

The Ontario Securities Commission

OSC Bulletin

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The Ontario Securities Commission exercises its regulatory oversight function through the administration and enforcement of Ontario's *Securities Act* (R.S.O. 1990, c. S.5) and *Commodity Futures Act* (R.S.O. 1990, c. C.20), and administration of certain provisions of the *Business Corporations Act* (R.S.O. 1990, c. B.16).

The Ontario Securities Commission

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A. Capital Markets Tribunal

A.2 Other Notices

A.2.1 Xiao Hua (Edward) Gong

FOR IMMEDIATE RELEASE
August 28, 2024

XIAO HUA (EDWARD) GONG,
File No. 2022-14

TORONTO – The case management hearing in the above-named matter scheduled to be heard on August 28, 2024 at 2:00 p.m. will be heard on September 9, 2024 at 11:00 a.m. by videoconference.

Members of the public may observe the hearing by videoconference, by selecting the "Register to attend" link on the Tribunal's hearing schedule, at [capitalmarketstribunal.ca/en/hearing-schedule](https://www.capitalmarketstribunal.ca/en/hearing-schedule).

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A.2.2 Xiao Hua (Edward) Gong

FOR IMMEDIATE RELEASE
August 28, 2024

XIAO HUA (EDWARD) GONG,
File No. 2022-14

TORONTO – A confidential conference in the above-named matter is scheduled to be heard on August 28, 2024 at 1:30 p.m.

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Ontario Securities Commission

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B. Ontario Securities Commission

B.2 Orders

B.2.1 Heritage Cannabis Holdings Corp. – s. 144

Headnote

National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions – application for partial revocation of failure-to-file cease trade order – issuer cease traded due to failure to file with the Commission interim financial statements, related management's discussion and analysis and related certifications – issuer has applied for a partial revocation of the cease trade order to permit trades of securities of the issuer in connection with a court-approved transaction under the Companies' Creditors Arrangement Act – partial revocation granted subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 144.

National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions.

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

AND

IN THE MATTER OF
HERITAGE CANNABIS HOLDINGS CORP.

ORDER
(Section 144)

BACKGROUND

1. Heritage Cannabis Holdings Corp. (the **Issuer**) is subject to a failure-to-file cease trade order (the **FFCTO**) issued by the Ontario Securities Commission (the **Principal Regulator**) on April 8, 2024.
2. The Issuer has applied to the Principal Regulator pursuant to section 144 of the *Securities Act* (Ontario) for a partial revocation order of the FFCTO.

INTERPRETATION

3. Terms defined in National Instrument 14-101 *Definitions* or National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* have the same meaning if used in this order, unless otherwise defined.

REPRESENTATIONS

4. This decision is based on the following facts represented by the Issuer:
 - (a) The Issuer was incorporated under the *Business Corporations Act* (Ontario) on November 4, 2019, as Umbral Energy Corp. and later changed its corporate name to Heritage Cannabis Holdings Corp. on April 10, 2023.
 - (b) The Issuer is a reporting issuer in each of Alberta, British Columbia, New Brunswick, Nova Scotia and Ontario.
 - (c) The Issuer's registered and head office is located at 1 First Canadian Place, Suite 1600, 100 King Street West, Toronto, Ontario, M5X 1G5, Canada.
 - (d) The Issuer is focused on extraction and creation of cannabis extract and extract-derivative brands for adult use, and cannabis-based medical solutions.

- (e) The authorized capital of the Issuer consists of an unlimited number of common shares (the **Common Shares**). As at the date hereof, there are approximately 1,058,739,220 Common Shares issued and outstanding. The Issuer has no other outstanding securities (including debt securities).
- (f) The Common Shares are currently listed and halted for trading on the Canadian Securities Exchange (the **CSE**) under the symbol "CANN", as well as on the OTC Pink in the United States under the symbol "HERTF". The Issuer intends to delist the Common Shares from the CSE and OTC Pink and apply for a full revocation of the FFCTO following completion of the Transaction (as hereinafter defined).
- (g) The FFCTO was issued as a result of the Issuer's failure to file the following continuous disclosure materials as required by applicable Canadian securities laws:
 - (i) interim financial statements for the three month period ended January 31, 2024;
 - (ii) management's discussion and analysis relating to the interim financial statements for the three month period ended January 31, 2024; and
 - (iii) certification of the foregoing filings as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the **Unfiled Documents**).
- (h) In addition to the Unfiled Documents, the Issuer has also not filed the following documents:
 - (i) interim financial statements for the six month period ended April 30, 2024;
 - (ii) management's discussion and analysis relating to the interim financial statements for the six month period ended April 30, 2024;
 - (iii) certification of the foregoing filings as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*; and
 - (iv) except for a certain press release filed by the Issuer on SEDAR+ on April 15, 2024 announcing the commencement of a sale and investment solicitation process under the CCAA Proceedings (as defined below), the appointment of the Monitor (as defined below) and the approval of the Original Stalking Horse Agreement (as defined below), the Issuer has not filed continuous disclosure documents required to be filed by applicable Canadian securities laws since the date of the FFCTO.

(collectively, the **Subsequent Unfiled Documents**).
- (i) In light of ongoing financial difficulties, the Issuer and its subsidiaries filed for creditor protection under the *Companies' Creditors Arrangement Act* (the **CCAA**) and received an order (the **Initial Order**) for creditor protection under the CCAA from the Ontario Superior Court of Justice (Commercial List) (the **Court**) on April 2, 2024 (the **CCAA Proceedings**).
- (j) Pursuant to the Initial Order, the Court, *inter alia*, appointed KPMG Inc. as monitor (in such capacity, the **Monitor**) of the Issuer under the CCAA Proceedings.
- (k) On April 10, 2024, the Issuer, Heritage Cannabis West Corporation (**Heritage West**), Heritage Cannabis East Corporation (**Heritage East**) BJK Holdings Ltd. (**BJK**) and HAB Cann Holdings Ltd. (the **Purchaser**) entered into the stalking horse subscription agreement (the **Original Stalking Horse Agreement**). The Purchaser is an arm's length party to the Issuer.
- (l) On April 11, 2024, the Court granted an order (the **SISP Order**) authorizing the Monitor to conduct, with the assistance of the Issuer, a sale and investment solicitation process (the **SISP**) intended to solicit interest in the opportunity for a sale of or investment in all or part of the Issuer's assets and business operations.
- (m) On May 10, 2024, the Issuer announced that the bid by the Purchaser, had been designated as the successful bid under the SISP (the **Successful Bid**) and that in accordance with the SISP Order, the Issuer would seek Court approval of the Successful Bid and authority to consummate the transactions provided for therein.
- (n) On June 17, 2024, the Issuer, Heritage West, Heritage East, BJK and the Purchaser entered into an amended and restated stalking horse subscription agreement (the **Amended Stalking Horse Agreement**).
- (o) On June 26, 2024, the Court granted an order under the CCAA (the **Approval and Reverse Vesting Order**) pursuant to which, *inter alia*, the Court (i) approved the Amended Stalking Horse Agreement and the transactions contemplated therein (the **Transaction**), (ii) added 1000921087 Ontario Inc. (**Residual Co.**) as an applicant to the CCAA Proceedings, (iii) authorized the transfer and vesting of all of the right, title and interest

of the Issuer, Heritage West, Heritage East, 333 Jarvis Realty Inc., 5450 Realty Inc., Premium 5 Ltd. and Purefarma Solutions Inc. in certain excluded assets and excluded liabilities to Residual Co., (iv) authorized and directed each of the Issuer, Heritage East and Heritage West, as applicable, to file articles of amendment, (v) authorized and directed the Issuer to issue an aggregate of 100,000,000,000 Common Shares (the **Heritage Cannabis Purchased Shares**) to the Purchaser, (vi) authorized and directed Heritage West to issue an aggregate of 10,000 Class I Voting Common shares (the **Heritage West Purchased Shares**) to the Purchaser, (vii) authorized and directed Heritage East to issue an aggregate of 10,000 Class B Common shares (the **Heritage East Purchased Shares**, and together with the Heritage Cannabis Purchased Shares and Heritage West Purchased Shares, the **Purchased Shares**) to the Purchaser and (viii) authorized the termination and cancellation of all of the equity interests of each of the Issuer, Heritage West and Heritage East, other than for the Purchased Shares, for no consideration. Pursuant to the Transaction, there will be no funds to be distributed to unsecured creditors as the Transaction is not sufficient to pay the claims of all secured creditors in full, and as such there is no associated claims process.

- (p) Pursuant to the Approval and Reverse Vesting Order, having been advised of the provisions of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* relating to the requirement for "minority" shareholder approval in certain circumstances, the Court ordered that no meeting of shareholders or other holders of equity interests of the Issuer is required to be held in respect of the Transaction.
- (q) Pursuant to the Approval and Reverse Vesting Order, following completion of the Transaction, the Monitor, for and on behalf of Residual Co., will file an assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act* (Canada).
- (r) Following the completion of the Transaction, HAB will be the sole shareholder of the Issuer.
- (s) In connection with carrying out the SISP Order and obtaining the Approval and Reverse Vesting Order, the Issuer has engaged in certain acts in furtherance of trades in the securities of the Issuer, including its entry into the Original Stalking Horse Agreement and the Amended Stalking Horse Agreement (collectively, the **Acts**), which Acts were taken with the approval of, and under the supervision of, the Court. Under the SISP Order, the Court approved the Original Stalking Horse Agreement "*nunc pro tunc*", meaning the Court's approval of entering into of the Original Stalking Horse Agreement was retroactive to April 10, 2024. Except for the Acts and the filing of the Unfiled Documents and the Subsequent Unfiled Documents, the Issuer is not in default of any requirements of the FFCTO, the securities legislation of any jurisdiction in which the Issuer is a reporting issuer (the **Legislation**), or the rules and regulations made pursuant thereto.
- (t) Since the issuance of the FFCTO, there have not been any material changes in the business, operations or affairs of the Issuer that have not been disclosed to the public apart from matters relating to the CCAA Proceedings and the Transaction.
- (u) All inquiries received from securityholders that the Issuer has received regarding the proposed Transaction have been resolved by the Monitor.
- (v) As the Transaction will involve trades in securities of the Issuer, the closing of the Transaction is conditional on the partial revocation of the FFCTO.
- (w) The issuance of the Heritage Cannabis Purchased Shares by the Issuer will occur in Ontario.
- (x) The Heritage Cannabis Purchased Shares will not be qualified for distribution to the public under any applicable Canadian securities laws and will be subject to restrictions on transfer in Canada.
- (y) Following completion of the Transaction, all securities of the Issuer will remain subject to the FFCTO until a full revocation of the FFCTO is granted.
- (z) Other than for the Transaction, no further trading in securities of the Issuer will be made by the Issuer unless further relief from the FFCTO is sought by the Issuer or a full revocation of the FFCTO is granted.
- (aa) Following completion of the Transaction, the Issuer intends to apply for a full revocation of the FFCTO and a cease to be a reporting issuer order.
- (bb) The Issuer's SEDAR+ and SEDI profiles are up to date.

ORDER

5. The Principal Regulator is satisfied that a partial revocation order of the FFCTO meets the test set out in the Legislation for the Principal Regulator to make the decision.

6. The decision of the Principal Regulator under the Legislation is that the FFCTO is partially revoked solely to permit the trades in securities of the Issuer (including for greater certainty, acts in furtherance of trades in securities of the Issuer) that are necessary for and are in connection with the Transaction, provided that:
- (a) prior to completion of the Transaction, the Purchaser will receive:
 - (i) a copy of the FFCTO;
 - (ii) a copy of this order; and
 - (iii) written notice from the Issuer, to be acknowledge by the Purchaser in writing (the **Acknowledgement**), that all of the Issuer's securities, including the securities issued in connection with the Transaction, will remain subject to the FFCTO until a full revocation order is granted, the issuance of which is not certain and that the Issuer intends to apply to cease to be a reporting issuer immediately following closing of the Transaction;
 - (b) the Issuer undertakes to make available a copy of the Acknowledgement to staff of the Principal Regulator upon request; and
 - (c) this order will terminate on the earlier of:
 - (i) the completion of the Transaction; and
 - (ii) 60 days from the date hereof.

DATED this 27th day of August, 2024.

"Marie-France Bourret"
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2024/0474

B.2.2 Nevada Vanadium Mining Corp.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – Securities Act s. 88 Cease to be a reporting issuer in BC – The securities of the issuer are beneficially owned by not more than 50 persons and are not traded through any exchange or market – The issuer is not an OTC reporting issuer; the securities of the issuer are beneficially owned by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders worldwide; no securities of the issuer are traded on a market in Canada or another country; the issuer is not in default of securities legislation.

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.B.C. 1996, c. 418, s. 88.

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

Citation: 2024 BCSECCOM 378

August 27, 2024

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

AND

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

AND

**IN THE MATTER OF
NEVADA VANADIUM MINING CORP.
(the Filer)**

ORDER

Background

¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

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

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

Interpretation

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

Representations

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

Order

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

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

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

OSC File #: 2024/0498

B.2.3 G Mining TZ Corp.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – Application for an order that the issuer is not a reporting issuer under applicable securities laws – issuer has more than 15 securityholders in a Canadian jurisdiction, but fewer than 51 securityholders in Canada.

Applicable Legislative Provisions

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

[Original text in French]

DÉCISION N°: 2024-IC-1051153

N° dossier SEDAR+: 06157321

August 29, 2024

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

AND

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

AND

IN THE MATTER OF
G MINING TZ CORP.
(the Filer)

ORDER

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

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

- (a) the *Autorité des marchés financiers* is the principal regulator for this application;
- (b) the Filer has provided notice that subsection 4C.5(1) of *Regulation 11-102 Passport System*, CQLR c V-1.1, r 1 (**Regulation 11-102**) is intended to be relied upon in each of Alberta, British Columbia, Prince Edward Island, Manitoba, New Brunswick, Nova Scotia, Saskatchewan, Newfoundland and Labrador, Yukon, Nunavut, and the Northwest Territories (together with the Jurisdictions, the **Reporting Jurisdictions**); and
- (c) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions*, CQLR c V-1.1, r 3, Regulation 11-102 and, in Québec, in *Regulation 14-501Q on definitions*, CQLR c V-1.1, r 4 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 a corporation governed by the *Canada Business Corporations Act* with its head office in Brossard, Québec, Canada.
2. The Filer is currently a reporting issuer in each of the Reporting Jurisdictions.
3. On April 22, 2024, the Filer, Reunion Gold Corporation (**Reunion Gold**) and Greenheart Gold Inc. (formerly 15963982 Canada Inc.) entered into an arrangement agreement (which was subsequently amended effective June 7, 2024) (the **Arrangement**) and pursuant to which 16144616 Canada Inc., an entity incorporated to hold and manage the combined business of the Filer and Reunion Gold, (**New GMIN**) acquired (i) all of the Shares (as defined below) from the shareholders of the Filer (the **Filer Shareholders**), and (ii) all of the issued and outstanding common shares of Reunion Gold from the shareholders of Reunion Gold.
4. On July 9, 2024, the Arrangement was approved by the Filer Shareholders and subsequently, by a final order of the Ontario Superior Court of Justice on July 11, 2024.
5. The Arrangement was completed and became effective on July 15, 2024 at 12:01 a.m. (Eastern Time) (the **Effective Time**).
6. After the Effective Time, the Filer was renamed G Mining TZ Corp. and New GMIN was renamed G Mining Ventures Corp.
7. Immediately prior to the Effective Time, the Filer's outstanding share capital consisted of:
 - a) 485,636,623 issued and outstanding common shares (the **Shares**);
 - b) 11,885,491 issued and outstanding stock options (the **Options**);
 - c) 900,000 issued and outstanding deferred share units (the **DSUs**);
 - d) 528,985 issued and outstanding restricted share units (the **RSUs**); and
 - e) 41,240,587 outstanding share purchase warrants (of which 29,740,587 expire on September 15, 2024 and 11,500,000 expire on July 21, 2027) (the Warrants, and together with the DSUs and the RSUs, the Convertible Securities).
8. The Shares were listed for trading on the Toronto Stock Exchange (the **TSX**) and quoted on the OTCQX Market of the OTC Markets Group Inc. (the **OTCQX**).
9. No other securities of the Filer were listed on any exchange.
10. On July 17, 2024, the Shares have been delisted from the TSX and withdrawn from the OTCQX.
11. At the same time, the G Mining Ventures Corp. Shares (as defined below) became listed on the TSX (and are expected to become quoted on the OTCQX) under the same stock symbols of the Filer.
12. G Mining Ventures Corp. became a reporting issuer in each of the Reporting Jurisdictions, with the Filer becoming a wholly owned subsidiary of G Mining Ventures Corp.
13. Pursuant to the Arrangement:
 - a) the Filer Shareholders received 0.25 of a common share of G Mining Ventures Corp. (each whole share, a **G Mining Ventures Corp. Share**) for each Share held (the **Filer Exchange Ratio**);
 - b) each holder of a DSU or RSU outstanding immediately prior to the Effective Time is entitled to be issued and to receive, at the discretion of the Filer, such number of G Mining Ventures Corp. Shares as is equal to the Filer Exchange Ratio for each Share that was issuable upon the due exercise of the DSU or RSU, as applicable, immediately prior to the Effective Time; and
 - c) holders of Options received replacement options from G Mining Ventures Corp., each of which is exercisable for G Mining Ventures Corp. Shares based on the Filer Exchange Ratio.
14. Each RSU and DSU continues to be governed by and be subject to the terms of the Filer's existing equity incentive plans, subject to any addendum or grant or vesting documents, as applicable, issued or provided by G Mining Ventures Corp. to holders of the RSUs and DSUs to facilitate the settlement of the RSUs and DSUs.

15. The DSUs and RSUs are, by their nature and pursuant to the terms of the Filer's existing equity incentive plans, non-transferable and not convertible into any other security, except for securities of G Mining Ventures Corp.
16. Each holder of Warrants (**Warrantholders**) is, upon the exercise of such Warrants, entitled to be issued and to receive upon payment of the original exercise price in accordance with the terms of the Warrants the number of G Mining Ventures Corp. Shares which the Warrantholder would have been entitled to receive as a result of the Arrangement if, immediately prior to the Effective Time, such Warrantholder had been registered as the holder of the equivalent number of Shares that the Warrantholder would have received if the Warrantholder had exercised the Warrants before the Effective Time.
17. Each Warrant continues to be governed by and be subject to the terms of the applicable warrant certificate, subject to any supplemental indenture, warrant certificate or exercise documents, as applicable, issued or provided by G Mining Ventures Corp. to holders of the Warrants to facilitate the exercise of the Warrants.
18. The Warrants were not and are not listed on any stock exchange for trading.
19. As a result of the Arrangement, G Mining Ventures Corp. is the sole holder of all the issued and outstanding Shares and no other securities of the Filer remain outstanding, except for the Convertible Securities.
20. Based on the number of outstanding securities of the Filer prior to the Effective Time and immediately following the completion of the Arrangement, 10,667,392 G Mining Ventures Corp. Shares were reserved for issuance upon exercise of the Convertible Securities.
21. The simplified procedure under Section 19 of *Policy Statement 11-206 respecting Process for Cease to be a Reporting Issuer Applications (PS 11-206)* is not available to the Filer as after the Effective Time there is not fewer than 15 securityholders in each of the jurisdictions of Canada and 51 securityholders in total worldwide.
22. Although the Filer does not meet the criteria set forth in Section 19(b) of PS 11-206, the Filer meets the remaining "simplified procedure" criteria set forth in Section 19 of PS 11-206 as follows:
 - a) the Filer is not an OTC reporting issuer under *Regulation 51-105 respecting Issuers Quoted in the U.S. Over-The-Counter Markets*;
 - b) no securities of the Filer, including debt securities, are nor will be traded in Canada or another country on a marketplace as defined in *Regulation 21-101 respecting Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
 - c) the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and
 - d) the Filer is not in default of securities legislation in any jurisdiction of Canada as of the date hereof, including *Regulation 51-102 respecting Continuous Disclosure Obligations*.
23. The modified procedure under Section 20 of PS 11-206 is not available to the Filer since the Filer is not incorporated or organized under the laws of a foreign jurisdiction, does not file continuous disclosure reports under U.S. Securities laws and is not listed on a U.S. exchange.
24. Based on the Computershare Investor Services Inc. report on Warrantholders dated July 16, 2024 and on the Filer's records as of July 17, 2024, the number of holders of the outstanding Convertible Securities held by these holders and the jurisdiction of residence each such holder prior to the Effective Time are as follows:
 - a) 92 holders of Warrants, of which:
 - i. 4 holders are in Ontario;
 - ii. 87 holders are in the United States of America; and
 - iii. 1 holder is in Puerto Rico.

It is to be noted that 29,740,587 Warrants of the outstanding Warrants, representing 91 of the 92 beneficial holders of Warrants, have an expiry date of September 15, 2024, which is approximately four weeks from the date hereof, and 11,500,000 Warrants of the outstanding Warrants, held by a single holder resident in Ontario, have an expiry date of July 21, 2027.

- b) 6 holders of RSUs, of which:
 - i. 4 holders are in Québec; and
 - ii. 2 holders are in Ontario.
 - c) 8 holders of DSUs, of which:
 - i. 2 holders are in Québec;
 - ii. 2 holders are in Ontario;
 - iii. 1 holder is in the Bahamas;
 - iv. 2 holders are in Brazil; and
 - v. 1 holder is in the United Kingdom.
25. G Mining Ventures Corp. is after the Arrangement the owner of all of the issued and outstanding voting securities of the Filer.
26. The Convertible Securities are now exercisable for G Mining Ventures Corp. Shares and holders thereof are no longer entitled to receive any Shares of the Filer.
27. G Mining Ventures Corp. is a reporting issuer in each of the Reporting Jurisdictions and needs to satisfy all reporting obligations under the Legislation.
28. For the financial reporting of G Mining Ventures Corp., the financial information concerning the Filer is consolidated with the financial information of G Mining Ventures Corp.
29. As such, following the completion of the Arrangement, it is the continuous disclosure information relating to G Mining Ventures Corp., and not to the Filer, that is of importance to holders of the Convertible Securities because such Convertible Securities are exercisable only for G Mining Ventures Corp. Shares.
30. The continuous disclosure requirements and the Legislation relating to the Filer would not be meaningful or be of any significant benefit to the holders of Convertible Securities.
31. The Filer does not intend to issue or to distribute any securities, including under the existing short form base shelf prospectus of the Filer dated January 18, 2023, nor to seek financing by way of a public offering or private offering or private placement of its securities, and will not have any securities outstanding other than the Shares issued to and held by G Mining Ventures Corp. pursuant to the Arrangement and the Convertible Securities.
32. There is no obligation or covenant related to the Convertible Securities requiring the Filer to maintain its status as a reporting issuer in any jurisdiction of Canada.
33. The Filer is applying for an order that the Filer has ceased to be a reporting issuer in each of the Reporting Jurisdictions. If each of the Decision Makers grants the Order Sought, the Filer will no longer be a reporting issuer in the Reporting Jurisdictions.

Order

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

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

“Marie-Claude Brunet-Ladrie”

Directrice de la surveillance des émetteurs et initiés

OSC File #: 2024/0422

B.3 Reasons and Decisions

B.3.1 Corton Capital Inc.

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to facilitate the offering of exchange-traded mutual fund securities and conventional mutual fund securities under the same form of prospectus – Relief granted from the requirement in NI 41-101 to file a long form prospectus for exchange-traded fund securities provided that a simplified prospectus is prepared and filed in accordance with NI 81-101 and the filer includes disclosure required pursuant to Form 41-101F2 that is not contemplated by Form 81-101F1 in respect of the exchange-traded fund securities – Filer will file ETF Facts in the form prescribed by Form 41-101F4 in respect of exchange-traded fund securities of a fund and will file a Fund Facts document in the form prescribed by Form 81-101F3 in respect of conventional mutual fund securities of a fund – Technical relief granted from Parts 9, 10 and 14 of NI 81-102 to permit each fund to treat its exchange-traded fund securities and conventional mutual fund securities as separate mutual funds for the purpose of compliance with Parts 9, 10 and 14 of NI 81-102 – Relief from requirement in s.59 of the Securities Act (Ontario) to include an underwriter's certificate in a mutual fund's prospectus in respect of exchange-traded securities of the fund – Relief from take-over bid requirements of NI 62-104 in respect of normal-course purchases of exchange-traded securities of a mutual fund.

Applicable Legislative Provisions

National Instrument 41-101 General Prospectus Requirements, ss. 3.1(2) and 19.1.
National Instrument 81-102 Investment Funds, Parts 9, 10 and 14 and s. 19.1.
Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., ss. 59(1) and 147.
National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2 and s. 6.1.

August 27, 2024

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
CORTON CAPITAL INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Corton Enhanced Income Fund (the **Corton Fund**) and such other mutual funds as are managed or may be managed by the Filer now or in the future that offer ETF Securities (as defined below) either alone or along with Mutual Fund Securities (as defined below) (collectively, the **Future Funds** and together with the Corton Fund, the **Funds**, and each, a **Fund**), for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that:

- (a) exempts the Filer and each Fund from the requirement in subsection 3.1(2) of National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**) to prepare and file a long form prospectus for the ETF Securities in the form prescribed by Form 41-101F2 *Information Required in an Investment Fund Prospectus* (the **Form 41-101F2**) provided that the Filer files (i) a simplified prospectus for the ETF Securities in accordance with the provisions of National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**), other than the requirements pertaining to the filing of a fund facts document; and (ii) an ETF facts document in accordance with Part 3B of NI 41-101 (the **ETF Prospectus Form Relief**),
- (b) permits the Filer and each Fund that offers both ETF Securities and Mutual Securities to treat the ETF Securities and the Mutual Fund Securities as if such securities were separate funds in connection with their compliance with the provisions (the **Sales and Redemptions Requirements**) of Parts 9, 10 and 14 of National Instrument 81-102 *Investment Funds* (**NI 81-102**) (the **Sales and Redemptions Relief**);
- (c) exempts the Filer and each Fund from the requirement in subsection 5.9(1) of NI 41-101 and subsection 59(1) of the *Securities Act* (Ontario) to include a certificate of the underwriter(s) in that Fund's prospectus in respect of the offering of ETF Securities (the **Underwriter's Certificate Requirement**) (the **Underwriter's Certificate Relief**); and

- (d) exempts a person or company purchasing ETF Securities in the normal course through the facilities of the TSX (as defined below) or another Marketplace (as defined below) from the Take-Over Bid Requirements (as defined below) (the **Take-Over Bid Relief**),

(collectively, the ETF Prospectus Form Relief, the Sales and Redemptions Relief, the Underwriter's Certificate Relief and the Take-Over Bid Relief, the **Exemption Sought**).

Under National Policy 11-203 *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 the provinces of Alberta and British Columbia (together with Ontario, the **Jurisdictions**).

Interpretation

Capitalized terms used herein have the meaning ascribed thereto below, and 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 this Decision.

Affiliate Dealer means a registered dealer that is an affiliate of an Authorized Dealer or Designated Broker and that participates in the re-sale of Creation Units (defined below) from time to time.

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

Basket of Securities means, in relation to the ETF Securities of a Fund, a group of some or all of the constituent securities of the Fund, a group of securities or assets representing the constituents of the Fund, or a group of securities selected by the portfolio manager or sub-advisor, as applicable, from time to time.

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

ETF Facts means an ETF facts document prepared, filed and delivered in accordance with Part 3B of NI 41-101.

ETF Securities means securities of an exchange-traded Fund or of an exchange-traded series of a Fund that are listed or will be listed on the TSX or another Marketplace and

that will be distributed under a simplified prospectus prepared in accordance with NI 81-101 and Form 81-101F1, pursuant to the terms of this decision.

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

Fund Facts means a prescribed summary disclosure document required pursuant to NI 81-101 in respect of one or more classes or series of Mutual Fund Securities being distributed under a simplified prospectus.

Legislation means the securities legislation of each of the Jurisdictions, as applicable.

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

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

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

Prospectus Delivery Requirement means the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to which the prospectus requirement of the Legislation applies, send or deliver to the purchaser or its agent, unless the dealer has previously done so, the latest prospectus and any amendment either before entering into an agreement of purchase and sale resulting from the order or subscription, or not later than midnight on the second business day after entering into that agreement.

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

Take-Over Bid Requirements means the requirements of National Instrument 62-104 *Take-Over Bids and Issuer Bids* relating to take-over bids, including the requirement to file a report of a take-over bid and to pay the accompanying fee, in each Jurisdiction.

TSX means the Toronto Stock Exchange.

Representations

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

The Filer

1. The Filer is a corporation incorporated under the laws of the Province of Ontario with its head office located in Toronto, Ontario.
2. The Filer is registered as an investment fund manager, portfolio manager and exempt market dealer in British Columbia, Ontario, Quebec and

Newfoundland and Labrador, a portfolio manager and exempt market dealer in Alberta, New Brunswick, Nova Scotia and Saskatchewan and an exempt market dealer in Manitoba, Nunavut and Yukon.

3. The Filer is, or will be, the investment fund manager of the Funds. The Filer or an affiliate of the Filer or another registered portfolio manager will act as the portfolio advisor to the Funds.
4. The Filer is not in default of securities legislation in any of the Jurisdictions.

The Fund

5. Each Fund is, or will be, an open-ended mutual fund established as a trust under the laws of a Jurisdiction. Each Fund is, or will be, a reporting issuer in the Jurisdictions in which its securities are distributed. Each Fund that relies on the Exemption Sought will offer ETF Securities either alone or along with Mutual Fund Securities.
6. Subject to any exemptions therefrom that have been, or may be, granted by the applicable securities regulatory authorities, each Fund is, or will be, subject to NI 81-102 and Securityholders will have the right to vote at a meeting of Securityholders in respect of matters prescribed by NI 81-102.
7. The Corton Fund has filed a preliminary prospectus dated May 24, 2024 in respect of the initial public offering of its Class A, F, I and ETF units in the form prescribed by Form 81-101F1 (the **Preliminary Prospectus**) in the provinces of Alberta, British Columbia and Ontario. If the ETF Prospectus Form Relief is granted, it is expected that the Filer will file a final simplified prospectus in the form prescribed by Form 81-101F1, in respect of the Corton Fund. Fund Facts documents in the form prescribed by Form 81-101F3 *Contents of Fund Facts Document* (the **Form 81-101F3**) for each series of Mutual Fund Securities of the Corton Fund and ETF Facts documents in the form prescribed by NI 41-101F4 for the class of ETF Securities of the Corton Fund will also be filed.
8. The Filer has applied to list any ETF Securities of the Fund that relies on the Exemption Sought on the TSX or another Marketplace. In the case of a Future Fund, the Filer will not file a final or amended simplified prospectus for any of the Funds in respect of the ETF Securities until the TSX or other applicable Marketplace has conditionally approved the listing of the ETF Securities.
9. Mutual Fund Securities may be subscribed for or purchased directly from a Fund through qualified financial advisors or brokers.
10. ETF Securities will be distributed on a continuous basis in one or more of the Jurisdictions under a simplified prospectus. ETF Securities may

generally only be subscribed for or purchased directly from the Funds (**Creation Units**) by Authorized Dealers or Designated Brokers. Generally, subscriptions or purchases may only be placed for a Prescribed Number of ETF Securities (or a multiple thereof) on any day when there is a trading session on the TSX or other Marketplace. Authorized Dealers or Designated Brokers subscribe for Creation Units for the purpose of facilitating investor purchases of ETF Securities on the TSX or another Marketplace.

11. In addition to subscribing for and reselling their Creation Units, Authorized Dealers, Designated Brokers and Affiliate Dealers will also generally be engaged in purchasing and selling ETF Securities of the same class or series as the Creation Units in the secondary market.
12. Each Designated Broker or Authorized Dealer that subscribes for Creation Units must deliver, in respect of each Prescribed Number of ETF Securities to be issued, a Basket of Securities and/or cash in an amount sufficient so that the value of the Basket of Securities and/or cash delivered is equal to the net asset value of the ETF Securities subscribed for next determined following the receipt of the subscription order. In the discretion of the Filer, the Funds may also accept subscriptions for Creation Units in cash only, in securities other than Baskets of Securities and/or in a combination of cash and securities other than Baskets of Securities, in an amount equal to the net asset value of the ETF Securities subscribed for next determined following the receipt of the subscription order.
13. The Designated Brokers and Authorized Dealers will not receive any fees or commissions in connection with the issuance of Creation Units to them. On the issuance of Creation Units, the Filer or the Fund may, in the Filer's discretion, charge a fee to a Designated Broker or an Authorized Dealer to offset the expenses incurred in issuing the Creation Units.
14. Each Fund will appoint a Designated Broker to perform certain other functions, which include standing in the market with a bid and ask price for ETF Securities for the purpose of maintaining liquidity for the ETF Securities.
15. Except for Authorized Dealer and Designated Broker subscriptions for Creation Units, as described above, and other distributions that are exempt from the Prospectus Delivery Requirement under the Legislation, ETF Securities generally will not be able to be purchased directly from a Fund. Investors are generally expected to purchase and sell ETF Securities, directly or indirectly, through dealers executing trades through the facilities of the TSX or another Marketplace. ETF Securities may also be issued directly to Securityholders upon a

reinvestment of distributions of income or capital gains.

16. Securityholders that are not Designated Brokers or Authorized Dealers that wish to dispose of their ETF Securities may generally do so by selling their ETF Securities on the TSX or other Marketplace, through a registered dealer, subject only to customary brokerage commissions. A Securityholder that holds a Prescribed Number of ETF Securities or multiple thereof may exchange such ETF Securities for Baskets of Securities and/or cash in the discretion of the Filer. Securityholders may also redeem ETF Securities for cash at a redemption price equal to 95% of the closing price of the ETF Securities on the TSX or other Marketplace on the date of redemption, subject to a maximum redemption price of the applicable net asset value per ETF Security.

ETF Prospectus Form Relief

17. The Filer believes it is more efficient and expedient to include all series of Mutual Fund Securities and ETF Securities of each Fund in one prospectus form instead of two different prospectus forms and that this presentation will assist in providing full, true and plain disclosure of all material facts relating to the securities of the Funds by permitting disclosure relating to all series of securities to be included in one prospectus. The Filer will file a simplified prospectus in the form prescribed by Form 81-101F1 in respect of the Mutual Fund Securities and ETF Securities of each Fund, an ETF Facts in the form prescribed by Form 41-101F4 in respect of each class or series of ETF Securities, and a Fund Facts in the form prescribed by Form 81-101F3 in respect of each class or series of Mutual Fund Securities.
18. The Filer will ensure that any additional disclosure included in the simplified prospectus of the Funds relating to the ETF Securities will not interfere with an investor's ability to differentiate between the Mutual Fund Securities and the ETF Securities and their respective attributes.
19. The Funds will comply with the provisions of NI 81-101 when filing any prospectus or amendment thereto.
20. The Funds will comply with Part 3B of NI 41-101 when preparing, filing and delivering ETF Facts for the ETF Securities of the Funds.

Sales and Redemptions Relief

21. Parts 9, 10 and 14 of NI 81-102 do not contemplate both Mutual Fund Securities and ETF Securities being offered in a single fund structure. Accordingly, without the Sales and Redemptions Relief, the Filer and each Fund that offers both ETF Securities and Mutual Fund Securities would not be

able to technically comply with those parts of NI 81-102.

22. The Sales and Redemptions Relief will permit the Filer and each Fund that offers both ETF Securities and Mutual Fund Securities to treat the ETF Securities and the Mutual Fund Securities as if such securities were separate funds in connection with their compliance with Parts 9, 10 and 14 of NI 81-102 and will enable each of the ETF Securities and Mutual Fund Securities to comply with Parts 9, 10 and 14 of NI 81-102, as appropriate, for the type of security being offered.

Underwriter's Certificate Relief

23. Authorized Dealers and Designated Brokers will not provide the same services in connection with a distribution of Creation Units as would typically be provided by an underwriter in a conventional underwriting.
24. The Filer will generally conduct its own marketing, advertising and promotion of the ETF Securities of the Funds.
25. The Authorized Dealers and Designated Brokers will not be involved in the preparation of a Fund's prospectus, will not perform any review or any independent due diligence as to the content of a Fund's prospectus, and will not incur any marketing costs or receive any underwriting fees or commissions from the Funds or the Filer in connection with the distribution of ETF Securities. The Authorized Dealers and Designated Brokers generally seek to profit from their ability to create and redeem ETF Securities by engaging in arbitrage trading to capture spreads between the trading prices of ETF Securities and their underlying securities and by making markets for their clients to facilitate client trading in ETF Securities.
26. In addition, neither the Filer nor the Funds will pay any fees or commissions to the Designated Brokers and Authorized Dealers. As the Designated Brokers and Authorized Dealers will not receive any remuneration in connection with distributing ETF Securities and as the Authorized Dealers will change from time to time, it is not practical to provide an underwriter's certificate in the prospectus of the ETF Securities of the Funds.

Take-Over Bid Relief

27. As equity securities that will trade on the TSX or another Marketplace, it is possible for a person or company to acquire such number of ETF Securities so as to trigger the application of the Take-Over Bid Requirements. However:
 - (a) it will be difficult for one or more Securityholders to exercise control or direction over a Fund, as the constating documents of each Fund will provide that

- there can be no changes made to such Fund which do not have the support of the Filer;
- (b) it will be difficult for the purchasers of ETF Securities to monitor compliance with the Take-Over Bid Requirements because the number of outstanding ETF Securities will always be in flux as a result of the ongoing issuance and redemption of ETF Securities by each Fund; and
 - (c) the way in which the ETF Securities will be priced deters anyone from either seeking to acquire control or offering to pay a control premium for outstanding ETF Securities because pricing for each ETF Security will generally reflect the net asset value of the ETF Securities.

28. The application of the Take-Over Bid Requirements to the Funds would have an adverse impact on the liquidity of the ETF Securities because they could cause the Designated Brokers and other large Securityholders to cease trading ETF Securities once the Securityholder has reached the prescribed threshold at which the Take-Over Bid Requirements would apply. This, in turn, could serve to provide conventional mutual funds with a competitive advantage over the Funds.

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:

- 1. in respect of the ETF Prospectus Form Relief, the Filer complies with the following conditions:
 - (a) the Filer files a simplified prospectus in respect of the ETF Securities in accordance with the requirements of NI 81-101 and Form 81-101F1, other than the requirements pertaining to the filing of a Fund Facts document;
 - (b) the Filer includes disclosure required pursuant to Form 41-101F2 (that is not contemplated by Form 81-101F1) in respect of the ETF Securities in each Fund's simplified prospectus; and
 - (c) the Filer includes disclosure regarding this decision under the heading "Exemptions and Approvals" in each Fund's simplified prospectus; and

- 2. in respect of the Sales and Redemptions Relief, the Filer and each Fund comply with the following conditions:

- (a) with respect to its Mutual Fund Securities, each Fund complies with the provisions of Parts 9, 10 and 14 of NI 81-102 that apply to mutual funds that are not exchange-traded mutual funds; and
- (b) with respect to its ETF Securities, each Fund complies with the provisions of Parts 9 and 10 of NI 81-102 that apply to exchange-traded mutual funds.

"Darren McKall"
Manager, Investment Management Division
Ontario Securities Commission

Application File #: 2024/0324
SEDAR+ File #: 6136105

B.3.2 Guardian Capital LP et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to facilitate the offering of exchange-traded mutual fund securities and conventional mutual fund securities under the same form of prospectus – Relief granted from the requirement in NI 41-101 to file a long form prospectus for exchange-traded funds provided that a simplified prospectus is prepared and filed in accordance with NI 81-101 and the filer includes disclosure required pursuant to Form 41-101F2 that is not contemplated by Form 81-101F1 in respect of the exchange-traded funds – Filer will file ETF Facts in the form prescribed by Form 41-101F4 in respect of exchange-traded funds.

Relief granted under subsection 62(5) of the Securities Act to permit the extension of two prospectus lapse dates by 174 and 73 days, respectively – Extension of lapse dates granted to facilitate incorporation by reference of audited annual financial information into funds' renewal prospectus and avoid costs associated with a review of the funds' unaudited interim financial statements, and enable funds offered under separate prospectuses to be combined into one prospectus – Extensions of lapse dates will not affect the currency or accuracy of the information contained in the current prospectuses.

Applicable Legislative Provisions

National Instrument 41-101 General Prospectus Requirements, ss. 3.1(2) and 19.1.
Securities Act, R.S.O. 1990, c. S.5, as am., s. 62(5).

August 27, 2024

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
GUARDIAN CAPITAL LP
(the Filer)

AND

IN THE MATTER OF
GUARDIAN I³ GLOBAL QUALITY GROWTH ETF,
GUARDIAN I³ US QUALITY GROWTH ETF
(each, an Existing ETF Fund and collectively,
the Existing ETF Funds)

AND

IN THE MATTER OF
THE FUNDS LISTED IN SCHEDULE A
(each a Fund and collectively, the Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Funds, the Existing ETF Funds and such other exchange-traded funds as are managed or may be managed by the Filer now or in the future (collectively, the **Future ETF Funds**, and together with the Existing ETF Funds, the **ETF Funds**, and each, an **ETF Fund**), for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that:

- (a) exempts the Filer and the ETF Funds from the requirement in section 3.1(2) of NI 41-101 to prepare and file a long form prospectus for the ETF Securities in the form prescribed by Form 41-101F2 provided that the Filer files (i) a simplified prospectus for the ETF Securities in accordance with the provisions of NI 81-101 (as defined below), other than the requirements pertaining to the filing of a Fund Facts (as defined below) and (ii) an ETF Facts (as defined below) in accordance with Part 3B of NI 41-101 (as defined below) (the **ETF Prospectus Form Requirement**); and
- (b) the time limits for the renewal of the simplified prospectus of the GuardBonds Funds (as defined in Schedule "A" hereto) dated January 1, 2024 (the **GuardBonds Prospectus**) and the simplified prospectus of the Guardian Mutual Funds (as defined in Schedule "A" hereto) dated April 12, 2024 (the **Guardian Mutual Funds Prospectus** and, together with the **GuardBonds Prospectus**, the **Prospectuses**) be extended to the time limit that would apply if the lapse dates of the Prospectuses were June 24, 2025 (the **Lapse Date Relief**),

(the ETF Prospectus Form Requirement and the Lapse Date Relief, collectively, the **Requested Relief**)

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

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

Interpretation

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

Cboe means Cboe Canada Inc.

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

ETF Securities means securities of an exchange-traded series of a mutual fund that are listed or will be listed on the TSX, Cboe or another Marketplace.

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

Form 41-101F4 means Form 41-101F4 *Information Required in an ETF Facts Document*.

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

Form 81-101F3 means Form 81-101F3 *Contents of Fund Facts Document*.

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

Legislation means the securities legislation of the Ontario Securities Commission.

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

Mutual Fund Securities means securities of a non-exchange-traded series of a mutual fund.

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

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

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

TSX means the Toronto Stock Exchange.

Representations

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

The Filer

1. The Filer is an Ontario limited partnership. The general partner of the Filer is Guardian Capital Inc., an Ontario corporation. The Filer's head office is located in Toronto, Ontario.
2. The Filer is registered as a portfolio manager and an exempt market dealer in each province of Canada, an investment fund manager in each of

Ontario, Québec and Newfoundland and Labrador, and a commodity trading manager and a commodity trading counsel in Ontario.

3. Each of the Funds and Existing ETF Funds is a mutual fund for purposes of National Instrument 81-102 *Investment Funds* established as a trust under the laws of the Province of Ontario, and is a reporting issuer as defined in the securities legislation of each of the Jurisdictions.
4. The Filer is, or will be, the investment fund manager and portfolio manager of the Funds and the ETF Funds.
5. Neither the Filer nor any of the Funds or Existing ETF Funds are in default of securities legislation in any of the Jurisdictions.
6. The GuardBonds Funds and Guardian Mutual Funds currently distribute securities in the Jurisdictions under the Prospectuses.

The ETF Funds

7. Each ETF Fund is, or will be, a mutual fund structured as a trust or a corporation or a class thereof that is organized and governed by the laws of a Jurisdiction. Each ETF Fund is, or will be, a reporting issuer in the Jurisdiction(s) in which its securities are distributed.
8. Each ETF Fund offers, or will offer, ETF Securities.
9. The ETF Funds are, or will be, governed by the provisions of NI 81-102, subject to any exemption therefrom that has been, or may be, granted by the applicable securities regulatory authorities. Securityholders will have the right to vote at a meeting of Securityholders in respect of matters prescribed by NI 81-102.
10. The Existing ETF Funds are distributed pursuant to a long form prospectus dated June 24, 2024 in the form prescribed by Form 41-101F2 (the **June Prospectus**). If relief from the ETF Prospectus Form Requirement is granted, it is expected that when the June Prospectus is renewed in 2025, the Filer will file a *pro forma* simplified prospectus in the form prescribed by Form 81-101F1, in respect of the Existing ETF Funds, pursuant to which it will continue to offer ETF Securities of the Existing ETF Funds. ETF Facts in the form prescribed by Form 41-101F4 for each series of ETF Securities of the Existing ETF Funds will also be filed.
11. The ETF Securities of the Existing ETF Funds are listed on the TSX. The Filer will apply to list the ETF Securities of the Future ETF Funds on the TSX, Cboe or another Marketplace and will not file a final or amended simplified prospectus for any of the Future ETF Funds in respect of the ETF Securities until the TSX, Cboe or other applicable Marketplace has conditionally approved the listing of the ETF Securities.

12. The Filer, on behalf of the ETF Funds, has obtained the underwriter's certificate relief, sales and redemption relief and take-over bid relief from the applicable securities regulatory authorities that are required to offer ETF Securities under a simplified prospectus.

Reasons for the Lapse Date Extension

13. Pursuant to subsection 62(1) of the *Securities Act* (Ontario) (the **Act**), the lapse date of the GuardBonds Prospectus is January 1, 2025 (the **GuardBonds Lapse Date**) and the lapse date of the Guardian Mutual Funds Prospectus is April 12, 2025 (the **Guardian Mutual Funds Lapse Date**, and together with the GuardBonds Lapse Date, the **Current Lapse Dates** and each, a **Current Lapse Date**). Accordingly, under subsection 62(2) of the Act, the distribution of securities of each of the Funds would have to cease on the applicable Current Lapse Date unless: (i) the Funds file a *pro forma* prospectus at least 30 days prior to the applicable Current Lapse Date; (ii) the final prospectus is filed no later than 10 days after the applicable Current Lapse Date; and (iii) a receipt for the final prospectus is obtained within 20 days of the applicable Current Lapse Date.
14. The fiscal year-end of each of the GuardBonds Funds is December 31 and, pursuant to section 2.2 of National Instrument 81-106 *Investment Fund Continuous Disclosure*, the annual financial statements and auditor's report are required to be filed on or before the 90th day after each GuardBonds Fund's most recently completed financial year, which for each of the GuardBonds Funds will be its first financial year-end of December 31, 2024 (the **2024 Fiscal Year-End**).
15. It is expected that each GuardBonds Fund will receive the written consent of its auditor at the same time that the financial statements and auditor's report for the 2024 Fiscal Year-End are issued, which is expected to occur on or about March 30, 2025.
16. As audited financial statements will not be ready by the Current Lapse Date of the GuardBonds Prospectus, the GuardBonds Funds will need to incorporate by reference unaudited interim financial information into the final simplified prospectus. In accordance with section 3.1.2 of NI 81-101, in order to incorporate by reference the unaudited interim financial statements into the GuardBonds Funds' final simplified prospectus, those unaudited interim financial statements must be reviewed by the GuardBonds Funds' auditor in accordance with the relevant standards set out in the Handbook of the Canadian Institute of Chartered Accountants for a review of financial statements.
17. Accordingly, if the Lapse Date Relief is not granted, the GuardBonds Funds' auditor will be required to review each of the GuardBonds Fund's interim

financial statements. In doing so, additional costs will be incurred by the Filer and these costs will recur annually.

18. Rather than facing this audit challenge each year, it would be more efficient and cost effective to extend the Current Lapse Date of the GuardBonds Prospectus to June 24, 2025. This extension will provide the time necessary for the auditor to complete the audit of each of the GuardBonds Fund's financial statements for the 2024 Fiscal Year-End, and for the Filer to prepare and file the final simplified prospectus and ETF Facts and Fund Facts, along with the written consent of the auditor, as required by NI 81-101.
19. In addition, the extension of the Current Lapse Date would provide the Filer with additional time to prepare certain year-over-year performance data based on the audited annual financial statements each year, which would help to ensure that investors receive more accurate information on the performance of each of the GuardBonds Funds.
20. The Filer is also the investment fund manager of five mutual funds (including the Existing ETF Funds) (the **June Funds**) that currently distribute their securities to the public under the June Prospectus, which has a lapse date of June 24, 2025.
21. The Filer wishes to combine the Prospectuses with the June Prospectus in order to reduce renewal, printing and related costs of the Funds and the June Funds.
22. Offering the GuardBonds Funds, the Guardian Mutual Funds and the June Funds under one prospectus would facilitate the distribution of such funds in the Jurisdictions under the same prospectus and enable the Filer to streamline disclosure across the Filer's fund platform. As the GuardBonds Funds, the Guardian Mutual Funds and the June Funds are all managed by the Filer and share many common operational and administrative features, offering them under one prospectus (as opposed to three) will allow investors to more easily compare their features.
23. If the Lapse Date Relief is not granted, it will be necessary to renew the Prospectuses twice within a short period of time in order to consolidate the Prospectuses with the June Prospectus and establish a uniform filing timeline for the Funds and the June Funds, and it would be unreasonable for the Filer to incur the costs and expenses associated therewith, given investors would not be prejudiced by the Lapse Date Relief.

ETF Prospectus Form Requirement

24. The Filer believes it is more efficient and expedient to include the ETF Securities of each ETF Fund, and all series of Mutual Fund Securities and ETF

Securities of certain other mutual funds (including the Funds and the other June Funds) for which the Filer is, or will be, the investment fund manager and portfolio manager, in one prospectus form instead of two different prospectus forms. The Filer believes this presentation will assist in providing full, true and plain disclosure of all material facts relating to the securities of such funds by permitting disclosure relating to all series of securities to be included in one prospectus form. The Filer proposes to file simplified prospectuses in respect of the ETF Funds, as this is the prospectus form the Filer uses for the vast majority of its existing mutual funds.

25. The Filer will ensure that any disclosure included in the simplified prospectus relating to the ETF Securities will not interfere with an investor's ability to differentiate between the ETF Securities and any Mutual Fund Securities included in the same prospectus and their respective attributes.
26. The ETF Funds will file ETF Facts in the form prescribed by Form 41-101F4 in respect of ETF Securities.
27. The ETF Funds will comply with the provisions of NI 81-101 when filing any amendment or simplified prospectus.

Lapse Date Extension

28. There have been no material changes in the affairs of the GuardBonds Funds since the date of the GuardBonds Prospectus, and there have been no material changes in the affairs of the Guardian Mutual Funds since the date of the Guardian Mutual Funds Prospectus. Accordingly, the current Prospectuses and current ETF Facts and Fund Facts of the GuardBonds Funds and Guardian Mutual Funds continue to provide accurate information regarding the GuardBonds Funds and the Guardian Mutual Funds, as applicable.
29. Given the disclosure obligations of the Funds, should any material change in the affairs of any of the GuardBonds Funds or Guardian Mutual Funds occur, the Prospectuses and current ETF Facts and Fund Facts document(s) of the applicable Fund(s) will be amended as required under the Legislation.
30. New investors in the GuardBonds Funds and Guardian Mutual Funds will receive delivery of the most recently filed ETF Facts and Fund Facts of the applicable Fund(s). The Prospectuses will still be available upon request.
31. The Lapse Date Relief will not affect the accuracy of the information contained in the Prospectuses or the ETF Facts or Fund Facts document(s) and will therefore not be prejudicial to 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.

1. The decision of the principal regulator is that the Requested Relief from the ETF Prospectus Form Requirement is granted, provided that the Filer complies with the following conditions:
 - (a) the Filer files a simplified prospectus in respect of the ETF Securities in accordance with the requirements of NI 81-101 and Form 81-101F1, other than the requirements pertaining to the filing of a Fund Facts document;
 - (b) the Filer includes disclosure required pursuant to Form 41-101F2 (that is not contemplated by Form 81-101F1) in respect of the ETF Securities in an ETF Fund's simplified prospectus; and
 - (c) the Filer includes disclosure regarding this decision under the heading "Exemptions and Approvals" in an ETF Fund's simplified prospectus.
2. The decision of the principal regulator under the Legislation is that the Lapse Date Relief is granted.

"Darren McKall"
Manager, Investment Management Division
Ontario Securities Commission

Application File #: 2024/0435
SEDAR+ File #: 6158808

Schedule “A”**The GuardBonds Funds**

GuardBonds 2025 Investment Grade Bond Fund
GuardBonds 2026 Investment Grade Bond Fund
GuardBonds 2027 Investment Grade Bond Fund
GuardBonds 1-3 Year Laddered Investment Grade Bond Fund

The Guardian Mutual Funds

GC One Equity Portfolio
GC One Fixed Income Portfolio
Guardian Canadian Bond Fund
Guardian Canadian Equity Fund
Guardian Canadian Equity Income Fund
Guardian Canadian Equity Select Fund
Guardian Canadian Focused Equity Fund
Guardian Canadian Growth Equity Fund
Guardian Canadian Short-Term Investment Fund
Guardian Directed Equity Path Portfolio
Guardian Directed Premium Yield Portfolio
Guardian Emerging Markets Equity Fund
Guardian Fixed Income Select Fund
Guardian Fundamental Global Equity Fund
Guardian i³ Global Dividend Growth Fund
Guardian i³ Global Quality Growth Fund
Guardian i³ International Quality Growth Fund
Guardian International Equity Select Fund
Guardian Investment Grade Corporate Bond Fund
Guardian Managed Balanced Portfolio
Guardian Managed Growth Portfolio
Guardian Managed Income & Growth Portfolio
Guardian Managed Income Portfolio
Guardian Risk Managed Conservative Portfolio
Guardian Short Duration Bond Fund
Guardian U.S. Equity All Cap Growth Fund

Guardian U.S. Equity Fund
Guardian U.S. Equity Select Fund
Guardian Strategic Income Fund
Sustainable Balanced 40/60 Fund
Sustainable Balanced 60/40 Fund
Sustainable Growth 80/20 Fund
Sustainable Growth 100 Fund
Sustainable Income 100 Fund
Sustainable Income 20/80 Fund

B.3.3 Onex Canada Asset Management Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief requested from the 5% of net asset value threshold on cash borrowing in subparagraph 2.6(1)(a)(i) of NI 81-102 to allow mutual funds managed by four investment fund managers to borrow cash on a temporary basis in an amount that does not exceed 10% of the mutual fund's net asset value at the time of borrowing to (i) accommodate requests for the redemption of securities of the fund while the fund settles portfolio transactions initiated to satisfy such redemption requests and (ii) permit the fund to settle a purchase of portfolio securities that is executed in anticipation of the settlement of an investor's purchase of securities of the fund – Relief requested in connection with the implementation of T+1 settlement for securities traded in North American markets as at May 27, 2024, while certain foreign markets will continue to maintain T+2 settlement – Funds may experience mismatch between the settlement timing of trades in fund securities and the settlement timing of trades in portfolio securities, which may give rise to a temporary funding gap in the settlement of fund redemptions and the purchase of portfolio security purchases – Relief granted subject to various conditions, including that the outstanding amount of all borrowings of a fund does not exceed 10% of the net asset value of the fund at the time of borrowing – Decision expires in three years – National Instrument 81-102 Investment Funds.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.6(1)(a)(i) and 19.1.

August 27, 2024

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
ONEX CANADA ASSET MANAGEMENT INC.,
LYSANDER FUNDS LIMITED,
RBC GLOBAL ASSET MANAGEMENT INC.,
CIBC ASSET MANAGEMENT INC.
(each a Filer, and collectively, the Filers)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from each Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting all current and future mutual funds that are not alternative mutual funds or non-redeemable investment funds and that (i) are, or will be, reporting issuers and (ii) are, or will be, managed by the Filers or by affiliates or successors of the Filers (collectively, the **Funds** and individually, a **Fund**) from the Borrowing Limit (as defined below) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) to allow each Fund to borrow cash on a temporary basis in an amount that does not exceed 10% of its net asset value at the time of borrowing to:

- (a) accommodate requests for the redemption of securities of the Fund (each a **Fund Redemption**) while the Fund settles portfolio transactions initiated to satisfy such redemption requests (the **Redemption Relief**); and
- (b) permit the Fund to settle a purchase of Portfolio Securities (as such term is defined below) (each a **Portfolio Security Purchase**) that is executed in anticipation of the settlement of an investor's purchase of securities of the Fund (each a **Fund Purchase** and such relief, the **Purchase Relief** and together with the Redemption Relief, 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 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 all of the provinces and territories of Canada other than Ontario (together with Ontario, the **Jurisdictions**).

Interpretation

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

Borrowing Limit means the five percent (5%) of net asset value threshold on cash borrowing set forth in subparagraph 2.6(1)(a)(i) of NI 81-102.

Fund Securities means the shares or units of a Fund.

Portfolio Securities means the securities held or purchased by a Fund.

Pricing Date means the date on which the net asset value per Fund Security is calculated for the purpose of determining the price at which the Fund Security is to be issued or redeemed, as applicable.

T+1 Securities means securities the trades in respect of which customarily settle on the first business day after a Trade Date.

T+2 Securities means securities the trades in respect of which customarily settle on a day that is later than the first business day after a Trade Date.

Trade Date means the date upon which pricing for a trade in a security is determined.

Representations

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

The Filers and the Funds

1. The head office location of each Filer is set forth in Schedule "A".
2. The Jurisdictions in which each Filer is registered and the specific categories of registration for each Filer are provided in Schedule "A".
3. Each Fund is, or will be, managed by a Filer or by an affiliate or a successor of the Filer.
4. The Funds are, or will be, mutual funds subject to NI 81-102 that are not alternative mutual funds or non-redeemable investment funds and are, or will be, reporting issuers in one or more of the Jurisdictions.
5. None of the Filers nor any of the Funds existing as at the date hereof are in default of any of the requirements of securities legislation of the Jurisdictions.

Background on Settlement Requirements for North American Securities

6. On December 1, 2021, the securities industry in the United States, represented by the Securities Industry and Financial Markets Association, the Investment Company Institute, and The Depository Trust & Clearing Corporation, published a report targeting the first half of 2024 to shorten the United States securities settlement cycle from the second business day after the Trade Date, commonly referred to as "**T+2**", to one business day after the Trade Date, commonly referred to as "**T+1**". On the same day, the Canadian Capital Markets Association (the **CCMA**) announced its plans to facilitate shortening Canada's standard securities settlement cycle from T+2 to T+1.
7. The Canadian Securities Administrators (the **CSA**) subsequently published CSA Staff Notice 24-318 *Preparing for the Implementation of T+1 Settlement*, which outlined their position on the benefits of shorter settlement cycles and highlighted the need for close collaboration and coordination across the Canadian securities industry to transition to T+1 settlement in alignment with U.S. markets.
8. On February 15, 2023, the U.S. Securities and Exchange Commission (the **SEC**) formally announced that the move in the United States to T+1 settlement for transactions involving various securities, including equities and corporate debt, would take effect on May 28, 2024.
9. On March 14, 2023, in alignment with the transition in U.S. markets (but taking into account that, unlike the United States, Canada's financial markets are open on Monday, May 27, 2024), the CCMA formally announced May 27, 2024 as the

implementation date for the move to T+1 settlement for transactions involving various securities, including equities and corporate debt (the **Implementation Date**).

10. On May 27, 2024, Canada moved to the T+1 settlement cycle and on May 28, 2024, the United States moved to the T+1 settlement cycle.
11. Despite this adoption of T+1 settlement for North American securities, many foreign markets maintain a T+2 or greater settlement cycle, including, but not limited to, the European Union, the United Kingdom, Japan, Brazil, Australia, and New Zealand.

Background on Settlement Requirements for NI 81-102 Funds

12. As at the date of this decision, Section 9.4 of NI 81-102 requires payment of the issue price of Fund Securities to which a purchase order pertains to be made to the Fund on or before the second business day after the Pricing Date of the Fund Securities, and if the payment of the issue price is not received by the Fund on or before the second business day after the Pricing Date of the Fund Securities, the Fund will be required to redeem the Fund Securities to which the purchase order pertains as if it had received an order for the redemption of the Fund Securities on the third business day after the Pricing Date.
13. Additionally, Section 10.4 of NI 81-102 requires a Fund to pay the redemption proceeds for Fund Securities that are the subject of a redemption order within two business days after the Pricing Date (subject to satisfaction of all required redemption procedures established by the Fund in accordance with Section 10.1 of NI 81-102).
14. Despite the change from T+2 to T+1 settlement for North American securities, NI 81-102 still permits purchases and redemptions of Fund Securities to settle on T+2. As of the Implementation Date, Funds may elect to settle purchases and redemptions of Fund Securities on T+1 on a voluntary basis.

Mismatches in Settlement Periods

15. As of the Implementation Date, certain Funds now settle trades in Fund Securities on the first business day after a Trade Date (each a **T+1 Fund**). As only a limited number of Funds invest purely in T+1 Securities, many T+1 Funds will hold some T+2 Securities, resulting in a mismatch between the settlement timing of trades in Fund Securities and trades in Portfolio Securities. Such mismatch may lead to liquidity constraints in funding Fund Redemptions, giving rise to the need for the Exemption Sought.
16. Additionally, certain Funds continue to, or may in the future, settle trades in Fund Securities on a day that is later than the first business day after a Trade Date (each a **T+2 Fund**). As only a limited number of Funds invest purely in T+2 Securities, many T+2 Funds will hold some T+1 Securities, resulting in a mismatch between the settlement timing of trades in Fund Securities and trades in Portfolio Securities. Such mismatch may lead to liquidity constraints in funding Portfolio Security Purchases, giving rise to the need for the Exemption Sought.

Reasons Requiring the Redemption Relief

17. As of the Implementation Date, certain Filers have moved certain Funds to T+1 settlement.
18. T+1 Funds may have a portion of their assets invested in T+2 Securities. To fund redemptions, a T+1 Fund will effect an orderly liquidation of Portfolio Securities in order to accommodate redemption requests. However, liquidation of T+2 Securities effected on the Trade Date of the Fund Redemption will only settle after the Fund is required to settle the Fund Redemption in cash. This arises not only because T+2 Securities settle one business day following the Fund Redemption's Trade Date but also because T+2 Securities are generally in jurisdictions where the stock exchanges are not open for trading at 4:00pm ET, which is generally the cut-off time for Fund Redemptions (the **Cut-Off Time**) or the markets in which the T+2 Securities trade may be closed due to public holidays. As such, Portfolio Securities may only be sold one business day after the Fund Redemption's Trade Date and would thus only settle three business days (or more) after the Fund Redemption's Trade Date. A T+1 Fund that holds some T+2 Securities may therefore be required to pay the redemption price for the Fund Securities that have been redeemed at a time when the Fund has insufficient cash to do so.
19. T+1 Funds may also encounter situations in which a liquidation of T+1 Securities will settle after the requirement to settle a Fund Redemption in cash, resulting in a cash shortfall. If Fund Redemption requests are placed at or shortly before the Cut-Off Time, a T+1 Fund may be in an unanticipated net redemption position and may not be able to effect a liquidation of sufficient T+1 Securities for the purposes of satisfying such Fund Redemptions until the following business day. In such circumstances, the Fund will be obligated to settle the Fund Redemption before it receives cash proceeds from selling its T+1 Securities. Additionally, T+1 Funds may encounter liquidity constraints when the Fund Redemptions are placed on days where the T+1 Securities are:

- (a) not trading due to public holidays or other reasons, as any such liquidation of the T+1 Securities will only settle after the Fund is required to settle the Fund Redemption in cash; or
 - (b) trading but the settlement date for the T+1 Securities is delayed as the following day is a public holiday in the jurisdiction where the T+1 Securities trade but it is not a public holiday in Canada. In such situations, the T+1 Securities are settling on a T+2 basis from the Fund's perspective and the Fund is required to settle the Fund Redemption in cash prior to receiving cash from the sale of the T+1 Securities.
20. A Fund is permitted to borrow cash as a temporary measure to accommodate requests for Fund Redemptions while the Fund effects an orderly liquidation of portfolio assets, provided that all borrowing by the Fund does not exceed the Borrowing Limit. Borrowing beyond the Borrowing Limit may be necessary for the purpose of settling Fund Redemptions in the scenarios set out above.
21. While liquidity management practices other than cash borrowing may be utilized by the Filers to manage the liquidity constraint scenarios set out above, the Filers submit that permitting a T+1 Fund to borrow cash beyond the Borrowing Limit in an amount not exceeding 10% of the Fund's net asset value at the time of borrowing and on a temporary basis while the Fund awaits receipt of proceeds from the sale of Portfolio Securities (**Fund Redemption Settlement Gap Funding**) would be an approach that is more in line with the best interests of the Fund and its investors than such other liquidity management practices, as further described below:
- (a) **Suspending Redemptions:** A Fund may request permission from the Principal Regulator to suspend Fund Redemptions if it is not able to accommodate redemption requests. However, the Filers consider suspending Fund Redemptions to be a practice of last resort. From a practical perspective, this makes little sense given that this is a temporary issue and the above activities would need to be carried out again when the Portfolio Securities have settled, as Fund Redemptions would no longer be suspended. The Filers do not believe that this is the intent of the suspension mechanism. Further, the suspension of redemptions is not in investors' best interests, as it would deny them access to their investments for a number of days and may result in borrowing and/or opportunity costs for investors not expecting the suspension. Borrowing in excess of the Borrowing Limit to bridge the settlement of Portfolio Securities sale transactions is a temporary measure that the Filers submit is an approach more in line with the Fund and investors' best interests than a suspension of Fund Redemptions.
 - (b) **Disproportionately Selling Off Faster-Settling Portfolio Securities:** Disproportionately selling off faster settling Portfolio Securities may give a Fund the ability to satisfy the applicable Fund Redemptions. However, a Fund's investment restrictions may prevent a Fund from pursuing these trades when the result would produce weighting imbalances that are prohibited by the Fund's investment guidelines. Additionally, this strategy may not always be in the best interest of the Fund and the remaining investors in the Fund if the portfolio manager's outlook favours these faster-settling securities that are being liquidated because ultimately the Fund will have to repurchase these securities once the slower-settling securities have been sold and settled, thereby incurring trading costs which would be borne solely by remaining investors. The Redemption Relief will allow the Filers to seek to manage a Fund's portfolio realisations to fund redemptions in a manner that is fairer to the Fund's remaining investors. The Redemption Relief will allow the Filers more time, if required, to sell a variety of portfolio assets to keep the Fund in line with the portfolio manager's intended investment allocation.
 - (c) **Short Settlement:** A Fund may request that the counterparty to its Portfolio Securities sale transaction "short settle" the settlement of Portfolio Securities so that the Fund receives the cash for such sale earlier than is customary. While "short settlement" arrangements may be helpful, there are issues associated with short settlement:
 - (i) Short settlement is not always available for any given trade (including for trades in T+1 Securities, since short settlement would require settlement on the Trade Date, which is uncommon);
 - (ii) Not all dealers are willing to offer short settlement;
 - (iii) Short settlement may result in increased trading commissions; and
 - (iv) Short settlement potentially creates operational risk.The Filers submit that "short settlement" arrangements are not always in the best interest of a Fund and in many instances, cash borrowing would be a preferred strategy.
 - (d) **Maintenance of Cash:** A Fund may hold cash as a method to manage liquidity needs of the Fund (a **Liquidity Reserve**) or as a portfolio management strategy. The Liquidity Reserve consists of freely available cash that is not being held by the Fund for the purpose of seeking to meet its investment objectives or as part of its investment strategies. However, a Fund typically seeks to manage the Liquidity Reserve tightly so as to avoid exposing investors to cash drag. As of the Implementation Date, without excess borrowing capacity, certain T+1

Funds may be required to increase their Liquidity Reserve. As the Liquidity Reserve may or may not be used and it results in cash drag, the Filers submit that this approach is not in the best interest of Fund investors. Cash borrowing may permit the Filers to accommodate cash needs with more precision to reduce unnecessary cash drag.

Reasons Requiring the Purchase Relief

22. When a Fund is in significant net subscriptions on a Trade Date, the Fund may execute Portfolio Security Purchases in an amount that is equal to or less than the anticipated value of the net subscriptions to match the Trade Date of Portfolio Security Purchase with the Trade Date of the Fund Purchase (a **Trade Date Matching**). Certain Funds may engage in this practice in order to seek to reduce cash drag and increase the investment exposure for Fund investors.
23. The need to borrow money for Trade Date Matching arises when a Fund Purchase settles after the settlement date of the Portfolio Security Purchase. Effective as of the Implementation Date, this occurs when T+2 Funds invest a portion of their assets in T+1 Securities.
24. While a Fund may stagger Portfolio Security Purchases to manage this so that the Fund only executes a related Portfolio Security Purchase after a Fund Purchase has settled, this delay in investing may result in cash drag and accordingly, certain Funds may not wish to engage in staggering.
25. The Filers submit that permitting a T+2 Fund to borrow cash beyond the Borrowing Limit in an amount not exceeding 10% of the Fund's net asset value at the time of borrowing and on a temporary basis to settle the purchase of T+1 Securities (**Portfolio Security Purchases Settlement Gap Funding**, together with the Fund Redemption Settlement Gap Funding, the **Settlement Gap Funding**) would be an approach that is more in line with the best interests of the Fund and its investors than staggering Portfolio Security Purchases.

Risk Management

26. The Settlement Gap Funding will not create leverage in the Funds because it will not be used to purchase additional investments for the Funds.
27. Each Fund will borrow cash beyond the Borrowing Limit in reliance on this decision solely for Settlement Gap Funding purposes and will not do so unless the applicable Filer has determined that it would be in the best interests of the Fund to use the exemption from the Borrowing Limit.
28. Each Filer has written liquidity risk management policies and procedures that address the Funds' key liquidity risks, including a description of how the risks are identified, monitored and measured, and the techniques used to manage and mitigate the risks.

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 Decision Makers under the Legislation is that the Exemption Sought is granted, provided that:

1. at the time a Fund relies on the relief under this decision, the applicable Filer has written policies and procedures for relying on the relief that require the Filer to:
 - (a) implement controls on decision-making on borrowing above the Borrowing Limit and on the monitoring of such decision-making; and
 - (b) monitor levels of Fund Redemptions, Fund Purchases and the cash balance of each Fund;
2. a Fund may only borrow cash in excess of the Borrowing Limit if all of the following conditions are satisfied:
 - (a) the Fund has used all of its available Liquidity Reserve;
 - (b) the outstanding amount of all borrowings of the Fund do not exceed 10% of the net asset value of the Fund at the time of borrowing;
 - (c) in the case of Fund Redemption Settlement Gap Funding, the amount of cash borrowed by the Fund will not exceed the amount of cash that the Fund expects to receive in respect of the sale of Portfolio Securities;
 - (d) in the case of Portfolio Security Purchases Settlement Gap Funding, the amount of cash borrowed by the Fund will not exceed the amount of cash that the Fund expects to receive from the investor in a Fund Purchase;

B.3: Reasons and Decisions

3. each Fund discloses the following in each prospectus filed after the date of this decision in connection with the continuous distribution of Fund Securities:
 - (a) the terms of this decision;
 - (b) the maximum percentage of assets of the Fund that the borrowing may represent; and
 - (c) the Fund's intended use of the amounts borrowed for Settlement Gap Funding; and
4. this decision expires on a date that is three (3) years after the date of this decision.

"Darren McKall"

Manager, Investment Management Division
Ontario Securities Commission

Application File #: 2024/0401; SEDAR+ File #: 6155230

Application File #: 2024/0406; SEDAR+ File #: 6155255

Application File #: 2024/0407; SEDAR+ File #: 6155245

Application File #: 2024/0502; SEDAR+ File #: 6172377

Schedule "A"

Filers

	Name of Fund Manager (Filers)	Head Office Location	Category of Registration	Jurisdiction of Registration
1.	Onex Canada Asset Management Inc.	Toronto, ON	Exempt Market Dealer	Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Ontario, Quebec, Saskatchewan
			Portfolio Manager	Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Ontario, Quebec, Saskatchewan, Yukon
			Commodity Trading Manager	Ontario
			Investment Fund Manager	Newfoundland and Labrador, Ontario, Quebec
2.	Lysander Funds Limited	Toronto, ON	Exempt Market Dealer	Ontario
			Portfolio Manager	Ontario
			Investment Fund Manager	Newfoundland and Labrador, Ontario, Quebec
3.	RBC Global Asset Management Inc.	Toronto, ON	Exempt Market Dealer	Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Quebec, Saskatchewan, Yukon
			Portfolio Manager	Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Quebec, Saskatchewan, Yukon
			Commodity Trading Manager	Ontario
			Investment Fund Manager	British Columbia, Newfoundland and Labrador, Ontario, Quebec
4.	CIBC Asset Management Inc.	Toronto, ON	Exempt Market Dealer	Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Quebec, Saskatchewan, Yukon
			Portfolio Manager	Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Quebec, Saskatchewan, Yukon
			Derivatives Portfolio Manager	Quebec
			Commodity Trading Manager	Ontario
			Investment Fund Manager	Newfoundland and Labrador, Ontario, Quebec

B.3.4 South Bow Corporation et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – An issuer wants relief from (i) certain of the short form prospectus eligibility and base shelf prospectus eligibility requirements in NI 44-101 and NI 44-102, respectively, that require an issuer / credit supporter to have current annual financial statements and a current AIF, and (ii) certain of the base shelf prospectus receipt effectiveness provisions in NI 44-102 that require an issuer / credit supporter to have the same – The issuer is a new reporting issuer that is the continuation of an existing business; the parent company of the issuer filed an information circular which contained prospectus-level disclosure of the issuer; the issuer will incorporate by reference the financial statements of the existing business before it files its first annual financial statements under NI 51-102 Continuous Disclosure Obligations that give effect to the “spin-out” transaction.

Applicable Legislative Provisions

National Instrument 44-101 Short Form Prospectus Distributions, ss. 2.2, 2.4, and 8.1.

National Instrument 44-102 Shelf Distributions, ss. 2.2, 2.4, and 11.1.

Citation: *Re South Bow Corporation, South Bow Canadian Infrastructure Holdings Ltd., 6297782 LLC, South Bow and South Bow Canadian HoldCo*, 2024 ABASC 137

August 21, 2024

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
SOUTH BOW CORPORATION
(South Bow),
SOUTH BOW CANADIAN INFRASTRUCTURE HOLDINGS LTD.
(South Bow Canadian HoldCo),
6297782 LLC
(South Bow U.S. HoldCo and, collectively with
South Bow and South Bow Canadian HoldCo, the Filers)

DECISION

Background

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

- (a) South Bow from
 - (i) the requirement in subsection 2.2(d) of National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101**) that, in order to satisfy the basic qualification criteria for short form prospectus eligibility in NI 44-101, South Bow must have "current annual financial statements" and a "current AIF" in at least one jurisdiction in which it is a reporting issuer (the **AIF and Annual Financial Statement Requirement**),
 - (ii) the requirement in subsections 2.2(1) and 2.2(2) of National Instrument 44-102 *Shelf Distributions* (**NI 44-102**) that, in order to be qualified to file a preliminary base shelf prospectus and a corresponding base shelf prospectus, South Bow must satisfy the basic qualification criteria for short form prospectus eligibility set forth in section 2.2 of NI 44-101, and

- (iii) the base shelf prospectus receipt effectiveness provisions contained in subparagraphs 2.2(3)(b)(i) and 2.2(3)(b)(ii) of NI 44-102, which provide that a receipt issued for a base shelf prospectus of an issuer qualified under subsection 2.2(2) of NI 44-102 ceases to be effective upon the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if, at that time, the issuer: (i) does not have "current annual financial statements" and does not satisfy the requirements of the exemption in either subsection 2.7(1) or subsection 2.7(2) of NI 44-101; or (ii) does not have a "current AIF" and does not satisfy the requirements of the exemption in either subsection 2.7(1) or subsection 2.7(2) of NI 44-101 (the **Basic Receipt Effectiveness Requirement**), and
 - (b) South Bow Canadian HoldCo and South Bow U.S. HoldCo from
 - (i) the requirement in subparagraph 2.4(1)(b)(i) of NI 44-101 that, in order for South Bow Canadian HoldCo and South Bow U.S. HoldCo to satisfy the alternative qualification criteria for short form prospectus eligibility for issuers of guaranteed non-convertible debt securities in NI 44-101, South Bow (being the credit supporter of the Public Debt Securities (as defined below)) must have "current annual financial statements" and a "current AIF" in at least one jurisdiction in which it is a reporting issuer (the **Credit Supporter AIF and Annual Financial Statement Requirement**),
 - (ii) the requirement in subsections 2.4(1) and 2.4(2) of NI 44-102 that, in order to be qualified to file a preliminary base shelf prospectus for non-convertible debt securities and a corresponding base shelf prospectus, South Bow Canadian HoldCo and South Bow U.S. HoldCo, respectively, must satisfy the alternative qualification criteria for short form prospectus eligibility for issuers of guaranteed non-convertible debt securities set forth in section 2.4 of NI 44-101, and
 - (iii) the base shelf prospectus receipt effectiveness provisions contained in subparagraphs 2.4(3)(b)(ii) and 2.4(3)(b)(iii) of NI 44-102, which provide that a receipt issued for a base shelf prospectus of an issuer qualified under subsection 2.4(2) of NI 44-102 ceases to be effective upon the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if, at that time: (i) the credit supporter does not have "current annual financial statements" and does not satisfy the requirements of the exemption in either subsection 2.7(1) or subsection 2.7(2) of NI 44-101; or (ii) the credit supporter does not have a "current AIF" and does not satisfy the requirements of the exemption in either subsection 2.7(1) or subsection 2.7(2) of NI 44-101 (the **Alternative Receipt Effectiveness Requirement**)
- (collectively, the **Exemption Sought**).

Furthermore, the Decision Makers have received a request from the Filers for a decision that the Application, any supporting materials delivered in connection with the Application, and this decision (collectively, the **Confidential Material**) be kept confidential and not be made public until the earlier of

- (a) the date on which a Filer issues a news release announcing that one or more of the Filers have entered into an agreement relating to an offering of securities under a preliminary short form prospectus or a short form prospectus
 - (b) the date on which a Filer otherwise publicly announces an offering of securities under a preliminary short form prospectus or a short form prospectus,
 - (c) the date on which a Filer files a preliminary short form prospectus or a short form prospectus relating to an offering of securities,
 - (d) the date on which a Filer files a preliminary short form base shelf prospectus or a short form base shelf prospectus relating to the qualification of securities of such Filer,
 - (e) the date on which a Filer files a notice declaring its intention to be qualified to file a short form prospectus,
 - (f) the date on which the Exemption Sought is first disclosed to potential purchasers of the Private Placement Debt Securities (as defined below),
 - (g) the date on which the Filers advise the Alberta Securities Commission that there is no longer any need for the Confidential Material to remain confidential, and
 - (h) the date that is 90 days after the date of this decision
- (the **Confidentiality 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 the Application,
- (b) the Filers have provided notice that paragraph 4.7(1)(c) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each jurisdiction of Canada, other than Ontario, 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*, NI 44-101, NI 44-102 or MI 11-102 have the same meanings if used in this decision, unless otherwise defined.

Representations

The decision is based on the following facts represented by the Filers:

Corporate Information Regarding South Bow

- 1. South Bow exists under the *Canada Business Corporations Act* and was incorporated for the purpose of completing the Separation (as defined below).
- 2. South Bow's principal and head office is located in Calgary, Alberta.
- 3. South Bow's financial year end is December 31.
- 4. Prior to the completion of the Separation, South Bow will have no assets or liabilities, will not conduct any operations and will not issue any shares in its capital stock.
- 5. South Bow's authorized capital consists of an unlimited number of common shares (the **South Bow Common Shares**) and an unlimited number of preferred shares, issuable in series.

Corporate Information Regarding South Bow Canadian HoldCo

- 6. South Bow Canadian HoldCo exists under the *Canada Business Corporations Act* and was incorporated for the purpose of completing the Separation.
- 7. South Bow Canadian HoldCo's principal and head office is located in Calgary, Alberta.
- 8. South Bow Canadian HoldCo's financial year end is December 31.
- 9. South Bow Canadian HoldCo's authorized capital consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series. All of the outstanding common shares in the capital of South Bow Canadian HoldCo are held by 15142083 Canada Ltd. (**South Bow HoldCo**), an indirect, wholly-owned subsidiary of TC Energy Corporation (**TC Energy**). No preferred shares in the capital of South Bow Canadian HoldCo are outstanding.

Corporate Information Regarding South Bow U.S. HoldCo

- 10. South Bow U.S. HoldCo exists under the Delaware *Limited Liability Company Act* and was incorporated for the purpose of completing the Separation.
- 11. South Bow U.S. HoldCo's principal and head office is located in Houston, Texas.
- 12. South Bow U.S. HoldCo's financial year end is December 31.
- 13. South Bow U.S. HoldCo's authorized capital consists of 100 common units. All of the outstanding common units in the capital of South Bow U.S. HoldCo are held by South Bow HoldCo, an indirect, wholly-owned subsidiary of TC Energy.

The Separation

- 14. TC Energy operates in three core businesses: (i) Natural Gas Pipelines; (ii) Liquids Pipelines (**Liquids Pipelines**); and (iii) Power and Energy Solutions.

15. On July 27, 2023, TC Energy announced its intention to advance a separation of its business into two independent reporting issuers through the "spinoff" of the Liquids Pipelines business segment (the **Spin-Out Business**) into South Bow by way of a plan of arrangement under the *Canada Business Corporations Act* (the **Separation**).
16. On August 1, 2023, the assets and liabilities comprising the Spin-Out Business were transferred to South Bow Canadian HoldCo and South Bow U.S. HoldCo as part of a reorganization of TC Energy undertaken in contemplation of the Separation.
17. Upon the completion of the Separation, South Bow Canadian HoldCo and South Bow U.S. HoldCo will be indirect, wholly-owned subsidiaries of South Bow.
18. Pursuant to the Separation, holders (**Shareholders**) of TC Energy common shares (**TC Energy Common Shares**) will retain their existing ownership in TC Energy Common Shares and receive a pro-rata allocation of South Bow Common Shares.
19. Following the completion of the Separation, South Bow will be a reporting issuer in each jurisdiction of Canada and the South Bow Common Shares will be listed and posted for trading on the Toronto Stock Exchange (**TSX**) and the New York Stock Exchange.
20. The Separation was approved by Shareholders at an annual and special meeting of Shareholders held on June 4, 2024 (the **Meeting**). A final order of the Court of King's Bench of Alberta approving the Separation was issued on June 4, 2024.
21. Subject to the receipt of all required approvals, the Separation is expected to be completed between the middle of the third quarter of 2024 and the middle of the fourth quarter of 2024.
22. In connection with the Meeting and in accordance with National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**), TC Energy prepared and delivered to Shareholders a management information circular dated April 10, 2024 (the **Circular**). In accordance with section 9.3 of NI 51-102, a copy of the Circular was filed on TC Energy's System for Electronic Data Analysis and Retrieval+ (**SEDAR+**) profile on April 16, 2024.
23. The Circular provided full, true and plain disclosure of all material facts related to South Bow and the Spin-Out Business (which will form the primary business of South Bow for the purposes of paragraph 32.1(1)(b) of Form 41-101F1 *Information Required in a Prospectus* (**Form 41-101F1**)). The Spin-Out Business has itself been the subject of continuous disclosure on an ongoing basis as a part of TC Energy's continuous disclosure obligations as a reporting issuer.
24. Pursuant to section 14.2 of Form 51-102F5 *Information Circular* (**Form 51-102F5**), the Circular included prospectus-level disclosure for South Bow (including the required financial statements) prepared in accordance with the requirements of National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**) and Form 41-101F1, which is the form of prospectus that South Bow would be eligible to use immediately prior to the sending and filing of the Circular, for a distribution of securities in each jurisdiction of Canada. In particular, the Circular included
 - (a) all of the financial statements that were required to be included in the Circular pursuant to section 14.2 of Form 51-102F5 and, by extension, Form 41-101F1, and
 - (b) the information that would have otherwise been required to be included in a current AIF filed by an issuer who owned the Spin-Out Business as at, and for the year ended, December 31, 2023.
25. The following financial and other disclosure of South Bow was included in the Circular:
 - (a) audited financial statements of South Bow for the period from incorporation on December 15, 2023 to December 31, 2023, together with the auditor's report thereon and the notes thereto;
 - (b) audited annual consolidated carve-out financial statements for the Spin-Out Business for the years ended December 31, 2023, 2022 and 2021, together with the auditor's report thereon and the notes thereto (the **Audited Carve-Out Financial Statements**);
 - (c) management's discussion and analysis in respect of the Audited Carve-Out Financial Statements (the **Annual Carve-Out MD&A**);
 - (d) unaudited *pro forma* consolidated financial statements of South Bow, after giving effect to the Separation, as at and for the year ended December 31, 2023;
 - (e) a narrative description of South Bow and its business (the **Alternative AIF Disclosure**).

26. Upon the completion of the Separation, South Bow will file, among other things, the following documents on its SEDAR+ profile:
- (a) a joint press release of South Bow and TC Energy announcing the closing of the Separation;
 - (b) a Notice of Change in Corporate Structure of South Bow in connection with the closing of the Separation;
 - (c) certain excerpts from the Circular, including the Audited Carve-Out Financial Statements, the Annual Carve-Out MD&A and the Alternative AIF Disclosure, with such additions, deletions, revisions and updates necessary to file such excerpts on a stand-alone basis (which may include adding glossaries, updating certain cross-references within documents and deleting duplicative disclosure that is otherwise included in other of South Bow's information and disclosure documents separately filed), as applicable;
 - (d) all periodic and timely disclosure documents that it is required to file pursuant to any of the following:
 - (i) applicable securities legislation;
 - (ii) an order issued by a securities regulatory authority;
 - (iii) an undertaking to a securities regulatory authority.
27. Pursuant to subparagraph 4.2(a)(i) and paragraph 6.2(a) of NI 51-102, South Bow will not be required to file annual financial statements or an AIF, respectively, until 90 days after its first completed financial year following the completion of the Separation.

South Bow Canadian HoldCo & South Bow U.S. HoldCo Debt Offerings

28. Prior to the completion of the Separation, South Bow Canadian HoldCo and South Bow U.S. HoldCo expect to offer and sell, on a private placement basis, non-convertible debt securities (the **Private Placement Debt Securities**) to purchasers resident in Canada and the United States, in each case, for cash and pursuant to exemptions from the prospectus and registration requirements of applicable securities laws (the **Offerings**).
29. The aggregate net proceeds of the Offerings will be used to repay all or substantially all of the indebtedness to be incurred by South Bow to acquire the Spin-Out Business from TC Energy in connection with the Separation.
30. Any Private Placement Debt Securities issued by South Bow Canadian HoldCo will be fully and unconditionally guaranteed by South Bow HoldCo, South Bow U.S. HoldCo and, upon completion of the Separation, South Bow. All such guarantees will remain in full force and effect following the completion of the Separation.
31. Any Private Placement Debt Securities issued by South Bow U.S. HoldCo will be fully and unconditionally guaranteed by South Bow HoldCo, South Bow Canadian HoldCo and, upon completion of the Separation, South Bow. All such guarantees will remain in full force and effect following the completion of the Separation.

South Bow

32. The basic qualification criteria for short form prospectus eligibility is set forth in section 2.2 of NI 44-101.
33. The basic qualification criteria for filing a preliminary base shelf prospectus is set forth in subsection 2.2(1) of NI 44-102, which provides that an issuer is qualified to file a preliminary base shelf prospectus if, at the time of filing, the issuer satisfies the basic qualification criteria for short form prospectus eligibility set forth in section 2.2 of NI 44-101.
34. Subsection 2.2(2) of NI 44-102 provides that an issuer that has filed a preliminary base shelf prospectus in reliance on the qualification criteria in subsection 2.2(1) of NI 44-102 is qualified to file a corresponding base shelf prospectus.
35. South Bow will, upon the completion of the Separation, satisfy all of the qualification criteria for short form prospectus eligibility in section 2.2 of NI 44-101, with the exception of subsection 2.2(d) of NI 44-101, which requires South Bow to have filed "current annual financial statements" and a "current AIF". In particular, upon the completion of the Separation
- (a) South Bow will be required to transmit documents through SEDAR+;
 - (b) South Bow will be a reporting issuer in each jurisdiction of Canada;
 - (c) South Bow will have filed with the securities regulatory authority of each jurisdiction of Canada all periodic and timely disclosure documents that South Bow is required to have filed in that jurisdiction pursuant to any of the following:

- (i) applicable securities legislation;
 - (ii) an order issued by the securities regulatory authority;
 - (iii) an undertaking to the securities regulatory authority; and
 - (d) the South Bow Common Shares will be listed and posted for trading on the TSX and South Bow will not be an issuer whose operations have ceased or whose principal asset is cash, cash equivalents or its exchange listing.
36. Subparagraphs 2.2(3)(b)(i) and 2.2(3)(b)(ii) of NI 44-102 provide that a receipt issued for a base shelf prospectus of an issuer qualified under subsection 2.2(2) of NI 44-102 ceases to be effective upon the entering into of an agreement of purchase and sale for a security to be sold under such base shelf prospectus, if, at that time, the issuer: (i) does not have "current annual financial statements" and does not satisfy the requirements of the exemption in either subsection 2.7(1) or subsection 2.7(2) of NI 44-101; or (ii) does not have a "current AIF" and does not satisfy the requirements of the exemption in either subsection 2.7(1) or subsection 2.7(2) of NI 44-101.
37. Until South Bow files "current annual financial statements" and a "current AIF" (which are not required to be filed until 90 days after South Bow's first completed financial year following the completion of the Separation), the Basic Receipt Effectiveness Requirement would prevent South Bow from completing a public offering of its securities under a base shelf prospectus.
38. South Bow may wish to complete a public offering of its securities following the completion of the Separation should market conditions permit. In light of the short time frames associated with financings undertaken in current market conditions, and based on input provided to South Bow by its financial advisors regarding the need for expedited time periods between the launching and closing of an offering, South Bow wishes to be eligible to file, and issue and sell securities under, one or more short form prospectuses pursuant to NI 44-101 and/or NI 44-102 prior to the point at which it meets the AIF and Annual Financial Statement Requirement.
39. Following the completion of the Separation and prior to any prospectus offering by South Bow, South Bow will file stand-alone versions of the Audited Carve-Out Financial Statements, the Annual Carve-Out MD&A and the Alternative AIF Disclosure, which will contain South Bow's material information in lieu of South Bow satisfying the AIF and Annual Financial Statement Requirement.
40. South Bow is not eligible to rely on the exemption for new reporting issuers under subsection 2.7(1) of NI 44-101 because it has not filed a long form prospectus.
41. South Bow is not eligible to rely on the exemption for successor issuers under subsection 2.7(2) of NI 44-101 because the Spin-Out Business was only a portion of TC Energy's business prior to the completion of the Separation.

South Bow Canadian HoldCo and South Bow U.S. HoldCo

42. In order to enhance the marketability of the Private Placement Debt Securities in the Offerings, it is desirable that, promptly following the completion of the Separation, South Bow Canadian HoldCo and South Bow U.S. HoldCo be in a position to offer to exchange the Private Placement Debt Securities for one or more new series of debt securities that are qualified for distribution (the **Exchanged Debt Securities**) pursuant to one or more short form prospectuses prepared and filed in accordance with NI 44-101 and/or NI 44-102.
43. Any Exchanged Debt Securities issued by South Bow Canadian HoldCo will be fully and unconditionally guaranteed by South Bow HoldCo, South Bow U.S. HoldCo and South Bow.
44. Any Exchanged Debt Securities issued by South Bow U.S. HoldCo will be fully and unconditionally guaranteed by South Bow HoldCo, South Bow Canadian HoldCo and South Bow.
45. In addition, following the completion of the Separation, should market conditions permit, South Bow Canadian HoldCo and South Bow U.S. HoldCo may each wish to complete a public offering of debt securities that are fully and unconditionally guaranteed by South Bow (such securities being referred to collectively with the Exchanged Debt Securities as the **Public Debt Securities**) pursuant to one or more short form prospectuses prepared and filed in accordance with NI 44-101 and/or NI 44-102.
46. The alternative qualification criteria for short form prospectus eligibility for issuers of guaranteed non-convertible debt securities is set forth in section 2.4 of NI 44-101.
47. The alternative qualification criteria for filing a preliminary base shelf prospectus for issuers of guaranteed non-convertible debt securities is set forth in subsection 2.4(1) of NI 44-102, which provides that an issuer is qualified to file a preliminary

base shelf prospectus for non-convertible debt securities if, at the time of filing, the issuer satisfies the alternative qualification criteria for short form prospectus eligibility set forth in section 2.4 of NI 44-101.

48. Subsection 2.4(2) of NI 44-102 provides that an issuer that has filed a preliminary base shelf prospectus in reliance on subsection 2.4(1) of NI 44-102 is qualified to file a corresponding base shelf prospectus.
49. Each of South Bow Canadian HoldCo and South Bow U.S. HoldCo will, upon the completion of the Separation, satisfy all of the qualification criteria for short form prospectus eligibility in section 2.4 of NI 44-101 in respect of a distribution of the Public Debt Securities, with the exception of the Credit Supporter AIF and Annual Financial Statement Requirement. In particular,
- (a) South Bow will provide full and unconditional credit support for the Public Debt Securities,
 - (b) upon the completion of the Separation, South Bow will satisfy the criteria in paragraphs 2.2(a), 2.2(b) and 2.2(c) of NI 44-101 if the word "issuer" is replaced with "credit supporter" wherever it occurs, and
 - (c) upon the completion of the Separation, South Bow will satisfy the criteria in paragraph 2.2(e) of NI 44-101 if the word "issuer" is replaced with "credit supporter" wherever it occurs.
50. Subparagraphs 2.4(3)(b)(ii) and 2.4(3)(b)(iii) of NI 44-102 provide that a receipt issued for a base shelf prospectus of an issuer qualified under subsection 2.4(2) of NI 44-102 ceases to be effective upon the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if, at that time: (i) the credit supporter does not have "current annual financial statements" and does not satisfy the requirements of the exemption in either subsection 2.7(1) or subsection 2.7(2) of NI 44-101; or (ii) the credit supporter does not have a "current AIF" and does not satisfy the requirements of the exemption in either subsection 2.7(1) or subsection 2.7(2) of NI 44-101.
51. Until South Bow files "current annual financial statements" and a "current AIF"
- (a) South Bow Canadian HoldCo and South Bow U.S. HoldCo will not satisfy the Credit Supporter AIF and Annual Financial Statement Requirement, and
 - (b) the Alternative Receipt Effectiveness Requirement would prevent South Bow Canadian HoldCo and South Bow U.S. HoldCo from distributing securities under a base shelf prospectus.

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

- (a) the Exemption Sought is granted, provided that
 - (i) the Separation is completed on or before December 31, 2024,
 - (ii) South Bow is not exempt from the requirements in NI 51-102 to file annual financial statements or to file an AIF, within the prescribed period after its financial year end,
 - (iii) South Bow has not yet been required to file annual financial statements or an AIF under NI 51-102,
 - (iv) South Bow has not yet filed annual financial statements or an AIF under NI 51-102,
 - (v) any prospectus filed by a Filer includes, or incorporates by reference, the information and disclosure with respect to South Bow that would otherwise have been required to have been included in a current AIF, including the Alternative AIF Disclosure, and
 - (vi) any prospectus filed by a Filer incorporates by reference each of the following:
 - A. the Audited Carve-Out Financial Statements and the Annual Carve-Out MD&A, in lieu of financial statements and management's discussion and analysis thereon for the year ended December 31, 2023;
 - B. if such prospectus is filed after South Bow's financial statements for the period ended March 31, 2024 are required to be filed and before South Bow's financial statements for the period ended June 30, 2024 are required to be filed, unaudited interim condensed consolidated

carve-out financial statements for the Spin-Out Business for the period ended March 31, 2024, together with the notes thereto and management's discussion and analysis thereon;

- C. if such prospectus is filed after South Bow's financial statements for the period ended June 30, 2024 are required to be filed and before South Bow's financial statements for the period ended September 30, 2024 are required to be filed, unaudited interim condensed consolidated carve-out financial statements for the Spin-Out Business for the period ended June 30, 2024, together with the notes thereto and management's discussion and analysis thereon;
- D. if such prospectus is filed after South Bow's financial statements for the period ended September 30, 2024 are required to be filed and before South Bow's financial statements for the year ended December 31, 2024 are required to be filed, unaudited interim condensed consolidated carve-out financial statements for the Spin-Out Business for the period ended September 30, 2024, together with the notes thereto and management's discussion and analysis thereon, and

- (b) the Confidentiality Sought is granted provided that the Filers provide prompt written notice to the Decision Makers upon the first instance of the Exemption Sought being disclosed to potential purchasers of the Private Placement Debt Securities.

"Denise Weeres"
Director, Corporate Finance
Alberta Securities Commission

OSC File #: 2024/0164

B.3.5 Mawer Investment Management Ltd. and Canoe Financial LP

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief requested from the 5% of net asset value threshold on cash borrowing in subparagraph 2.6(1)(a)(i) of NI 81-102 to allow mutual funds managed by two investment fund managers to borrow cash on a temporary basis in an amount that does not exceed 10% of the mutual fund's net asset value at the time of borrowing to (i) accommodate requests for the redemption of securities of the fund while the fund settles portfolio transactions initiated to satisfy such redemption requests and (ii) permit the fund to settle a purchase of portfolio securities that is executed in anticipation of the settlement of an investor's purchase of securities of the fund – Relief requested in connection with the implementation of T+1 settlement for securities traded in North American markets as at May 27, 2024, while certain foreign markets will continue to maintain T+2 settlement – Funds may experience mismatch between the settlement timing of trades in fund securities and the settlement timing of trades in portfolio securities, which may give rise to a temporary funding gap in the settlement of fund redemptions and the purchase of portfolio security purchases – Relief granted subject to various conditions, including that the outstanding amount of all borrowings of a fund does not exceed 10% of the net asset value of the fund at the time of borrowing – Decision expires in three years – National Instrument 81-102 Investment Funds.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.6(1)(a)(i) and 19.1.

Citation: *Re Mawer Investment Management Ltd. and Canoe Financial LP*, 2024 ABASC 138

August 28, 2024

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
MAWER INVESTMENT MANAGEMENT LTD.,
CANOE FINANCIAL LP
(each a Filer, and collectively, the Filers)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a **Decision Maker**) has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting all current and future mutual funds that are not alternative mutual funds or non-redeemable investment funds and that (i) are, or will be, reporting issuers and (ii) are, or will be, managed by the Filers or by affiliates or successors of the Filers (collectively, the **Funds** and individually, a **Fund**) from the Borrowing Limit (as defined below) of National Instrument 81-102 *Investment Funds (NI 81-102)* to allow each Fund to borrow cash on a temporary basis in an amount that does not exceed 10% of its net asset value at the time of borrowing to

- (a) accommodate requests for the redemption of securities of the Fund (each a **Fund Redemption**) while the Fund settles portfolio transactions initiated to satisfy such redemption requests (the **Redemption Relief**); and
- (b) permit the Fund to settle a purchase of Portfolio Securities (as such term is defined below) (each a **Portfolio Security Purchase**) that is executed in anticipation of the settlement of an investor's purchase of securities of the Fund (each a **Fund Purchase** and such relief, the **Purchase Relief** and together with the Redemption Relief, the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual decision),

- (a) the Alberta Securities Commission (the **ASC** and the **Principal Regulator**) is the Principal Regulator for Mawer Investment Management Ltd. and Canoe Financial LP for this application;
- (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 every jurisdiction of Canada for each Filer other than Alberta and Ontario; and
- (c) this decision with respect to the Exemption Sought is the decision of the Principal Regulator and evidences the decision of the regulator in Ontario.

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.

Borrowing Limit means the five percent (5%) of net asset value threshold on cash borrowing set forth in subparagraph 2.6(1)(a)(i) of NI 81-102.

Fund Securities means the shares or units of a Fund.

Portfolio Securities means the securities held or purchased by a Fund.

Pricing Date means the date on which the net asset value per Fund Security is calculated for the purpose of determining the price at which the Fund Security is to be issued or redeemed, as applicable.

T+1 Securities means securities the trades in respect of which customarily settle on the first business day after a Trade Date.

T+2 Securities means securities the trades in respect of which customarily settle on a day that is later than the first business day after a Trade Date.

Trade Date means the date upon which pricing for a trade in a security is determined.

Representations

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

The Filers and the Funds

- 1. The head office location of each Filer is set forth in Schedule "A".
- 2. The jurisdictions of Canada in which each Filer is registered and the specific categories of registration for each Filer are provided in Schedule "A".
- 3. Each Fund is, or will be, managed by a Filer or by an affiliate or a successor of the Filer.
- 4. The Funds are, or will be, mutual funds subject to NI 81-102 that are not alternative mutual funds or non-redeemable investment funds and are, or will be, reporting issuers in one or more of the jurisdictions of Canada.
- 5. None of the Filers nor any of the Funds existing as at the date hereof are in default of any of the requirements of securities legislation of any jurisdiction of Canada.

Background on Settlement Requirements for North American Securities

- 6. On December 1, 2021, the securities industry in the United States, represented by the Securities Industry and Financial Markets Association, the Investment Company Institute, and The Depository Trust & Clearing Corporation, published a report targeting the first half of 2024 to shorten the United States securities settlement cycle from the second business day after the Trade Date, commonly referred to as "**T+2**", to one business day after the Trade Date, commonly referred to as "**T+1**". On the same day, the Canadian Capital Markets Association (the **CCMA**) announced its plans to facilitate shortening Canada's standard securities settlement cycle from T+2 to T+1.
- 7. The Canadian Securities Administrators (the **CSA**) subsequently published CSA Staff Notice 24-318 *Preparing for the Implementation of T+1 Settlement*, which outlined their position on the benefits of shorter settlement cycles and

highlighted the need for close collaboration and coordination across the Canadian securities industry to transition to T+1 settlement in alignment with U.S. markets.

8. On February 15, 2023, the U.S. Securities and Exchange Commission (the **SEC**) formally announced that the move in the United States to T+1 settlement for transactions involving various securities, including equities and corporate debt, would take effect on May 28, 2024.
9. On March 14, 2023, in alignment with the transition in U.S. markets (but taking into account that, unlike the United States, Canada's financial markets are open on Monday, May 27, 2024), the CCMA formally announced May 27, 2024 as the implementation date for the move to T+1 settlement for transactions involving various securities, including equities and corporate debt (the **Implementation Date**).
10. On May 27, 2024, Canada moved to the T+1 settlement cycle and on May 28, 2024, the United States moved to the T+1 settlement cycle.
11. Despite this adoption of T+1 settlement for North American securities, many foreign markets maintain a T+2 or greater settlement cycle, including, but not limited to, the European Union, the United Kingdom, Japan, Brazil, Australia, and New Zealand.

Background on Settlement Requirements for NI 81-102 Funds

12. As at the date of this decision, Section 9.4 of NI 81-102 requires payment of the issue price of Fund Securities to which a purchase order pertains to be made to the Fund on or before the second business day after the Pricing Date of the Fund Securities, and if the payment of the issue price is not received by the Fund on or before the second business day after the Pricing Date of the Fund Securities, the Fund will be required to redeem the Fund Securities to which the purchase order pertains as if it had received an order for the redemption of the Fund Securities on the third business day after the Pricing Date.
13. Additionally, Section 10.4 of NI 81-102 requires a Fund to pay the redemption proceeds for Fund Securities that are the subject of a redemption order within two business days after the Pricing Date (subject to satisfaction of all required redemption procedures established by the Fund in accordance with Section 10.1 of NI 81-102).
14. Despite the change from T+2 to T+1 settlement for North American securities, NI 81-102 still permits purchases and redemptions of Fund Securities to settle on T+2. As of the Implementation Date, Funds may elect to settle purchases and redemptions of Fund Securities on T+1 on a voluntary basis.

Mismatches in Settlement Periods

15. As of the Implementation Date, certain Funds now settle trades in Fund Securities on the first business day after a Trade Date (each a **T+1 Fund**). As only a limited number of Funds invest purely in T+1 Securities, many T+1 Funds will hold some T+2 Securities, resulting in a mismatch between the settlement timing of trades in Fund Securities and trades in Portfolio Securities. Such mismatch may lead to liquidity constraints in funding Fund Redemptions, giving rise to the need for the Exemption Sought.
16. Additionally, certain Funds continue to, or may in the future, settle trades in Fund Securities on a day that is later than the first business day after a Trade Date (each a **T+2 Fund**). As only a limited number of Funds invest purely in T+2 Securities, many T+2 Funds will hold some T+1 Securities, resulting in a mismatch between the settlement timing of trades in Fund Securities and trades in Portfolio Securities. Such mismatch may lead to liquidity constraints in funding Portfolio Security Purchases, giving rise to the need for the Exemption Sought.

Reasons Requiring the Redemption Relief

17. As of the Implementation Date, certain Filers have moved certain Funds to T+1 settlement.
18. T+1 Funds may have a portion of their assets invested in T+2 Securities. To fund redemptions, a T+1 Fund will effect an orderly liquidation of Portfolio Securities in order to accommodate redemption requests. However, liquidation of T+2 Securities effected on the Trade Date of the Fund Redemption will only settle after the Fund is required to settle the Fund Redemption in cash. This arises not only because T+2 Securities settle one business day following the Fund Redemption's Trade Date but also because T+2 Securities are generally in foreign jurisdictions where the stock exchanges are not open for trading at 4:00pm ET, which is generally the cut-off time for Fund Redemptions (the **Cut-Off Time**) or the markets in which the T+2 Securities trade may be closed due to public holidays. As such, Portfolio Securities may only be sold one business day after the Fund Redemption's Trade Date and would thus only settle three business days (or more) after the Fund Redemption's Trade Date. A T+1 Fund that holds some T+2 Securities may therefore be required to pay the redemption price for the Fund Securities that have been redeemed at a time when the Fund has insufficient cash to do so.

19. T+1 Funds may also encounter situations in which a liquidation of T+1 Securities will settle after the requirement to settle a Fund Redemption in cash, resulting in a cash shortfall. If Fund Redemption requests are placed at or shortly before the Cut-Off Time, a T+1 Fund may be in an unanticipated net redemption position and may not be able to effect a liquidation of sufficient T+1 Securities for the purposes of satisfying such Fund Redemptions until the following business day. In such circumstances, the Fund will be obligated to settle the Fund Redemption before it receives cash proceeds from selling its T+1 Securities. Additionally, T+1 Funds may encounter liquidity constraints when the Fund Redemptions are placed on days where the T+1 Securities are
- (a) not trading due to public holidays or other reasons, as any such liquidation of the T+1 Securities will only settle after the Fund is required to settle the Fund Redemption in cash; or
 - (b) trading but the settlement date for the T+1 Securities is delayed as the following day is a public holiday in the foreign jurisdiction where the T+1 Securities trade but it is not a public holiday in Canada. In such situations, the T+1 Securities are settling on a T+2 basis from the Fund's perspective and the Fund is required to settle the Fund Redemption in cash prior to receiving cash from the sale of the T+1 Securities.
20. A Fund is permitted to borrow cash as a temporary measure to accommodate requests for Fund Redemptions while the Fund effects an orderly liquidation of portfolio assets, provided that all borrowing by the Fund does not exceed the Borrowing Limit. Borrowing beyond the Borrowing Limit may be necessary for the purpose of settling Fund Redemptions in the scenarios set out above.
21. While liquidity management practices other than cash borrowing may be utilized by the Filers to manage the liquidity constraint scenarios set out above, the Filers submit that permitting a T+1 Fund to borrow cash beyond the Borrowing Limit in an amount not exceeding 10% of the Fund's net asset value at the time of borrowing and on a temporary basis while the Fund awaits receipt of proceeds from the sale of Portfolio Securities (**Fund Redemption Settlement Gap Funding**) would be an approach that is more in line with the best interests of the Fund and its investors than such other liquidity management practices, as further described below:
- (a) **Suspending Redemptions:** A Fund may request permission from the Principal Regulator to suspend Fund Redemptions if it is not able to accommodate redemption requests. However, the Filers consider suspending Fund Redemptions to be a practice of last resort. From a practical perspective, this makes little sense given that this is a temporary issue and the above activities would need to be carried out again when the Portfolio Securities have settled, as Fund Redemptions would no longer be suspended. The Filers do not believe that this is the intent of the suspension mechanism. Further, the suspension of redemptions is not in investors' best interests, as it would deny them access to their investments for a number of days and may result in borrowing and/or opportunity costs for investors not expecting the suspension. Borrowing in excess of the Borrowing Limit to bridge the settlement of Portfolio Securities sale transactions is a temporary measure that the Filers submit is an approach more in line with the Fund and investors' best interests than a suspension of Fund Redemptions.
 - (b) **Disproportionately Selling Off Faster-Settling Portfolio Securities:** Disproportionately selling off faster settling Portfolio Securities may give a Fund the ability to satisfy the applicable Fund Redemptions. However, a Fund's investment restrictions may prevent a Fund from pursuing these trades when the result would produce weighting imbalances that are prohibited by the Fund's investment guidelines. Additionally, this strategy may not always be in the best interest of the Fund and the remaining investors in the Fund if the portfolio manager's outlook favours these faster-settling securities that are being liquidated because ultimately the Fund will have to repurchase these securities once the slower-settling securities have been sold and settled, thereby incurring trading costs which would be borne solely by remaining investors. The Redemption Relief will allow the Filers to seek to manage a Fund's portfolio realisations to fund redemptions in a manner that is fairer to the Fund's remaining investors. The Redemption Relief will allow the Filers more time, if required, to sell a variety of portfolio assets to keep the Fund in line with the portfolio manager's intended investment allocation.
 - (c) **Short Settlement:** A Fund may request that the counterparty to its Portfolio Securities sale transaction "short settle" the settlement of Portfolio Securities so that the Fund receives the cash for such sale earlier than is customary. While "short settlement" arrangements may be helpful, there are issues associated with short settlement:
 - (i) Short settlement is not always available for any given trade (including for trades in T+1 Securities, since short settlement would require settlement on the Trade Date, which is uncommon);
 - (ii) Not all dealers are willing to offer short settlement;
 - (iii) Short settlement may result in increased trading commissions; and
 - (iv) Short settlement potentially creates operational risk.

The Filers submit that “short settlement” arrangements are not always in the best interest of a Fund and in many instances, cash borrowing would be a preferred strategy.

- (d) **Maintenance of Cash:** A Fund may hold cash as a method to manage liquidity needs of the Fund (a **Liquidity Reserve**) or as a portfolio management strategy. The Liquidity Reserve consists of freely available cash that is not being held by the Fund for the purpose of seeking to meet its investment objectives or as part of its investment strategies. However, a Fund typically seeks to manage the Liquidity Reserve tightly so as to avoid exposing investors to cash drag. As of the Implementation Date, without excess borrowing capacity, certain T+1 Funds may be required to increase their Liquidity Reserve. As the Liquidity Reserve may or may not be used and it results in cash drag, the Filers submit that this approach is not in the best interest of Fund investors. Cash borrowing may permit the Filers to accommodate cash needs with more precision to reduce unnecessary cash drag.

Reasons Requiring the Purchase Relief

22. When a Fund is in significant net subscriptions on a Trade Date, the Fund may execute Portfolio Security Purchases in an amount that is equal to or less than the anticipated value of the net subscriptions to match the Trade Date of Portfolio Security Purchase with the Trade Date of the Fund Purchase (a **Trade Date Matching**). Certain Funds may engage in this practice in order to seek to reduce cash drag and increase the investment exposure for Fund investors.
23. The need to borrow money for Trade Date Matching arises when a Fund Purchase settles after the settlement date of the Portfolio Security Purchase. Effective as of the Implementation Date, this occurs when T+2 Funds invest a portion of their assets in T+1 Securities.
24. While a Fund may stagger Portfolio Security Purchases to manage this so that the Fund only executes a related Portfolio Security Purchase after a Fund Purchase has settled, this delay in investing may result in cash drag and accordingly, certain Funds may not wish to engage in staggering.
25. The Filers submit that permitting a T+2 Fund to borrow cash beyond the Borrowing Limit in an amount not exceeding 10% of the Fund's net asset value at the time of borrowing and on a temporary basis to settle the purchase of T+1 Securities (**Portfolio Security Purchases Settlement Gap Funding**, together with the Fund Redemption Settlement Gap Funding, the **Settlement Gap Funding**) would be an approach that is more in line with the best interests of the Fund and its investors than staggering Portfolio Security Purchases.

Risk Management

26. The Settlement Gap Funding will not create leverage in the Funds because it will not be used to purchase additional investments for the Funds.
27. Each Fund will borrow cash beyond the Borrowing Limit in reliance on this decision solely for Settlement Gap Funding purposes and will not do so unless the applicable Filer has determined that it would be in the best interests of the Fund to use the exemption from the Borrowing Limit.
28. Each Filer has written liquidity risk management policies and procedures that address the Funds' key liquidity risks, including a description of how the risks are identified, monitored and measured, and the techniques used to manage and mitigate the risks.

Decision

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

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

1. at the time a Fund relies on the relief under this decision, the applicable Filer has written policies and procedures for relying on the relief that require the Filer to
- (a) implement controls on decision-making on borrowing above the Borrowing Limit and on the monitoring of such decision-making; and
 - (b) monitor levels of Fund Redemptions, Fund Purchases and the cash balance of each Fund;
2. a Fund may only borrow cash in excess of the Borrowing Limit if all of the following conditions are satisfied:
- (a) the Fund has used all of its available Liquidity Reserve;

B.3: Reasons and Decisions

- (b) the outstanding amount of all borrowings of the Fund do not exceed 10% of the net asset value of the Fund at the time of borrowing;
 - (c) in the case of Fund Redemption Settlement Gap Funding, the amount of cash borrowed by the Fund will not exceed the amount of cash that the Fund expects to receive in respect of the sale of Portfolio Securities;
 - (d) in the case of Portfolio Security Purchases Settlement Gap Funding, the amount of cash borrowed by the Fund will not exceed the amount of cash that the Fund expects to receive from the investor in a Fund Purchase;
- 3. each Fund discloses the following in each prospectus filed after the date of this decision in connection with the continuous distribution of Fund Securities:
 - (a) the terms of this decision;
 - (b) the maximum percentage of assets of the Fund that the borrowing may represent; and
 - (c) the Fund's intended use of the amounts borrowed for Settlement Gap Funding; and
- 4. this decision expires on a date that is three (3) years after the date of this decision.

"Denise Weeres"
Director, Corporate Finance
Alberta Securities Commission

Schedule "A"

Filers

	Name of Fund Manager (Filers)	Head Office Location	Category of Registration	Jurisdiction of Registration
1.	Mawer Investment Management Ltd.	Calgary, AB	Mutual Fund Dealer	Alberta, British Columbia, Manitoba, Ontario, Saskatchewan
			Exempt Market Dealer	Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Ontario, Quebec, Saskatchewan, Yukon
			Portfolio Manager	Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Ontario, Quebec, Saskatchewan, Yukon
			Investment Fund Manager	Alberta, Newfoundland and Labrador, Ontario, Quebec
2.	Canoe Financial LP	Calgary, AB	Exempt Market Dealer	Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Quebec, Saskatchewan, Yukon
			Portfolio Manager	Alberta, Ontario, Quebec
			Derivatives Portfolio Manager	Quebec
			Commodity Trading Manager	Ontario
			Investment Fund Manager	Alberta, Newfoundland and Labrador, Ontario, Quebec

B.3.6 Northwest & Ethical Investments L.P.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from paragraphs 2.5(2)(a), (a.1), and (c) of National Instrument 81-102 Investment Funds granted to allow an investment fund subject to NI 81-102 to invest up to 10% of net asset value in underlying U.S. ETFs subject to the U.S. Investment Company Act of 1940 – Relief granted subject to conditions.

Relief from subsections 2.1(1) and 2.2(1) and paragraphs 2.5(2)(a), (a.1), (b), and (c) of NI 81-102 to allow an investment fund to invest in securities of any mutual fund that is an ETF that, but for the fact that they are listed on the London Stock Exchange and not on a stock exchange in Canada or the United States, would otherwise qualify as “index participation units” as defined in NI 81-102 – Relief granted subject to conditions.

Relief from paragraphs 2.5(a), (a.1), and (c) to permit investment funds subject to NI 81-102 to invest up to 10% of net asset value in investment funds authorized as UCITS under the UCITS regulations and listed for trading on a stock exchange in the U.K., the Republic of Ireland, Germany and/or Luxembourg and/or is subject to the supervision of a national competent authority in the U.K., the Republic of Ireland, Germany and/or Luxembourg even though the UCITS are not subject to NI 81-102 – Relief granted subject to conditions.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.1(1) and 2.2(1), 2.5(2)(a), (a.1), (b) and (c), and 19.1.

August 29, 2024

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
NORTHWEST & ETHICAL INVESTMENTS L.P.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of existing and future investment funds that are or will be managed by the Filer or an affiliate of the Filer (the **Funds**), for a decision under the securities legislation of the principal regulator that grants relief to the Funds from:

- (a) subsections 2.5(2)(a), 2.5(2)(a.1) and 2.5(2)(c) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) to permit the Funds to purchase and/or hold securities of existing exchange-traded funds (**ETFs**) that are not index participation units (**IPUs**) as defined in NI 81-102 and whose securities are, or will be, listed for trading on a stock exchange in the United States (**U.S. ETFs**), even though the U.S. ETFs are not subject to NI 81-102 and are not reporting issuers in any province or territory of Canada (the **U.S. ETF Relief**);
- (b) subsections 2.1(1), 2.2(1), 2.5(2)(a), 2.5(2)(a.1) and 2.5(2)(c) of NI 81-102 to permit the Funds to purchase and/or hold securities of any existing or future ETF that, but for the fact that it is listed on the London Stock Exchange (**LSE**) and not on a stock exchange in Canada or the U.S., would otherwise qualify as an IPU as defined in NI 81-102 (each, a **Foreign IPU**);
- (c) subsection 2.5(2)(b) of NI 81-102 to allow the Funds to invest in other Funds which may invest more than 10% of the market value of their net assets in Foreign IPUs (together, with paragraph (b) above, the **Foreign IPU Relief**); and

- (d) subsection 2.5(2)(a), 2.5(2)(a.1) and 2.5(2)(c) of NI 81-102 to permit the Funds to purchase and/or hold securities of investment funds authorized as Undertaking for Collective Investment in Transferable Securities (**UCITS**) under the UCITS Regulations (as defined below) and subject to the supervision of a national competent authority in the United Kingdom (**U.K.**), the Republic of Ireland, Germany and/or Luxembourg even though the UCITS are not subject to NI 81-102 and are not reporting issuers in any of the Jurisdictions (the **UCITS Relief** and together with paragraphs (a) through (c) above, 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 subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada (together with Ontario, the **Jurisdictions**).

Interpretation

Unless otherwise defined, terms in this decision have the respective meanings given to them in NI 81-102, National Instrument 14-101 *Definitions*, and MI 11-102.

Representations

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

The Filer

1. The Filer is a limited partnership formed under the laws of Ontario which acts through its general partner Northwest & Ethical Investments Inc., a corporation formed under the laws of Canada with its head office in Toronto, Ontario.
2. The Filer is registered as (i) a commodity trading manager in Ontario; (ii) a portfolio manager in British Columbia and Ontario; (iii) an exempt market dealer in Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario, Prince Edward Island, Québec and Saskatchewan; and (iv) an investment fund manager in British Columbia, Newfoundland and Labrador, Ontario and Québec.
3. The Filer, or an affiliate of the Filer, is or will be, the manager of each of the Funds.
4. Neither the Filer nor the existing Funds are in default of securities legislation in any of the Jurisdictions.

The Funds

5. Each Fund is, or will be, established under the laws of Ontario or Canada as a mutual fund that is a trust or a class of shares of a mutual fund corporation and is, or will be, a reporting issuer in one or more of the Jurisdictions.
6. The securities of the Funds are, or will be, qualified for distribution in one or more of the Jurisdictions pursuant to a simplified prospectus, as applicable, and fund facts documents prepared and filed in accordance with the securities legislation of such Jurisdictions.
7. Each Fund is, or will be, a mutual fund to which the requirements of NI 81-102 apply, subject to any exemptions therefrom that have been, or may be, granted by the applicable securities regulatory authorities.
8. The Funds may, from time to time, wish to invest in U.S. ETFs, Foreign IPU, and/or UCITS (collectively, the **Underlying Funds**).

U.S. ETF Relief

9. Each U.S. ETF is, or will be, an “investment fund” and “mutual fund” within the meaning of applicable Canadian securities legislation.
10. Each U.S. ETF
 - a. is not, or will not be, an IPU as defined in NI 81-102 because the purpose of the U.S. ETF will not be to:
 - i. hold the securities that are included in a specified widely quoted market index in substantially the same proportion as those securities are reflected in that index; or
 - ii. invest in a manner that causes the U.S. ETF to replicate the performance of that index;

- b. is not, or will not be, subject to NI 81-102; and/or
 - c. is not, or will not, be a reporting issuer in Canada.
11. The securities of each U.S. ETF trade, or will trade, on a recognized stock exchange in the U.S.
12. Each U.S. ETF is, or will be, managed by an unrelated third party.
13. An investment in each U.S. ETF by a Fund will otherwise comply with section 2.5 of NI 81-102, including that:
- a. No U.S. ETF holds, or will hold, more than 10% of its net asset value (**NAV**) in securities of another investment fund, unless the U.S. ETF:
 - i. is a clone fund, as defined in NI 81-102; or
 - ii. in accordance with NI 81-102, purchases or holds securities:
 - 1. of a money market fund, as defined in NI 81-102; or
 - 2. that are IPU's issued by an investment fund.
 - b. There will be no duplication of management fees or incentive fees as a result of an investment by a Fund in a U.S. ETF.
14. Each U.S. ETF is, or will be, an investment company subject to the U.S. *Investment Company Act of 1940* (the **Investment Company Act**) in good standing with the U.S. Securities and Exchange Commission (the **SEC**).

Reasons for the U.S. ETF Relief

15. Absent the U.S. ETF Relief, an investment by a Fund in each U.S. ETF would:
- (a) be prohibited by paragraphs 2.5(2)(a) or (a.1) of NI 81-102, as applicable, because such U.S. ETF may not be subject to NI 81-102;
 - (b) be prohibited by paragraph 2.5(2)(c) of NI 81-102 because such U.S. ETF may not be a reporting issuer in any Canadian Jurisdiction; and
 - (c) not qualify for the exemption in paragraph 2.5(3)(a) of NI 81-102 because the securities of the U.S. ETF are not IPU's as per NI 81-102.
16. The key benefits of a Fund investing in each U.S. ETF may be greater choices, improved portfolio diversification and enhanced returns. For example:
- (a) an investment in each U.S. ETF may provide the Funds with access to specialized knowledge, expertise and/or analytical resources of the investment adviser to each U.S. ETF;
 - (b) each U.S. ETF may potentially provide a better risk profile, increased diversification and improved liquidity/tradability than direct holdings of asset classes to which each U.S. ETF provides exposure, which may improve a Fund's overall risk/reward profile; and
 - (c) the investment strategies of each U.S. ETF may offer significantly broader exposure to asset classes, sectors and markets than those available in the existing Canadian ETF market.
17. An investment in a U.S. ETF by a Fund is an efficient and cost-effective alternative to obtaining exposure to securities held by the U.S. ETF rather than purchasing those securities directly by the Fund.
18. An investment by a Fund in securities of a U.S. ETF represents, or will represent, the business judgement of responsible persons uninfluenced by considerations other than the best interests of that Fund.

Foreign IPU Relief

19. Each Foreign IPU is, or will be, an "investment fund" and "mutual fund" within the meaning of applicable Canadian securities legislation.
20. The managers of the Foreign IPU's are subject to substantially equivalent regulatory oversight to the Filer, which is primarily regulated by the Ontario Securities Commission.

21. The securities of each Foreign IPU are, or will be, offered in their primary market in a manner similar to the Funds pursuant to a prospectus for each investment company.
22. Each Foreign IPU is listed on the LSE and, in addition, may be listed on one or more additional stock exchanges.
23. The securities of each Foreign IPU would be IPU's but for the fact that they are not traded on a stock exchange in Canada or the United States.
24. It is the Filer's understanding that the regulatory regime, administration, operation, investment objectives and restrictions applicable to the Foreign IPU's are as rigorous as those applicable to similar IPU's listed on an exchange in Canada or the United States.
25. The LSE is subject to a regulatory oversight by the Financial Conduct Authority of the United Kingdom. The LSE is subject to materially equivalent regulatory oversight to securities exchanges in Canada and the United States, and the listing requirements to be complied with by the Foreign IPU's are consistent with the listing requirements of the Toronto Stock Exchange.
26. Each Foreign IPU is, or will be, managed by an unrelated third party.
27. Each Foreign IPU's only purpose is, or will be, to
 - a. hold the securities that are included in a specified index in substantially the same proportion as those securities are reflected in that index, or
 - b. invest in a manner that causes the Foreign IPU to replicate the performance of that index.
28. In replicating the performance of an index, a Foreign IPU may purchase securities of other mutual funds.
29. Each Foreign IPU achieves, or will achieve, its investment objective by holding the component securities of the applicable index or otherwise investing in securities in a manner that will enable the Foreign IPU to track the performance of the applicable index in accordance with the rules on eligible assets prescribed by the UCITS Regulations (as defined below) and the applicable regulations of the U.K., the Republic of Ireland, Germany or Luxembourg.
30. The index tracked by each Foreign IPU is, or will be, transparent, in that the methodology for the selection and weighting of index components is, or will be, publicly available. Details of the components of the index tracked by a Foreign IPU, such as issuer name and weighting within the index, are, or will be, publicly available by the applicable index provider and updated from time to time or when requested of the applicable index provider.
31. Each index tracked by each Foreign IPU includes sufficient component securities so as to be broad-based and is, or will be, distributed and referenced sufficiently so as to be broadly utilized.
32. Each Foreign IPU makes, or will make, the NAV of its holdings available to the public through at least one price information system associated with the stock exchange on which it is listed.
33. No Foreign IPU is, or will be, a "synthetic ETF", meaning that no Foreign IPU will principally rely on an investment strategy that makes use of swaps or other derivatives to gain an indirect financial exposure to the return of an index.
34. Each of the Foreign IPU's is, or will be, governed by the laws of the U.K., the Republic of Ireland, Germany or Luxembourg, and is, or will be, subject to the following regulatory requirements and restrictions, which are generally similar to the requirements and restrictions set forth in NI 81-102:
 - a. each Foreign IPU is subject to a risk management framework through prescribed rules on governance, risk, regulation of service providers and safekeeping of assets;
 - b. each Foreign IPU is restricted to investments permitted by the UCITS Regulations;
 - c. each Foreign IPU is restricted to investing a maximum of 10% of its net assets in a single issuer;
 - d. each Foreign IPU is subject to investment restrictions designed to limit its holdings of illiquid securities to 10% or less of its NAV;
 - e. each Foreign IPU holds no more than 10% of its NAV in securities of other investment funds, including other collective investment undertakings;
 - f. each Foreign IPU is subject to investment restrictions designed to limit holdings of transferrable securities which are not listed on a stock exchange or regulated market to 10% or less of the Foreign IPU's NAV;

- g. The rules governing the use of derivatives by the Foreign IPU are, or will be, substantially comparable to the rules regarding the use of derivatives under NI 81-102 with respect to the types of derivatives allowed to be used, issuer concentration, risk exposure in connection with mark to market value, the disclosure required in offering documents and the monitoring requirements;
 - h. a Foreign IPU may engage in securities lending activities if provided for in its prospectus or prospectus supplement, as applicable for the Foreign IPU;
 - i. each Foreign IPU makes, or will make, the NAV of its holdings available to the public through at least one price information system (e.g. Bloomberg or Reuters) and all prices are published daily on the Filer's or an affiliate's website, as applicable;
 - j. each Foreign IPU is required to prepare a prospectus that discloses material facts, similar to the disclosure requirements under Form 41-101F2 Information Required in an Investment Fund Prospectus and Form 81-101F1 Contents of a Simplified Prospectus;
 - k. each Foreign IPU is required to prepare key investor information documents that provide disclosure that is substantially similar to the disclosure required to be included in the ETF facts document required by Form 41-101F4 Information Required in an ETF Facts Document;
 - l. each Foreign IPU is subject to continuous disclosure obligations that are similar to the disclosure obligations under National Instrument 81-106 Investment Fund Continuous Disclosure;
 - m. each Foreign IPU is required to update information of material significance in the prospectus, to prepare management reports and an audited set of financial statements annually; and
 - n. each Foreign IPU has a board of directors and a manager that are subject to a governance framework that sets out the duty of care and standard of care, which require the board of directors of both the manager and the Foreign IPU to act in the best interest of securityholders of the Foreign IPU;
35. There will be no duplication of management fees or incentive fees as a result of an investment by a Fund in a Foreign IPU.
36. The amount of loss that could result from an investment by a Fund in a Foreign IPU will be limited to the amount invested by the Fund in such Foreign IPU.

Reasons for the Foreign IPU Relief

37. The Filer considers that investments by the Funds in Foreign IPU provide an efficient and cost-effective means for the Funds to achieve diversification, obtain exposure to the markets and asset classes in which the Foreign IPU invest and, in the case of certain Foreign IPU, unique investment exposures. In particular, Foreign IPU can provide a cost-effective way to achieve the Funds' desired allocations to various sectors, as well as desired exposure to certain countries, which in some cases may not be possible through reliance on ETFs listed on stock exchanges in Canada or the United States alone due to the relative size of the ETFs and/or the makeup of the available ETFs.
38. In the absence of the Foreign IPU Relief:
- a. the concentration restriction in subsection 2.1(1) of NI 81-102 would prohibit a Fund from purchasing or holding more than 10% of its net assets in securities of Foreign IPU and, because IPU are currently defined to be securities that are traded on a stock exchange in Canada or the United States only, the Fund would not be able to rely upon the IPU exemption set forth in subsection 2.1(2)(d) of NI 81-102;
 - b. the control restriction in subsection 2.2(1) of NI 81-102 would prohibit a Fund from purchasing or holding securities representing more than 10% of the votes attaching to the outstanding voting securities of a Foreign IPU or from purchasing securities of a Foreign IPU for the purpose of exercising control over or management of the Foreign IPU and, because IPU are currently defined to be securities that are traded on a stock exchange in Canada or the United States only, the Fund would not be able to rely upon the IPU exemption set forth in subsection 2.2(1.1)(b) of NI 81-102;
 - c. the investment restriction in paragraphs 2.5(2)(a) and (a.1) of NI 81-102 would prohibit a Fund from purchasing or holding securities of a Foreign IPU because Foreign IPU are not subject to NI 81-102 and NI 81-101 and, because IPU are currently defined to be securities that are traded on a stock exchange in Canada or the United States only, the Fund would not be able to rely upon the IPU exemption set forth in subsection 2.5(3)(a) of NI 81-102;

- d. the investment restriction in subsection 2.5(2)(b) of NI 81-102 would prohibit a Fund from purchasing or holding securities of a Fund that invests its assets in a Foreign IPU unless at the time of the purchase of that security, the Fund holds no more than 10% of the market value of its net assets in securities of other mutual funds and, because IPUs are currently defined to be securities that are traded on a stock exchange in Canada or the United States only, the Fund would not be able to rely upon the IPU exemption in subsection 2.5(4)(b)(ii) of NI 81-102; and
 - e. the investment restriction in subsection 2.5(2)(c) of NI 81-102 would prohibit a Fund from purchasing or holding securities of a Foreign IPU because Foreign IPUs are not reporting issuers in the local jurisdiction and, because IPUs are currently defined to be securities that are traded on a stock exchange in Canada or the United States only, the Fund would not be able to rely upon the IPU exemption in subsection 2.5(3)(a) of NI 81-102;
39. An investment by a Fund in securities of a Foreign IPU represents, or will represent, the business judgement of responsible persons uninfluenced by considerations other than the best interests of that Fund.

UCITS Relief

40. Each UCITS is, or will be, managed by an unrelated third party.
41. Each UCITS (a) has, or will have, a primary purpose to invest money provided by its securityholders and (b) has, or will have, securities that entitle its securityholders to receive on demand, or within a specified period after demand, an amount computed by reference to the value of a proportionate interest in the net assets of such UCITS.
42. Each UCITS is, or will be, an “investment fund” and “mutual fund” within the meaning of applicable Canadian securities legislation.
43. No UCITS is, or will be, subject to NI 81-102 and no UCITS distributes, or will distribute, its securities in Canada under a simplified prospectus in accordance with NI 81-101.
44. The UCITS are, or will be, subject to investment restrictions and practices that are generally similar to those applicable to the Funds. The UCITS are, or will be, available for purchase by the public and are not, or will not be, considered to be hedge funds.
45. The UCITS are, or will be, distributed in certain European countries pursuant to:
- a. the European Union Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions as amended and supplemented with further European Union (EU) legislation and as implemented in the EU member state where the UCITS is domiciled or Ireland with regards to Irish-domiciled UCITS, Germany with regards to German-domiciled UCITS and Luxembourg with regards to Luxembourg-domiciled UCITS; or
 - b. with respect to U.K. UCITS, the EU UCITS Regulations as retained in UK law in accordance with the EU (Withdrawal) Act 2018 (together with paragraph a, above, the **UCITS Regulations**). Each U.K. UCIT therefore is, or will be, a UCITS and will comply with the UCITS Regulations.
46. The UCITS are, or will be, distributed in certain European countries pursuant to MiFID II (together with Regulation (EU) No. 600/2014) and globally where permissible, pursuant to applicable local law (including private placement regimes).
47. Each of the UCITS is, or will be, subject to investment restrictions and practices under the laws of the U.K., the Republic of Ireland, Germany and/or Luxembourg that are applicable to mutual funds that are sold to the general public, and are, or will be, subject to the following regulatory requirements and restrictions, which are generally similar to and as rigorous as the requirements and restrictions set forth in NI 81-102:
- (a) each UCITS is subject to a robust risk management framework through prescribed rules on governance, risk, regulation of service providers and safekeeping of assets;
 - (b) each UCITS is restricted to investing a maximum of 10% of its net assets in a single issuer;
 - (c) each UCITS is subject to investment restrictions designed to limit its holdings of illiquid securities to 10% or less of its NAV;
 - (d) each UCITS holds no more than 10% of its NAV in securities of other investment funds, including other collective investment undertakings;

- (e) each UCITS is subject to investment restrictions designed to limit holdings of transferrable securities which are not listed on a stock exchange or regulated market to 10% or less of the UCITS' NAV;
 - (f) the rules governing the use of derivatives by the UCITS are comparable to the rules regarding the use of derivatives under NI 81-102 with respect to the types of derivatives allowed to be used, issuer concentration, risk exposure in connection with mark to market value, the disclosure required in offering documents and the monitoring requirements, and with only a slight difference between the two regimes in connection with counterparty credit ratings (A-1 under NI 81-102 versus an effective rating requirement of A-2 for counterparties which are not regulated as credit institutions under the UCITS Regulations);
 - (g) a UCITS may engage in securities lending activities if provided for in its prospectus or prospectus supplement, as applicable of the UCITS;
 - (h) each UCITS makes, or will make, the NAV of its holdings available to the public through at least one price information system (e.g. Bloomberg or Reuters) and all prices are published daily on the Filer's or an affiliate's website, as applicable;
 - (i) the Filer and/or affiliate of the filer, as applicable, of each UCITS is required to prepare a prospectus that discloses material facts pertaining to each UCITS. The prospectus provides disclosure that is similar to the disclosure required to be included in a simplified prospectus under NI 81-101 and a prospectus under NI 41-101, although some information, such as annual returns, management expense ratios, trading expense ratios, and trading price and volume, is not included in the prospectus and/or prospectus supplement of a UCITS, as applicable;
 - (j) each UCITS publishes a KIID which contains disclosure similar to that required to be included in a fund facts document prepared under NI 81-101;
 - (k) each UCITS is subject to continuous disclosure obligations which are similar to the disclosure obligations of the Funds under NI 81-106;
 - (l) any material change in the investment objective or material change to the investment policy of a UCITS will only be effected either following the written approval of all shareholders of the UCITS or a resolution of a majority of the voting shareholders of that UCITS at a general meeting, or after shareholders are given 30 days notice of the change;
 - (m) all investment management activities of the investment fund manager for each of the UCITS must be conducted at all times in accordance with the UCITS Regulations and the investment policy of the UCITS; and
 - (n) the auditor of each of UCITS is required to prepare an audited set of accounts for each UCITS at least annually.
48. There will be no duplication of management fees or incentive fees as a result of an investment by a Fund in a UCITS.
49. The amount of loss that could result from an investment by a Fund in an UCITS will be limited to the amount invested by the Fund in such UCITS.

Reasons for the UCITS Relief

50. A Fund is not permitted to invest in shares of a UCITS unless the requirements of section 2.5(2) of NI 81-102 are satisfied.
51. Section 2.5 of NI 81-102 would permit the Funds to invest in the UCITS but for the fact that each UCITS is not subject to NI 81-102 and is not a reporting issuer in any of the Jurisdictions.
52. Other than the paragraphs of section 2.5 of NI 81-102 from which the Funds seek relief, the Funds will otherwise comply fully with section 2.5 of NI 81-102 when investing in the UCITS.
53. The Filer considers that investments by the Funds in UCITS provide an efficient and cost-effective means for the Funds to achieve diversification, obtain exposure to the markets and asset classes in which the UCITS invest and, in the case of certain UCITS, unique investment exposures. In particular, UCITS can provide a cost-effective way to achieve the Funds' desired allocations to various sectors, as well as desired exposure to certain countries, which in some cases may not be possible through reliance on ETFs listed on stock exchanges in Canada or the United States alone due to the relative size of the ETFs and/or the makeup of the available ETFs.
54. A Fund's investment in shares of a UCITS is not for the purpose of distributing the UCITS to the Canadian public. The investments by a Fund in a UCITS is proposed not to allow the UCITS to be indirectly distributed in Canada, but to allow a Fund to achieve its investment objectives and investment strategies by investing in professionally managed lower-cost mutual funds, where the investment style and approach is known to the manager of the Fund.

55. In the absence of the UCITS Relief the investment restriction in:
- a. paragraphs 2.5(2)(a) and 2.5(2)(a.1) of NI 81-102 would prohibit a Fund from purchasing and/or holding shares of a UCITS because the UCITS is not subject to NI 81-102; and
 - b. paragraph 2.5(2)(c) of NI 81-102 would prohibit a Fund from purchasing and/or holding shares of a UCITS because the UCITS is not a reporting issuer in a Canadian Jurisdiction.
56. Each investment by a Fund in shares of UCITS will represent the business judgement of responsible persons uninfluenced by considerations other than the best interests of the Fund.

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. in the case of the U.S. ETF Relief:
 - i. the investment by a Fund in securities of a U.S. ETF is made in accordance with the fundamental investment objectives of the Fund;
 - ii. a Fund does not purchase securities of a U.S. ETF if, immediately after the purchase, more than 10% of the NAV of the Fund, in aggregate, taken at market value at the time of the purchase, would consist of securities of U.S. ETFs;
 - iii. a Fund does not short sell securities of U.S. ETFs;
 - iv. the securities of each U.S. ETF are listed on a recognized exchange in the United States;
 - v. each U.S. ETF is, immediately before the purchase by a Fund of securities of that U.S. ETF, an investment company subject to the Investment Company Act in good standing with the SEC;
 - vi. the prospectus or simplified prospectus, as applicable, of each applicable Fund provides, or will provide, all applicable disclosure mandated for investment funds investing in other investment funds; and
 - vii. the prospectus or simplified prospectus, as applicable, of each applicable Fund discloses, or will disclose, in the next renewal of its prospectus following the date of this decision, in the investment strategy section, the fact that the Fund has obtained the U.S. ETF Relief to permit investments in U.S. ETFs on the terms described in this decision.
- b. in the case of the Foreign IPU Relief:
 - i. the investment by a Fund in securities of a Foreign IPU is made in accordance with the fundamental investment objectives of the Fund;
 - ii. the securities each Foreign IPU trade, or will trade, on the London Stock Exchange and are, or will be, subject to the supervision of a national competent authority in the U.K., the Republic of Ireland, Germany and/or Luxembourg;
 - iii. the securities of each Foreign IPU qualify as IPU's within the meaning of NI 81-102 but for the fact that they are traded on the London Stock Exchange and not a stock exchange in Canada or the United States;
 - iv. none of the Foreign IPU's are "synthetic ETFs", meaning that they will not principally rely on an investment strategy that makes use of swaps or other derivatives to gain an indirect financial exposure to the return of an index;
 - v. investments by a Fund in securities of one or more Foreign IPU's comply with NI 81-102 as if securities of the Foreign IPU's were IPU's within the meaning of NI 81-102;
 - vi. the prospectus or simplified prospectus, as applicable, of each applicable Fund provides, or will provide, all applicable disclosure mandated for investment funds investing in other investment funds;

- vii. the prospectus or simplified prospectus, as applicable, of each applicable Fund discloses, or will disclose, in the next renewal of its prospectus following the date of this decision, in the investment strategy section, the fact that the Fund has obtained the Foreign IPU Relief to permit investments in Foreign IPUs on the terms described in this decision;
 - viii. in the event there is a significant change to the regulatory regime applicable to the Foreign IPUs that results in a less restrictive regulatory regime compared to the current regime and that has a material impact on the management or operation of the Foreign IPUs in which the Funds are invested, the Funds do not acquire any additional securities of such Foreign IPUs, and dispose of any securities of such Foreign IPUs in an orderly and prudent manner; and
 - ix. the Foreign IPU Relief will terminate six months after the coming into force of any amendments to NI 81-102 that restrict or regulate a Fund's ability to invest in Foreign IPUs.
- c. in the case of the UCITS Relief:
 - i. the investment by a Fund in securities of a UCITS is made in accordance with the fundamental investment objectives of the Fund;
 - ii. the UCITS qualify as UCITS and are subject to investment restrictions and practices under the laws of that are applicable to mutual funds that are sold to the general public and are regulated investment funds authorized as a UCITS by the applicable national competent authority of the U.K., the Republic of Ireland, Germany, and/or Luxembourg;
 - iii. the investment by a Fund in a UCITS otherwise complies with section 2.5 of NI 81-102, and the prospectus or a simplified prospectus, as applicable, of the Fund provides, or will provide, all applicable disclosure mandated for investment funds investing in other investment funds;
 - iv. a Fund does not invest in a UCITS if, immediately after the investment, more than 10% of its net assets, taken at market value at the time of the investment, would consist of investments in UCITS;
 - v. the prospectus or simplified prospectus, as applicable, of each applicable Fund discloses, or will disclose, in the next renewal of its prospectus following the date of this decision, in the investment strategy section, the fact that the Fund has obtained the UCITS Relief to permit investments in UCITS on the terms described in this decision;
 - vi. in the event that there is a change to the regulatory regime applicable to the UCITS that results in a less restrictive regulatory regime compared to the current regime and that has a material impact on the management or operation of the UCITS in which the Funds are invested, the Funds do not acquire additional shares of such Foreign Funds, and dispose of any shares of such UCITS in an orderly and prudent manner; and
 - vii. the UCITS Relief will terminate six months after the coming into force of any amendments that would permit a fund to invest in the UCITS subject to the provisions of such amendments.

“Darren McKall”
Manager, Investment Management Division
Ontario Securities Commission

Application File #: 2024/0345
SEDAR+ File #: 6143486

B.3.7 Franklin Templeton Investments Corp. et al.**Headnote**

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted under subsection 62(5) of the Securities Act to permit the extension of a prospectus lapse date by 96 days to facilitate the consolidation of the funds' prospectus with the prospectus of different funds under common management – no conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 62(5).

August 26, 2024

**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
FRANKLIN TEMPLETON INVESTMENTS CORP.
(the Filer)**

AND

**IN THE MATTER OF
FRANKLIN CANADIAN LOW VOLATILITY HIGH
DIVIDEND INDEX ETF,
FRANKLIN INTERNATIONAL LOW VOLATILITY HIGH
DIVIDEND INDEX ETF,
FRANKLIN U.S. LOW VOLATILITY HIGH DIVIDEND
INDEX ETF
(the Funds)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Funds for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the time limits for the renewal of the simplified prospectus of the Funds dated February 9, 2024 (the **Current Prospectus**) be extended to the time limits that would apply if the lapse date of the Current Prospectus was May 16, 2025 (the **Requested Relief**).

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

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation governed by the laws of Ontario with its head office in Toronto, Ontario.
2. The Filer is registered as: (i) an investment fund manager in Ontario, Quebec, Alberta, British Columbia, Manitoba, Nova Scotia, and Newfoundland and Labrador; (ii) a mutual fund dealer, portfolio manager and exempt market dealer in each province of Canada and the Yukon territory; and (iii) a commodity trading manager in Ontario.
3. The Filer is the investment fund manager and trustee of the Funds, which are organized as unit trusts.
4. Neither the Filer nor the Funds are in default of securities legislation in any of the Jurisdictions.
5. The Funds are open-ended exchange-traded mutual fund trusts established under the laws of Ontario. The Funds are reporting issuers in the Jurisdictions.
6. Securities of the Funds are currently qualified for distribution in each of the Jurisdictions under the Current Prospectus. Securities of each of the Funds trade on Cboe Canada Inc.
7. Pursuant to subsection 62(1) of the *Securities Act* (Ontario) (the **Act**), the lapse date for the Current Prospectus is February 9, 2025 (the **Current Lapse Date**). Accordingly, under subsection 62(2) of the Act and National Instrument 81-101– *Mutual Fund Prospectus Disclosure (NI 81-101)*, the distribution of securities of the Funds would have to cease on its applicable Current Lapse Date unless: (i) the Funds file a *pro forma* simplified prospectus at least thirty (30) days prior to its Current Lapse Date; (ii) the final simplified prospectus is filed no later than ten (10) days after its Current Lapse Date; and (iii) a receipt for the final simplified prospectus is obtained within twenty (20) days after its Current Lapse Date.
8. On September 14, 2023, the Filer was granted relief from the requirement to prepare and file a long form prospectus for exchange-traded mutual funds in the

form prescribed by Form 41-101F2 – *Information Required in an Investment Fund Prospectus* provided that the Filer files (i) a simplified prospectus for exchange-traded mutual funds in accordance with the provisions of NI 81-101 and Form 81-101F1 – *Contents of Simplified Prospectus*, other than the requirements pertaining to the filing of a fund facts document; and (ii) an ETF facts document in accordance with Part 3B of National Instrument 41-101 – *General Prospectus Requirements* (the **Combined Prospectus Relief**).

9. On February 9, 2024, the Filer relied on the Combined Prospectus Relief to qualify the Funds' securities for distribution to the public under the Current Prospectus.
10. The Filer is the investment fund manager of certain other mutual funds and exchange-traded mutual funds (the **Franklin Templeton Funds**). The Filer relied on the Combined Prospectus Relief to qualify the Franklin Templeton Funds' securities for distribution to the public under a simplified prospectus dated May 16, 2024 (the **Main Prospectus**), with a lapse date of May 16, 2025 (the **Main Prospectus Lapse Date**).
11. The Filer desires to combine the Current Prospectus with the Main Prospectus in order to reduce renewal, printing, and related costs of the Funds and move the renewal timeframe of the Funds to a more administratively beneficial date.
12. Offering the Funds and the Franklin Templeton Funds under one prospectus would facilitate the distribution of the Funds in the Jurisdictions under the same prospectus and enable the Filer to streamline disclosure across the Filer's fund platform. The Funds share many common operational and administrative features with the Franklin Templeton Funds and combining them under one prospectus will allow investors to compare their features more easily.
13. It would be unreasonable to incur the costs and expenses associated with preparing two separate renewal prospectuses given how close in proximity the lapse dates of the Funds and the Franklin Templeton Funds are to one another.
14. There have been no material changes in the affairs of the Funds since the date of the Current Prospectus. Accordingly, the Current Prospectus and current ETF facts document of each of the Funds continue to provide accurate information regarding the Funds.
15. Given the disclosure obligations of the Filer and the Funds, should any material change in the business, operations or affairs of the Funds occur, the Current Prospectus and current ETF facts

document(s) of the Funds will be amended as required under the Act.

16. New investors of the Funds will receive delivery of the most recently filed ETF facts document(s) of the Funds. The Current Prospectus of the Funds will remain available to investors upon request.
17. The Requested Relief will not affect the accuracy of the information contained in the Current Prospectus or the ETF facts document(s) of the Funds and will therefore not be prejudicial to 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 Requested Relief is granted.

"Darren McKall"
Darren McKall
Manager, Investment Management Division
Ontario Securities Commission

Application File #: 2024/0487
SEDAR+ File #: 6168979

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B.4 Cease Trading Orders

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

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

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Steadright Critical Minerals Inc.	August 2, 2024	August 30, 2024
Amcomri Entertainment Inc	August 20, 2024	August 28, 2024

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

Company Name	Date of Order	Date of Lapse
AI/ML Innovations Inc.	August 30, 2024	
AION THERAPEUTIC INC.	August 30, 2024	

B.4.3 Outstanding Management & Insider Cease Trading Orders

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

Company Name	Date of Order	Date of Lapse
Agrios Global Holdings Ltd.	September 17, 2020	
Sproutly Canada, Inc.	June 30, 2022	
iMining Technologies Inc.	September 30, 2022	
Alkaline Fuel Cell Power Corp.	April 4, 2023	
mCloud Technologies Corp.	April 5, 2023	
FenixOro Gold Corp.	July 5, 2023	
HAVN Life Sciences Inc.	August 30, 2023	
Perk Labs Inc.	April 4, 2024	
Organto Foods Inc.	May 8, 2024	
AI/ML Innovations Inc.	August 30, 2024	
AION THERAPEUTIC INC.	August 30, 2024	

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B.7

Insider Reporting

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

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

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

B.9

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:

North American Financial 15 Split Corp.
Principal Regulator – Ontario

Type and Date:

Preliminary Short Form Base Shelf Prospectus dated Aug 29, 2024

NP 11-202 Preliminary Receipt dated Aug 29, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06178005

Issuer Name:

Desjardins Fundamental Global Equity Fund
Desjardins Global Opportunities Fund
Desjardins Target 2025 Investment Grade Bond Fund
Desjardins Target 2026 Investment Grade Bond Fund
Desjardins Target 2027 Investment Grade Bond Fund
Principal Regulator – Quebec

Type and Date:

Preliminary Simplified Prospectus dated Aug 30, 2024

NP 11-202 Preliminary Receipt dated Aug 30, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06180691

Issuer Name:

FÉRIQUE Asian Equity Fund
FÉRIQUE European Equity Fund
Principal Regulator – Quebec

Type and Date:

Amendment No. 1 to Final Simplified Prospectus dated Aug 15, 2024

NP 11-202 Final Receipt dated Aug 27, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06118370

Issuer Name:

Phillips, Hager & North Overseas Equity Fund
Principal Regulator – Ontario

Type and Date:

Amendment No. 1 to Final Simplified Prospectus dated Aug 26, 2024

NP 11-202 Final Receipt dated Aug 27, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06135068

Issuer Name:

Phillips, Hager & North Currency-Hedged Overseas Equity Fund
Phillips, Hager & North Global Equity Fund
Principal Regulator – Ontario

Type and Date:

Amendment No. 1 to Final Simplified Prospectus dated Aug 26, 2024

NP 11-202 Final Receipt dated Aug 27, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06134893

Issuer Name:

BetaPro Canadian Gold Miners -2x Daily Bear ETF
BetaPro Canadian Gold Miners 2x Daily Bull ETF
BetaPro Crude Oil Inverse Leveraged Daily Bear ETF
BetaPro Crude Oil Leveraged Daily Bull ETF
BetaPro Equal Weight Canadian Bank -2x Daily Bear ETF
BetaPro Equal Weight Canadian Bank 2x Daily Bull ETF
BetaPro Equal Weight Canadian REIT -2x Daily Bear ETF
BetaPro Equal Weight Canadian REIT 2x Daily Bull ETF
BetaPro Gold Bullion -2x Daily Bear ETF
BetaPro Gold Bullion 2x Daily Bull ETF
BetaPro Inverse Bitcoin ETF
BetaPro NASDAQ-100® -2x Daily Bear ETF
BetaPro NASDAQ-100® 2x Daily Bull ETF
BetaPro Natural Gas Inverse Leveraged Daily Bear ETF
BetaPro Natural Gas Leveraged Daily Bull ETF
BetaPro S&P 500 VIX Short-Term Futures™ ETF
BetaPro S&P 500® -2x Daily Bear ETF
BetaPro S&P 500® 2x Daily Bull ETF
BetaPro S&P 500® Daily Inverse ETF
BetaPro S&P/TSX 60™ -2x Daily Bear ETF
BetaPro S&P/TSX 60™ 2x Daily Bull ETF
BetaPro S&P/TSX 60™ Daily Inverse ETF
BetaPro S&P/TSX Capped Energy™ -2x Daily Bear ETF
BetaPro S&P/TSX Capped Energy™ 2x Daily Bull ETF
BetaPro S&P/TSX Capped Financials™ -2x Daily Bear ETF
BetaPro S&P/TSX Capped Financials™ 2x Daily Bull ETF
BetaPro Silver -2x Daily Bear ETF
BetaPro Silver 2x Daily Bull ETF
Global X Crude Oil ETF
Global X Gold ETF
Global X Natural Gas ETF
Global X Silver ETF
Principal Regulator – Ontario

Type and Date:

Final Long Form Prospectus dated Aug 28, 2024
NP 11-202 Final Receipt dated Aug 30, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06159482

Issuer Name:

First Trust SMID Cap Rising Dividend Achievers ETF
Principal Regulator – Ontario

Type and Date:

Final Long Form Prospectus dated Aug 27, 2024
NP 11-202 Final Receipt dated Aug 28, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06167420

Issuer Name:

Davis-Rea Equity Fund
Davis-Rea Fixed Income Fund
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated Aug 27, 2024
NP 11-202 Final Receipt dated Aug 27, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06159591

Issuer Name:

Franklin Brandywine Global Sustainable Balanced Fund
Franklin Brandywine Global Sustainable Income Optimiser Fund
Principal Regulator – Ontario

Type and Date:

Amendment No. 1 to Final Simplified Prospectus dated Aug 20, 2024

NP 11-202 Final Receipt dated Aug 28, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06113748

Issuer Name:

Templeton Sustainable Global Balanced Fund
Franklin High Income Fund
Principal Regulator – Ontario

Type and Date:

Amendment No. 1 to Final Simplified Prospectus dated Aug 20, 2024

NP 11-202 Final Receipt dated Aug 28, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06114559

Issuer Name:

Renaissance Global Infrastructure Fund
Renaissance Global Markets Fund
Renaissance Global Real Estate Currency Neutral Fund
Renaissance Global Real Estate Fund
Renaissance Global Science & Technology Fund
Renaissance Global Small-Cap 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 Portfolio
Renaissance Optimal Growth & Income Portfolio
Renaissance Optimal Income Portfolio
Renaissance Optimal Inflation Opportunities Portfolio
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 Aug 28, 2024

NP 11-202 Final Receipt dated Aug 29, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06151160

Issuer Name:

CIBC Multi-Asset Global Balanced Private Pool (formerly, Renaissance Multi-Asset Global Balanced Private Pool)
CIBC Multi-Sector Fixed Income Private Pool (formerly, Renaissance Multi-Sector Fixed Income Private Pool)
CIBC Real Assets Private Pool (formerly, Renaissance Real Assets Private Pool)
CIBC U.S. Equity Currency Neutral Private Pool (formerly, Renaissance U.S. Equity Currency Neutral Private Pool)
CIBC U.S. Equity Private Pool (formerly, Renaissance U.S. Equity Private Pool)
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 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 Fund
Renaissance Global Growth Currency Neutral Fund
Renaissance Global Growth Fund
Renaissance Global Health Care Fund
Renaissance Global Infrastructure Currency Neutral Fund
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated Aug 28, 2024

NP 11-202 Final Receipt dated Aug 29, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06151091

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
CIBC Alternative Credit Strategy
CIBC Canadian Equity Private Pool (formerly, Renaissance Canadian Equity Private Pool)
CIBC Canadian Fixed Income Private Pool (formerly, Renaissance Canadian Fixed Income Private Pool)
CIBC Conservative Fixed Income Pool
CIBC Core Fixed Income Pool
CIBC Core Plus Fixed Income Pool
CIBC Diversified Fixed Income Fund
CIBC Emerging Markets Equity Private Pool (formerly, Renaissance Emerging Markets Equity Private Pool)
CIBC Emerging Markets Local Currency Bond Fund
CIBC Equity Income Private Pool (formerly, Renaissance Equity Income Private Pool)
CIBC Global Bond Private Pool (formerly, Renaissance Global Bond Private Pool)
CIBC Global Credit Fund
CIBC Global Equity Private Pool (formerly, Renaissance Global Equity Private Pool)
CIBC Global Growth Balanced Fund
CIBC International Equity Private Pool (formerly, Renaissance International Equity Private Pool)
CIBC Multi-Asset Absolute Return Strategy
CIBC Multi-Asset Global Balanced Income Private Pool (formerly, Renaissance Multi-Asset Global Balanced Income Private)
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated Aug 28, 2024
NP 11-202 Final Receipt dated Aug 29, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06150827

Issuer Name:

Purpose Bitcoin ETF
Purpose Bitcoin Yield ETF
Purpose Credit Opportunities Fund
Purpose Diversified Real Asset Fund
Purpose Ether ETF
Purpose Ether Yield ETF
Purpose Multi-Strategy Market Neutral Fund
Purpose Select Equity Fund
Purpose Structured Equity Growth Fund
Purpose Structured Equity Yield Plus Fund (formerly, Purpose Structured Equity Yield Plus Portfolio)
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated Aug 28, 2024
NP 11-202 Final Receipt dated Aug 28, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06160129

Issuer Name:

Corton Enhanced Income Fund
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated Aug 26, 2024
NP 11-202 Final Receipt dated Aug 28, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06136118

Issuer Name:

Dividend 15 Split Corp.
Principal Regulator – Ontario

Type and Date:

Preliminary Short Form Base Shelf Prospectus dated Aug 29, 2024
NP 11-202 Final Receipt dated Aug 29, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06177991

Issuer Name:

Fidelity Advantage Bitcoin ETF
Fidelity Advantage Ether ETF
Fidelity All-American Equity ETF
Fidelity All-Canadian Equity ETF
Fidelity All-in-One Balanced ETF
Fidelity All-in-One Conservative ETF
Fidelity All-in-One Equity ETF
Fidelity All-in-One Growth ETF
Fidelity All-International Equity ETF
Fidelity Canadian High Dividend ETF
Fidelity Canadian High Quality ETF
Fidelity Canadian Low Volatility ETF
Fidelity Canadian Momentum ETF
Fidelity Canadian Monthly High Income ETF
Fidelity Canadian Short Term Corporate Bond ETF
Fidelity Canadian Value ETF
Fidelity Global Core Plus Bond ETF
Fidelity Global Innovators ETF
Fidelity Global Investment Grade Bond ETF
Fidelity Global Monthly High Income ETF
Fidelity International High Dividend ETF
Fidelity International High Quality ETF
Fidelity International Low Volatility ETF
Fidelity International Momentum ETF
Fidelity International Value ETF
Fidelity Sustainable World ETF
Fidelity Systematic Canadian Bond Index ETF
Fidelity U.S. Dividend for Rising Rates ETF
Fidelity U.S. High Dividend Currency Neutral ETF
Fidelity U.S. High Dividend ETF
Fidelity U.S. High Quality Currency Neutral ETF
Fidelity U.S. High Quality ETF
Fidelity U.S. Low Volatility ETF
Fidelity U.S. Momentum ETF
Fidelity U.S. Value Currency Neutral ETF
Fidelity U.S. Value ETF
Principal Regulator – Ontario

Type and Date:

Final Long Form Prospectus dated Aug 27, 2024
NP 11-202 Final Receipt dated Aug 27, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06157623

Issuer Name:

Global X Canadian High Dividend Index Corporate Class ETF
Global X Canadian Select Universe Bond Index Corporate Class ETF
Global X Carbon Credits ETF
Global X Cash Maximizer Corporate Class ETF
Global X Emerging Markets Equity Index Corporate Class ETF
Global X Equal Weight Canadian Banks Index Corporate Class ETF
Global X Equal Weight Canadian REITs Index Corporate Class ETF
Global X Europe 50 Index Corporate Class ETF
Global X Intl Developed Markets Equity Index Corporate Class ETF
Global X Laddered Canadian Preferred Share Index Corporate Class ETF
Global X Nasdaq-100 Index Corporate Class ETF
Global X ReSolve Adaptive Asset Allocation Corporate Class ETF
Global X S&P 500 CAD Hedged Index Corporate Class ETF
Global X S&P 500 Index Corporate Class ETF
Global X S&P/TSX 60 Index Corporate Class ETF
Global X S&P/TSX Capped Composite Index Corporate Class ETF
Global X S&P/TSX Capped Energy Index Corporate Class ETF
Global X S&P/TSX Capped Financials Index Corporate Class ETF
Global X US 7-10 Year Treasury Bond Index Corporate Class ETF
Global X US Large Cap Index Corporate Class ETF
Global X USD Cash Maximizer Corporate Class ETF
Principal Regulator – Ontario

Type and Date:

Final Long Form Prospectus dated Aug 28, 2024
NP 11-202 Final Receipt dated Aug 29, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06159543

Issuer Name:

Ninepoint High Interest Savings Fund
Principal Regulator – Ontario

Type and Date:

Amendment No. 2 to Final Simplified Prospectus dated Aug 14, 2024
NP 11-202 Final Receipt dated Aug 30, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06110525

NON-INVESTMENT FUNDS

Issuer Name

EQB Inc. (formerly Equitable Group Inc.)

Principal Regulator - Ontario

Type and Date

Preliminary Shelf Prospectus dated Aug 26, 2024

NP 11-202 Preliminary Receipt dated Aug 26, 2024

Offering Price and Description

Common shares, Units - common shares and warrants,

Warrants, Other securities, Debt, Preference shares,

Subscription Receipts

Filing # 06173980

Issuer Name

EQB Inc. (formerly Equitable Group Inc.)

Principal Regulator - Ontario

Type and Date

Shelf Prospectus dated Aug 26, 2024

NP 11-202 Final Receipt dated Aug 27, 2024

Offering Price and Description

Common shares, Units - common shares and warrants

Warrants, Other securities, Debt, Preference shares

Subscription Receipts

Filing # 06173980

Issuer Name

IsoEnergy Ltd.

Principal Regulator – Ontario

Type and Date

Preliminary Shelf Prospectus dated Aug 28, 2024

NP 11-202 Preliminary Receipt dated Aug 28, 2024

Offering Price and Description

\$200,000,000 - Common Shares, Warrants, Units, Debt

Securities, Subscription Receipts

Filing # 06175603

Issuer Name

National Bank of Canada

Principal Regulator – Quebec

Type and Date

Preliminary Shelf Prospectus dated Aug 29, 2024

NP 11-202 Preliminary Receipt dated Aug 30, 2024

Offering Price and Description

\$5,000,000,000 - Debt Securities (unsubordinated

indebtedness), Debt Securities (subordinated

indebtedness), First Preferred Shares, Common Shares

Subscription Receipts

Filing # 06179715

Issuer Name

Gran Tierra Energy Inc.

Principal Regulator - Alberta

Type and Date

Preliminary MJDS Shelf Prospectus dated Aug 28, 2024

NP 11-202 Preliminary Receipt dated Aug 29, 2024

Offering Price and Description

\$500,000,000.00 - Common Stock, Preferred Stock,

Warrants, Subscription Receipts

Filing # 06176615

Issuer Name

Queen's Road Capital Investment Ltd.

Principal Regulator – British Columbia

Type and Date

Preliminary Shelf Prospectus dated Aug 23, 2024

NP 11-202 Preliminary Receipt dated Aug 26, 2024

Offering Price and Description

US\$200,000,000.00 – Common Shares, Warrants, Debt

Secutieis, Units, Subscription Receipts.

Filing # 06172985

B.10 Registrations

B.10.1 Registrants

Type	Company	Category of Registration	Effective Date
Change in Registration Category	Bold Wealth Partners Inc.	From: Portfolio Manager To: Portfolio Manager and Investment Fund Manager	August 29, 2024

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B.11

CIRO, Marketplaces, Clearing Agencies and Trade Repositories

B.11.2 Marketplaces

B.11.2.1 Cboe Canada Inc. – Housekeeping Rule Amendment to the Trading Policies – On-Stop Orders – Notice

CBOE CANADA INC.

NOTICE OF HOUSEKEEPING RULE AMENDMENT TO THE TRADING POLICIES – ON-STOP ORDERS

Introduction

In accordance with the *Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto*, Cboe Canada Inc. (“**Cboe Canada**” or the “**Exchange**”) is proposing to adopt certain amendments to its trading rules (the “**Trading Policies**”) that are of a housekeeping nature (collectively, the “**Housekeeping Rule Amendment**”). The Ontario Securities Commission has not disagreed with the housekeeping categorization. The Housekeeping Rule Amendment is described below.

Housekeeping Rule Amendment and Rationale for Classification

The Housekeeping Rule Amendment is reflected in amendments to Section 6.02(2) of the Trading Policies. A blackline of the amendments is provided as Appendix A.

The Housekeeping Rule Amendment is being made to clarify that the On-Stop order attribute, which was approved by notice published on October 19, 2023, see *In re Neo Exchange Inc. – Trading Policies Amendment – Notice of Approval*, (2023), 46 OSCB 8610 (Oct. 19) (available at: https://www.osc.ca/sites/default/files/2023-10/neo_20231019_notice-approval.pdf) (the “**On-Stop Notice**”), is (and has always been) only available for securities listed on Cboe Canada (“**Listed Securities**”). We believe this is well understood by our Members, given that, in practice, Members tend to utilize the On-Stop order attribute only for orders that also have a duration attribute activated (i.e., Good Till Date (“**GTD**”) or Good Till Cancel (“**GTC**”)), and given that such duration orders are currently only available for Listed Securities.¹

Nevertheless, we are adopting this Housekeeping Rule Amendment to add sub-headings and re-order all of the attributes listed in Section 6.02(2), thereby making it explicitly clear, within this particular rule itself, which attributes are available only for Listed Securities (including the On-Stop attribute), and which others are available for all securities traded on Cboe Canada (i.e., both Listed Securities and Other Traded Securities). The distinction being made explicit as part of this Housekeeping Rule Amendment is consistent with the information provided in the “Order Types” table set out in section 9.5 of Cboe Canada’s Trading Functionality Guide (available on the Exchange’s website at <https://www.cboe.ca/en/resources>) and/or as may be inferred from other provisions of the existing Trading Policies.

The Housekeeping Rule Amendment will be effective as of the date hereof.

The amended Trading Policies are available at: <https://www.cboe.ca/en/resources>.

¹ Please note that, as part of a separate pending rule amendment, which is being made in connection with the planned migration of the Exchange’s NEO-L, NEO-N, and NEO-D trading books to the technology of the Exchange’s parent company (the “**Cboe Technology Migration**”), see *In re Cboe Canada Inc. – Proposed Public Interest Rule Amendment to the Cboe Canada Trading Policies – Request for Comments*, (2024), 47 OSCB 6707 (Aug. 15, 2024) (available at: https://www.osc.ca/sites/default/files/2024-08/cboe_20240815_rfc.pdf) (the “**Cboe Technology Migration Notice**”), the Exchange has proposed to expand the availability of the GTD and GTC duration attributes to all securities. (As briefly mentioned in the Cboe Technology Migration Notice, this will be done by deleting the words “for Listed Securities Only” from the heading of Section 6.02(1) of the Trading Policies; in addition, we note that this change will also be reflected in a future version of the Trading Functionality Guide that will be published to the Exchange’s website if and when the Cboe Technology Migration receives regulatory approval.)

APPENDIX A
BLACKLINE OF
HOUSEKEEPING RULE AMENDMENT

Choe Canada Trading Policies

6.02 Additional Order Modifiers Available in NEO-L

[...]

(2) Order Modifiers - Functional Attributes

(a) For Listed Securities and Other Traded Securities

<i>Iceberg</i>	A Limit Order that specifies a total size and a disclosed size. Once the disclosed size is executed in full, another order (within the maximum and minimum size specified by the user) will be displayed with priority corresponding to the release time, and the undisclosed size, or reserve, will be reduced accordingly. The release time and/or displayed size can be randomized, as specified by the user.
<i>Mixed Lot</i>	<u>A Limit Order or Market Order containing at least one Board Lot and an Odd Lot.</u>
<i>Odd Lot</i>	<u>A Limit Order or Market Order containing less than one Board Lot.</u>
<i>Special Terms</i>	<u>A specific order type as defined in UMIR.</u>

(b) For Listed Securities Only

<i>Imbalance Only (IO)</i>	A Limit or Market Order that is eligible and available for execution at the Opening at a defined price or better for a Limit Order, or at any price for a Market Order, where an imbalance exists. An IO order has lower matching priority than non-IO orders. IO orders are not visible and do not contribute to COP formation. An IO order may only interact with orders to reduce the imbalance identified in an Imbalance Message. Any unfilled volume is cancelled upon completion of the Opening.
<i>Limit on Close (LOC)</i>	An eligible Limit Order that is only available for execution in the Closing Call. Any unfilled orders will be cancelled upon completion of the Closing Call.
<i>Limit on Open (LOO)</i>	An eligible Limit Order that is only available for execution at the Opening Call. Any unfilled orders will be cancelled upon completion of the Opening Call.
<i>Market on Close (MOC)</i>	An eligible Market Order that is only available for execution in the Closing Call. Any unfilled orders will be cancelled upon completion of the Closing Call.
<i>Market on Open (MOO)</i>	An eligible Market Order that is only available for execution at the Opening Call. Any unfilled orders will be cancelled upon completion of the Opening Call.
<i>Mixed Lot</i>	A Limit Order or Market Order containing at least one Board Lot and an Odd Lot.
<i>Odd Lot</i>	A Limit Order or Market Order containing less than one Board Lot.
<i>On-Stop</i>	A Limit Order or Market Order which resides inactive off the book until it is "triggered" at which time it can interact with other orders. An On-Stop order is triggered when the LSP trades down to (if it is a sell order) or up to (if it is a buy order) or through the stop price specified on the On-Stop order. Once triggered, the On-Stop order will trade in NEO-L up to its limit and any unfilled volume will be posted at its limit price (or if it is a Market Order converted to a Limit Order at the LSP).
<i>Special Terms</i>	A specific order type as defined in UMIR.

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