nunavut.

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 herein.

Representations

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

1. The Filer is a corporation governed by the *Business Corporations Act* (Ontario).

2. The head office and registered office of the Filer is located at 333 Bay Street, Suite 400, Toronto, Ontario M5H 2R2.

3. The Filer is a reporting issuer in each of the provinces of Canada and the Shares are listed for trading on the Toronto Stock Exchange (the "**TSX**") and the New York Stock Exchange (the "**NYSE**") under the symbol "TRI". The Filer is not in default of any requirement of the securities legislation in any of the jurisdictions in which it is a reporting issuer.

4. The Filer's authorized share capital consists of an unlimited number of Shares, an unlimited number of preference shares, issuable in series, and one Thomson Reuters Founders Share, of which 700,856,797 Shares, 6,000,000 series II preference shares and one Thomson Reuters Founders Share were issued and outstanding as of July 31, 2018.

5. On July 31, 2018, the closing price of the Shares on the TSX was C$53.98 and on the NYSE was US$41.40. On the basis of these closing prices, on such date the Shares had an aggregate market value of approximately C$37.8 billion and US$29.0 billion, respectively.

6. As at July 31, 2018, the principal shareholder of the Filer, The Woodbridge Company Limited, together with other entities affiliated with it (collectively, "**Woodbridge**"), beneficially owned 451,174,957 Shares, which in the aggregate represented approximately 64% of the issued and outstanding Shares.

7. Pursuant to the Offer, the Filer will offer to purchase that number of Shares having an aggregate maximum purchase price as specified in the Circular (the "**Specified Maximum Dollar Amount**").

8. The purchase price per Share will be determined by the Filer through a modified "Dutch auction" procedure in the manner described below within a range (the "**Price Range**") to be determined by the Filer.

9. The Specified Maximum Dollar Amount and the Price Range will each be determined prior to commencement of the Offer and specified in the Circular.

10. The Filer will fund the purchase of Shares pursuant to the Offer, together with the fees and expenses of the Offer, from a portion of the cash proceeds that the Filer expects to receive on closing of the previously announced sale of a 55% interest in its Financial and Risk business to private equity funds managed by Blackstone (the "**F&R Transaction**"). Closing of the F&R Transaction is expected to occur early in the fourth quarter of 2018. The Offer will be conditional on closing having occurred.

11. A holder of Shares (a "**Shareholder**", and collectively, the "**Shareholders**") wishing to tender to the Offer will be able to do so in one of three ways:

    (a) by making an auction tender pursuant to which it agrees to sell to the Filer, at a specified price per Share within the Price Range (an "**Auction Price**"), a specified number of Shares (an "**Auction Tender**");

    (b) by making a purchase price tender pursuant to which it agrees to sell a specified number of Shares to the Filer at the Purchase Price (as defined below) (a "**Purchase Price Tender**"); or

    (c) by making a proportionate tender pursuant to which it agrees to sell to the Filer that number of Shares owned by it that will result in it maintaining its proportionate equity ownership in the Filer following the completion of the Offer at the Purchase Price (a "**Proportionate Tender**").

12. Shareholders may deposit some of their Shares pursuant to an Auction Tender and deposit different Shares pursuant to a Purchase Price Tender. Shareholders who make an Auction Tender and/or a Purchase Price Tender cannot make a Proportionate Tender. Shareholders may not deposit the same Shares pursuant to more than one method of tender or pursuant to an Auction Tender at more than one price. Shareholders who make a Proportionate Tender may not make an Auction Tender or a Purchase Price Tender.

13. Any Shareholder who owns fewer than 100 Shares and tenders all of such Shareholder's Shares pursuant to an Auction Tender at an Auction Price at or below the Purchase Price, or pursuant to a Purchase Price Tender, will be considered to have made an "**Odd Lot Tender**".

14. The Filer will determine the purchase price payable per Share (the "**Purchase Price**") based on the

Auction Prices and the number of Shares specified in valid Auction Tenders and Purchase Price Tenders (considered for purposes of determining the Purchase Price to have been tendered at the bottom of the Price Range). The Purchase Price will be the lowest price that enables the Filer to purchase that number of Shares tendered pursuant to valid Auction Tenders and Purchase Price Tenders having an aggregate Purchase Price not to exceed an amount (the "**Auction Tender Limit Amount**") equal to (i) the Specified Maximum Dollar Amount less (ii) the product of (A) the Specified Maximum Dollar Amount and (B) a fraction, the numerator of which is the aggregate number of Shares owned by Shareholders making valid Proportionate Tenders, and the denominator of which is the aggregate number of Shares outstanding at the time of expiry of the Offer.

15. If the aggregate Purchase Price for Shares validly tendered pursuant to Auction Tenders at Auction Prices at or below the Purchase Price and Purchase Price Tenders is less than or equal to the Auction Tender Limit Amount, the Filer will purchase at the Purchase Price all Shares so deposited pursuant to Auction Tenders at or below the Purchase Price and Purchase Price Tenders.

16. If the aggregate Purchase Price for Shares validly tendered pursuant to Auction Tenders at Auction Prices at or below the Purchase Price and Purchase Price Tenders is greater than the Auction Tender Limit Amount, the Filer will purchase a portion of such Shares determined as follows: (i) the Filer will purchase all such Shares tendered by Shareholders pursuant to Odd Lot Tenders; and (ii) the Filer will purchase on a pro-rata basis that portion of such Shares having an aggregate Purchase Price, based on the Purchase Price, equal to (A) the Auction Tender Limit Amount, less (B) the aggregate amount paid by the Filer for Shares tendered pursuant to Odd Lot Tenders, in each of the cases set forth in clauses (i) and (ii) of this paragraph, at the Purchase Price.

17. The Filer will purchase, at the Purchase Price, that portion of the Shares owned by Shareholders making valid Proportionate Tenders that results in the tendering Shareholders maintaining their proportionate equity ownership in the Filer following completion of the Offer (the "**Proportionate Take-up**").

18. The number of Shares that the Filer will purchase pursuant to the Offer and the aggregate Purchase Price will vary depending on whether the aggregate Purchase Price payable in respect of Shares required to be purchased pursuant to Auction Tenders (at or below the Purchase Price) and Purchase Price Tenders (the "**Aggregate Tender Purchase Amount**") is equal to or less than the Auction Tender Limit Amount. If the Aggregate Tender Purchase Amount is equal to the Auction Tender Limit Amount, the Filer will purchase Shares pursuant to the Offer for an aggregate Purchase Price equal to the Specified Maximum Dollar Amount; if the Aggregate Tender Purchase Amount is less than the Auction Tender Limit Amount, the Filer will purchase proportionately fewer Shares in the aggregate, with a proportionately lower aggregate Purchase Price.

19. Shareholders will also have the option to structure their tender of Shares pursuant to the Offer (whether such tender is an Auction Tender, a Purchase Price Tender or a Proportionate Tender) as a "**Qualifying Holdco Alternative**" by electing to complete certain corporate reorganization steps with the Filer and then tendering Shares subject to such reorganization (rather than tendering directly to the Filer). Any Shares tendered using the Qualifying Holdco Alternative will also be purchased at the Purchase Price.

20. Woodbridge has indicated to the Filer that it intends to participate in the Offer by making a Proportionate Tender pursuant to the Qualifying Holdco Alternative. Other than Woodbridge, to the Filer's knowledge and to the knowledge of its directors and officers, after reasonable inquiry, none of the Filer's directors or officers, nor any associate or affiliate of the Filer or of an insider of the Filer, nor any of the Filer's insiders (other than a director or officer) and no person or company acting jointly or in concert with the Filer will be depositing any of such person's or company's Shares pursuant to the Offer.

21. All Shares purchased by the Filer pursuant to the Offer (including Shares tendered at Auction Prices at or below the Purchase Price) will be purchased at the Purchase Price. Shareholders will receive the Purchase Price in cash. All Auction Tenders, Purchase Price Tenders and Proportionate Tenders will be subject to adjustment to avoid the purchase of fractional Shares. All payments to Shareholders will be subject to deduction of applicable withholding taxes.

22. It is expected that the Purchase Price will be denominated in U.S. dollars and the payment of amounts owing to Shareholders whose Shares are taken up under the Offer will be made in U.S. dollars. However, Shareholders may elect to receive the Purchase Price in Canadian dollars by indicating that in the letter of transmittal for the Offer. The exchange rate that will be used to convert payments from U.S. dollars into Canadian dollars will be the rate available from the depositary and foreign exchange service provider under the Offer, on the date on which the funds are converted, which rate will be based on the prevailing market rate on such date.

23. All Shares tendered to the Offer and not taken up will be returned to the appropriate Shareholders.

24. Until expiry of the Offer, all information about the number of Shares tendered and the prices at which the Shares are tendered will be required to be kept confidential by the depositary and the Filer until the Purchase Price has been determined.

25. Shareholders who do not accept the Offer will continue to hold the same number of Shares owned before the Offer and their proportionate Share ownership will increase following completion of the Offer.

26. The Filer may elect to extend the Offer without first taking up all of the Shares deposited and not withdrawn under the Offer if the aggregate Purchase Price for Shares validly tendered pursuant to Auction Tenders and Purchase Price Tenders is less than the Auction Tender Limit Amount. Pursuant to subsection 2.32(4) of NI 62-104, an issuer may not extend an issuer bid if all the terms and conditions of the issuer bid have been complied with or waived unless the issuer first takes up all the securities deposited and not withdrawn under the issuer bid.

27. The Filer intends to rely on the exemption from the formal valuation requirements applicable to issuer bids under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") set out in subsection 3.4(b) of MI 61-101 (the "**Liquid Market Exemption**").

28. There will be a "liquid market" for the Shares, as such term is defined in MI 61-101, as of the date of the making of the Offer because:

    (a) there is a published market for the Shares (*i.e.* the TSX and the NYSE); and

    (b) an opinion will be provided to the Filer in accordance with section 1.2 of MI 61-101 confirming that a liquid market exists for the Shares as of the date of the making of the Offer and such opinion will be included in the Circular (the "**Liquidity Opinion**").

29. Based on the maximum number of Shares that may be purchased under the Offer, the Liquidity Opinion will also provide that as of the date of the Offer it will be reasonable for the Board to conclude that, following the completion of the Offer in accordance with its terms, there will be a market for Shareholders who do not tender their Shares pursuant to the Offer that is not materially less "liquid", as such term is defined in MI 61-101, than the market that existed at the time of the making of the Offer. Based on the liquid market test set out above and the Liquidity Opinion, the Filer will have determined that it is reasonable to conclude that, following the completion of the Offer, there will be a market for holders of Shares who do not tender their Shares pursuant to the Offer that is not materially less "liquid" than the market that existed at the time of the making of the Offer.

30. Prior to commencement of the Offer, the board of directors of the Filer will have determined that the Offer is in the best interests of the Filer.

31. The Filer will disclose in the Circular relating to the Offer the following information:

    (a) the mechanics for the take-up of and payment for Shares as described herein;

    (b) that, by tendering Shares at the lowest price in the Price Range under an Auction Tender or by tendering Shares under a Purchase Price Tender or a Proportionate Tender, a Shareholder can reasonably expect that the Shares so tendered will be purchased at the Purchase Price, subject to proration and other terms of the Offer as specified herein;

    (c) that the Filer has obtained the Exemption Sought;

    (d) the manner in which an extension of the Offer will be communicated to Shareholders;

    (e) that Shares deposited pursuant to the Offer may be withdrawn at any time prior to the expiry of the Offer;

    (f) as applicable, the name of each Shareholder (including Woodbridge) that has advised the Filer prior to the commencement of the Offer that it intends to make a Proportionate Tender or intends to elect to use the Qualifying Holdco Alternative;

    (g) the facts supporting the Filer's reliance on the Liquid Market Exemption, including the Liquidity Opinion; and

    (h) except to the extent exemptive relief is granted further to this application, the disclosure prescribed by applicable securities laws for issuer bids.

Decision

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

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

(a) the Filer takes up and pays for Shares deposited pursuant to the Offer and not withdrawn, in each case, in the manner described above; and

(b) the Filer is eligible to rely on the Liquid Market Exemption.

Furthermore, the decision of the principal regulator is that the Confidentiality Sought is granted.

"Naizam Kanji"
Director, Office of Mergers & Acquisitions
Ontario Securities Commission

2.1.2. European Focused Dividend Fund

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Closed-end investment fund exempt from the prospectus requirement in connection with the sale of units redeemed or purchased from existing security holders pursuant to purchase or redemption programs, subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 53(1), 74(1).

February 14, 2018

Citation: Re European Focused Dividend Fund, 2018 ABASC 25

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

AND

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

AND

IN THE MATTER OF
EUROPEAN FOCUSED DIVIDEND FUND
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from the requirement to file a prospectus (the **Prospectus Requirement**) in connection with the distribution of units of the Filer (the **Units**) that have been repurchased by the Filer pursuant to the Purchase Programs (as defined below) or redeemed by the Filer pursuant to the Redemption Programs (as defined below) in the period prior to a Conversion (as defined below) (the **Exemption Sought**).

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

(a) the Alberta Securities Commission is the principal regulator for this application;

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102

Passport System (**MI 11-102**) is intended to be relied upon in British Columbia, Saskatchewan, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Northwest Territories, Nunavut and Yukon; and

(c) this decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)* or MI 11-102 have the same meaning if used in this decision, unless otherwise defined herein.

Representations

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

1. The Filer is an unincorporated closed-end investment trust established under the laws of Alberta.

2. The Filer is not considered to be a "mutual fund" as defined in the Legislation because the holders of Units are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of the Filer.

3. The Filer is a reporting issuer in each of the provinces of Canada, and is not in default of securities legislation in any jurisdiction of Canada.

4. The Units are listed and posted for trading on the Toronto Stock Exchange (the **TSX**). As of December 21, 2017, the Filer had 8,700,000 Units issued and outstanding.

5. Middlefield Limited (the **Manager**), which is incorporated under the *Business Corporations Act* (Alberta), is the manager and the trustee of the Filer.

6. Subject to applicable law, which may require approval from the holders of the Units (the **Unitholders**) or regulatory approval, the Manager may (a) merge or otherwise combine or consolidate the Filer with any one or more other funds managed by the Manager or an affiliate thereof or (b) where it determines that to do so would be in the best interest of Unitholders, merge or convert the Filer into a listed exchange-traded mutual fund, an open-end mutual fund or a split trust fund (each a **Conversion**).

Mandatory Purchase Program

7. The constating document of the Filer provides that the Filer, subject to certain exceptions and compliance with any applicable regulatory requirements, is obligated to purchase (the **Mandatory Purchase Program**) any Units offered on the TSX or such other exchange or market on which the Units are then listed and primarily traded (**Exchange**) if, at any time after the closing of the Filer's initial public offering, the price at which Units are then offered for sale on the Exchange is less than 95% of the net asset value of the Filer per Unit, provided that the maximum number of Units that the Filer is required to purchase pursuant to the Mandatory Purchase Program in any calendar quarter is 1.25% of the number of Units outstanding at the beginning of each such period.

Discretionary Purchase Program

8. The constating document of the Filer also provides that the Filer, subject to applicable regulatory requirements and limitations, has the right, but not the obligation, exercisable in its sole discretion at any time, to purchase outstanding Units in the market at prevailing market prices (the **Discretionary Purchase Program** and together with the Mandatory Purchase Program, the **Purchase Programs**).

Monthly Redemptions

9. Subject to the Filer's right to suspend redemptions, Units may be surrendered for redemption (the **Monthly Redemption Program**) on the second last business day of each month in order to be redeemed at a redemption price per Unit equal to the Monthly Redemption Price per Unit (as defined in the Filer's long form prospectus dated October 25, 2017 (the **Prospectus**)).

Annual Redemptions

10. Subject to the Filer's right to suspend redemptions, Units may be surrendered for redemption (the **Annual Redemption Program**) on the second last business day of May in each year commencing in 2019 at a redemption price per Unit equal to the Redemption Price per Unit (as defined in the Prospectus).

Additional Redemptions

11. At the sole discretion of the Manager and subject to the receipt of any necessary regulatory approvals, the Manager may from time to time allow additional redemptions of Units (**Additional Redemptions** and collectively with the Monthly Redemption Program and the Annual Redemption Program, the **Redemption Programs**), provided that the holder thereof shall be required to use the full amount received on such redemption to purchase treasury

securities of a new or existing fund promoted by the Manager or an affiliate thereof then being offered to the public by prospectus.

Resale of Repurchased Units or Redeemed Units

12. Purchases of Units made by the Filer under the Purchase Programs or Redemption Programs will be made pursuant to exemptions from the issuer bid requirements of applicable securities legislation.

13. The Filer wishes to resell, in its sole discretion and at its option, through one or more securities dealers and through the facilities of the Exchange, the Units repurchased by the Filer pursuant to the Purchase Programs (**Repurchased Units**), or redeemed pursuant to the Redemption Programs (**Redeemed Units**).

14. All Repurchased Units and Redeemed Units will be held by the Filer for a period of four months after the repurchase or redemption thereof by the Filer (the **Holding Period**), prior to any resale.

15. The resale of Repurchased Units and Redeemed Units will be effected in such a manner as not to have a significant impact on the market price of the Units.

16. Repurchased Units and Redeemed Units that the Filer does not resell within 12 months after the Holding Period (that is, within 16 months after the date of repurchase or redemption, as applicable) will be cancelled by the Filer.

17. During any calendar year, the Filer will not resell an aggregate number of Repurchased Units and Redeemed Units that is greater than 5% of the number of Units outstanding at the beginning of such calendar year.

18. Prospective purchasers of Repurchased Units or Redeemed Units will have access to the Filer's continuous disclosure, which will be filed on SEDAR.

19. The Legislation provides that a trade by or on behalf of an issuer in previously issued securities of that issuer that have been purchased by that issuer is a distribution and, as such, is subject to the Prospectus Requirement. In the absence of the Exemption Sought, any sale by the Filer of Repurchased Units or Redeemed Units would be a distribution that is subject to the Prospectus Requirement.

Decision

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that:

(a) the Repurchased Units and Redeemed Units are otherwise sold by the Filer in compliance with applicable securities legislation, and through the facilities of and in accordance with the regulations and policies of the Exchange;

(b) the Filer complies with paragraphs 1 through 5 of subsection 2.8(2) of National Instrument 45-102 Resale of Securities as if it were a selling security holder thereunder; and

(c) the Filer complies with the representations made in paragraphs 15, 16 and 17 above.

For the Commission:

"Stan Magidson"
Chair & CEO

"Tom Cotter"
Vice-Chair

2.1.3 Purpose Investments Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief to permit a fund primarily investing in senior loans to borrow cash up to an amount equal to 20% of its NAV as a temporary measure to accommodate requests for the redemption of its units – relief needed due to longer settlement times for senior loans – relief subject to numerous conditions.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.6(a)(i), 19.1.

August 29, 2018

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
PURPOSE INVESTMENTS INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of Purpose Floating Rate Income Fund (the **Fund**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that grants exemptive relief to the Filer and the Fund from subparagraph 2.6(a)(i) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) to permit the Fund to borrow cash in an amount that does not exceed 20% of its net asset value as a temporary measure to accommodate requests for redemptions of units of the Fund (the **Exemption Sought**).

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

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in all of the provinces and territories of Canada other than Ontario (together with Ontario, the **Jurisdictions**).

Interpretation

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

Designated Counterparty means a person or company, or the direct or indirect parent company of such person or company, whose securities have a “designated rating” as defined in NI 44-101.

Drawdown Period means any period of time during which the Fund has outstanding borrowings greater than 5% of the Fund’s net asset value.

NI 44-101 means National Instrument 44-101 *Short Form Prospectus Distributions*.

Unitholder means a beneficial and registered holder of a Unit.

Units means the units of the Fund, and Unit means one of them.

Representations

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

The Filer

1. The Filer is a corporation incorporated under the laws of the Province of Ontario with its head office located in Toronto, Ontario.

2. The Filer is registered under the securities legislation in:

   (a) all the provinces as an investment fund manager and exempt market dealer; and

   (b) Ontario and British Columbia as a portfolio manager.

3. The Filer is the manager of the Fund.

4. The Filer is not in default of securities legislation in any Jurisdiction.

The Fund

5. The Fund is a trust governed by the laws of Ontario of which the Filer is the trustee and the manager. The Fund is a reporting issuer under the securities legislation of all the Jurisdictions.

6. The Fund is not in default of securities legislation in any Jurisdiction.

7. The net asset value per Unit of each class of the Fund is calculated and published daily in the financial press and on the Filer's website at www.purposeinvest.com.

8. As the trustee and manager, the Filer is entitled to receive a fixed annual management fee from each class of Units. Such annual management fees are calculated as a fixed percentage of the net asset value of the applicable class of Units.

9. The Fund initially was a non-redeemable investment fund. At a special meeting of Unitholders of the Fund (then called Voya Floating Rate Senior Loan Fund) held on November 3, 2017, the Unitholders approved a number of changes to the Fund including converting the Fund to a mutual fund for purposes of the securities legislation of the Jurisdictions (the **ETF Conversion**). The ETF Conversion was completed on August 7, 2018. In preparation for the ETF Conversion:

   (a) the Fund retained Neuberger Berman Investment Advisers LLC (**Neuberger**) as the portfolio adviser (in such capacity, the **Sub-Adviser**) to the Fund and Voya Investment Management Co. LLC ceased being the portfolio adviser to the Fund; and

   (b) the Fund filed a simplified prospectus, annual information form, fund facts and ETF facts dated July 10, 2018 under the securities legislation of all the Jurisdictions.

10. The Fund currently is a mutual fund subject to and complies with the requirements of NI 81-102 applicable to mutual funds, subject to any exemptions therefrom that have been, or may be, granted by the applicable securities regulatory authorities.

Investments by the Fund

11. The investment objectives of the Fund are to generate current income and preserve capital by investing primarily in floating rate debt securities, short-term debt securities, high yield debt securities and asset-backed and mortgage-backed securities. The Fund invests primarily in senior secured floating rate corporate loans (**Senior Loans**) which generally are rated at or below BB+ by Standard & Poors, or Ba1 or less by Moody's Investor Services, Inc., or a similar rating by a "designated rating organization" (as defined in NI 44-101). The Filer expects that approximately 60% of the Fund's assets will be invested in Senior Loans under normal market conditions.

12. When selecting Senior Loans, the Sub-Adviser uses fundamental analysis to evaluate the investment opportunities of each issuer. When monitoring the risk associated with portfolio investments, the Sub-Adviser considers whether the Fund is over or under represented in a specific industry sector. The Fund's investments are typically held until maturity but may be sold if attractive opportunities arise or for other reasons.

13. The Sub-Adviser has access to quotations with bid-ask spreads from major broker-dealers active in the Senior Loan market, allowing the Sub-Adviser to monitor the liquidity of the Fund's portfolio assets and the market as a whole. The Sub-Adviser actively monitors earnings reports, price movements and bid-ask spreads of the Fund's portfolio as part of its active management, and monitors compliance to the investment strategy in real-time. The Fund's portfolio of Senior Loans is actively monitored by the Sub-Adviser, and the Sub-Adviser processes the information available to it as part of its daily portfolio management activities.

14. In addition to the ongoing monitoring of the markets and the Fund's portfolio assets described above, each individual investment by the Fund undergoes a fundamental credit analysis, which includes an analysis of the possible downside of the investment, which may be referred to as stress tests, before the actual investment. These analyses include, amongst other things:

    (a) revenue/EBITDA projections and sensitivity analysis including break-even point;

    (b) margin projections and sensitivity analysis;

    (c) impact of interest rates on cash flows;

    (d) free cash flow analysis; and

    (e) any other specific analysis appropriate for a particular sector and/or investment.

15. Because they are secured against specific collateral of the borrower, Senior Loans offer a higher likelihood of recovery in the event of a borrower default compared to equivalently rated unsecured high yield bonds. In addition, Senior Loans have a higher priority claim relative to certain other debt instruments, increasing the chances of recovery relative to more junior instruments in the event of bankruptcy or reorganization.

16. The vast majority of sales of Senior Loans between the Fund and a Designated Counterparty are subject to the standard terms and conditions for par / near par trade confirmations published by the Loan Syndications and Trading Association (the **Terms**), which Terms are binding on the parties to the transaction and do not contain any "outs" for force majeure or the stress or dislocation of the senior loan market (the foregoing does not apply in the case of a distressed loan). During any Drawdown Period, the purchaser of a Senior Loan from the Fund will be a dealer that is a Designated Counterparty.

17. The Fund also invests in collateralized loan obligation securities (**CLOs** and, together with Senior Loans, **Loan Securities**). A CLO is a security issued by a special purpose vehicle where payments typically from Senior Loans are pooled together and paid to holders of the CLOs issued by the special purpose vehicle. Typically, the special purpose vehicle issues multiple classes of CLOs with different priorities relative to each other in terms of rights to payments. The Filer expects that approximately 20% of the Fund's assets will be invested in CLOs under normal market conditions.

18. When selecting CLOs, the Sub-Advisor undertakes: (i) a fundamental credit review of the individual, underlying loan holdings in CLO portfolios; (ii) a detailed analysis of the collateral managers of each CLO, in terms of the quality of the manager's personnel and resources, historical investment performance and investment style; (iii) a detailed review of the CLOs' structure and documentation; and (iv) an assessment of the general CLO market.

19. The Fund may invest in securities and instruments other than Loan Securities (**Non-Loan Securities**) including up to 10% of its net asset value in illiquid assets (the Non-Loan Securities excluding illiquid assets being the **Liquid Non-Loan Securities**). The Liquid Non-Loan Securities can be sold and settled within two trading days. Under normal market conditions, between 10% to 20% of the Fund's assets will be comprised of cash and/or investments in Liquid Non-Loan Securities.

Settlement Gap Funding

20. The Filer believes that the Loan Securities held by the Fund can be liquidated in an orderly fashion during normal market conditions, given the size and depth of the overall market for such investments. However, the time to settle a sale of a Loan Security typically is longer than normal settlement periods for equity and debt securities. As a non-redeemable investment fund, the length of time required to settle a sale of a Loan Security does not present an obstacle to the Fund for funding the redemptions of Units from time to time since Unitholders currently are required to provide the Fund with

not less than 60 days' notice of their request to redeem Units, and the Fund has up to 10 business days to pay the redemption price to Unitholders after the Units are redeemed.

21. Unitholders generally are entitled to redeem their Units on any business day by delivering notice to that effect by 4:00 p.m. (Toronto time) on that business day (the **Redemption Date**), and are entitled to receive the redemption price within two business days after the Redemption Date. Upon receiving requests to redeem Units, the Fund may (depending upon the amount of cash and Liquid Non-Loan Securities it holds at the time), on the next business day, sell Loan Securities to fund the redemption. However, this will create a timing gap since (i) the Fund will be obligated to pay the redemption price to the redeeming Unitholder by the second business day following the Redemption Date, but (ii) typically will not receive the proceeds from selling Loan Securities until five business days or more after the Redemption Date. The Fund therefore faces the possibility that it may be require to pay the redemption price for Units that have been redeemed at a time when the Fund has insufficient cash to do so.

22. For the reason provided above, the Filer has concluded that it would be in the best interests of Unitholders for the Fund to have the ability to borrow up to 20% of its net asset value to fund redemptions of Units while the Fund is awaiting receipt of proceeds from the sale of Loan Securities (Settlement Gap Funding).

23. Settlement Gap Funding will not create leverage in the Fund because Settlement Gap Funding will not be used to purchase additional investments for the Fund. Settlement Gap Funding will be used only after the Fund has executed a sale of a Loan Security and only to the extent that the Fund is awaiting the proceeds from such sale. From the moment the Fund executes a sale of a Loan Security, the Fund no longer has investment exposure to such Loan Security. Settlement Gap Funding only will provide the Fund with quicker access to such sale proceeds.

24. Paragraph 2.6(a)(i) of NI 81-102 allows a mutual fund to borrow cash in certain circumstances (the **Borrowing Exceptions**) where the borrowing does not add leverage to the mutual fund and only is intended to bridge a timing gap that exists between the time a mutual fund is required to pay an amount (either on the redemption of its securities or following the purchase of securities) and the time when the mutual fund will receive proceeds from selling portfolio securities. The same policy rationale applies to Settlement Gap Funding.

25. The Borrowing Exceptions assume that the sale of portfolio securities by a mutual fund generally settle within the same timeframe (e.g. two business days) as settlement for redemptions of securities of the mutual fund. Accordingly, interim financing is needed mainly to bridge the one business day gap between the date a redemption order is received by the mutual fund and the date the mutual fund sells portfolio securities to fund the redemption. On the assumption that a mutual fund typically will not receive requests on any given day to redeem more than 5% of its outstanding securities, the Borrowing Exceptions limit the amount of funding to 5% of the mutual fund's net asset value.

26. The Borrowing Exceptions did not contemplate that a mutual fund may invest a large portion of its assets in securities which settle on a timeline longer than for settlement of redemptions of the mutual fund's securities. It is consistent with the policy rationale of the Borrowing Exceptions to grant the Exemption Sought in order to reflect a multiple of 5% representing the anticipated longer settlement cycle of the Fund when selling Loan Securities compared to redeeming its Units.

27. The Exemption Sought will be used by the Fund only to borrow prudent amounts for Settlement Gap Funding purposes. In particular:

    (a) the Fund will borrow using the Exemption Sought only after it has:

        (i) sold all of its Liquid Non-Loan Securities and used all of its available cash in order to satisfy requests to redeem Units; and

        (ii) entered into a fully binding agreement with a Designated Counterparty(s) to sell a Loan Security in order to satisfy requests to redeem Units, but where the settlement period for the sale of the Loan Security exceeds two business days;

    (b) the amount of cash that the Fund borrows using Settlement Gap Funding will not exceed the amount of cash that it will receive in respect of the sale of the Loan Security referred to in paragraph (a)(ii) immediately above;

    (c) the Fund will not borrow cash to fund payment of expenses or to fund payment of a cash distribution to Unitholders. Such payments instead will be funded through the net assets of the Fund;

    (d) the Fund will not pay a cash distribution to Unitholders where that distribution would impair the ability of the Fund to repay the funds borrowed; and

(e) the maximum percentage of assets of the Fund represented by borrowing will not exceed 20%.

28. Open-end investment companies registered under the *Investment Company Act of 1940* (as amended, the **1940 Act**) are permitted to borrow cash from a bank provided certain requirements are met including, as relevant to the Exemption Sought, there is asset coverage of at least 300% for all borrowings. This effectively allows an equivalent U.S. mutual fund to borrow up to 50% of its total assets, measured after the borrowing, for temporary or emergency purposes, which may include funding redemptions of its securities.

29. It is common in the 1940 Act registered mutual fund industry to enter into credit facilities for temporary or emergency purposes, including liquidity needs. Such facilities can assist funds in paying redeeming investors without the need to sell portfolio securities under circumstances that could impair the fund's net asset value. Neuberger currently manages open-end investment companies (the **Neuberger Funds**) using substantially the same investment strategies and techniques that it intends to apply to the Fund. The Neuberger Funds are party to a syndicated credit facility along with other series of other investment companies in the Neuberger mutual fund complex that may be used for such purposes. Borrowing under such facilities is subject to the asset coverage requirements described above, and any other commercially imposed requirements.

30. The Fund's current simplified prospectus discloses:

(a) that the Fund invests primarily in Senior Loans and also may invest in CLOs; and

(b) that a risk of investing in Loan Securities is that such investments may have longer than normal settlement periods, and that such settlement periods exceed two business days.

The Fund's future simplified prospectuses will disclose the foregoing and:

(c) the terms of the Exemption Sought including the maximum percentage of assets of the Fund that the borrowing may represent and the Fund's intended use of borrowing for Settlement Gap Funding;

(d) the material terms of the overdraft facility through which the Fund may borrow for Settlement Gap Funding; and

(e) the risks arising from Settlement Gap Funding.

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 is that the Exemption Sought from the Borrowing Requirement is granted, provided that:

(a) the Fund does not make a distribution to Unitholders where that distribution would impair the ability of the Fund to repay the funds borrowed for Settlement Gap Funding;

(b) the Fund's next renewal prospectus or amendment to prospectus to be filed in connection with the continuous distribution of Units discloses:

(i) the terms of the Exemption Sought;

(ii) the maximum percentage of assets of the Fund that the borrowing may represent;

(iii) the Fund's intended use of the amounts borrowed for Settlement Gap Funding;

(iv) the material terms of the overdraft facility and the risks arising from Settlement Gap Funding; and

(v) the risks arising from Settlement Gap Funding; and

(c) the Fund may only borrow cash in excess of 5% of net asset value if all of the following conditions are satisfied:

(i) after giving effect to the borrowing, the outstanding amount of all borrowings of the Fund does not exceed 20% of the net asset value of the Fund;

(ii) the Fund has entered into a fully binding agreement with a Designated Counterparty(s) to sell a Loan Security(ies) in order to satisfy redemption requests, but the settlement period on the Loan Security(ies) exceeds two days;

(iii) the amount of cash that the Fund borrows does not exceed the amount of cash that it will receive in respect of the sale of the Loan Security(ies) referred to in paragraph (c)(ii) above; and

(iv) the Fund has sold all of its Liquid Non-Loan Securities and has used all of its available cash in order to satisfy redemption requests.

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

2.1.4 Marquest Asset Management Inc. and Stone Asset Management Limited

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval granted for change of manager of mutual funds – change of manager is not detrimental to securityholders or the public interest – change of manager to be approved by the funds' securityholders at a special meeting of securityholders.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 5.5(1)(a), 5.5(3), 5.7.

August 29, 2018

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
MARQUEST ASSET MANAGEMENT INC.
(Marquest or the Current Manager)

AND

IN THE MATTER OF
STONE ASSET MANAGEMENT LIMITED
(Stone or the Proposed Manager and together with Marquest, the Filers)

AND

IN THE MATTER OF
THE FUNDS
(as defined below)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") for approval of the proposed change of manager of the mutual funds listed in Exhibit "A" (the "**Funds**") from Marquest to Stone (the "**Change of Manager**") under section 5.5(1)(a) of National Instrument 81-102 – *Investment Funds* ("**NI 81-102**") (the "**Approval Sought**").

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

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) the 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 the other provinces and territories of Canada (together with Ontario, 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 Filers:

The Current Manager

1. Marquest is a privately-owned corporation existing under the OBCA and based in Toronto.

2. Marquest is the manager of the Funds and is the trustee of the trust funds listed in Exhibit "A" under the heading "Trust Funds" (the "**Trust Funds**"). Marquest is registered as portfolio manager, investment fund manager and as an exempt market dealer in each of the provinces of Ontario, British Columbia, Alberta, Saskatchewan, Quebec, New Brunswick and Newfoundland and Labrador.

3. Marquest's head office is located at 161 Bay Street, Suite 4420, Toronto, Ontario M5J 2S1.

4. Marquest is not in default of any requirements under applicable securities legislation.

The Funds

5. Each Trust Fund is an open-ended mutual fund established under the laws of the Province of Ontario by a declaration of trust (collectively, the "**Declaration of Trust**") or articles of amendment, as applicable, and the dates of the most recent revisions are listed in the table below:

Name of the Trust Fund	Dates of declaration of trust and its amendments
Marquest Money Market Fund	November 11, 2013
Marquest Canadian Bond Fund	November 11, 2013
Marquest Canadian Fixed Income Fund	December 1, 2014
Marquest Monthly Pay Fund	November 11, 2013
Marquest Global Balanced Fund	July 17, 2014
Marquest American Dividend Growth Fund	July 17, 2014
Marquest Covered Call Canadian Banks Plus Fund	July 17, 2014
Marquest Small Companies Fund	November 11, 2013
Marquest Canadian Resource Fund	November 11, 2013

Each corporate fund listed in Exhibit "A" under the heading "Corporate Funds" (the "**Corporate Funds**") was established by a certificate and articles of incorporation of Marquest Corporate Class Funds Ltd. ("**MCC**") dated March 11, 2004, which certificate has been amended on May 26, 2004, July 14, 2010 and November 11, 2013. Each Corporate Fund was created by the by-laws of MCC most recently revised on the following dates:

Name of Corporate Fund	Date of the By-Laws Creating Each Corporate Fund
Marquest Short Term Income Fund (Corporate Class)	June 10, 2014
Marquest Monthly Pay Fund (Corporate Class)	December 15, 2017
Marquest American Dividend Growth Fund (Corporate Class)	July 14, 2014

Name of Corporate Fund	Date of the By-Laws Creating Each Corporate Fund
Marquest Covered Call Canadian Banks Plus Fund (Corporate Class)	June 9, 2014
Marquest Canadian Resource Fund (Corporate Class)	June 9, 2014

6. Securities of the Funds are distributed in each of the Jurisdictions under a simplified prospectus, annual information form and fund facts each dated July 10, 2018 and prepared in accordance with the requirements of National Instrument 81-101 – *Mutual Fund Prospectus Disclosure*.

7. Each Fund is a reporting issuer under the applicable securities legislation of the Jurisdictions.

8. The Funds are not in default of applicable securities legislation in any of the Jurisdictions.

Details of the Proposed Transaction

9. On June 22, 2018, Marquest announced that it and Stone Investment Group Limited ("**SIG**") entered into a definitive purchase agreement (the "**Purchase Agreement**") pursuant to which SIG will acquire for its wholly-owned subsidiary, Stone, the rights of Marquest to manage the Funds (the "**Proposed Transaction**"). Under the terms of the Purchase Agreement, the Proposed Transaction will be completed on or about August 31, 2018, subject to the receipt of all necessary regulatory and securityholder approvals, securities registrations and the satisfaction or waiver of all other conditions to the Proposed Transaction, or such other date as Marquest and Stone agree to, but in any event no later than September 30, 2018 (the "**Closing**").

10. The Filers are seeking approval of the securities regulatory authorities of the Proposed Transaction in a single application characterized as a change of manager under section 5.5(1)(a) of NI 81-102.

11. It is intended that the Proposed Transaction will result in (i) a change of the Current Manager to the Proposed Manager (the "**Change of Manager**"), (ii) a change in portfolio manager of the Funds, (iii) a change of trustee of the Trust Funds from Marquest to Stone, (iv) a change in the name of the Corporate Funds to reflect the Stone brand, and (v) a change in the name of the Funds constituted as trusts to reflect the Stone brand.

12. In accordance with National Instrument 81-106 – *Investment Fund Continuous Disclosure*, a press release announcing the Proposed Transaction was issued on June 22, 2018 and subsequently the press release and material change report were filed on SEDAR. In addition, on July 10, 2018, amendments to the simplified prospectus and the annual information form of the Funds describing the Proposed Transaction were incorporated into the annual renewal materials of the Funds in each of the Jurisdictions, and the Commission issued a receipt in respect of the same on July 20, 2018.

13. Pursuant to section 5.1(1)(b) of NI 81-102, special meetings of the securityholders of the Funds were held on August 13, 2018 and on August 27, 2018 for the purpose of seeking approval of the Proposed Transaction (the "**Meetings**"). Quorum was obtained in respect of Marquest Canadian Resources Fund and Marquest Short Term Income Fund (Corporate Class) on August 13, 2018, and quorum was obtained in respect of the remainder of the Funds on August 27, 2018. Securityholders of each of the Funds approved the changes.

14. The notice of Meetings and the management information circular in respect of the Meetings (the "**Circular**"), were mailed to securityholders of the Funds and copies thereof filed on SEDAR in accordance with applicable securities legislation. The Circular contains sufficient information regarding the business, management and operations of Stone, including details of its officers and directors, and all information necessary to allow securityholders to make an informed decision about the Proposed Transaction. All other information and documents necessary to comply with applicable proxy solicitation requirements of securities legislation for the Meetings was mailed to securityholders of the Funds.

15. The Current Manager has determined that the Proposed Transaction is not a conflict of interest matter pursuant to section 5.1 of National Instrument 81-107 – *Independent Review Committee for Investment Funds* ("**NI 81-107**") and that, as a result, the Proposed Transaction will not require the approval or recommendation of the Independent Review Committee ("**IRC**") of the Funds. The Manager has, however, provided information relating to the Proposed Transaction and the Change of Manager to the IRC. The IRC has determined after reasonable enquiry that the action achieves a fair and reasonable result for the Funds.

The Change of Manager

16. Stone is a private corporation formed under the laws of the Province of Ontario.

17. Stone is registered in the following categories in certain of the Jurisdictions indicated below:

    (a) Ontario (principal jurisdiction): portfolio manager ("**PM**"), investment fund manager ("**IFM**") and restricted dealer;

    (b) Alberta: PM and restricted dealer;

    (c) British Columbia: PM and restricted dealer;

    (d) Manitoba: PM and restricted dealer;

    (e) Newfoundland and Labrador: IFM;

    (f) Nova Scotia: PM;

    (g) Quebec: IFM; and

    (h) Saskatchewan: PM and restricted dealer.

18. Stone's head office is located at 40 University Avenue, Suite 901, Toronto, Ontario M5J 1T1.

19. Upon the completion of the Proposed Transaction, Stone will be the IFM and trustee of the Funds and will replace Marquest as the portfolio manager of the Funds.

20. Stone is not in default of any requirements under applicable securities legislation.

21. Stone is currently the manager of six mutual funds (the "**Stone Funds**"), which are offered for distribution in all of the provinces and territories of Canada under a simplified prospectus, annual information form and fund facts dated August 22, 2017. As of June 30, 2018, the Stone Funds had aggregate assets under management of approximately $510 million.

22. Stone and Marquest are not related parties. Except pursuant to the Purchase Agreement, there are currently no relationships between Stone and Marquest (or any of their respective affiliates).

Impact of Change of Manager on the Funds

23. Upon Closing, Stone will become the IFM, PM and trustee of the Funds.

24. RBC Investor Services Trust will remain as custodian of the Fund.

25. The members of the Current Manager's IRC will cease to be members of the IRC of the Funds by operation of section 3.10(1)(b) of NI 81-107. Immediately following the Closing, the IRC of the Funds will be reconstituted. Stone has confirmed to the Current Manager that it is anticipated that the new members of the Funds' IRC will be Ross McKinnon (Chair), David Crowe and John Anderson. Mr. Anderson currently serves as Chair of the Marquest IRC.

26. Stone will assume and amend the Declaration of Trust and by-laws that governs the Funds (the "**New Declaration of Trust**" and the "**New By-Laws**", as applicable) to reflect Stone as the new trustee and to make certain other changes. Notice of the change and the major differences between the Declaration of Trust and the New Declaration of Trust and the by-laws and the New By-Laws was described in the Meeting Materials.

27. The individuals that will be principally responsible for the investment fund management of the Funds upon Closing have the requisite integrity and experience, as required under section 5.7(1)(a)(v) of NI 81-102.

28. The Proposed Transaction is not expected to have any material impact on the business, operations or affairs of the Funds or the securityholders of the Funds.

29. The Funds will not bear any of the costs and expenses associated with the Proposed Transaction or Change of Manager.

30. Stone intends to manage and administer the Funds in substantially the same manner as Marquest. There is no current intention to change the investment objectives, investment strategies, or increase the fees and expenses of the Funds. However, Stone intends to effect the orderly migration of the custodial and fund administration systems of the Funds to

those used for the Stone Funds. Stone will also assess the potential to realize benefits in the efficiency of operations of the Funds within the Stone Funds environment that may reduce management expense ratios. Any amendments to the Funds in this regard are expected to be implemented at a later date, perhaps in 2019, and if pursued will be implemented in accordance with applicable securities legislation, including obtaining any necessary regulatory or securityholder approvals and the approval of the IRC.

31. Other than as required to reflect the Proposed Transaction, Stone does not currently contemplate any changes to the material contracts of the Funds.

32. The Requested Approval will not be detrimental to the protection of investors in the Funds or prejudice the public interest.

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 Approval Sought is granted.

"Stephen Paglia"
Manager
Investment Funds and Structured Products Branch
Ontario Securities Commission

Exhibit "A"

Trust Funds

MARQUEST MONTHLY PAY FUND
MARQUEST AMERICAN DIVIDEND GROWTH FUND
MARQUEST COVERED CALL CANADIAN BANK PLUS FUND
MARQUEST GLOBAL BALANCED FUND
MARQUEST CANADIAN RESOURCES FUND
MARQUEST SMALL COMPANIES FUND
MARQUEST CANADIAN BOND FUND
MARQUEST CANADIAN FIXED INCOME FUND
MARQUEST MONEY MARKET FUND

Corporate Funds

MARQUEST AMERICAN DIVIDEND GROWTH FUND (CORPORATE CLASS)
MARQUEST MONTHLY PAY FUND (CORPORATE CLASS)
MARQUEST COVERED CALL CANADIAN BANKS PLUS FUND (CORPORATE CLASS)
MARQUEST CANADIAN RESOURCE FUND (CORPORATE CLASS)
MARQUEST SHORT TERM INCOME FUND (CORPORATE CLASS)
OF
MARQUEST CORPORATE CLASS FUNDS LTD

2.2 Orders

2.2.1 ICAP SEF (US) LLC – s. 144

Headnote

Subsection 144(1) of the Act – Application for an order revoking an order issued June 13, 2016, granting ICAP SEF (US) LLC, pursuant to section 147 of the Act, an exemption from the requirement to be recognized as an exchange under section 21 of the Act – ICAP SEF not carrying on business in Ontario – requested order granted.

Statute Cited

Securities Act, RSO 1990, c S 5, ss 21(1), 144, 147.

August 28, 2018

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

AND

IN THE MATTER OF
ICAP SEF (US) LLC
(ICAP SEF)

REVOCATION ORDER
(Section 144 of the Act)

WHEREAS the Ontario Securities Commission (**Commission**) issued an order dated June 13, 2016 pursuant to section 147 of the Act, exempting ICAP SEF from recognition as an exchange under subsection 21(1) of the Act (the **2016 Order**);

AND WHEREAS ICAP SEF notified the Commission that:

(i) on December 30, 2016, Tullett Prebon plc acquired certain ICAP plc broking businesses (including ICAP SEF and ICAP Global Derivatives Limited). Following the acquisition, TP ICAP plc owned three swap execution facilities (**SEFs**): tpSEF, ICAP SEF and ICAP Global Derivatives Limited; and

(ii) ICAP SEF announced its plans to transition its business to tpSEF Inc., an affiliate of ICAP SEF and as of October 30, 2017, ICAP SEF has ceased to execute trades as a SEF;

AND WHEREAS there is currently no trading activity on the ICAP SEF platform and ICAP SEF has currently ceased its activities as a SEF in Ontario;

AND WHEREAS ICAP SEF has no physical presence in Ontario and does not otherwise carry on business in Ontario;

AND WHEREAS the Commission has determined that revocation of the 2016 Order would not be prejudicial to the public interest;

THE COMMISSION hereby revokes the 2016 Order pursuant to section 144 of the Act.

Dated August 28, 2018.

“Deborah Leckman”

“Poonam Puri”

2.2.2 SSGA Funds Management, Inc. – s. 80 of the CFA

Headnote

Section 80 of the Commodity Futures Act (Ontario) – Foreign adviser exempted from the adviser registration requirement in paragraph 22(1)(b) of the CFA where such adviser acts as an adviser in respect of commodity futures contracts or commodity futures options (Contracts) for certain investors in Ontario who meet the definition of "permitted client" in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations – Contracts are primarily traded on commodity futures exchanges outside of Canada and primarily cleared outside of Canada

Terms and conditions of exemption correspond to the relevant terms and conditions of the comparable exemption from the adviser registration requirement available to international advisers in respect of securities set out in section 8.26 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations – Exemption also subject to a "sunset clause" condition

Applicable Legislative Provisions

Commodity Futures Act, R.S.O. 1990, c. C.20. as am., ss. 1(1), 22(1)(b), 78(1) and 80.
Securities Act, R.S.O. 1990, c. S.5, as am., s. 25(3).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 1.1 and 8.26.
Ontario Securities Commission Rule 13-502 Fees.

Applicable Order

In the Matter of SSGA Funds Management, Inc., dated June 18, 2013.

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, CHAPTER C.20, AS AMENDED
(THE CFA)

AND

IN THE MATTER OF
SSGA FUNDS MANAGEMENT, INC.

ORDER
(SECTION 80 OF THE CFA)

UPON the application (the **Application**) of SSGA Funds Management, Inc. (the **Filer**) to the Ontario Securities Commission (the **Commission**) for an order, pursuant to section 80 of the CFA, that the Filer and any individuals engaging in, or holding themselves out as engaging in, the business of advising others as to trading in Contracts (as defined below) on the Filer's behalf (the **Representatives**) be exempt, for a specified period of time, from the adviser registration requirement in paragraph 22(1)(b) of the CFA, subject to certain terms and conditions;

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

AND WHEREAS for the purposes of this Order :

"**CFA Advisor Registration Requirement**" means the advisor registration requirement set forth in section 22(1)(b) of the CFA that prohibit a person or company from acting as an advisor with respect to trading in Contracts unless the person or company is registered in the appropriate category of registration under the CFA;

"**CFAM**" means the *Commodity Futures Act* (Manitoba);

"**Contracts**" has the meaning ascribed to that term in subsection 1(1) of the CFA;

"**Foreign Contracts**" means a Contract that is primarily traded on one or more organized exchanges that are located outside of Canada and primarily cleared through one or more clearing corporations that are located outside of Canada;

"**International Advisor Exemption**" means the exemption from the securities advisor registration requirement provided in Section 8.26 of NI 31-103;

"**NI 31-103**" means National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

"**OSA**" means the *Securities Act*, R.S.O. 1990, c. S.5, as amended from time to time;

"**OSA Adviser Registration Requirement**" means the provisions of section 25 of the OSA that prohibit a person or company from acting as an adviser with respect to investing in, buying or selling securities unless the person or company is registered in the appropriate category of registration under the OSA;

"**Permitted Clients**" means a client in Ontario that is a "permitted client", as that term is defined in Section 1.1 of NI 31-103, except that for the purposes of this Order such definition shall exclude a person or company registered as an advisor or dealer under the securities legislation or derivatives legislation, including commodity futures legislation, of a jurisdiction of Canada;

"**Representative**" means any individual engaging in or holding himself or herself out as engaging in, the business of advising others as to trading in Contracts on the Filer's behalf; and

"**specified affiliate**" has the meaning ascribed to that term in Form 33-109F6 to National Instrument 33-109 *Registration Information*.

AND UPON the Filer having represented to the Commission that:

1. The Filer is a corporation duly incorporated under the laws of the United States and is an indirect wholly owned subsidiary of State Street Corporation. The head office of the Filer is in Boston, Massachusetts, United States of America (**U.S.A.**).

2. The Filer is registered as an investment advisor under the *Investment Advisers Act of 1940* (**U.S. Advisers Act**), as amended, and as a commodity trading advisor with the United States Commodity Futures Trading Commission (**CFTC**).

3. The Filer provides investment advisory and portfolio management services in respect of futures, options on futures and swaps to its clients generally traded on a U.S. Exchange and/or with a U.S. counterparty to certain of its clients.

4. State Street Global Advisors Trust Company (**SSGA Trust Co.**), successor to State Street Bank and Trust Company (**SSBTC**), an affiliate of the Filer, is a bank regulated in the conduct of its investment advisory business by the U.S. Federal Reserve Board and the Commonwealth of Massachusetts Commissioner of Banks and is a bank within the meaning of the U.S. Advisers Act. As such, it is not subject to the U.S. Advisers Act as the definition of an 'Investment Adviser" under that Act, excludes "a bank, or any bank holding company as defined in the Bank Holding Act of 1956".

5. SSGA Trust Co.'s head office is located in Boston, Massachusetts, U.S.A.

6. SSBTC, now SSGA Trust Co., historically provided asset management services to certain institutional clients in both the U.S. and abroad. Following passage into law on July 2010 of the *Dodd-Frank Wall Street Reform and Consumer Protection Act*, a decision was made to register the Filer as a commodity trading adviser with the CFTC and delegate all advice regarding futures, options on futures and swaps (as defined in the United States) from SSBTC, now SSGA Trust Co., to the Filer. The personnel providing the advice did not change as a result of the regulatory administrative decision to register the Filer and delegate the advice. The personnel at SSGA Trust Co. who provide advice relating to securities are the same as those at the Filer who provide commodity trading advisory services.

7. SSGA Trust Co. offers its advisory services to clients in a broad array of fixed income, equity and other investment strategies.

8. Certain SSGA Trust Co. clients may desire commodity trading advice in connection with their overall strategy. To that end, SSGA Trust Co. delegates to the Filer all discretionary commodity trading advice, with all ancillary permissions and authorities necessary for the Filer to carry out such activities.

9. SSGA Trust Co. is not registered in Canada as an advisor with any securities regulatory authority. In all provinces, SSGA Trust Co. can only provide advice to permitted clients (as that term is defined in Section 1.1. of NI 31-103), in respect of foreign securities in reliance on the International Advisor Exemption, except in Ontario it is also permitted to provide advice through its Canadian branch to Ontario clients, in which case it can rely on the exemption from registration as an advisor available for Schedule III banks contained in section 35.1 of the OSA, although it has no current intention to do so.

10. In addition to SSGA Trust Co. providing advice in respect of securities, certain investors that are Permitted Clients, which may notably include managed accounts, investment funds, pension plans, registered charities and insurance companies, may seek to engage the Filer as an investment adviser for the purposes of implementing certain investment strategies,

including providing advice as to trading in Foreign Contracts and managing trading in Foreign Contracts through discretionary authority.

11. Paragraph 22(1)(b) of the CFA prohibits a person or company from acting as an adviser in respect of Contracts unless the person or company is registered as an adviser under the CFA, or is registered as a representative or as partner or an officer of a registered adviser and is acting on behalf of a registered adviser.

12. The Filer is not registered in any capacity under the CFA.

13. In respect of clients in Ontario, the Filer acted as an advisor in respect of Contracts in reliance on a decision by the Commission dated as of June 18, 2013 (the **Previous Decision**), granting an order, pursuant to Section 80 of the CFA exempting the Filer, and its Representatives, for a period of five years that expired on June 18, 2018, from the CFA Advisor Registration Requirement, subject to certain terms and conditions. The Filer has not acted as an advisor for any Canadian clients in respect of Contracts since the expiration of the Previous Decision

14. The Filer is not in default of securities legislation, commodity futures legislation or derivatives legislation of any jurisdiction in Canada. The Filer is in compliance in all material respects with the securities laws, commodity futures laws and derivatives laws of United States.

15. Were the proposed advisory services limited to securities (as defined in subsection 1(1) of the OSA), the Filer would be able to rely on the International Advisor Exemption and carry out such activities for Permitted Clients on a basis that would be exempt from the OSA Adviser Registration Requirement.

16. There is currently no exemption from the CFA Advisor Registration Requirement that is equivalent to the International Advisor Exemption. Consequently, in order to advise Permitted Clients as to trading in Foreign Contracts, in the absence of this Order, the Filer would be required to satisfy the CFA Adviser Registration Requirement by applying for and obtaining registration in Ontario as an adviser under the CFA in the category of commodity trading manager.

17. The Filer confirms that there are currently no regulatory actions of the type contemplated by the Notice of Regulatory Action attached as Appendix "B" hereto, except as otherwise disclosed to the OSC.

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to make this Order;

IT IS ORDERED, pursuant to section 80 of the CFA, that the Filer and its Representatives are exempt from the adviser registration requirement in paragraph 22(1)(b) of the CFA in respect of providing advice to Permitted Clients as to the trading of Foreign Contracts provided that:

a) the Filer provides advice to Permitted Clients only as to trading in Foreign Contracts and does not advise any Permitted Client as to trading in Contracts that are not Foreign Contracts, unless providing such advice is incidental to its providing advice on Foreign Contracts;

b) the Filer's head office or principal place of business remains in the United States;

c) the Filer is registered in a category of registration, or operates under an exemption from registration, under the applicable securities or derivatives legislation, including commodity futures legislation of the United States that permits it to carry on the activities in the United States that registration under the CFA as an adviser in the category of commodity trading manager would permit it to carry on in Ontario;

d) the Filer continues to engage in the business of an advisor (as defined in the CFA) in the United States;

e) as at the end of the Filer's most recently completed financial year, not more than 10% of the aggregate consolidated gross revenue of the Filer, its affiliates and its affiliated partnerships (excluding the gross revenue of an affiliate or affiliated partnership of the Applicant if the affiliate or affiliated partnership is registered under securities legislation, commodity futures legislation or derivatives legislation of a jurisdiction of Canada) was derived from the portfolio management activities of the Filer, its affiliates and its affiliated partnerships in Canada (which, for greater certainty, includes both securities-related and commodity futures related activities);

f) before advising a Permitted Client with respect to Foreign Contracts, the Filer notifies the Permitted Client of all of the following:

i. the Filer is not registered in Ontario to provide the advice described in paragraph (a), of this Order;

ii. the foreign jurisdiction in which the Filer's head office or principal place of business is located;

iii. all or substantially all of the Filer's assets may be situated outside of Canada;

iv. there may be difficulty enforcing legal rights against the Filer because of the above; and

v. the name and address of the Filer 's agent for service of process in Ontario;

g) the Filer has submitted to the Commission a completed Submission to Jurisdiction and Appointment of Agent for Service in the form attached as Appendix "A" hereto;

h) the Filer notifies the Commission of any regulatory action initiated after the date of this Order with respect to the Filer or, to the best of the Applicant's knowledge and after reasonable inquiry, any predecessors or specified affiliates of the Filer, by completing and filing Appendix "B" hereto within 10 days of the commencement of each such action;

i) if the Filer is not subject to the requirement to pay a participation fee in Ontario because it is not registered under the OSA and does not rely on the International Advisor Exemption, by December 31st of each year, the Filer pays a participation fee based on its specified Ontario revenues for its previous financial year in compliance with the requirements of Part 3 and section 6.4 of Ontario Securities Commission Rule 13-502 Fees as if the Filer relied on the International Adviser Exemption; and

IT IS FURTHER ORDERED that this Order will terminate on the earliest of:

a) the expiry of any transition period as may be provided by law, after the effective date of the repeal of the CFA;

b) six months, or such other transition period as may be provided by law, after the coming into force of any amendment to Ontario commodity futures law (as defined in the CFA) or Ontario securities law (as defined in the OSA) that affects the ability of the Filer to act as an advisor to a Permitted Client; and

c) five years after the date of this Order.

Dated at Toronto this 28th day of August, 2018

"Deborah Leckman"
Commissioner
Ontario Securities Commission

"Poonam Puri"
Commissioner
Ontario Securities Commission

APPENDIX "A"

SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE

INTERNATIONAL DEALER OR INTERNATIONAL ADVISER EXEMPTED FROM REGISTRATION UNDER THE COMMODITY FUTURES ACT, ONTARIO

1. Name of person or company ("International Firm"):

2. If the International Firm was previously assigned an NRD number as a registered firm or an unregistered exempt international firm, provide the NRD number of the firm:

3. Jurisdiction of incorporation of the International Firm:

4. Head office address of the International Firm:

5. The name, e-mail address, phone number and fax number of the International Firm's individual(s) responsible for the supervisory procedure of the International Firm, its chief compliance officer, or equivalent.

   Name:
   E-mail address:
   Phone:
   Fax:

6. The International Firm is relying on an exemption order under section 38 or section 80 of the *Commodity Futures Act* (Ontario) that is similar to the following exemption in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (the "Relief Order"):

   ☐ Section 8.18 [*international dealer*]

   ☐ Section 8.26 [*international adviser*]

   ☐ Other [specify]:

7. Name of agent for service of process (the "Agent for Service"):

8. Address for service of process on the Agent for Service:

9. The International Firm designates and appoints the Agent for Service at the address stated above as its agent upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal or other proceeding (a "Proceeding") arising out of or relating to or concerning the International Firm's activities in the local jurisdiction and irrevocably waives any right to raise as a defence in any such proceeding any alleged lack of jurisdiction to bring such Proceeding.

10. The International Firm irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of the local jurisdiction in any Proceeding arising out of or related to or concerning the International Firm's activities in the local jurisdiction.

11. Until 6 years after the International Firm ceases to rely on the Relief Order, the International Firm must submit to the regulator

    a. a new Submission to Jurisdiction and Appointment of Agent for Service in this form no later than the 30th day before the date this Submission to Jurisdiction and Appointment of Agent for Service is terminated;

    b. an amended Submission to Jurisdiction and Appointment of Agent for Service no later than the 30th day before any change in the name or above address of the Agent for Service;

    c. a notice detailing a change to any information submitted in this form, other than the name or above address of the Agent for Service, no later than the 30th day after the change.

12. This Submission to Jurisdiction and Appointment of Agent for Service is governed by and construed in accordance with the laws of the local jurisdiction.

Dated: _____

_____
(Signature of the International Firm or authorized signatory)

_____
(Name of signatory)

_____
(Title of signatory)

Acceptance

The undersigned accepts the appointment as Agent for Service of *SSGA Funds Management, Inc.* under the terms and conditions of the foregoing Submission to Jurisdiction and Appointment of Agent for Service.

Dated: _____

STATE STREET GLOBAL ADVISORS, LTD.

_____
(Signature of the Agent for Service or authorized signatory)

_____
(Name of signatory)

_____
(Title of signatory)

This form, and notice of a change to any information submitted in this form, is to be submitted through the Ontario Securities Commission's Electronic Filing Portal:

https://www.osc.gov.on.ca/filings

APPENDIX "B"

NOTICE OF REGULATORY ACTION

1. Settlement Agreements

Has the firm, or any predecessors or specified affiliates[1] of the firm entered into a settlement agreement with any financial services regulator, securities or derivatives exchange, SRO or similar agreement with any financial services regulator, securities or derivatives exchange, SRO or similar organization?

Yes _____ No _____

If yes, provide the following information for each settlement agreement:

Name of entity
Regulator/organization
Date of settlement (yyyy/mm/dd)
Details of settlement
Jurisdiction

2. Disciplinary History

Has any financial services regulator, securities or derivatives exchange, SRO or similar organization:

		Yes	No
a)	Determined that the firm, or any predecessors or specified affiliates of the firm violated any securities regulations or any rules of a securities or derivatives exchange, SRO or similar organization?	___	___
(b)	Determined that the firm, or any predecessors or specified affiliates of the firm made a false statement or omission?	___	___
(c)	Issued a warning or requested an undertaking by the firm, or any predecessors or specified affiliates of the firm?	___	___
(d)	Suspended or terminated any registration, licensing or membership of the firm, or any predecessors or specified affiliates of the firm?	___	___
(e)	Imposed terms or conditions on any registration or membership of the firm, or predecessors or specified affiliates of the firm?	___	___
(f)	Conducted a proceeding or investigation involving the firm, or any predecessors or specified affiliates of the firm?	___	___
(g)	Issued an order (other than an exemption order) or a sanction to the firm, or any predecessors or specified affiliates of the firm for securities or derivatives-related activity (e.g. cease trade order)?	___	___

If yes, provide the following information for each action:

Name of entity	
Type of action	
Regulator/organization	
Date of action (yyyy/mm/dd)	Reason for action
Jurisdiction	

[1] In this Appendix, the term "specified affiliate" has the meaning ascribed to that term in Form 33-109F6 to National Instrument 33-109 *Registration Information*.

3. Ongoing Investigations

Is the firm aware of any ongoing investigation of which the firm or any of its specified affiliates is the subject?

Yes _____ No _____

If yes, provide the following information for each investigation:

Name of entity
Reason or purpose of investigation
Regulator/organization
Date investigation commenced (yyyy/mm/dd)
Jurisdiction

Authorized signing officer or partner

Name of firm:
Name of firm's authorized signing officer or partner
Title of firm's authorized signing officer or partner
Signature
Date (yyyy/mm/dd)

Witness

The witness must be a lawyer, notary public or commissioner of oaths.

Name of witness
Title of witness
Signature
Date (yyyy/mm/dd)

This form is to be submitted through the Ontario Securities Commission's Electronic Filing Portal:

https://www.osc.gov.on.ca/filings

2.2.3 Global Champions Split Corp.

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).

August 23, 2018

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
GLOBAL CHAMPIONS SPLIT 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, 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 publically reported;

4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all 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.

"Neeti Varma"
Acting Manager
Ontario Securities Commission

2.3 Orders with Related Settlement Agreements

2.3.1 Benedict Cheng et al. – ss. 127(1), 127.1

FILE NO.: 2017-13

IN THE MATTER OF
BENEDICT CHENG,
FRANK SOAVE,
JOHN DAVID ROTHSTEIN and
ERIC TREMBLAY

Mark J. Sandler, Commissioner and Chair of the Panel

August 31, 2018

ORDER
(Subsection 127(1) and section 127.1 of the
Securities Act, RSO 1990, c S.5)

WHEREAS on August 31, 2018, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, to consider the Application made jointly by Eric Tremblay (**Tremblay** or the **Respondent**) and Staff of the Commission for approval of a settlement agreement dated August 29, 2018 (the **Settlement Agreement**);

ON READING the Amended Statement of Allegations dated October 26, 2017 and the Joint Application Record for a Settlement Hearing, including the Settlement Agreement, and on hearing the submissions of the representatives for Staff and the Respondent, and considering that the $125,000 administrative penalty and $10,000 for costs payable by the Respondent have been received by the Commission in accordance with the terms of the Settlement Agreement;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. the Respondent is prohibited from trading in any securities or derivatives and from acquiring any securities for a period of 2 years from the date of the Order, pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act;

3. any exemptions contained in Ontario securities law shall not apply to the Respondent for a period of 2 years from the date of the Order, pursuant to paragraph 3 of subsection 127(1) of the Act;

4. the Respondent shall resign any positions that he holds as a director or officer of an issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;

5. the Respondent is prohibited from becoming or acting as a director or officer of any issuer for a period of 2 years from the date of the Order, pursuant to paragraph 8 of subsection 127(1) of the Act;

6. the Respondent shall resign any positions that he holds as a director or officer of a registrant, pursuant to paragraph 8.1 of subsection 127(1) of the Act;

7. the Respondent is prohibited from becoming or acting as a director or officer of a registrant for a period of 2 years from the date of the Order, pursuant to paragraph 8.2 of subsection 127(1) of the Act;

8. the Respondent shall resign any positions that he holds as a director or officer of an investment fund manager, pursuant to paragraph 8.3 of subsection 127(1) of the Act;

9. the Respondent is prohibited from becoming or acting as a director or officer of an investment fund manager for a period of 2 years from the date of the Order, pursuant to paragraph 8.4 of subsection 127(1) of the Act;

10. the Respondent is prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter for a period of 2 years from the date of the Order, pursuant to paragraph 8.5 of subsection 127(1) of the Act;

11. Notwithstanding any other provision contained in the Order, the Respondent is permitted to:

a. personally trade and/or acquire mutual funds, Exchange Traded Funds, government bonds and/or Guaranteed Investment Certificates for the account of any Registered Retirement Savings Plan ("RRSP"), Registered Retirement Income Fund ("RRIF"), Registered Education Savings Plan ("RESP") and Tax Free Savings Account ("TFSA"), as defined in the *Income Tax Act*, R.S.C. 1985, c.1, as amended, in which he and/or his children and/or his spouse have sole legal and beneficial ownership, solely through a registered dealer in Alberta, to whom Tremblay must have given a copy of the Order;

b. retain the services of one or more independent, arms-length dealer/portfolio manager(s) who are registered in accordance with Alberta securities law, to trade and/or acquire securities in any RRSP, RRIF, RESP and/or TFSA, on Tremblay's behalf, provided that:

   i. the respective dealer/portfolio manager(s) is provided with a copy of the Order prior to trading or acquiring securities on Tremblay's behalf;

   ii. the respective dealer/portfolio manager(s) has sole discretion over what trades and acquisitions may be made in the account and Tremblay has no direction or control over the selection of specific securities;

   iii. Tremblay is permitted to have annual discussions with the respective registered dealer/portfolio manager(s) for the sole purpose of Tremblay providing information regarding general investment objectives, suitability and risk tolerance or as required under Canadian securities law; and

   iv. Tremblay may change registered dealer/portfolio manager(s), subject to the conditions set out above, with notice to the Commission of any such change to be filed by Tremblay within 30 days of making such change; and

c. within 60 days from the date of the Order, and with notice to the Commission, dispose of such securities which are not held in Tremblay's RRSP, RRIF, RESP and/or TFSA as described in subparagraph 11(a) above or otherwise transfer management of any such securities to a discretionary account as described in subparagraph 11(b) above.

12. the Respondent shall pay an administrative penalty in the amount of $125,000.00, pursuant to paragraph 9 of subsection 127(1) of the Act, which shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act; and

13. the Respondent shall pay costs of the investigation in the amount of $10,000.00, pursuant to section 127.1 of the Act.

“Mark J. Sandler”

IN THE MATTER OF
BENEDICT CHENG,
FRANK SOAVE,
JOHN DAVID ROTHSTEIN AND
ERIC TREMBLAY

SETTLEMENT AGREEMENT WITH
ERIC TREMBLAY

PART I – INTRODUCTION

1. This is a case involving a former Ultimate Designated Person ("UDP") of a registrant who made misleading statements to Staff ("Staff") of the Ontario Securities Commission (the "Commission") during an investigation into serious market misconduct. It is essential to the fairness of, and confidence in, Ontario's capital markets, that senior registrants, such as Eric Tremblay (the "Respondent" or "Tremblay"), deal honestly with Staff and not make misleading statements in connection with investigations of behaviour that harms Ontario's capital markets.

2. The parties shall jointly file a request that the Commission issue a Notice of Hearing (the "Notice of Hearing") to announce that it will hold a public hearing (the "Settlement Hearing") to consider whether, pursuant to section 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), it is in the public interest for the Commission to make certain orders in respect of Tremblay.

PART II – JOINT SETTLEMENT RECOMMENDATION

3. Staff recommend settlement of the proceeding (the "Proceeding") commenced by the Notice of Hearing dated April 12, 2017 against the Respondent in accordance with the terms and conditions set out in Part VI of this Settlement Agreement (the "Settlement Agreement"). The Respondent consents to the making of an order (the "Order") in the form attached as Schedule "A" to this Agreement based on the facts set out herein.

4. For the purposes of the Proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, the Respondent agrees with the facts set out in Part III of this Settlement Agreement and the conclusions in Part IV of this Settlement Agreement.

PART III – AGREED FACTS

Background

5. In 2014, Tremblay was the Chief Executive Officer of Aston Hill Financial Inc. ("AHF"), the Chairman of the Board of Directors of AHF and the UDP of Aston Hill Asset Management Inc. ("AHAMI"), a wholly-owned subsidiary of AHF. He had been in these roles since 2006. Tremblay was also the Chairman of Argent Energy Trust and/or related companies (collectively, "Argent") until May 20, 2014.

6. Between January 2007 and September 2016, Benedict Cheng ("Cheng") was the President of AHF and the Co-Chief Investment Officer at AHF and AHAMI. Cheng had been registered with the Commission since at least 1997.

7. In 2014, JD Rothstein ("Rothstein") was a senior Vice President and National Sales Manager at AHAMI.

8. In 2014, Frank Soave ("Soave") was a First Vice President and Investment Advisor at CIBC Wood Gundy.

9. According to AHF's Annual Information Form for the year ended December 31, 2014, in 2014:

   (a) AHF (through its subsidiaries) was engaged in the management, marketing, distribution and administration of mutual funds, closed-end funds, private equity funds, hedge funds and segregated institutional funds;

   (b) AHAMI was a Toronto-based registered investment fund manager specializing in the development, sales and management of closed-end investment funds, open-end funds and hedge funds; and

   (c) AHF was a reporting issuer in Ontario with its shares publicly traded on the Toronto Stock Exchange under the symbol "AHF".

10. AHF, through its Calgary office, had an administration and management agreement with Argent, which owned oil and gas assets in several US states. Argent's securities were listed on the TSX.

11. On June 12, 2014, Amaya Inc. (“Amaya”) publicly announced a transaction whereby Amaya would acquire all of the issued and outstanding shares of Oldford Group Limited, the parent company of the owner and operator of the PokerStars and Full Tilt Poker brands, in a transaction valued at over US$4 billion (the “Acquisition”). The Acquisition was a material fact in respect of Amaya. Cheng knew of the Acquisition before its existence was generally disclosed.

Tremblay makes Misleading Statements to Staff

12. Staff examined Tremblay under oath on or about May 26, 2016 and June 16, 2016 (the “Examination”). At the Examination, Tremblay made statements that, in a material respect and at the time and in the light of the circumstances under which they were made did not state a fact that was required to be stated or that was necessary to make the statement not misleading. In particular, Tremblay denied any knowledge of Cheng informing Rothstein about material facts concerning Amaya before they were generally disclosed.

13. During a trip to Rio de Janeiro in mid-June 2014, Tremblay asked Cheng to join a conversation with Michael Killeen ("Killeen"), the Chief Operating Officer of AHF and the President of AHAMI. Killeen informed Tremblay and Cheng that John Hanrahan, the President, Chief Compliance Officer, CEO and UDP of Aston Hill Securities ("AHS") (another AHF subsidiary) had been looking into trading in Amaya securities by AHS brokers prior to the June 12, 2014 announcement of the Acquisition.

14. In or around late June 2014 Cheng spoke with Tremblay by telephone. Tremblay was concerned, as he had been for some time, about complaints concerning Argent's performance from Soave and other brokers at the CIBC Thornhill branch. In response, Cheng conveyed that he believed Rothstein had told Soave about the Acquisition.

15. On or about June 30, 2014, Cheng and other executives at AHF/AHAMI, including Tremblay, Killeen and Larry Titley ("Titley"), the Chief Financial Officer of AHF, were in the Dominican Republic.

16. In the mid-afternoon, Tremblay asked Cheng to meet with him and Killeen at a poolside cabana. During that conversation:

    (a) Killeen described the steps that he was taking with respect to his investigation into trading in Amaya at AHAMI. Tremblay wanted to know when the review would be finished; and

    (b) Later in the conversation, Tremblay mentioned to Killeen that Cheng had told Rothstein about the Acquisition and Cheng had suggested to Rothstein that he inform Soave about the Acquisition.

17. In late July 2014, likely on or about July 24, 2014, Tremblay recalls that he met Cheng, Killeen, Titley and others from AHF/AHAMI (specifically Sasha Rnjak, Derek Slemko and Kal Zakarneh) at the patio at Bymark restaurant on Wellington Street in Toronto. Tremblay does not recall whether or not he discussed with Killeen or others on the Bymark patio any matters concerning Amaya, but does not deny that such a discussion may have taken place.

18. By about June 30, 2014, Tremblay was aware that Rothstein obtained material facts concerning Amaya from Cheng that had not been generally disclosed.

19. Tremblay’s conduct in making misleading statements to Staff was a breach of paragraph 122(1)(a) of the Act.

PART IV – BREACHES OF THE ACT AND CONDUCT CONTRARY TO ONTARIO SECURITIES LAW

20. By engaging in the conduct described above, the Respondent admits and acknowledges that he breached Ontario securities law by contravening paragraph 122(1)(a) of the Act and that his actions were contrary to the public interest.

PART V – RESPONDENT’S POSITION

21. Staff do not object to the mitigating circumstances set out by the Respondent below.

22. The Respondent requests that the Settlement Hearing panel consider the following mitigating circumstances:

    (a) **No prior record.** The Respondent has no prior record of breaching Ontario securities law (or criminal offences).

    (b) **Departure from capital markets.** After the events of 2014 set out in this Settlement Agreement, AHF was sold. Tremblay is no longer a registrant and no longer works in the capital markets.

PART VI – TERMS OF SETTLEMENT

23. The Respondent agrees to the terms of settlement set forth below. Subject to the Commission's approval of the Settlement Agreement, and prior to the Settlement Hearing seeking that approval, Tremblay shall pay to the Commission the sum of $135,000 by bank draft or certified cheque in satisfaction of the administrative penalty and costs described in paragraphs 24(k) and 24(l), below (the "Settlement Payment"). For greater certainty, if the settlement is not approved by the Commission, the Settlement Payment shall be returned to Tremblay forthwith.

24. The Respondent consents to the Order, pursuant to which it is ordered that:

(a) the Settlement Agreement is approved;

(b) the Respondent is prohibited from trading in any securities or derivatives and from acquiring any securities for a period of 2 years from the date of the Order, pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act;

(c) any exemptions contained in Ontario securities law shall not apply to the Respondent for a period of 2 years from the date of the Order, pursuant to paragraph 3 of subsection 127(1) of the Act;

(d) the Respondent shall resign any positions that he holds as a director or officer of an issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;

(e) the Respondent is prohibited from becoming or acting as a director or officer of any issuer for a period of 2 years from the date of the Order, pursuant to paragraph 8 of subsection 127(1) of the Act;

(f) the Respondent shall resign any positions that he holds as a director or officer of a registrant, pursuant to paragraph 8.1 of subsection 127(1) of the Act;

(g) the Respondent is prohibited from becoming or acting as a director or officer of a registrant for a period of 2 years from the date of the Order, pursuant to paragraph 8.2 of subsection 127(1) of the Act;

(h) the Respondent shall resign any positions that he holds as a director or officer of an investment fund manager, pursuant to paragraph 8.3 of subsection 127(1) of the Act;

(i) the Respondent is prohibited from becoming or acting as a director or officer of an investment fund manager for a period of 2 years from the date of the Order, pursuant to paragraph 8.4 of subsection 127(1) of the Act;

(j) the Respondent is prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter for a period of 2 years from the date of the Order, pursuant to paragraph 8.5 of subsection 127(1) of the Act;

(k) the Respondent shall pay an administrative penalty in the amount of $125,000.00, pursuant to paragraph 9 of subsection 127(1) of the Act, which shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act;

(l) the Respondent shall pay costs of the investigation in the amount of $10,000, pursuant to section 127.1 of the Act;

(m) Notwithstanding any other provision contained in the Order, the Respondent is permitted to:

(i) personally trade and/or acquire mutual funds, Exchange Traded Funds, government bonds and/or Guaranteed Investment Certificates for the account of any Registered Retirement Savings Plan ("RRSP"), Registered Retirement Income Fund ("RRIF"), Registered Education Savings Plan ("RESP") and Tax Free Savings Account ("TFSA"), as defined in the *Income Tax Act*, R.S.C. 1985, c.1, as amended, in which he and/or his children and/or his spouse have sole legal and beneficial ownership, solely through a registered dealer in Alberta to whom Tremblay must have given a copy of the Order;

(ii) retain the services of one or more independent, arms-length dealer/portfolio manager(s) who are registered in accordance with Alberta securities law, to trade and/or acquire securities in any RRSP, RRIF, RESP and/or TFSA, on Tremblay's behalf, provided that:

(1) the respective dealer/portfolio manager(s) is provided with a copy of the Order prior to trading or acquiring securities on Tremblay's behalf;

(2) the respective dealer/portfolio manager(s) has sole discretion over what trades and acquisitions may be made in the account and Tremblay has no direction or control over the selection of specific securities;

(3) Tremblay is permitted to have annual discussions with the respective registered dealer/portfolio manager(s) for the sole purpose of Tremblay providing information regarding general investment objectives, suitability and risk tolerance or as required under Canadian securities law; and

(4) Tremblay may change registered dealer/portfolio manager(s), subject to the conditions set out above, with notice to the Commission of any such change to be filed by Tremblay within 30 days of making such change; and

(iii) Within 60 days from the date of the Order, and with notice to the Commission, dispose of such securities which are not held in Tremblay's RRSP, RRIF, RESP and/or TFSA as described in subparagraph (i) above or otherwise transfer management of any such securities to a discretionary account as described in subparagraph (ii) above.

25. The Respondent consents to a regulatory order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the sanctions set out in paragraph 24 above, other than subparagraphs 24(a), 24(k) and 24(l). These sanctions may be modified to reflect the provisions of the relevant provincial or territorial securities law.

26. The Respondent acknowledges that this Settlement Agreement and Order may form the basis for orders of parallel effect in other jurisdictions in Canada. The securities laws of certain Canadian jurisdictions allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to the Respondent. The Respondent should contact the securities regulator of any other jurisdiction in which the Respondent intends to engage in any securities-related activities, prior to undertaking such activities.

PART VII – FURTHER PROCEEDINGS

27. If the Commission approves this Settlement Agreement, Staff will not commence or continue any other proceeding under Ontario securities law against the Respondent based on the misconduct described in Part III of this Settlement Agreement, unless the Respondent fails to comply with any terms in this Settlement Agreement. In that case, Staff may bring proceedings under Ontario securities law against the Respondent that may be based on, among other things, the facts set out in Part III of this Settlement Agreement as well as the breach of this Settlement Agreement.

28. Tremblay acknowledges that, if the Commission approves this Settlement Agreement and Tremblay fails to comply with any term in it, the Commission is entitled to bring any proceedings necessary.

PART VIII – PROCEDURE FOR APPROVAL OF SETTLEMENT

29. The parties will seek approval of this Settlement Agreement at the Settlement Hearing before the Commission, which will be held on a date to be determined by the Secretary to the Commission in accordance with this Settlement Agreement and the Commission's *Rules of Procedure*, (2017) 40 O.S.C.B. 8988.

30. The Respondent agrees to attend in person or by video or telephone at the Settlement Hearing.

31. The parties confirm that this Settlement Agreement sets forth all of the agreed facts that will be submitted at the Settlement Hearing, unless the parties agree that additional facts should be submitted at the Settlement Hearing. If the Commission approves this Settlement Agreement:

(a) the Respondent waives all rights to a full hearing, judicial review or appeal of this matter under the Act; and

(b) neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional facts submitted at the Settlement Hearing,

32. Whether or not the Commission approves this Settlement Agreement, the Respondent will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness, or any other remedies or challenges that may be available.

PART IX – DISCLOSURE OF SETTLEMENT AGREEMENT

33. If the Commission does not approve this Settlement Agreement or does not make the Order:

    (a) this Settlement Agreement and all discussions and negotiations between Staff and the Respondent before the Settlement Hearing will be without prejudice to Staff and the Respondent;

    (b) the Settlement Payment shall be returned to Tremblay forthwith; and

    (c) Staff and the Respondent will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations contained in the Amended Statement of Allegations in respect of this Proceeding. Any such proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this Settlement Agreement.

34. The parties will keep the terms of this Settlement Agreement confidential until the Settlement Hearing, unless they agree in writing not to do so or unless otherwise required by law.

PART X – EXECUTION OF SETTLEMENT AGREEMENT

35. This Settlement Agreement may be signed in one or more counterparts which together constitute a binding agreement.

36. A facsimile copy or other electronic copy of any signature will be as effective as an original signature.

Dated at Toronto, Ontario this 29th day of August, 2018.

"Jacob Premuzak" *"Eric Tremblay"*
Witness (print name): **Eric Tremblay**

Dated at Toronto, Ontario, this 29th day of August, 2018.

STAFF OF THE ONTARIO SECURITIES COMMISSION

By: *"Jeff Kehoe"*
Jeff Kehoe
Director, Enforcement Branch

SCHEDULE "A"

IN THE MATTER OF
BENEDICT CHENG,
FRANK SOAVE,
JOHN DAVID ROTHSTEIN AND
ERIC TREMBLAY

[INSERT COMMISSIONERS OF THE PANEL]

___, 2018

ORDER
Subsection 127(1) of the *Securities Act*, RSO 1990, c S.5

WHEREAS on ___, 2018, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, to consider an application made jointly by Eric Tremblay (**Tremblay** or the **Respondent**) and Staff of the Commission for approval of a settlement agreement dated ____, 2018 (the **Settlement Agreement**);

ON READING the Amended Statement of Allegations dated October 26, 2017 and the Joint Application Record for a Settlement Hearing, including the Settlement Agreement (**Agreement**);

AND ON HEARING the submissions of counsel for Staff and the Respondent, and considering that the $125,000 administrative penalty and $10,000 for costs payable by the Respondent has been received by the Commission in accordance with the terms of the Agreement;

IT IS ORDERED THAT:

1. the Agreement is approved;

2. the Respondent is prohibited from trading in any securities or derivatives and from acquiring any securities for a period of 2 years from the date of the Order, pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act;

3. any exemptions contained in Ontario securities law shall not apply to the Respondent for a period of 2 years from the date of the Order, pursuant to paragraph 3 of subsection 127(1) of the Act;

4. the Respondent shall resign any positions that he holds as a director or officer of an issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;

5. the Respondent is prohibited from becoming or acting as a director or officer of any issuer for a period of 2 years from the date of the Order, pursuant to paragraph 8 of subsection 127(1) of the Act;

6. the Respondent shall resign any positions that he holds as a director or officer of a registrant, pursuant to paragraph 8.1 of subsection 127(1) of the Act;

7. the Respondent is prohibited from becoming or acting as a director or officer of a registrant for a period of 2 years from the date of the Order, pursuant to paragraph 8.2 of subsection 127(1) of the Act;

8. the Respondent shall resign any positions that he holds as a director or officer of an investment fund manager, pursuant to paragraph 8.3 of subsection 127(1) of the Act;

9. the Respondent is prohibited from becoming or acting as a director or officer of an investment fund manager for a period of 2 years from the date of the Order, pursuant to paragraph 8.4 of subsection 127(1) of the Act;

10. the Respondent is prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter for a period of 2 years from the date of the Order, pursuant to paragraph 8.5 of subsection 127(1) of the Act;

11. Notwithstanding any other provision contained in the Order, the Respondent is permitted to:

    a. personally trade and/or acquire mutual funds, Exchange Traded Funds, government bonds and/or Guaranteed Investment Certificates for the account of any Registered Retirement Savings Plan ("RRSP"), Registered Retirement Income Fund ("RRIF"), Registered Education Savings Plan ("RESP") and Tax Free Savings Account ("TFSA"), as defined in the *Income Tax Act*, R.S.C. 1985, c.1, as amended, in which he and/or his children

and/or his spouse have sole legal and beneficial ownership, solely through a registered dealer in Alberta, to whom Tremblay must have given a copy of the Order;

b. retain the services of one or more independent, arms-length dealer/portfolio manager(s) who are registered in accordance with Alberta securities law, to trade and/or acquire securities in any RRSP, RRIF, RESP and/or TFSA, on Tremblay's behalf, provided that:

   i. the respective dealer/portfolio manager(s) is provided with a copy of the Order prior to trading or acquiring securities on Tremblay's behalf;

   ii. the respective dealer/portfolio manager(s) has sole discretion over what trades and acquisitions may be made in the account and Tremblay has no direction or control over the selection of specific securities;

   iii. Tremblay is permitted to have annual discussions with the respective registered dealer/portfolio manager(s) for the sole purpose of Tremblay providing information regarding general investment objectives, suitability and risk tolerance or as required under Canadian securities law; and

   iv. Tremblay may change registered dealer/portfolio manager(s), subject to the conditions set out above, with notice to the Commission of any such change to be filed by Tremblay within 30 days of making such change; and

c. within 60 days from the date of the Order, and with notice to the Commission, dispose of such securities which are not held in Tremblay's RRSP, RRIF, RESP and/or TFSA as described in subparagraph 11(a) above or otherwise transfer management of any such securities to a discretionary account as described in subparagraph 11(b) above.

12. the Respondent shall pay an administrative penalty in the amount of $125,000.00, pursuant to paragraph 9 of subsection 127(1) of the Act, which shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act; and

13. the Respondent shall pay costs of the investigation in the amount of $10,000.00, pursuant to section 127.1 of the Act.

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 Benedict Cheng et al. – ss. 127(1), 127.1

IN THE MATTER OF
BENEDICT CHENG,
FRANK SOAVE,
JOHN DAVID ROTHSTEIN and
ERIC TREMBLAY

ORAL REASONS FOR APPROVAL OF A SETTLEMENT
(Subsection 127(1) and Section 127.1 of the
***Securities Act*, RSO 1990, c S.5)**

Citation: Cheng (Re), 2018 ONSEC 43
Date: 2018-08-31
File No.: 2017-13

Hearing:	August 31, 2018	
Decision:	August 31, 2018	
Panel:	Mark J. Sandler	Commissioner and Chair of the Panel
Appearances:	Yvonne Chisholm Christina Galbraith	For Staff of the Commission
	Caitlyn Sainsbury	For Eric Tremblay

ORAL REASONS FOR APPROVAL OF A SETTLEMENT

The following reasons have been prepared for publication in the Ontario Securities Commission Bulletin, based on the reasons delivered orally in the Hearing, and as edited and approved by the panel, to provide a public record.

[1] In 2014, Eric Tremblay was the Chief Executive Officer and Chairman of the Board of Directors of Aston Hill Financial Inc. (**AHF**), as well as the Ultimate Designated Person (**UDP**) of Aston Hill Asset Management Inc. (**AHAMI**), a wholly-owned subsidiary of AHF.

[2] Between January 2007 and September 2016, Benedict Cheng was the President of AHF and the Co-Chief Investment Officer at AHF and AHAMI. In 2014, John David Rothstein was a senior Vice President and National Sales Manager at AHAMI.

[3] On June 12, 2014, Amaya Inc. (**Amaya**) publicly announced a transaction whereby it would acquire all of the issued and outstanding shares of Oldford Group Limited, the parent company of the owner and operator of the PokerStars and Full Tilt Poker brands. The transaction was valued at over $4 billion US. This acquisition and related details constituted material facts respecting Amaya which were known to Cheng before they were generally disclosed.

[4] In related proceedings before this Commission, Cheng acknowledged that he informed Rothstein about some of these generally undisclosed facts.

[5] Staff examined Tremblay under oath on May 26 and June 16, 2016. During his examination by Staff, Tremblay denied any knowledge of Cheng informing Rothstein about material facts concerning Amaya before they were generally disclosed. This denial was false. The particulars of how and when Tremblay learned about Cheng's activities are set out in Part III of the settlement agreement between Staff and Tremblay, filed as an exhibit in today's proceedings, and need not be elaborated upon further in these brief oral reasons.

[6] It is agreed (and I so find) that Tremblay's conduct in making materially misleading statements to Staff under oath constitutes a violation of s. 122(1)(a) of the *Securities Act*, RSO 1990, c S.5.

[7] Tremblay's conduct constituted a serious breach of Ontario securities law. As reflected in existing jurisprudence, such conduct hinders Staff's performance of their responsibilities to monitor and enforce compliance with Ontario securities law, and thus constitutes an obstacle to effective regulation of the capital markets. This is particularly true in circumstances where Staff are investigating the misuse of insider information which, if proven, also constitutes a serious breach of the Act. It follows that conduct that interferes with Staff's ability to investigate such breaches has the potential of undermining the integrity of, and ultimately, public confidence in, the capital markets: see, in this regard: *Da Silva (Re)* (2012), 35 OSCB 8822 at para 7; *Wilder et al. v. Ontario Securities Commission* (2001), 53 OR (3d) 519 (CA) at para 22.

[8] The seriousness of Tremblay's conduct was compounded by the fact that (a) he misled Staff under oath and (b) he had been the UDP of AHAMI until August 31, 2015. As a recent UDP and registrant, he could be expected to understand the importance of cooperating with securities regulators.

[9] Staff and Tremblay reached a settlement agreement in relation to this matter. The full terms of settlement are reflected in that agreement. They include robust sanctions, including an administrative penalty of $125,000 and two-year bans, preventing him from participating in the capital markets. The bans are subject to limited carve-outs, similar to those granted in other cases. The agreement also provides for payment of $10,000 in costs associated with Staff's investigation. Pursuant to the settlement agreement, the $135,000 financial component of the settlement has already been paid.

[10] The settlement agreement also takes into consideration, as it should, several circumstances relied upon by Tremblay in mitigation. These include:

a. the absence of any prior record of breaching Ontario securities law;

b. the absence of any pattern of violation of securities law. This represented an isolated instance;

c. the absence of any trading on Tremblay's part on material information not generally disclosed or any personal profit derived from any such activity;

d. Tremblay's acknowledgment of wrongdoing, obviating the need for a contested hearing into the allegations against him; and

e. Tremblay is no longer a registrant and no longer works in the capital markets. This is relevant generally and more specifically, to the adequacy of the two-year bans.

[11] The Commission is only to deny approval of a settlement agreement in exceptional circumstances. As I have stated in *Cheng (Re)*, 2018 ONSEC 34 at para 8, "[t]his deference is explained, in part, by the high desirability of encouraging settlement agreements between Staff and respondents, and promoting certainty in the industry. Of course, the Commission is fully entitled to reject a settlement agreement which falls outside the range of reasonable outcomes available in the circumstances and thus, is contrary to the public interest. The Commission is to consider the terms of the settlement agreement in their totality, rather than consider each term in isolation."

[12] In my view, this settlement agreement falls within the range of reasonable dispositions available in the circumstances and is in the public interest. It contains a robust package of sanctions that address specific and more importantly, general deterrence. It takes into consideration the sanctions imposed in similar cases. Its terms appropriately reflect the features of Tremblay's conduct, including the circumstances cited by his counsel, that distinguish him from Cheng, who previously entered into a settlement agreement approved by the Commission. Its terms are also consistent with the terms agreed to by Rothstein who also entered into a settlement agreement.

[13] In summary, I am satisfied that the settlement agreement sends a strong and appropriate deterrent message, while reflecting those circumstances unique to Tremblay.

[14] For these reasons, I approve the settlement agreement on the terms proposed by the parties. An Order will be issued in substantially the form appended to the settlement agreement.

[15] I am grateful to all counsel for their assistance.

Dated at Toronto this 31st day of August, 2018.

"Mark J. Sandler"

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

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

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Mag One Products Inc.	June 5, 2018	August 30, 2018

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

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

4.2.2 Outstanding Management & Insider Cease Trading Orders

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

Company Name	Date of Order	Date of Lapse
Katanga Mining Limited	15 August 2017	

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Chapter 6

Request for Comments

6.1 Request for Comments

6.1.1 CSA Notice and Request for Comment – Proposed National Instrument 52-112, Proposed Companion Policy 52-112, Related Proposed Consequential Amendments and Changes

CSA Notice and Request for Comment

Proposed National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure*

Proposed Companion Policy 52-112 *Non-GAAP and Other Financial Measures Disclosure*

Related Proposed Consequential Amendments and Changes

September 6, 2018

Introduction

The Canadian Securities Administrators (the **CSA** or **we**) are publishing for a 90-day comment period the following materials:

- Proposed National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure* (the **Proposed Instrument**);
- Proposed Companion Policy 52-112 *Non-GAAP and Other Financial Measures Disclosure* (the **Proposed Companion Policy**);
- Related proposed consequential amendments or changes to:
    - Multilateral Instrument 45-108 *Crowdfunding* (**MI 45-108**)[1];
    - Companion Policy 45-108CP *Crowdfunding* (**45-108CP**);
    - Companion Policy 51-102CP *Continuous Disclosure Obligations* (**51-102CP**);
    - Companion Policy 51-105CP *Issuers Quoted in the U.S. Over-the-Counter Markets* (**51-105CP**)[2];
    - Companion Policy 52-107CP *Acceptable Accounting Principles and Auditing Standards* (**52-107CP**).

  (collectively, the **Proposed Materials**).

The Proposed Instrument sets out disclosure requirements for non-GAAP financial measures and other financial measures (i.e., segment measures, capital management measures, and supplementary financial measures as defined in the Proposed Instrument).

The Proposed Companion Policy provides guidance on how we will interpret and apply the Proposed Instrument.

The Proposed Materials are intended to replace CSA Staff Notice 52-306 (Revised) *Non-GAAP Financial Measures* (**SN 52-306**) and complement other CSA financial disclosure requirements.

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1 The securities regulatory authorities in British Columbia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon Territory and Nunavut are not proposing these consequential amendments or the changes to the related Companion Policy because MI 45-108 does not apply in these jurisdictions.

2 The Ontario Securities Commission is not proposing this consequential change as Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets* and its Companion Policy do not apply in Ontario.

The text of the Proposed Materials is contained in Annexes A through E of this Notice and will also be available on the websites of CSA jurisdictions, including:

www.lautorite.qc.ca
www.albertasecurities.com
www.bcsc.bc.ca
www.nssc.novascotia.ca
www.fcnb.ca
www.osc.gov.on.ca
www.fcaa.gov.sk.ca
www.msc.gov.mb.ca

Substance and Purpose

The Proposed Instrument aims to address the disclosure surrounding non-GAAP financial measures and other financial measures.

The Proposed Instrument complements the *Securities Acts* of the various jurisdictions in Canada that make it an offence to provide false or misleading information to investors. The Proposed Instrument establishes disclosure requirements that must be met to disclose non-GAAP financial measures and other financial measures.

In some cases, non-GAAP and other financial measures are helpful to investors to assess an issuer's performance.

The Proposed Instrument does not contain specific limitations or industry-specific requirements; rather, it includes comprehensive disclosure requirements whose overall goal is to improve the quality of information provided to investors.

We acknowledge that some stakeholders may prefer that we:

- limit, in specific circumstances, the disclosure of certain financial measures, and
- develop industry-specific requirements for certain financial measures.

However, due to the numerous types of ever-evolving financial measures disclosed across a range of industries, we believe that comprehensive disclosure requirements are best suited to respond to investor needs for quality information. These requirements allow investors to better analyze different financial measures within an industry or among different industries.

Although the definition of a non-GAAP financial measure has been updated, the Proposed Materials have substantially incorporated the disclosure guidance in SN 52-306 for non-GAAP financial measures.

To ensure investors appreciate the context of other financial measures, the Proposed Instrument introduces disclosure requirements if such financial measures are disclosed outside the financial statements.

Background

Many issuers, in all industries, disclose a range of financial measures that may lack standardized meanings under the financial reporting framework used in the preparation of the issuer's financial statements, lack context when disclosed outside of the issuer's financial statements, lack transparency as to their calculation or vary significantly by issuer and industry.

Common terms used to label non-GAAP financial measures may include "adjusted earnings", "adjusted EBITDA", "free cash flow", "pro forma earnings", "cash earnings", "distributable cash", "cost per ounce", "adjusted funds from operations" and "earnings before non-recurring items".

In Canada, SN 52-306 is intended to help ensure that non-GAAP financial measures do not mislead investors. Although we have updated SN 52-306 several times to respond to changing circumstances and published various staff notices and reports that comment on the topic, we continue to find that disclosure practices surrounding non-GAAP financial measures vary. Our findings are consistent with those of other stakeholders (particularly investors) who share our desire for quality disclosure.

Over the years, we have also found that other financial measures that do not meet the definition of a non-GAAP financial measure in SN 52-306 may be equally problematic if not accompanied by appropriate disclosure. Such financial measures include those disclosed in the notes to the financial statements that lack context when disclosed outside the financial statements.

Replacing SN 52-306 with the Proposed Instrument will provide CSA Staff with a stronger tool to take appropriate regulatory action as needed.

We are aware that some accounting standards boards, such as the International Accounting Standards Board (IASB), are currently examining, among other things, the structure and content of financial statements. This work may potentially lead to certain changes in the types of information to be included in financial statements. If necessary in the future, we may update the Proposed Instrument (or other securities legislative requirements) to respond to these and other marketplace changes (if any).

We are aware that commentary continues to be issued by certain industry groups, professional bodies, and standard setters on the topic of non-GAAP financial measures and other financial measures disclosed outside the financial statements. This has, in some cases, created confusion with stakeholders as to requirements under Canadian securities law versus suggested non-authoritative guidance. When implemented, the Proposed Instrument will provide authoritative Canadian securities legislative requirements for all issuers when they disclose non-GAAP financial measures and other financial measures.
With the issuance of the Proposed Instrument, we join other securities regulators, including the International Organization of Securities Commissions (IOSCO), the European Securities and Markets Authority (ESMA), and the U.S. Securities and Exchange Commission (SEC), that have recently strengthened their efforts to regulate the disclosure of certain financial measures.

Summary of the Proposed Instrument

The Proposed Instrument:

- applies to all issuers (including investment funds), except for SEC foreign issuers, and all documents (e.g., Management's Discussion and Analysis, press releases, the Annual Information Form, prospectuses etc.) including other written communications in websites or social media;

- pertains to the disclosure of financial measures (including ratios) that are non-GAAP financial measures, segment measures, capital management measures, and supplementary financial measures as defined in the Proposed Instrument;

- includes an updated definition of a non-GAAP financial measure which builds upon and incorporates the disclosure guidance in SN 52-306, and

- introduces the concept of segment measures, capital management measures, and supplementary financial measures, together with associated disclosure requirements.

Annex C provides a general overview of the application process for the Proposed Instrument.

Anticipated Costs and Benefits of the Proposed Instrument

Benefits

Issuers

The Proposed Instrument does not limit an issuer's ability to disclose non-GAAP financial measures or other financial measures provided the disclosure is not misleading. If an issuer chooses to disclose these financial measures, the Proposed Instrument contains clear and formalized disclosure requirements that we anticipate will reduce the uncertainty regarding an issuer's disclosure obligations.

Investors

Investors have identified to us several problematic disclosure practices surrounding non-GAAP financial measures and other financial measures, such as a lack of transparency regarding the nature of these financial measures, including calculation, as well as a lack of consistency of disclosures among issuers. The Proposed Instrument addresses these investor concerns by requiring comprehensive disclosures, including disclosure regarding a financial measure's method of calculation and usefulness. Such disclosures are intended to help investors better analyze different financial measures within an industry or among different industries.

Costs

Since the disclosure requirements for non-GAAP financial measures are substantially aligned with the current guidance in SN 52-306, we do not expect issuers to incur increased costs to comply with these disclosure requirements.

We expect issuers will initially incur some immaterial administrative costs to comply with the new disclosure requirements relating to segment measures, capital management measures, and supplementary financial measures in the first reporting period after the Proposed Instrument comes into force, if issuers choose to disclose these financial measures.

Summary of the Proposed Companion Policy

The Proposed Companion Policy provides guidance on how we will interpret and apply the Proposed Instrument and includes, among other things, interpretations of various terms and provisions in the Proposed Instrument as well as selected illustrative examples.

Overall, the goal of the guidance provided in the Proposed Companion Policy is to assist issuers in applying the provisions of the Proposed Instrument so as to help ensure non-GAAP financial measures and other financial measures do not mislead investors. For example, the Proposed Companion Policy contains useful examples and guidance in the following key areas:

- definition of a non-GAAP financial measure, including the terms “disaggregation” and “equivalent financial measure”;
- definition of a supplementary financial measure, including the “periodic basis” attribute;
- requirements for a non-GAAP financial measure on labelling, prominence, consistency, location, identification, and usefulness;
- reconciliation requirements for a non-GAAP financial measure, including guidance on the determination of the most directly comparable measure;
- prominence requirement for a non-GAAP financial measure that is a ratio
- reconciliation requirement for a non-GAAP financial measure that is a financial outlook, and
- disclosure requirements for a segment measure and a capital management measure.

The expanded detail set out in the Proposed Companion Policy is intended to clarify the four defined types of financial measure subject to the Proposed Instrument and to explain how we expect the disclosure requirements in the Proposed Instrument to be satisfied.

Consequential Amendments and Changes

We, except the securities regulatory authorities listed in footnote 1 of this Notice, propose consequential amendments or changes to the instructions of Schedule A of Form 45-108F1 *Crowdfunding Offering Document* of MI 45-108 and section 16 of 45-108CP. We also propose changes to section 4.2 of 51-102CP and section 2.10 of 52-107CP. These proposed amendments and changes replace the references to the guidance provided in SN 52-306 with references to the requirements set out in the Proposed Instrument.

We, except the Ontario Securities Commission, also propose a consequential change to section 5 of 51-105CP to add a reference to the requirements set out in the Proposed Instrument.

Local Matters – Ontario

Authority for the Instrument

In Ontario, the rule-making authority for the Proposed Instrument is in paragraphs 13, 16, 22, 22.1, 25 and 39 of subsection 143(1) of the *Securities Act* (Ontario).

Alternatives Considered

To address stakeholder concerns regarding the quality of disclosure surrounding non-GAAP financial measures and other financial measures, we considered updating SN 52-306 or developing a staff bulletin to supplement SN 52-306. After careful consideration, we concluded that the development of the Proposed Materials would be more effective in addressing stakeholder concerns and reducing uncertainty regarding an issuer’s disclosure obligations.

Reliance on Unpublished Studies

In developing the Proposed Instrument, we are not relying on any significant unpublished study, report or other written material.

Request for Comments

We welcome your comments on the Proposed Materials.

We particularly appreciate comments that are specific and accompanied by concrete examples.

In addition to any general comments, we also invite comments on the following specific questions:

1. Does the proposed definition of a non-GAAP financial measure capture (or fail to capture) specific financial measures that should not (or should) be captured? Please explain using concrete examples.

2. Are there any specific additional disclosures not considered in the Proposed Instrument, that would significantly improve the overall quality of disclosure and be of benefit to investors? Please explain using concrete examples.

3. Is specific content in the Proposed Companion Policy unclear or inconsistent with the Proposed Instrument?

4. Is the proposed exemption for SEC foreign issuers appropriate? If not, please explain.

5. Is the proposed exclusion of oral statements to the application appropriate? If not, please explain.

6. Is the proposed inclusion of all documents to the application appropriate? If not, for which documents should an exclusion be made available? Please explain.

Please submit your comments in writing on or before December 5, 2018. If you are not sending your comments by email, please send us an electronic file containing submissions provided (in Microsoft Word format).

Address your submission to all of the CSA as follows:

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission (New Brunswick)
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon Territory
Superintendent of Securities, Nunavut

Deliver your comments only to the addresses below. Your comments will be distributed to the other participating CSA.

The Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto ON M5H 3S8
Fax: 416-593-2318
comment@osc.gov.on.ca

M^{e} Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800, rue du Square-Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal QC H4Z 1G3
Fax: 514-864-6381
consultation-en-cours@lautorite.qc.ca

Please refer your questions to any of the following:

British Columbia Securities Commission
Anita Cyr, Associate Chief Accountant, British Columbia Securities Commission
604-899-6579 | acyr@bcsc.bc.ca

Maggie Zhang, Senior Securities Analyst, British Columbia Securities Commission
604-899-6823 | mzhang@bcsc.bc.ca

Alberta Securities Commission
Anne Marie Landry, Senior Securities Analyst, Alberta Securities Commission
403-297-7907 | annemarie.landry@asc.ca

Janice Anderson, Senior Accounting Specialist, Alberta Securities Commission
403-297-2520 | janice.anderson@asc.ca

Ontario Securities Commission
Alex Fisher, Senior Accountant, Ontario Securities Commission
416-593-3682 | afisher@osc.gov.on.ca

Jonathan Blackwell, Senior Accountant, Ontario Securities Commission
416-593-8138 | jblackwell@osc.gov.on.ca

Katrina Janke, Senior Legal Counsel, Ontario Securities Commission
416-593-8297| kjanke@osc.gov.on.ca

Mark Pinch, Associate Chief Accountant, Ontario Securities Commission
416-593-8057 | mpinch@osc.gov.on.ca

Autorité des marchés financiers
Hélène Marcil, Chief Accountant, Autorité des marchés financiers
514-395-0337 Ext: 4291| helene.marcil@lautorite.qc.ca

Michel Bourque, Senior Regulatory Advisor, Direction de l'information continue,
Autorité des marchés financiers
514 395-0337 Ext: 4466 | michel.bourque@lautorite.qc.ca

Nicole Parent, Analyst, Direction de l'information financière, Autorité des marchés financiers
514-395-0337 Ext: 4455 | nicole.parent@lautorite.qc.ca

We cannot keep submissions confidential because securities legislation in certain provinces requires publication of the written comments received during the comment period. All comments received will be posted on the websites of each of the Alberta Securities Commission at www.albertasecurities.com, the Autorité des marchés financiers at www.lautorite.qc.ca and the Ontario Securities Commission at www.osc.gov.on.ca. Therefore, you should not include personal information directly in comments to be published. It is important that you state on whose behalf you are making the submission.

Annex A

PROPOSED NATIONAL INSTRUMENT 52-112
NON-GAAP AND OTHER FINANCIAL MEASURES DISCLOSURE

Table of Contents

PROPOSED NATIONAL INSTRUMENT 52-112
NON-GAAP AND OTHER FINANCIAL MEASURES DISCLOSURE

PART 1
DEFINITIONS AND APPLICATION

Definitions

1. In this Instrument

"capital management measure" means a financial measure that is disclosed in the notes to the financial statements to enable users of financial statements to evaluate the issuer's objectives, policies and processes for managing capital;

"financial outlook" has the meaning ascribed to it in National Instrument 51-102 *Continuous Disclosure Obligations*;

"FOFI" has the meaning ascribed to it in National Instrument 51-102 *Continuous Disclosure Obligations*;

"non-GAAP financial measure" means

(a) a financial measure of financial performance, financial position or cash flow that is not disclosed or presented in the financial statements and that is not a disaggregation, calculated in accordance with the accounting policies used to prepare the financial statements, of a line item presented in the primary financial statements, or

(b) a financial outlook for which no equivalent financial measure is presented in the primary financial statements;

"primary financial statements" means

(a) the statement of financial position,

(b) the statement of profit or loss and other comprehensive income,

(c) the statement of changes in equity, and

(d) the statement of cash flows;

"segment measure" means a financial measure of segment profit or loss, revenue, expenses, assets, or liabilities that is disclosed in the notes to the financial statements;

"supplementary financial measure" means a financial measure that is not disclosed or presented in the financial statements and that

(a) is a disaggregation, calculated in accordance with the accounting policies used to prepare the financial statements, of a line item presented in the primary financial statements, and

(b) is, or is intended to be, disclosed on a periodic basis to present an aspect of financial performance, financial position or cash flow.

Application

2. **(1)** This Instrument applies to an issuer, other than an SEC foreign issuer as defined in National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*.

(2) This Instrument applies to any non-GAAP financial measure, segment measure, capital management measure or supplementary financial measure that an issuer discloses in a document and that is intended to be, or reasonably likely to be, made available to the public in the local jurisdiction, whether or not filed under securities legislation, unless the issuer discloses a specific financial measure in accordance with a requirement of securities legislation or the laws of a jurisdiction of Canada.

(3) This Instrument does not apply to a specified document, a supporting document or a material contract filed by the issuer.

(4) For the purposes of subsection (3), "specified document" means a document referred to in any of paragraphs 12.1(1)(a) to (e) of National Instrument 51-102 *Continuous Disclosure Obligations*.

(5) For the purposes of subsection (3), "supporting document" means a document referred to in any of clauses 2.3(1)(a)(iv)(A) to (C) of National Instrument 81-101 *Mutual Fund Prospectus Disclosure*.

(6) For the purposes of subsection (3), "material contract" has the meaning ascribed to it in National Instrument 51-102 *Continuous Disclosure Obligations*, for an issuer other than an investment fund, and National Instrument 81-106 *Investment Fund Continuous Disclosure*, for an investment fund.

PART 2
DISCLOSURE REQUIREMENTS

Non-GAAP financial measures

3. An issuer must not disclose a non-GAAP financial measure in a document unless all of the following apply:

(a) the non-GAAP financial measure is labelled appropriately given its composition and in a way that distinguishes it from totals, subtotals and line items presented in the primary financial statements;

(b) subject to subsection 4(1), the non-GAAP financial measure is presented with no more prominence in the document than the most directly comparable financial measure presented in the primary financial statements;

(c) the document presents the same non-GAAP financial measure for the comparative period; and

(d) the first time the non-GAAP financial measure appears in the document, the document

(i) subject to subsection 4(2), identifies the non-GAAP financial measure as such,

(ii) states that the non-GAAP financial measure does not have a standardized meaning under the financial reporting framework used to prepare the financial statements and may not be comparable to similar financial measures presented by other issuers,

(iii) explains how the non-GAAP financial measure provides useful information to a reasonable person and explains the additional purposes, if any, for which management uses the non-GAAP financial measure,

(iv) subject to subsection 4(3) and section 5, provides a quantitative reconciliation, to the most directly comparable financial measure presented in the primary financial statements, which reconciliation

(A) is disaggregated in such a way that it provides a reasonable person an understanding of the reconciling items,

(B) does not describe a reconciling item as non-recurring, infrequent or unusual when a similar loss or gain is reasonably likely to occur within the next two years or has occurred during the prior two years, and

(C) is explained in such a way that it provides a reasonable person an understanding of each reconciling item, and

(v) explains the reason for a change, if any, in the label, composition or calculation of the non-GAAP financial measure.

Non-GAAP financial measures that are ratios

4. **(1)** Paragraph 3(b) does not apply if

(a) the non-GAAP financial measure is a ratio, and

(b) the ratio is presented with no more prominence in the document than similar financial measures presented in the primary financial statements.

(2) Subparagraph 3(d)(i) does not apply if

(a) the non-GAAP financial measure is a ratio for which all financial components are disclosed or presented in the financial statements, or

(b) the non-GAAP financial measure is a ratio for which all financial components are disaggregations, calculated in accordance with the accounting policies used to prepare the financial statements, of line items presented in the primary financial statements.

(3) Subparagraph 3(d)(iv) does not apply if

(a) the non-GAAP financial measure is a ratio, and

(b) the first time the ratio appears in the document, the document describes how the ratio is calculated and

(i) identifies each non-GAAP financial measure used to calculate the ratio and complies with section 3 for each non-GAAP financial measure identified, or

(ii) provides a quantitative reconciliation to the ratio as calculated using the most directly comparable financial measures presented in the primary financial statements.

Non-GAAP financial measures that are financial outlooks

5. **(1)** For the purposes of subparagraph 3(d)(iv), "primary financial statements" must be read as "FOFI" if

(a) the non-GAAP financial measure is a financial outlook, and

(b) FOFI has been disclosed together with the financial outlook in the document.

(2) Subparagraph 3(d)(iv) does not apply if

(a) the non-GAAP financial measure is a financial outlook,

(b) FOFI has not been disclosed with the financial outlook in the document, and

(c) the first time the financial outlook appears in the document, the document

(i) presents the equivalent historical non-GAAP financial measure, and

(ii) describes

(A) each of the material differences between the financial outlook and the most directly comparable financial outlook for which an equivalent historical financial measure is presented in the primary financial statements, or

(B) each of the significant components of the financial outlook used in its calculation.

Segment measures

6. If an issuer discloses in a document other than the financial statements a total of segment measures that is not a total, subtotal or line item presented in the primary financial statements, the document must,

(a) the first time the total of segment measures appears in the document, provide a quantitative reconciliation of the total of segment measures to the most directly comparable financial measure presented in the primary financial statements,

(b) present the total of segment measures with no more prominence than the most directly comparable financial measure referred to in paragraph (a), and

(c) include the presentation of the total of segment measures for the comparative period, if the total of segment measures has been previously disclosed.

Capital management measures

7. **(1)** This section applies to a capital management measure that

(a) is disclosed in a document other than the financial statements, and

(b) is not

(i) a total, subtotal or line item presented in the primary financial statements, or

(ii) a disaggregation, calculated in accordance with the accounting policies used to prepare the financial statements, of a line item presented in the primary financial statements.

(2) If an issuer discloses a capital management measure described in subsection (1) in a document, the document must

(a) present the capital management measure with no more prominence than

(i) the most directly comparable financial measure presented in the primary financial statements, or

(ii) similar financial measures presented in the primary financial statements, if the capital management measure is a ratio,

(b) the first time the capital management measure appears in the document,

(i) describe how the capital management measure is calculated,

(ii) state that the accounting policies used to prepare the financial statements do not specify how the capital management measure is calculated,

(iii) explain how the capital management measure provides useful information to a reasonable person and explains the additional purposes, if any, for which management uses the capital management measure, and

(iv) provide, except where the capital management measure is a ratio, a quantitative reconciliation of the capital management measure to the most directly comparable financial measure presented in the primary financial statements, and

(c) include the presentation of the capital management measure for the comparative period, if the capital management measure has been previously disclosed.

Supplementary financial measures

8. If an issuer discloses a supplementary financial measure in a document, the document must,

(a) the first time the supplementary financial measure appears in the document,

(i) describe how the supplementary financial measure is calculated, and

(ii) explain the reason for a change, if any, in the label, composition or calculation of the supplementary financial measure if it has been previously disclosed, and

(b) include the presentation of the supplementary financial measure for the comparative period, if the supplementary financial measure has been previously disclosed.

PART 3
EXEMPTION

Exemption

9. **(1)** The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.

(3) Except in Alberta and Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions*, opposite the name of the local jurisdiction.

PART 4
EFFECTIVE DATE

Effective date

10. This Instrument comes into force on •, 201•.

Annex B

PROPOSED COMPANION POLICY 52-112
NON-GAAP AND OTHER FINANCIAL MEASURES DISCLOSURE

Introduction

National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure* (the "Instrument") sets out specific disclosure requirements for an issuer that discloses non-GAAP financial measures (including non-GAAP financial measures that are ratios or financial outlooks), segment measures, capital management measures and supplementary financial measures.

Compliance with the Instrument does not relieve an issuer from any other obligations under other securities legislation. In particular, an issuer may not present a non-GAAP financial measure or other financial measure in a way that would be misleading.

The Instrument applies to all issuers, including investment funds, with the exception of SEC foreign issuers. The Instrument does apply to an SEC issuer that is not an SEC foreign issuer.

The purpose of this Companion Policy (the "Policy") is to state the view of the securities regulatory authorities on certain provisions of the Instrument. This Policy includes explanations, discussions, and examples of various parts of the Instrument.

The Instrument uses the terms "disclosed" and "presented" in the context of location within the financial statements. A financial measure is disclosed if it is included in the notes to the financial statements. A financial measure is presented if it is included in the "primary financial statements", as that term is defined in the Instrument. The definition of a non-GAAP financial measure excludes all measures presented or disclosed within the financial statements.

Section 1 – Definition of a non-GAAP financial measure

Common terms used to identify non-GAAP financial measures may include "adjusted earnings", "adjusted EBITDA", "free cash flow", "pro forma earnings", "cash earnings", "distributable cash", "cost per ounce", "adjusted funds from operations" and "earnings before non-recurring items". Many of these terms lack standard meanings and issuers across a spectrum of industries may use the same term to refer to different calculations.

Accounting policies include an issuer's presentation, recognition, and measurement under the financial reporting framework used in the preparation of its financial statements (often referred to as Generally Accepted Accounting Principles ("GAAP")). The accounting policies encompass all principles to be applied by an issuer in preparing and presenting its financial statements, not just those which are disclosed in the notes to the financial statements or those selected when the issuer has to make a choice between alternative accounting policies.

Paragraphs 55 and 85 of IAS 1 *Presentation of Financial Statements* require the presentation of additional subtotals when such presentation is relevant to an understanding of the issuer's financial position or financial performance. An issuer that presents an additional subtotal in the primary financial statements, such as Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"), would be presenting the subtotal in accordance with the accounting policies used to prepare its financial statements, if it has determined such presentation is relevant to an understanding of its financial performance. That financial statement measure would not meet the definition of a non-GAAP financial measure if it were also disclosed outside the issuer's financial statements.

Measures that are a disaggregation of a line item presented in the primary financial statements, if that measure has been calculated in accordance with the issuer's accounting policies used to prepare the financial statements, would not meet the definition of a non-GAAP financial measure. The disaggregation of a line item includes disclosure of more granular information regarding that line item. This information could be presented through a table illustrating the disaggregation of revenues by certain products or by division, even if the table did not sum to the revenue amount presented in the issuer's primary financial statements, assuming that division or product revenue was calculated in accordance with the issuer's accounting policies under the financial reporting framework used in the preparation of the issuer's financial statements. However, such measure(s) would meet the definition of a non-GAAP financial measure if the revenue amounts were adjusted in any manner.

Disaggregation of subtotals and totals presented in the primary financial statements are captured by the definition of non-GAAP financial measures. For example, if EBITDA is not presented in the primary financial statements, it would be inappropriate to conclude that it is not a non-GAAP financial measure on the basis that it is a disaggregation of profit as presented in the statement of profit or loss. Likewise, a measure calculated by combining numbers disaggregated from different line items would also meet the definition of a non-GAAP financial measure, unless that measure is separately disclosed in the notes to the financial statements, for example, when expenses in the statement of profit and loss are presented by function and then also presented by nature in the notes to the financial statements.

A financial outlook is a non-GAAP financial measure unless an equivalent measure is presented in the primary financial statements. A financial measure is equivalent to a financial outlook if the two were prepared on a consistent basis. For example, if revenue is presented on a forward-looking basis using consistent accounting policies applied by the issuer in its latest set of financial statements (i.e. revenue as presented in the financial statements adjusted only for assumptions about future economic conditions and courses of action) it would not be a non-GAAP financial measure.

For clarity, the definition of a non-GAAP financial measure is not intended to include non-financial information such as:

- number of units;
- number of subscribers;
- volumetric information;
- number of employees or workforce by type of contract or geographical location;
- environmental measures such as greenhouse gas emissions;
- information on major shareholdings;
- acquisition or disposal of own shares; and
- total number of voting rights.

The above list is not exhaustive.

We remind issuers that while non-financial information is not subject to the requirements of the Instrument, non-financial information is subject to various disclosure requirements under applicable securities legislation, including the requirement not to disclose misleading information.

Section 1 – Definition of primary financial statements

The Instrument uses the terms “statement of financial position”, “statement of profit or loss and other comprehensive income”, “statement of changes in equity”, and “statement of cash flows”, to describe the primary financial statements. Issuers may use titles for the statements other than those terms as long as the titles are in compliance with the financial reporting framework used in the preparation of the issuer’s financial statements. For example, an issuer may use the title “statement of comprehensive income” instead of “statement of profit or loss and other comprehensive income”, or “balance sheet” instead of “statement of financial position”.

Section 1 – Definition of a supplementary financial measure

An attribute of a supplementary financial measure is that it is disclosed, or is intended to be disclosed, on a *periodic* basis (for example quarterly and/or annually) to present, often in a prominent manner, an aspect of financial performance, financial position or cash flow. Some entities refer to such financial measures as key (financial) performance indicators (“KPIs”). For example, an entity that operates in the retail industry may consider same-store sales a KPI and discloses same-store sales (where same-store sales is a disaggregation calculated in accordance with the accounting policies used to prepare the sales line item presented in the primary financial statements) to periodically report sales performance from period to period. In this case, same-store sales meet the definition of a supplementary financial measure.

For clarity, if an issuer discloses a financial measure that is a disaggregation of a financial statement line item in order to simply explain how the financial statement line item changed from period to period, such a measure would not meet the definition of a supplementary financial measure because the issuer is not presenting an aspect of its financial performance. For example, if an issuer experienced an unexpected increase in administrative expenses, it may analyze the nature of, and reasons for, changes in administrative expenses, by among other things, disclosing disaggregated information about administrative expenses (where the disaggregation was calculated in accordance with the accounting policies used to prepare the administrative expenses line item presented in the primary financial statements).

Section 2 – Application

The Instrument applies to all documents, including a written communication prepared and transmitted only in electronic form,

- that are required to be filed with the securities regulatory authority, or

- that are not required to be filed with the securities regulatory authority; and
    - that are filed with the securities regulatory authority, or
    - that are filed or required to be filed with a government or an agency of a government under applicable securities or corporate law or with an exchange or quotation and trade reporting system under its bylaws, rules or regulations, or
    - that are any other communication the content of which would reasonably be expected to affect the market price or value of a security of the issuer. We expect that information presented on websites and social media would meet this criteria.

Issuers should not disclose non-GAAP financial measures, segment measures, capital management measures or supplementary financial measures on social media, if character limits would preclude the disclosure of all the required information in accordance with the Instrument (e.g., Twitter).

If an issuer uses social media to provide links to their publications, such publications are in the scope of the Instrument.

The Instrument does not apply to oral statements. However, if a written transcript of an oral statement is provided by the issuer, the issuer must provide the disclosures required by the Instrument. This could be done in an attachment or appendix to the transcript.

Certain "specific financial measures" that are required to be calculated in accordance with prescribed requirements under applicable securities legislation are not subject to the Instrument. Examples of specific financial measures that are not subject to the Instrument include:

- Earnings coverage ratios prescribed by item 9 of Form 41-101F1 *Information Required in a Prospectus*;
- Summary of Quarterly Results prescribed by section 1.5 of Form 51-102F1 *Management's Discussion & Analysis;*
- Net Present Value of Future Net Revenue prescribed by section 2.1 of Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information;* and
- Net Asset Value prescribed by part 14 of National Instrument 81-106 *Investment Fund Continuous Disclosure.*

The above list is not exhaustive. While disclosure of a specific financial measure in accordance with other securities legislation is not subject to the requirements of the Instrument, the disclosure is subject to the provisions of that legislation.

The Instrument also does not apply to a financial measure that is disclosed in accordance with the laws of a jurisdiction of Canada. This exclusion is, however, only applicable in situations where a specific financial measure is required to be disclosed and the law specifically defines the measure and the method to be used in its calculation, for example a government payment calculated and disclosed in accordance with the *Extractive Sector Transparency Measures Act* (Canada).

For the purposes of paragraph 3(d), paragraph 4(3)(b) and paragraph 5(2)(c) of the Instrument, the requirements must be applied the first time a non-GAAP financial measure is disclosed in a document. Therefore, this disclosure is not required to be repeated throughout a document even though the financial measure may appear more than once in the document.

The "first time" concept is intended to be applied to each discrete document that relates to a specific period or date.

Paragraph 3(a) – Labelling non-GAAP financial measures

Any label or term used to describe a non-GAAP financial measure or adjustments in a reconciliation must be appropriate given the nature of information.

The following are a few examples which we consider would not be in compliance with the labelling requirement in paragraph 3(a) of the Instrument:

- Labels that cause confusion with amounts prepared in accordance with the financial reporting framework used in the preparation of the issuer's financial statements. Using terms or labels which are the same as, or confusingly similar to, those normally used under the financial reporting framework is misleading. For example, a measure labelled as "cash flows from operations" calculated as cash flows from operating activities before changes in non-cash working capital items, is confusingly similar to the term "cash flows from operating activities" specified in IAS 7 *Statement of Cash Flows*;

- Labels which are purporting to represent "results from operating activities" or a similar title but which exclude items of an operating nature, such as inventory write-downs, restructuring costs, impairment of assets used for operations and stock-based compensation;

- Labels that are overly optimistic or positive (e.g., guaranteed profit or protected returns); and

- Labels that cause confusion based on the financial measure's composition. For example, in presenting EBITDA as a non-GAAP financial measure, it would be inappropriate to exclude amounts for items other than interest, taxes, depreciation and amortization.

The above list is not exhaustive.

The label used for a non-GAAP financial measure may arise from a written agreement, such as a credit agreement containing a material covenant regarding a non-GAAP financial measure. If the label in the written agreement is inconsistent with the requirements of paragraph 3(a) of the Instrument, the issuer will be expected to clarify that the label is from a written agreement so that a reader does not confuse it with an amount prepared in accordance with the financial reporting framework used in the preparation of the issuer's financial statements.

Paragraph 3(b) – Prominence of a non-GAAP financial measure

Determining whether a non-GAAP financial measure is presented with no more prominence is a matter of judgment, taking into account the overall disclosure and the facts and circumstances in which the disclosure is made.

We expect that presentation of a non-GAAP financial measure would not in any way confuse or obscure the presentation of financial measures presented in accordance with the financial reporting framework used in the preparation of the issuer's financial statements.

The following are examples that we view as causing a non-GAAP financial measure to be more prominent than the most directly comparable measure presented or disclosed in the financial statements:

- Presenting a full statement of profit or loss and other comprehensive income of non-GAAP financial measures without presenting it in the form of a reconciliation of each non-GAAP financial measure to the most directly comparable measure, sometimes referred to as a single column approach;

- Omitting the most directly comparable measure from a press release headline or caption that includes a non-GAAP financial measure;

- Presenting a non-GAAP financial measure using a style of presentation (for example, bold or larger font) that emphasizes the non-GAAP financial measure over the most directly comparable measure;

- Describing a non-GAAP financial measure as, for example, "record performance" or "exceptional" without at least an equally prominent descriptive characterization of the most directly comparable measure;

- Multiple non-GAAP financial measures being used for the same purpose thereby obscuring disclosure of the most directly comparable measure;

- Providing tabular or graphical disclosure of non-GAAP financial measures without presenting an equally prominent tabular or graphical disclosure of the most directly comparable measures or without including the most directly comparable measures in the same table or graph; and

- Providing a discussion and analysis of a non-GAAP financial measure in a more prominent location than a similar discussion and analysis of the most directly comparable measure. For greater certainty, we take the view that a location is not more prominent if it allows an investor who reads the document, or other material containing the non-GAAP financial measure, to be able to view the discussion and analysis of both the non-GAAP financial measure and the most directly comparable measure contemporaneously. For example, within the previous, same or next page of the document.

The above list is not exhaustive.

The Instrument requires that the non-GAAP financial measure be disclosed with "no more prominence in the document than the most directly comparable financial measure presented in the primary financial statements". If the most directly comparable measure is disclosed with "equal or greater prominence" than the non-GAAP financial measure, the requirement under paragraph 3(b) of the Instrument has been met.

Paragraph 3(c) – Comparative information

Paragraph 3(c) of the Instrument requires presentation of the same non-GAAP financial measure for the comparative period. For greater clarity, "same" includes the label, composition, and calculation of the non-GAAP financial measure. If there has been a change in label, composition or calculation from what has been disclosed previously, the requirements of subparagraph 3(d)(v) of the Instrument will apply.

We expect that the disclosure required by paragraph 3(c) of the Instrument would not be feasible only in rare circumstances, such as in the first period of operations where no comparative period exists.

Paragraph 3(d) – First time disclosure requirements

The information required by paragraph 3(d) of the Instrument should be presented in the same document as the non-GAAP financial measure. To satisfy these requirements, an issuer may identify the non-GAAP financial measure as such when it first occurs in the document using a footnote that refers to a separate section within the same document. The requirements in subparagraphs 3(d)(ii), (iii), (iv) and (v) of the Instrument may then be presented in the separate section the footnote referred to.

There may be types of documents where it is not clear when the non-GAAP financial measure first occurs or appears, for example, websites and social media. In these instances, we consider that issuers meet the "first time" objective by, for example, clearly identifying the measure as being a non-GAAP financial measure and providing a link to the other required disclosure.

To prevent duplicate disclosure, an issuer may provide all the required disclosures for all non-GAAP financial measures in one section of the document, and cross-reference to that section each time a non-GAAP financial measure is presented in that same document.

Subparagraph 3(d)(i) – Identification of a non-GAAP financial measure

Non-GAAP financial measures do not have standardized meanings under the financial reporting framework used in the preparation of the issuer's financial statements. Therefore, it is important that non-GAAP financial measures are identified as such. This also signals to an investor that additional information about the measure should be considered as it may not be comparable to similar measures presented by other issuers.

We are of the view that the subparagraph 3(d)(i) identification requirement of the Instrument would be met by footnoting the non-GAAP financial measure and at the bottom of the page, including the following or similar wording as part of the footnote, "A non-GAAP financial measure which is defined in the Non-GAAP Financial Measures section of this document".

Subparagraph 3(d)(iii) – Usefulness of non-GAAP financial measure disclosure

The Instrument does not define the term "useful". The term "useful" is intended to reflect how management believes that presentation of the non-GAAP financial measure provides incremental information to investors regarding the issuer's financial position, financial performance or cash flows. The level of detail is a matter of judgment, which takes into account the complexity of the information and how familiar a reasonable person would be with the measure.

The statement satisfying the requirement of subparagraph 3(d)(iii) of the Instrument should:

- not be boilerplate;
- be clear and understandable;
- be specific to the non-GAAP financial measure used, the issuer, the nature of the business and the industry; and
- be specific to the way the non-GAAP financial measure is assessed and applied to decisions made by management.

Issuers should avoid inappropriate or potentially misleading implications about usefulness. The Instrument does not explicitly prohibit certain adjustments. However, if adjustments are not consistent with the usefulness explanation, this may result in a non-GAAP financial measure that is inappropriate or misleading.

A non-GAAP financial measure may be misleading if it includes positive components of the most directly comparable measure but omits negative components. For example, presenting an operating performance measure that excludes normal, recurring, operating expenses necessary to operate an issuer's business could be misleading. Another example is "free cash flow", which is typically calculated as cash flows from operating activities as presented in the statement of cash flows under the financial reporting framework used to prepare the financial statements, less capital expenditures. "Free cash flow" should not be used in a manner that inappropriately implies that the measure represents the residual cash flow available for discretionary expenditures, if issuers have mandatory debt service requirements or other non-discretionary expenditures that are not deducted from the measure.

Subparagraph 3(d)(iv) – Reconciliation of a non-GAAP financial measure

Subparagraph 3(d)(iv) of the Instrument requires a quantitative reconciliation between the non-GAAP financial measure and the most directly comparable financial measure. An issuer may satisfy this requirement by providing a reconciliation in a clearly understandable way, such as a table. An issuer must ensure that its disclosure is not misleading and will have to consider the level of detail required to provide the necessary context.

The Instrument does not define the "most directly comparable financial measure" and therefore the issuer needs to apply judgment in determining the most directly comparable financial measure. In applying judgment, it is important for an issuer to consider the context of how the non-GAAP financial measure is used. For example, where the non-GAAP financial measure is discussed primarily as a performance measure used in determining cash generated by the issuer or its distribution-paying capacity, its most directly comparable GAAP measure will be from the statement of cash flows. In practice, earnings-based measures and cash flow-based measures are used to disclose operational performance. If it is not clear from the way the non-GAAP financial measure is used what the most directly comparable measure is, consideration should be given to the nature, number and materiality of the reconciling items.

For purposes of presenting the reconciliation, it is permissible to begin with the non-GAAP financial measure or the most directly comparable financial measure presented in the primary financial statements, provided the reconciliation is presented in a comprehensible manner.

The reconciliation should be quantitative, separately itemizing and explaining each significant reconciling item. Disclosure supporting the reconciliation should discuss significant judgments and estimates that management has made in developing the reconciling item.

Where a reconciling item is taken directly from the issuer's primary financial statements, it should be named such that investors are able to identify the item in those statements, and no further explanation of that reconciling item is required.

Where a reconciling item is not extracted directly from the issuer's primary financial statements, but is a component of a line item in the issuer's primary financial statements or originates from outside the primary financial statements, the reconciliation should:

- explain how the figure is calculated;
- include a description of the line item of the primary financial statements where the reconciling item originates, if any; and
- discuss significant judgments and estimates, if any, that management has made in developing the reconciling items used in the reconciliation.

Reconciling items should be calculated using issuer-specific inputs. An issuer may make adjustments that are accepted within an industry; however, the quantum of these adjustments should be calculated using issuer-specific information. For example, an issuer may make an adjustment for operating capital expenditures, which is a standard adjustment in certain industries, however

the amount of the adjustment should be calculated based on the issuer's operating capital expenditures, and not by using only an 'industry average' amount as the sole factor.

The level of detail expected in the reconciliation depends on the nature and complexity of the reconciling items. The adjustments made from the most directly comparable financial measure should be consistent with the explanation required by subparagraph 3(d)(iii) of the Instrument regarding why the information is useful to investors and if applicable, how it is used by management. Explanations should be more detailed than merely stating what the reconciling item represents and should also cover the circumstances that give rise to the particular adjustment. For example, an adjustment for impairment of goodwill should be supported by the cause of the impairment.

An "other" or "adjusting items" category to describe numerous insignificant reconciling items should not be used without further explanation as to the nature of items which comprise the category.

Issuers should consider significant reconciling items on an absolute basis. For example, an issuer is expected to separately itemize positive and negative adjustments unless netting is permitted under the financial reporting framework used in the preparation of the issuer's financial statements.

An issuer should disclose any income tax effects of its non-GAAP financial measure depending on the nature of that measures. However, adjustments to arrive at the non-GAAP financial measure should not be presented "net of tax" but should be shown as a separate adjustment and clearly explained.

Where comparative non-GAAP financial measures are presented for a previous period, a reconciliation to the corresponding most directly comparable measure should be provided for that previous period.

An issuer may present adjusted financial information outside the issuer's financial statements using a format that is similar to one or more of the primary financial statements, but that is not in accordance with the issuer's accounting policies under the financial reporting framework used in the preparation of the issuer's most recently completed financial statements. In this case, the adjusted financial information would contain non-GAAP financial measures. Specifically, this would arise if an issuer presents non-GAAP financial measures in a form that is similar to:

- a statement of financial position;
- a statement of profit or loss and other comprehensive income;
- a statement of changes in equity; or
- a statement of cash flows.

Presentation of this information as a single column that excludes the most directly comparable GAAP financial measures in a separate column would be considered misleading. However, this information may be presented in the form of a reconciliation of the non-GAAP financial measure to the most directly comparable financial measure if such presentation shows in separate columns each of the most directly comparable measures, the reconciling items, and the non-GAAP financial measures.

When the adjusted presentation is used as a basis for the qualitative discussions and analysis of an issuer's financial performance, financial position or cash flows with greater prominence than financial measures presented in the primary financial statements, this would be considered not in compliance with the requirement in paragraph 3(b) of the Instrument.

Subparagraph 3(d)(v) – Changes in a non-GAAP financial measure

If the comparative non-GAAP measure presented in accordance with paragraph 3(c) of the Instrument is not the same as that previously presented, the requirement of subparagraph 3(d)(v) of the Instrument would apply. This would be the case when the label, composition, or calculation of the comparative non-GAAP financial measure is not the same as previously presented.

Including additional reconciling items or excluding previously included reconciling items between the non-GAAP financial measure and the most directly comparable measure constitutes a change in composition or calculation. A clear explanation of the reason for this change is required under subparagraph 3(d)(v) of the Instrument.

A change in magnitude of an individual item would not constitute a change in composition or calculation. For example, an issuer may define adjusted earnings as earnings before impairment losses and transaction costs. Transaction costs may only be incurred every three years, such that there may be no adjustment in year two to reflect transaction costs, but there should be an explanation noting that the issuer expects that it will incur transaction costs in the future. In this example, the issuer should continue to include transaction costs in either the explanation about the usefulness (in periods where no transaction costs have been incurred) or in presenting the reconciliation, to maintain consistency of the non-GAAP financial measure.

Given that the disclosure of non-GAAP financial measures is optional, disclosing a particular non-GAAP financial measure does not generate a requirement to continue disclosing that measure in future periods. If, however, an issuer replaces a non-GAAP financial measure with another measure that achieves the same objectives (that is, the information provided to comply with subparagraph 3(d)(iii) of the Instrument was consistent for both measures), the requirement of subparagraph 3(d)(v) of the Instrument would apply.

Section 4 – Disclosure of non-GAAP financial measures that are ratios

Financial ratios may be useful in communicating aspects of an issuer's financial performance, financial position or cash flow. Ratios fall under the definition of a non-GAAP financial measure, unless they are disclosed or presented in accordance with the financial reporting framework used in the preparation of the issuer's financial statements. Specifically, earnings per share disclosed in the statement of profit or loss and other comprehensive income is not a non-GAAP financial measure. However, a working capital ratio or sales per square foot are examples of ratios that would meet the definition of a non-GAAP financial measure. For clarity, ratios include those measures expressed as percentages.

The prominence requirement in paragraph 4(1)(b) of the Instrument for ratios differs from that of other non-GAAP financial measures, however the principle that the presentation of ratios should not confuse or obscure the presentation of the most directly comparable financial measure remains the same. For example, we consider that an issuer does not meet the prominence requirement in paragraph 4(1)(b) of the Instrument if the issuer focused its disclosure on an increased gross margin percentage without giving at least equally prominent disclosure to the fact sales have significantly decreased over the same period of time which has resulted in a reduction in total profit period over period.

Many ratios do not have a directly comparable financial measure. As such, issuers should consider the disclosure of the ratio in relation to the overall disclosure of similar performance measures that have been presented in the primary financial statements. For example an issuer may calculate a debt to equity ratio (where the debt component is the total liabilities line item as presented in the statement of financial position and the equity component is the total equity line item as presented in the statement of financial position) and use this in its discussion of liquidity, however this discussion should form part of an overall discussion that should include relevant measures from the issuers primary financial statements.

A ratio may be calculated using one or more of the following:

(a) measures that are presented or disclosed in the issuer's financial statements;

(b) non-GAAP financial measures; and

(c) non-financial information.

It is important for investors to understand the calculation of the ratio. For example, if an issuer has disclosed gross margin percentage calculated using total sales minus cost of goods sold, divided by total sales, this method of calculation should be described.

In addition to describing how the ratio is calculated, paragraph 4(3)(b) of the Instrument requires that a reconciliation be completed in one of two ways. If the ratio is calculated using one or more non-GAAP financial measures, an issuer could meet this reconciliation requirement by identifying each of the non-GAAP financial measures and applying subparagraph 4(3)(b)(i) of the Instrument to those identified components. Alternatively, an issuer could reconcile the entire ratio to a ratio calculated using the most directly comparable measures presented in the primary financial statements.

Some issuers may disclose sales per square foot, where the sales figure is extracted directly from the primary financial statements. The sales figure may directly agree to a line item included in the issuer's statement of profit or loss and other comprehensive income, or it may be a disaggregated sales figure calculated in accordance with the issuer's accounting policies under the financial reporting framework used in the preparation of the issuer's financial statements.

The disaggregated sales figure may reflect same-store sales, calculated in accordance with the accounting policies used to prepare the sales line item presented in the primary statements. However, if the sales figure in "same-store sales" is computed on a constant foreign exchange basis rather than under the requirements in IFRS under IAS 21 *The Effects of Changes in Foreign Exchange Rates*, the adjusted sales figure would meet the definition of a non-GAAP financial measure and the reconciliation requirement in subparagraph 4(3)(b)(ii) of the Instrument for the ratio could be met by identifying the adjusted sales figure as a non-GAAP financial measure and applying subparagraph 4(3)(b)(i) of the Instrument to the adjusted sales figure. Alternatively, the reconciliation requirement in subparagraph 4(3)(b)(ii) of the Instrument could be met by reconciling the adjusted sales per square foot to sales per square foot, where sales comes directly from the issuer's statement of profit or loss and other comprehensive income.

If each of the components of the ratio is a line item presented in the primary financial statements, an issuer can meet the requirement in subparagraph 3(d)(iv) of the Instrument by disclosing how the ratio is calculated, for example, when gross margin percentage is calculated and disclosed as being total sales minus cost of goods sold, divided by total sales, where each of sales and cost of sales is a line item in the statement of profit and loss and other comprehensive income.

Subsection 5(1) - Disclosure of non-GAAP financial measure that is a financial outlook and FOFI has been disclosed with the financial outlook

Subsection 5(1) of the Instrument requires that an issuer provide a quantitative reconciliation to the most directly comparable measure presented in the FOFI if the non-GAAP financial measure is a financial outlook and where FOFI has been disclosed with the financial outlook. This quantitative reconciliation must be prepared following the requirements in subparagraph 3(d)(iv) of the Instrument.

In determining whether FOFI has been disclosed with the financial outlook, as outlined in paragraph 5(1)(b) of the Instrument, there may be situations where an issuer presents or prepares FOFI concurrently or as an add-on to the financial outlook. If an extract or summary of FOFI is disseminated or disclosed, an issuer should consider whether this extract or summary was derived from the complete FOFI and whether the condition in paragraph 5(1)(b) of the Instrument has been met such that the reconciliation requirement in subsection 5(1) of the Instrument should apply.

Issuers are reminded that each material line item presented within the FOFI or the quantitative reconciliation under subsection 5(1) of the Instrument is subject to the disclosure requirements in parts 4A and 4B and section 5.8 of NI 51-102 *Continuous Disclosure Obligations*.

Subsection 5(2) - Disclosure of non-GAAP financial measure that is a financial outlook for which FOFI has not been disclosed with the financial outlook

Subparagraph 5(2)(c)(i) of the Instrument requires an issuer to present the equivalent historical non-GAAP financial measure the first time that the non-GAAP financial measure that is financial outlook is disclosed. The requirements in section 3 of the Instrument, including the quantitative reconciliation requirements in subparagraph 3(d)(iv) of the Instrument, are applicable to the equivalent historical non-GAAP financial measure.

Determining the relevant historical period to satisfy the quantitative reconciliation requirements in subparagraph 3(d)(iv) of the Instrument is a matter of judgment, taking into account the time period covered by the financial outlook, the nature of the issuer's industry and the extent to which the business of the issuer is cyclical or seasonal. For example, where an issuer presents a financial outlook for the 3 months ending March 31, 20X2, the relevant period for the quantitative reconciliation of the equivalent historical non-GAAP financial measure may be:

- in the case where the business of the issuer is not seasonal, the issuer's most recent interim period ended for which annual financial statements or an interim financial report has been filed (e.g., the 3 months ended December 31, 20X1), or

- in the case where the business of the issuer is seasonal, the comparable historical interim period to that of the financial outlook presented (e.g., the 3 months ended March 31, 20X1).

The reconciliation requirements for a financial outlook non-GAAP financial measure where FOFI has not been disclosed with the financial outlook, are set out in clauses 5(2)(c)(ii)(A) and (B) of the Instrument.

The reconciliation requirement in clause 5(2)(c)(ii)(A) of the Instrument requires that an issuer provide a description detailing the differences between the financial outlook non-GAAP financial measure and the appropriate financial outlook for which an equivalent historical measure is presented in the primary financial statements. An issuer may satisfy this requirement by providing a reconciliation by schedule or other clearly understandable method. To the extent possible, this reconciliation should be quantitative; however, regardless of the format of the presentation, an issuer must ensure that its disclosure is not misleading and will have to consider the level of detail required to provide the necessary context. The disclosure should include the significant judgments and estimates that management has made in developing the reconciling items.

Where a reconciliation for a non-GAAP financial measure that is financial outlook is presented in the format outlined in clause 5(2)(c)(ii)(B) of the Instrument, the reconciliation information provided will be primarily driven by the process followed by the issuer with respect to the preparation, derivation or calculation of the financial outlook, and may include:

(a) a description of each of the significant components of the financial outlook, or

(b) a description of what was used in the calculation of the financial outlook.

For paragraph (a), the description is expected to include the identification and disclosure of each of the significant components of the financial outlook non-GAAP financial measure. For example, if a gross margin financial outlook has been derived by estimating each of its components, revenue and cost of sales, then the description required under clause 5(2)(c)(ii)(B) of the Instrument should include the quantification of each of the revenue and cost of sales components used in the calculation of the gross margin financial outlook.

For paragraph (b), the description is expected to include the process followed in preparing and reviewing the financial outlook. The description should not be boilerplate and should also disclose the material factors or assumptions relevant to the financial outlook.

Non-GAAP financial measures that are financial outlook ratios are subject to both section 4 and section 5 of the Instrument and issuers may choose to apply the reconciliation requirements in either subsection 4(3) or section 5 of the Instrument.

Section 6 – Disclosure of segment measures

A financial reporting framework used in the preparation of the issuer's financial statements may permit disclosure of a broad category of segment measures, but does not always specify how such measures should be calculated.

Disclosure in the notes to the financial statements of financial measures reported to the chief operating decision maker about an issuer's reportable segments may be determined on a basis that differs from the amounts presented and calculated in the issuer's primary financial statements. When disclosed outside the financial statements, to the extent a total of segment measures is not also disclosed as a line item in the primary financial statements, the accompanying disclosures required by section 6 of the Instrument allow a reader to understand how the measure is calculated and how it relates to the primary financial statements. This would apply in situations where an issuer presents an overall total, or a total for some, but not all, of the segments.

For example, a chief operating decision-maker may review segment-adjusted EBITDA for each of its reportable segments. In preparing financial statements in accordance with the selected financial reporting framework, an issuer is required to reconcile the total of the reportable segment amounts to the corresponding measure for the issuer in total, in this case "entity adjusted EBITDA". Since the "entity adjusted EBITDA" amount is not disclosed in the primary financial statements, an issuer is required to comply with section 6 of the Instrument.

If an issuer discloses financial information about a segment outside the financial statements that is not disclosed in the issuer's financial statements and that is not a disaggregation of a line item presented in accordance with the selected financial reporting framework, then that segment information meets the definition of a non-GAAP financial measure and is subject to the requirements in section 3 of the Instrument.

Section 7 – Disclosure of capital management measures

Disclosure of information that enables users of the financial statements to evaluate an issuer's objectives, policies and processes for managing capital may be required by the financial reporting framework used in the preparation of the issuer's financial statements.

How an issuer manages its capital is issuer-specific and the financial reporting framework used to prepare the issuer's financial statements might not prescribe a specific calculation. The accompanying disclosure required by section 7 of the Instrument allows a reader to understand how an issuer calculates these measures and how they relate to measures presented in the primary financial statements.

Subparagraph 7(2)(b)(i) of the Instrument requires disclosure of how the capital management measure is calculated. For example, if the capital management measure was calculated in accordance with an agreement, a description of the agreement (e.g. the measure was calculated in accordance with lending agreements) together with details of the calculations would satisfy the requirement.

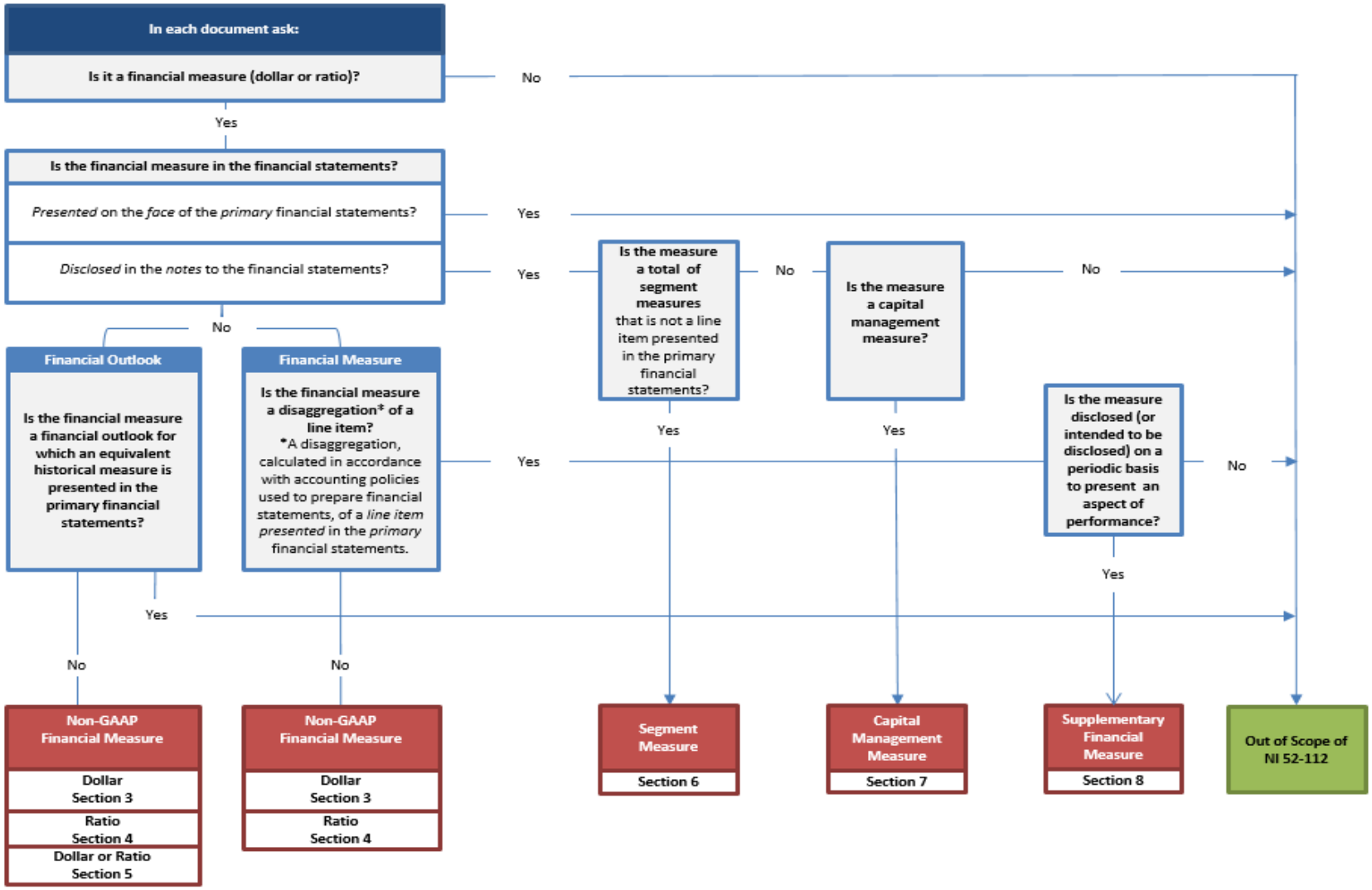
In situations where the capital management measure is an aggregation of individual line items presented on the primary financial statements, the requirements of subparagraph 7(2)(b)(iv) of the Instrument can be met by detailing how the measure has been calculated, as required by subparagraph 7(2)(b)(i) of the Instrument.

If the capital management measure was calculated using one or more non-GAAP financial measures, the issuer must comply with section 3 of the Instrument, in respect of each non-GAAP financial measure used.

[Editor's Note: Annex C is reproduced on the following separately numbered page. Bulletin pagination resumes with Annex D on page 7037.]

Annex C

General Overview of the Application Process for the Proposed Instrument



Annex D

Consequential Amendments

PROPOSED AMENDMENTS TO MULTILATERAL INSTRUMENT 45-108 *CROWDFUNDING*

The securities regulatory authorities in British Columbia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon Territory and Nunavut are not proposing these consequential amendments because Multilateral Instrument 45-108 Crowdfunding does not apply in these jurisdictions.

1. Multilateral Instrument 45-108 Crowdfunding is amended by this Instrument.

2. Form 45-108F1 is amended by replacing the heading "Non-GAAP financial measures***" in the Instructions related to financial statement requirements and the disclosure of other financial information of Schedule A with the following:***

Non-GAAP financial measures and other financial measures

3. Form 45-108F1 is amended by replacing the paragraph after the heading "Non-GAAP financial measures***" in the Instructions related to financial statement requirements and the disclosure of other financial information of Schedule A with the following:***

An issuer that intends to disclose financial measures that are subject to National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure* in its crowdfunding offering document should refer to the requirements set out in that Instrument.

4. This Instrument comes into force on ●.

Annex E

Consequential Changes

PROPOSED CHANGE TO COMPANION POLICY 45-108CP
CROWDFUNDING

The securities regulatory authorities in British Columbia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon Territory and Nunavut are not proposing these consequential changes to Companion Policy 45-108CP Crowdfunding because Multilateral Instrument 45-108 Crowdfunding does not apply in these jurisdictions.

1. Companion Policy 45-108CP Crowdfunding is changed by this Document.

2. Section 16 is changed by replacing the last paragraph with the following:

Non-GAAP financial measures and other financial measures – An issuer that intends to disclose financial measures that are subject to National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure*, including in its crowdfunding offering document, should refer to the requirements set out in that Instrument.

3. This change becomes effective on ●.

PROPOSED CHANGES TO COMPANION POLICY 51-102CP
CONTINUOUS DISCLOSURE OBLIGATIONS

1. Companion Policy 51-102CP Continuous Disclosure Obligations is changed by this Document.

2. Section 4.2 is changed by replacing the heading "*Non-GAAP Financial Measures*" with* "Non-GAAP Financial Measures and Other Financial Measures" *and by replacing the paragraph with the following:

Reporting issuers that intend to publish financial measures that are subject to National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure* should refer to the requirements set out in that Instrument.

3. These changes become effective on ●.

PROPOSED CHANGE TO COMPANION POLICY 51-105CP
ISSUERS QUOTED IN THE U.S. OVER-THE-COUNTER MARKETS

The Ontario Securities Commission is not proposing this consequential change as Multilateral Instrument 51-105 Issuers Quoted in the U.S. Over-the-Counter Markets and its Companion Policy do not apply in Ontario.

1. Companion Policy 51-105CP Issuers Quoted in the U.S. Over-the-Counter Markets is changed by this Document.

2. Section 5 is changed by adding the following paragraph:

(e) National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure* which sets out disclosure requirements for non-GAAP financial measures and certain other financial measures

3. This change becomes effective on ●.

PROPOSED CHANGE TO COMPANION POLICY 52-107CP
ACCEPTABLE ACCOUNTING PRINCIPLES AND AUDITING STANDARDS

1. Companion Policy 52-107CP Acceptable Accounting Principles and Auditing Standards is changed by this Document.

2. Section 2.10 is replaced with the following:

Readers are likely to assume that financial information disclosed in a news release is prepared on a basis consistent with the accounting principles used to prepare the issuer's most recently filed financial statements. To avoid misleading readers, an issuer should alert readers if financial information in a news release is prepared using accounting principles that differ from those used to prepare an issuer's most recently filed financial statements or includes financial measures that are subject to National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure*.

3. This change becomes effective on ●.

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Chapter 7

Insider Reporting

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

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).

Chapter 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:
1832 AM Investment Grade U.S. Corporate Bond Pool
Scotia Aria Equity Build Portfolio
Scotia Aria Equity Defend Portfolio
Scotia Aria Equity Pay Portfolio
Scotia Private Diversified International Equity Pool
Scotia Private International Growth Equity Pool
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated August 24, 2018
NP 11-202 Preliminary Receipt dated August 28, 2018
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Scotia Securities Inc.
N/A
Promoter(s):
1832 Asset Management G.P. Inc.
Project #2812894

Issuer Name:
Cambridge Canadian Long-Term Bond Pool
Signature Option Income Pool
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated August 30, 2018
NP 11-202 Preliminary Receipt dated August 30, 2018
Offering Price and Description:
Class I Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
CI Investments Inc.
Project #2818804

Issuer Name:
Desjardins Canadian Bond Fund
Desjardins SocieTerra Canadian Bond Fund
Desjardins Enhanced Bond Fund
Desjardins IBrix Global Bond Fund
Desjardins Global Corporate Bond Fund
Desjardins Canadian Preferred Share Fund
Desjardins Emerging Markets Bond Fund
Desjardins Dividend Growth Fund
Desjardins Canadian Equity Income Fund
Desjardins Canadian Equity Fund
Desjardins Canadian Equity Value Fund
Desjardins SocieTerra Canadian Equity Fund
Desjardins American Equity Value Fund
Desjardins American Equity Growth Fund
Desjardins American Equity Growth Currency Neutral Fund
Desjardins SocieTerra American Equity Fund
Desjardins Overseas Equity Growth Fund
Desjardins SocieTerra Environment Fund
Desjardins Global Small Cap Equity Fund
Desjardins SocieTerra Cleantech Fund
Desjardins IBrix Low Volatility Emerging Markets Fund
Desjardins Emerging Markets Opportunities Fund
Desjardins Global Infrastructure Fund
Principal Regulator - Quebec
Type and Date:
Amendment #3 to Final Simplified Prospectus dated August 28, 2018
Received on August 28, 2018
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Desjardins Investments Inc.
Project #2724968

Issuer Name:
Desjardins SocieTerra International Equity Fund
Desjardins Global Equity Fund
Desjardins SocieTerra Positive Change Fund
Desjardins SocieTerra Emerging Markets Equity Fund
Principal Regulator - Quebec
Type and Date:
Amendment #1 to Final Simplified Prospectus dated August 28, 2018
Received on August 28, 2018
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Desjardins Investments Inc.
Project #2767861

Issuer Name:
Desjardins IBrix Low Volatility Global Equity Fund
Principal Regulator - Quebec
Type and Date:
Amendment #3 to Final Simplified Prospectus dated August 28, 2018
Received on August 28, 2018
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Desjardins Investments Inc.
Project #2699498

Issuer Name:
London Life Pathways Canadian Concentrated Equity Fund
London Life Pathways Canadian Equity Fund
London Life Pathways Core Bond Fund
London Life Pathways Core Plus Bond Fund
London Life Pathways Emerging Markets Equity Fund
London Life Pathways Emerging Markets Large Cap Equity Fund
London Life Pathways Global Core Plus Bond Fund
London Life Pathways Global Multi Sector Bond Fund
London Life Pathways Global Tactical Fund
London Life Pathways International Concentrated Equity Fund
London Life Pathways International Equity Fund
London Life Pathways Money Market Fund
London Life Pathways U.S. Concentrated Equity Fund
London Life Pathways U.S. Equity Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated August 24, 2018
NP 11-202 Preliminary Receipt dated August 28, 2018
Offering Price and Description:
Quadrus series, H series, L series, HW series and I series securities
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd
Promoter(s):
Mackenzie Financial Corporation
Project #2813915

Issuer Name:
Maple Leaf Short Duration 2018-II Flow-Through Limited Partnership - National Class
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated August 30, 2018
NP 11-202 Preliminary Receipt dated August 31, 2018
Offering Price and Description:
Maximum Offering: $10,000,000 - 400,000 Maple Leaf Short Duration 2018-II Flow-Through Limited Partnership – National Class Units
Minimum Offering: $2,500,000 - 100,000 Maple Leaf Short Duration 2018-II Flow- Through Limited Partnership – National Class Units
Price per Unit: $25.00
Minimum Purchase: $5,000 (200 Units)
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
GMP Securities L.P.
Industrial Alliance Securities Inc.
Canaccord Genuity Corp.
Desjardins Securities Inc.
Echelon Wealth Par Inc.
Manulife Securities Incorporated
Raymond James Ltd.
Laurentian Bank Securities Inc.
Promoter(s):
Maple Leaf Short Duration Holdings Ltd.
Maple Leaf Short Duration 2018-II Flow-Through Management Corp.
Project #2819022

Issuer Name:
Maple Leaf Short Duration 2018-II Flow-Through Limited Partnership - Quebec Class
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated August 30, 2018
NP 11-202 Preliminary Receipt dated August 31, 2018
Offering Price and Description:
Maximum Offering: $10,000,000 - 400,000 Maple Leaf Short Duration 2018-II Flow-Through Limited Partnership - Quebec Class Units
Minimum Offering: $2,500,000 - 100,000 Maple Leaf Short Duration 2018-II Flow- Through Limited Partnership – Quebec Class Units
Price per Unit: $25.00
Minimum Purchase: $5,000 (200 Units)
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
GMP Securities L.P.
Industrial Alliance Securities Inc.
Canaccord Genuity Corp.
Desjardins Securities Inc.
Echelon Wealth Par Inc.
Manulife Securities Incorporated
Raymond James Ltd.
Laurentian Bank Securities Inc.
Promoter(s):
Maple Leaf Short Duration Holdings Ltd.
Maple Leaf Short Duration 2018-II Flow-Through Management Corp.
Project #2819023

Issuer Name:
PK Core Fund
Purpose Global Diversified ETF Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated August 29, 2018
NP 11-202 Preliminary Receipt dated August 31, 2018
Offering Price and Description:
Class A and F Units
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Promoter(s):
Purpose Investments Inc.
Project #2818831

Issuer Name:
Balanced 60/40 Fund
Growth 100 Fund
Income 40/60 Fund
Growth 80/20 Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated August 24, 2018
NP 11-202 Receipt dated August 31, 2018
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
SEI Investments Canada Company
Project #2775213

Issuer Name:
Axiom All Equity Portfolio
Axiom Balanced Growth Portfolio
Axiom Balanced Income Portfolio
Axiom Canadian Growth Portfolio
Axiom Diversified Monthly Income Portfolio
Axiom Foreign Growth Portfolio
Axiom Global Growth Portfolio
Axiom Long-Term Growth Portfolio
Renaissance Canadian All-Cap Equity Fund
Renaissance Canadian Balanced Fund
Renaissance Canadian Bond Fund
Renaissance Canadian Core Value Fund
Renaissance Canadian Dividend Fund
Renaissance Canadian Growth Fund
Renaissance Canadian Monthly Income Fund
Renaissance Canadian Small-Cap Fund
Renaissance Canadian T-Bill Fund
Renaissance China Plus Fund
Renaissance Corporate Bond Fund
Renaissance Diversified Income Fund
Renaissance Emerging Markets Fund
Renaissance Flexible Yield Fund
Renaissance Floating Rate Income Fund
Renaissance Global Bond Fund
Renaissance Global Focus Currency Neutral Fund
Renaissance Global Focus Fund
Renaissance Global Growth Currency Neutral Fund
Renaissance Global Growth Fund
Renaissance Global Health Care Fund
Renaissance Global Infrastructure Currency Neutral Fund
Renaissance Global Infrastructure Fund
Renaissance Global Markets Fund
Renaissance Global Real Estate Currency Neutral Fund
Renaissance Global Real Estate Fund
Renaissance Global Resource Fund
Renaissance Global Science & Technology Fund
Renaissance Global Small-Cap Fund
Renaissance Global Value Fund
Renaissance High Income Fund
Renaissance High-Yield Bond Fund
Renaissance International Dividend Fund
Renaissance International Equity Currency Neutral Fund
Renaissance International Equity Fund
Renaissance Money Market Fund
Renaissance Optimal Conservative Income Portfolio
Renaissance Optimal Global Equity Currency Neutral Portfolio
Renaissance Optimal Global Equity Portfolio
Renaissance Optimal Growth & Income Portfolio
Renaissance Optimal Income Portfolio
Renaissance Optimal Inflation Opportunities Portfolio
Renaissance Real Return Bond Fund
Renaissance Short-Term Income Fund
Renaissance U.S. Dollar Corporate Bond Fund
Renaissance U.S. Dollar Diversified Income Fund
Renaissance U.S. Equity Fund
Renaissance U.S. Equity Growth Currency Neutral Fund
Renaissance U.S. Equity Growth Fund
Renaissance U.S. Equity Income Fund
Renaissance U.S. Equity Value Fund
Renaissance U.S. Money Market Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated August 27, 2018
NP 11-202 Receipt dated August 28, 2018
Offering Price and Description:
Class A, F, O, T4, T6, F, FT4, FT6, H, FH, OH, HT4, HT6, FHT4 and FHT6 Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2796618

Issuer Name:
Cambridge Balanced Yield Pool
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated August 24, 2018
NP 11-202 Receipt dated August 31, 2018
Offering Price and Description:
Class I Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
CI Investments Inc.
Project #2777804

Issuer Name:
Caldwell Balanced Fund
Caldwell Canadian Value Momentum Fund
Tactical Sovereign Bond Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated August 27, 2018
NP 11-202 Receipt dated August 31, 2018
Offering Price and Description:
Series A, Series F, I, O and M Units
Underwriter(s) or Distributor(s):
Caldwell Securities Ltd.
Promoter(s):
N/A
Project #2797459

Issuer Name:
Davis-Rea Balanced Fund
Davis-Rea Equity Fund
Davis-Rea Fixed Income Fund
Type and Date:
Final Simplified Prospectus dated August 27, 2018
Receipted on August 29, 2018
Offering Price and Description:
Class A, Class B, Class F and Class O Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2799228

Issuer Name:
Family Group Education Savings Plan
Family Single Student Education Savings Plan
Flex First Plan
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated August 28, 2018
NP 11-202 Receipt dated August 28, 2018
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Knowledge First Financial Inc.
Promoter(s):
Knowledge First Foundation
Project #2776516

Issuer Name:
Family Single Student Education Savings Plan
Flex First Plan
Family Group Education Savings Plan
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated August 28, 2018
NP 11-202 Receipt dated August 28, 2018
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Knowledge First Financial Inc.
Promoter(s):
Knowledge First Foundation
Project #2776528

Issuer Name:
Flex First Plan
Family Group Education Savings Plan
Family Single Student Education Savings Plan
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated August 28, 2018
NP 11-202 Receipt dated August 28, 2018
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Knowledge First Financial Inc.
Promoter(s):
Knowledge First Foundation
Project #2776495

Issuer Name:
Heritage Plans (formerly Heritage Scholarship Trust Plans)
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated August 28, 2018
NP 11-202 Receipt dated August 28, 2018
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Knowledge First Financial Inc
Promoter(s):
Heritage Educational Foundation
Project #2776584

Issuer Name:
Impression Plan
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated August 28, 2018
NP 11-202 Receipt dated August 28, 2018
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Knowledge First Financial Inc.
Promoter(s):
Heritage Educational Foundation
Project #2776595

NON-INVESTMENT FUNDS

Issuer Name:
AF1 Capital Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary CPC Prospectus (TSX-V) dated August 30, 2018
Received on August 30, 2018
Offering Price and Description:
Offering: $300,000.00 (3,000,000 Common Shares)
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
-
Project #2819095

Issuer Name:
APPx Crypto Technologies Inc. (Formerly Appature Mobile Applications Inc.)
Principal Regulator - British Columbia
Type and Date:
Amendment dated August 28, 2018 to Preliminary Long Form Prospectus dated May 31, 2018
Received on August 29, 2018
Offering Price and Description:
26,811,000 Common Shares on Exercise or Deemed Exercise of
26,811,000 Outstanding Special Warrants
Price per Special Warrant: $0.10
Underwriter(s) or Distributor(s):
Mackie Research Capital Corporation
Promoter(s):
Rahim Mohamed
Project #2782922

Issuer Name:
McEwen Mining Inc. (formerly US Gold Corporation)
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus – MJDS dated August 30, 2018
NP 11-202 Preliminary Receipt dated August 31, 2018
Offering Price and Description:
45,000,000 Shares of Common Stock
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2819077

Issuer Name:
Nerds On Site Inc.
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated August 30, 2018
NP 11-202 Receipt dated August 30, 2018
Offering Price and Description:
MINIMUM $4,000,000
11,428,571 UNITS
MAXIMUM $6,000,000
17,142,857 UNITS
PRICE: $0.35 PER UNIT
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Promoter(s):
-
Project #2744451

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	Aberdeen Gould Capital Markets Ltd.	Exempt Market Dealer	August 30, 2018
New Registration	Unbiased Portfolio Management Inc.	Portfolio Manager	August 31, 2018
Voluntary Surrender	Financial Decisions Inc.	Mutual Fund Dealer	August 30. 2018

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 ICAP SEF (US) LLC – Notice of Revocation Order

ICAP SEF (US) LLC

NOTICE OF REVOCATION ORDER

On August 28, 2018, at the request of ICAP SEF (US) LLC (**ICAP SEF**), the Commission revoked an exemption order issued to ICAP SEF on June 13, 2016 (**Exemption Order**). The Exemption Order granted an exemption to ICAP SEF from the requirement to be recognized as an exchange under subsection 21(1) of the Securities Act (Ontario).

A copy of the revocation order is published in Chapter 2 of this Bulletin.

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Chapter 25

Other Information

25.1 Approvals

25.1.1 Bloom Burton Investment Group Inc. – s. 213(3)(b) of the LTCA

Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager, with no prior track record acting as trustee, for approval to act as trustee of pooled funds and future pooled funds to be established and managed by the applicant and offered pursuant to a prospectus exemption.

Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c. L. 25, as am., s. 213(3)(b).

August 28, 2018

Baker & Mackenzie LLP
181 Bay Street, Suite 2100
Toronto, Ontario M5J 2T3

Attention: Ben Keen

Dear Sirs/Mesdames:

Re: Bloom Burton Investment Group Inc. (the "Applicant")

Application pursuant to clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) for approval to act as trustee

Application No. 2018/0392

Further to your application dated July 9, 2018 (the **Application**) filed on behalf of the Applicant and based on the facts set out in the Application and the representation by the Applicant that the assets of Bloom Burton Healthcare Lending Trust and any future mutual fund trusts that the Applicant may establish and manage from time to time, the securities of which will be offered pursuant to prospectus exemptions, will be held in the custody of a trust company incorporated, and licensed or registered, under the laws of Canada or a jurisdiction, or a bank listed in Schedule I, II, or III of the *Bank Act* (Canada) or a qualified affiliate of such bank or trust company, the Ontario Securities Commission (the **Commission**) makes the following order:

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of Bloom Burton Healthcare Lending Trust and any future mutual fund trusts that may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to prospectus exemptions.

Yours truly,

"Deborah Lechman"
Commissioner

"Poonam Puri"
Commissioner

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