

**1.1.2 Notice of Minister of Finance Approval of
Amendments to National Instrument 81-102
Mutual Funds and National Instrument 81-101
Mutual Fund Prospectus Disclosure**

**NOTICE OF MINISTER OF FINANCE APPROVAL OF
AMENDMENTS TO**

**NATIONAL INSTRUMENT 81-102 MUTUAL FUNDS
AND COMPANION POLICY 81-102CP**

AND TO

**NATIONAL INSTRUMENT 81-101 MUTUAL FUND
PROSPECTUS DISCLOSURE**

AND

**FORM 81-101F1 CONTENTS OF SIMPLIFIED
PROSPECTUS**

AND

**FORM 81-101F2 CONTENTS OF ANNUAL
INFORMATION FORM**

On December 9, 2003, the Minister of Finance approved amendments (the "Amendments") to:

1. National Instrument 81-101 Mutual Fund Prospectus Disclosure (NI 81-101),
2. Form 81-101F1 Contents of Simplified Prospectus (Form 81-101F1),
3. Form 81-101F2 Contents of Annual Information Form (Form 81-101F2),
4. National Instrument 81-102 Mutual Funds (NI 81-102), and
5. Companion Policy 81-102CP (81-102CP).

The substance and purpose of the Amendments is to remove the limitation in NI 81-102 which restricts a mutual fund's investment in other mutual funds to no more than 10% of net assets. The Amendments provide a regulatory framework to permit mutual funds to invest in other mutual funds without limitation, subject however to compliance with certain conditions and prospectus disclosure requirements specific to fund of fund structures. The Amendments also make a number of miscellaneous "housekeeping" amendments to the existing mutual fund rules.

The Amendments were previously published in draft form in the Bulletin on July 19, 2002 at (2002) 25 OSCB 4705. Further to comments received, minor changes were made to the draft Amendments. The Amendments were adopted by the Commission on May 13, 2003 and were published in final form on October 10, 2003 at (2003) 26 OSCB 6837. A corrected version of the Amendments to 81-102CP was subsequently published in the Bulletin on October 17, 2003 at (2003) 26 OSCB 6921.

The Amendments came into force on December 31, 2003 and will be published in the Ontario Gazette on January 17, 2004.

The Amendments are published in Chapter 5 of the Bulletin.