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Chapter 1

Notices

1.4 Notices from the Office of the Secretary

1.4.1 BDO Canada LLP

FOR IMMEDIATE RELEASE
June 13, 2019

**BDO CANADA LLP,
File No. 2018-59**

TORONTO – The Commission issued an Order in the above named matter.

A copy of the Order dated June 13, 2019 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 BRP Inc.

Headnote

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– Application for relief from the requirement to take up all securities deposited under the issuer bid and not withdrawn if all the terms and conditions of the Offer have been complied with or waived unless the issuer first takes up all shares deposited under the Offer and not withdrawn (subsection 2.32(4) of National Instrument 62-104 Take-Over Bids and Issuer Bids) – Requested relief granted, subject to conditions.

Applicable Legislative Provisions

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

TRANSLATION

June 11, 2019

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

AND

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

AND

IN THE MATTER OF
BRP INC.
(the "Filer")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the "**Decision Maker**") has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") granting the Filer, in connection with the proposed purchase of a portion of its outstanding subordinate voting shares (the "**Shares**") pursuant to an issuer bid (the "**Offer**"), an exemption from the following requirements (the "**Exemption Sought**"):

- a) the proportionate take-up requirements in Section 2.26 of *Regulation 62-104 respecting Take-over Bids and Issuer Bids* (chapter V-1.1, r. 35) ("**Regulation 62-104**") (the "**Proportionate Take-up Requirement**");
- b) the requirements in Item 8 of Form 62-104F2 to Regulation 62-104 to provide disclosure of the proportionate take-up and payment in the issuer bid circular (the "**Circular**") (the "**Proportionate Take-Up Disclosure Requirement**"); and

- c) the requirements in Section 2.32 of Regulation 62-104 that an issuer bid not be extended if all the terms and conditions of the issuer bid have been complied with or waived unless the issuer first takes up all securities deposited under the issuer bid and not withdrawn (the "**Extension Take-Up Requirement**").

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (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 4.7(1) of Regulation 11-102 respecting Passport System (chapter V-1.1, r. 1) ("**Regulation 11-102**") is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, the Yukon, the Northwest Territories and Nunavut;
- c) the 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 *Regulation 14-101 respecting Definitions* (chapter V-1.1, r. 3) and Regulation 11-102 have the same meaning if used in this decision, unless otherwise defined herein.

Representations

This decision is based on the following facts of the Filer:

1. The head office and registered office of the Filer are located at 726, rue Saint-Joseph, Valcourt (Québec), Canada, J0E 2L0.
2. The Filer is a reporting issuer in each of the jurisdictions of Canada and the Filer's Shares are listed for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "DOO" and on the Nasdaq Global Select Market (the "**Nasdaq**") under the symbol "DOOO". The Filer is not in default of any requirement of the securities legislation in the jurisdictions of Canada.
3. The authorized share capital of the Filer consists of unlimited number of multiple voting shares (the "**MVS**") and Shares and an unlimited number of preferred shares issuable in series. As of May 30, 2019, there were 42,313,579 Shares and 54,101,384 MVS issued and outstanding, and no preferred shares were issued and outstanding. The MVS are not listed for trading on any stock exchange. Each outstanding MVS may at any time, at the option of the holder, be converted into one Share.
4. On May 29, 2019, the closing price of the Shares on the TSX was \$36.16 and US\$26.73 on the Nasdaq.
5. As at May 30, 2019, Beaudier Inc. ("**Beaudier**") and 4338618 Canada Inc. ("**4338618**") beneficially owned 16,761,604 and 11,173,638 MVS, respectively, which in the aggregate represented approximately 29.0% of the issued and outstanding Shares and MVS, and Bain Capital Luxembourg Investments S.à r.l. ("**Bain Capital**") beneficially owned 21,353,314 MVS, which in the aggregate represented approximately 22.2% of the issued and outstanding Shares and MVS.
6. The Filer intends to make the Offer pursuant to which it would offer to purchase that number of Shares having an aggregate purchase price of up to \$300 million (the "**Specified Dollar Amount**").
7. Prior to making the Offer, the board of directors of the Filer will have determined that the Offer is in the best interests of the Filer.
8. Holders of MVS will be entitled to participate in the Offer by depositing their MVS to the Offer. MVS deposited under the Offer will be considered as Shares (i.e. on an as-converted basis) for purposes of all calculations under the Offer. Only those MVS taken up by the Filer will be converted into Shares immediately prior to take up.
9. The purchase price per Share will be determined by the Filer through a modified "Dutch auction" procedure in the manner described below within a range (the "**Price Range**") to be determined by the Filer.
10. The Specified Dollar Amount has been determined and was announced by the Filer in a press release issued on May 30, 2019. The Price Range will be determined prior to commencement of the Offer. Both the Specified Dollar Amount and the Price Range will be specified in the Circular.

11. The Filer expects to fund the purchase of Shares pursuant to the Offer, together with the fees and expenses of the Offer, with a combination of cash on hand, drawings on existing credit facilities and, subject to market conditions, a planned incremental term loan issuance. In any event, the Offer will not be conditional upon the receipt of any financing.
12. Holders of Shares and MVS (collectively, the "**Shareholders**") wishing to tender to the Offer will be able to do so in one of the following ways:
 - a. auction tenders in which the tendering Shareholders specify the number of Shares being tendered at a price per Share (the "**Auction Price**") within the Price Range (the "**Auction Tenders**");
 - b. purchase price tenders in which the tendering Shareholders do not specify a price per Share, but rather agree to have a specified number of Shares purchased at the Purchase Price (as defined below) to be determined by the Auction Tenders (the "**Purchase Price Tenders**");
 - c. proportionate tenders in which the tendering Shareholders agree to sell to the Filer, at the Purchase Price to be determined by the Auction Tenders, a number of Shares that will result in them maintaining their respective proportionate equity ownership in the Filer following completion of the Offer (the "**Proportionate Tenders**").
13. Shareholders may make multiple Auction Tenders but not in respect of the same Shares (i.e. Shareholders may tender different Shares at different prices but cannot tender the same Shares at different prices). Shareholders may also make an Auction Tender in respect of certain of their Shares and a Purchase Price Tender in respect of other Shares. Shareholders who make a Proportionate Tender must tender all Shares beneficially owned by them to the Offer. Shareholders who make an Auction Tender or a Purchase Price Tender may not make a Proportionate Tender and vice versa.
14. Any Shareholder who owns fewer than 100 Shares and tenders all of such Shareholder's Shares pursuant to an Auction Tender at or below the Purchase Price or makes a Purchase Price Tender will be considered to have made an "**Odd-Lot Tender**".
15. The Filer will determine the purchase price payable per Share (the "**Purchase Price**") based on the Auction Prices and the number of Shares deposited pursuant to valid Auction Tenders and Purchase Price Tenders. The Purchase Price will be the lowest price that enables the Filer to purchase that number of Shares tendered pursuant to valid Auction Tenders and Purchase Price Tenders having an aggregate purchase price not to exceed an amount (the "**Auction Tender Limit Amount**") equal to
 - a) the Specified Dollar Amount, less
 - b) the product of
 - i. the Specified Dollar Amount, and
 - ii. a fraction, the numerator of which is the aggregate number of Shares owned by Shareholders making valid Proportionate Tenders (including MVS to be converted into Shares on a one-for-one basis upon take up), and the denominator of which is the aggregate number of Shares and MVS outstanding at the time of expiry of the Offer.
16. If the aggregate purchase price for Shares validly tendered pursuant to Auction Tenders at Auction Prices at or below the Purchase Price and Purchase Price Tenders is less than or equal to the Auction Tender Limit Amount, the Filer will purchase at the Purchase Price all Shares so deposited pursuant to Auction Tenders at or below the Purchase Price and Purchase Price Tenders.
17. If the aggregate purchase price for Shares validly tendered pursuant to Auction Tenders at Auction Prices at or below the Purchase Price and Purchase Price Tenders is greater than the Auction Tender Limit Amount, the Filer will purchase at the Purchase Price a portion of the Shares so deposited pursuant to Auction Tenders at or below the Purchase Price and Purchase Price Tenders, determined as follows:
 - a) first, the Filer will purchase all such Shares tendered by Shareholders at the Purchase Price pursuant to Odd-Lot Tenders; and
 - b) second, the Filer will purchase on a pro rata basis that portion of such Shares tendered pursuant to Auction Tenders at or below the Purchase Price and Purchase Price Tenders having an aggregate purchase price, based on the Purchase Price, equal to the difference between:

- i. the Auction Tender Limit Amount, less
 - ii. the aggregate amount paid by the Filer for Shares tendered pursuant to Odd-Lot Tenders.
18. The Filer will purchase at the Purchase Price that portion of the Shares (including MVS converted into Shares on a one-for-one basis) deposited by Shareholders making valid Proportionate Tenders that results in the tendering Shareholders maintaining their proportionate equity ownership in the Filer following completion of the Offer.
19. The number of Shares that the Filer will purchase pursuant to the Offer and the aggregate purchase price will vary depending on whether the aggregate purchase price payable in respect of Shares required to be purchased pursuant to Auction Tenders at Auction Prices at or below the Purchase Price and Purchase Price Tenders (the "**Auction Tender Purchase Amount**") is equal to or less than the Auction Tender Limit Amount. If the Auction Tender Purchase Amount is equal to the Auction Tender Limit Amount, the Filer will purchase Shares pursuant to the Offer for an aggregate purchase price equal to the Specified Dollar Amount; if the Auction Tender Purchase Amount is less than the Auction Tender Limit Amount, the Filer will purchase proportionately fewer Shares in the aggregate, with a proportionately lower aggregate purchase price.
20. Each of Beaudier, 4338618 and Bain Capital has advised the Filer that it intends to make a Proportionate Tender.
21. All Shares purchased by the Filer pursuant to the Offer (including Shares tendered at Auction Prices below the Purchase Price) will be purchased at the Purchase Price. Shareholders will receive the Purchase Price in cash. All Auction Tenders, Purchase Price Tenders and Proportionate Tenders will be subject to adjustment to avoid the purchase of fractional Shares. All payments to Shareholders will be subject to deduction of applicable withholding taxes.
22. All Shares tendered to the Offer and not taken up will be returned to the appropriate Shareholders.
23. The Offer is subject to the provisions of the United States regulation entitled *Regulation 14E* adopted under the 1934 Act ("**Regulation 14E**").
24. Until expiry of the Offer, all information about the number of Shares tendered and the prices at which the Shares are tendered will be required to be kept confidential by the depository and the Filer until the Purchase Price has been determined.
25. Shareholders who do not accept the Offer will continue to hold the same number of Shares as before the Offer and their proportionate Share ownership will increase following completion of the Offer.
26. The Filer may elect to extend the bid without first taking up all the Shares deposited and not withdrawn under the Offer if the aggregate purchase price for Shares validly tendered pursuant to Auction Tenders at Auction Prices at or below the Purchase Price and Purchase Price Tenders is less than the Auction Tender Limit Amount. Under the Extension Take-Up Requirement contained in Section 2.32 of Regulation 62-104, an issuer may not extend an issuer bid if all the terms and conditions of the issuer bid have been complied with or waived unless the issuer first takes up all the securities deposited and not withdrawn under the issuer bid. Under Regulation 14E, the Filer must promptly pay for all securities deposited pursuant to the Offer at the time of expiry of the Offer. Regulation 14E does not allow the Filer to extend the Offer after having taken up and paid for securities deposited pursuant to the Offer.
27. The Filer intends to rely on the exemption from the formal valuation requirements applicable to issuer bids under Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions (chapter V-1.1 r. 33) ("**Regulation 61-101**") set out in subsection 3.4(b) of Regulation 61-101 (the "**Liquid Market Exemption**").
28. There will be a "liquid market" for the Shares, as such term is defined in Regulation 61-101, as of the date of the making of the Offer because the test in paragraph 1.2(1)(a) of Regulation 61-101 will be satisfied. In addition, an opinion will be voluntarily sought by the Filer confirming that a liquid market exists for the Shares as of the date of the making of the Offer and such opinion will be included in the Circular (the "**Liquidity Opinion**").
29. Based on the maximum number of Shares that may be purchased under the Offer, as of the date of the Offer, it will be reasonable to conclude (and the Liquidity Opinion will provide that it will be reasonable to conclude) that, following the completion of the Offer in accordance with its terms, there will be a market for holders of the Shares who do not tender to the Offer that is not materially less "liquid", as such term is defined in Regulation 61-101, than the market that existed at the time of the making of the Offer.
30. The Filer will disclose in the Circular relating to the Offer the following information:

Decisions, Orders and Rulings

- a) the mechanics for the take-up of and payment for Shares as described herein;
- b) that, by tendering Shares at the lowest price in the Price Range under an Auction Tender or by tendering Shares under a Purchase Price Tender or a Proportionate Tender, a Shareholder can reasonably expect that the Shares so tendered will be purchased at the Purchase Price, subject to proration and other terms of the Offer as specified herein;
- c) that the Filer has filed for an exemption from the Proportionate Take-Up Requirement, the Proportionate Take-Up Disclosure Requirement and the Extension Take-Up Requirement;
- d) the manner in which an extension of the Offer will be communicated to Shareholders;
- e) that Shares deposited pursuant to the Offer may be withdrawn at any time prior to the expiry of the Offer;
- f) as applicable, the name each Shareholder that has advised the Filer that it intends to make a Proportionate Tender;
- g) the facts supporting the Filer's reliance on the Liquid Market Exemption, including the Liquidity Opinion; and
- h) except to the extent exemptive relief is granted further to this application, the disclosure prescribed by applicable securities laws for issuer bids.

Decision

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

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

- a) the Filer takes up Shares deposited pursuant to the Offer and not withdrawn and pays for such Shares, in each case, in the manner described above;
- b) the Filer is eligible to rely on the Liquid Market Exemption; and
- c) the Filer complies with the requirements of Regulation 14E.

"Hugo Lacroix"
Superintendent, Securities Markets
Autorité des marchés financiers

2.1.2 Portland Investment Counsel Inc.

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Existing and future mutual funds managed by the Filer granted relief from paragraphs 15.3(4)(c) and (f) of NI 81-102 Investment Funds to permit references to FundGrade A+ Awards, FundGrade Ratings, Lipper Awards and Lipper Leader Ratings in sales communications – Relief subject to conditions requiring specified disclosure and the requirement that the FundGrade A+ Awards and Lipper Awards being referenced not have been awarded more than 365 days before the date of the sales communication.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss.15.3(4)(c) and (f), and 19.1.

May 7, 2019

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
PORTLAND INVESTMENT COUNSEL INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filer on behalf of existing and future mutual funds of which the Filer or an affiliate of the Filer is, or in the future will be, the investment fund manager and to which National Instrument 81-102 *Investment Funds* (**NI 81-102**) applies (each a **Fund** and collectively, the **Funds**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption from the requirements set out in paragraphs 15.3(4)(c) and 15.3(4)(f) of NI 81-102, which provide that a sales communication must not refer to a performance rating or ranking of a mutual fund or asset allocation service unless:

1. the rating or ranking is provided for each period for which standard performance data is required to be given, except the period since the inception of the mutual fund; and
2. the rating or ranking is to the same calendar month end that is:
 - (a) not more than 45 days before the date of the appearance or use of the advertisement in which it is included, and
 - (b) not more than three months before the date of first publication of any other sales communication in which it is included;

(together, the **Exemption Sought**), to permit the FundGrade A+ Awards, FundGrade Ratings, Lipper Awards, and Lipper Leader Ratings to be referenced in sales communications relating to the Funds.

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

- (a) the Ontario Securities Commission is the principal regulator for this Application, and

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

Interpretation

Terms defined in National Instrument 14-101 Definitions and NI 81-102 have the same meanings if used in this decision, unless otherwise defined.

Representations

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

The Filer and the Funds

1. The Filer is a corporation amalgamated under the laws of Ontario with its registered head office located in Burlington, Ontario.
2. The Filer is registered as follows:
 - (a) in the provinces of Alberta, Newfoundland and Labrador, Ontario and Quebec in the category of investment fund manager;
 - (b) in each of the provinces and territories of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Ontario, Prince Edward Island, Québec and Saskatchewan as an adviser in the category of portfolio manager;
 - (c) in each of the provinces and territories of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec and Saskatchewan as a dealer in the category of exempt market dealer; and
 - (d) in Ontario as a dealer in the category of mutual fund dealer.
3. The Filer manages the Funds, each of which is, or will be, an open-ended mutual fund established under the laws of Canada or a jurisdiction of Canada. The securities of each of the Funds are, or will be, qualified for distribution pursuant to a prospectus that has been, or will be, prepared and filed in accordance with the securities legislation of each applicable Jurisdiction.
4. Each of the Funds is, or will be, a reporting issuer in one or more of the Jurisdictions. Each of the Funds is or will be subject to NI 81-102, including Part 15 thereof which governs sales communications.
5. Neither the Filer nor any of the Funds is in default of the securities legislation in any of the Jurisdictions.

FundGrade Ratings and FundGrade A+ Awards

6. The Filer wishes to include in sales communications of the Funds references to the FundGrade Ratings and references to the FundGrade A+ Awards, where such Funds have been awarded a FundGrade A+ Award.
7. Fundata Canada Inc. ("**Fundata**") is a "mutual fund rating entity" as that term is defined in NI 81-102. Fundata is a supplier of mutual fund information, analytical tools, and commentary. Fundata's fund data and analysis, fund awards designations and ratings information provide valuable insight to advisors, media and individual investors.
8. One of Fundata's programs is the FundGrade A+ Awards program. This program highlights funds that have excelled in delivering consistently strong risk-adjusted performance relative to their peers. The FundGrade A+ Awards designate award-winning funds in most individual fund classifications for the previous calendar year, and the awards are announced in January of each year. The categories for fund classification used by Fundata are those maintained by the Canadian Investment Funds Standards Committee ("**CIFSC**") (or a successor to CIFSC), a Canadian organization that is independent of Fundata.
9. The FundGrade A+ Awards are based on a proprietary rating methodology developed by Fundata, the FundGrade Rating system. The FundGrade Rating system evaluates funds based on their risk adjusted performance, measured by three well-known and widely-used metrics: the Sharpe Ratio, the Information Ratio, and the Sortino Ratio. The ratios are calculated for the two through ten year time periods for each fund. When there is more than one eligible series of a

fund, an average ratio is taken for each period. The ratios are ranked across all time periods and an overall score is calculated by equally weighting the yearly rankings.

10. The FundGrade Ratings are letter grades for each fund and are determined each month. The FundGrade Ratings for each month are released on the seventh business day of the following month. The top 10% of funds earn an A Grade; the next 20% of funds earn a B Grade; the next 40% of funds earn a C Grade; the next 20% of funds receive a D Grade; and the lowest 10% of funds receive an E Grade. Because the overall score of a fund is calculated by equally weighting the periodic rankings, to receive an A Grade, a fund must show consistently high scores for all ratios across all time periods.
11. Fundata calculates a grade using only the retail series of each fund. Institutional series or fee-based series of any fund are not included in the calculation. A fund must have at least two years of history to be included in the calculation. Once a letter grade is calculated for a fund, it is then applied to all related series of that fund.
12. At the end of each calendar year, Fundata calculates a fund grade point average or "GPA" for each fund based on the full year's performance. The fund GPA is calculated by converting each month's FundGrade Rating letter grade into a numerical score. Each A is assigned a grade of 4.0; each B is assigned a grade of 3.0; each C is assigned a grade of 2.0; each D is assigned a grade of 1.0; and each E is assigned a grade of 0. The total of the grades for each fund is divided by 12 to arrive at the fund's GPA for the year. Any fund earning a GPA of 3.5 or greater earns a FundGrade A+ Award.
13. When a fund is awarded a FundGrade A+ Award, Fundata will permit such fund to make reference to the award in its sales communications.

Lipper Leader Ratings and Lipper Awards

14. The Filer also wishes to include in sales communications of the Funds references to the Lipper Leader Ratings (which are performance ratings or rankings for funds issued by Lipper and include the Lipper Ratings for Consistent Return, Lipper Ratings for Total Return, Lipper Ratings for Preservation and the Lipper Ratings for Expense, which are described below) and the references to the Lipper Awards, where such Funds have been awarded a Lipper Award.
15. Lipper, Inc. ("**Lipper**") is a "mutual fund rating entity" as that term is defined in NI 81-102. Lipper is part of the Thomson Reuters group of companies and is a supplier of mutual fund information, analytical tools, and commentary. Lipper's fund data and analysis, fund awards designations and ratings information provide valuable insight to advisors, media and individual investors.
16. One of Lipper's programs is the Thomson Reuters Lipper Fund Awards program (the "**Lipper Awards**"). This program recognizes funds that have excelled in delivering consistently strong risk-adjusted performance relative to peers and also recognizes fund families with high average scores for all funds within a particular asset class or overall. Currently, the Lipper Awards take place in approximately 23 countries.
17. In Canada, the Lipper Awards include the Lipper Fund Awards and Lipper ETF Awards (which were awarded for the first time in Canada in 2014). For the Lipper Fund Awards, Lipper designates award-winning funds in most individual fund classifications for three, five and ten year periods. For the Lipper ETF Awards, Lipper designates award-winning funds in a number of individual fund classifications for the three year period, and it is expected that awards for the five and ten year periods will be given in the future.
18. The categories for fund classification used by Lipper for the Lipper Awards in respect of Canadian funds are those maintained by the Canadian Investment Funds Standards Committee ("**CIFSC**") (or a successor to the CIFSC), a Canadian organization that is independent of Lipper. Only those CIFSC groups of ten or more unique funds will claim a Lipper Fund Award, and only those CIFSC groups of five or more unique ETFs (each of whom have a minimum of three years of performance history) will claim a Lipper ETF Award.
19. The Lipper Awards are based on a proprietary rating methodology prepared by Lipper, the Lipper Leader Rating System. The Lipper Leader Rating System is a toolkit that uses investor-centered criteria to deliver a simple, clear description of a fund's success in meeting certain goals, such as preserving capital, lowering expenses or building wealth. Lipper Ratings provide an instant measure of a fund's success against a specific set of key metrics, and can be useful to investors in identifying funds that meet particular characteristics.
20. In Canada, the Lipper Leader Rating System includes Lipper Ratings for Consistent Return (reflecting funds' historical risk-adjusted returns relative to funds in the same classification), Lipper Ratings for Total Return (reflecting funds' historical total return performance relative to funds in the same classification), Lipper Ratings for Preservation (reflecting funds' historical loss avoidance relative to other funds in the same classification) and Lipper Ratings for

Expense (reflecting funds' expense minimization relative to funds with similar load structures). In each case, the categories for fund classification used by Lipper for the Lipper Leader Ratings are those maintained by CIFSC (or a successor to CIFSC). Lipper Leader Ratings are measured monthly over 36, 60 and 120 month periods, and an overall rating is also measured, which is an unweighted average of the previous three periods. The highest 20% of funds in each category are named Lipper Leaders for that particular rating and receive a score of 5, the next 20% receive a score of 4, the middle 20% receive a score of 3, the next 20% receive a score of 2 and the lowest 20% receive a score of 1.

21. The Lipper Awards, awarded annually in Canada, are based on the Lipper Ratings for Consistent Return measure, which, as generally described above, is a risk-adjusted mutual fund return performance measure used by Lipper that takes into account both short- and long-term risk-adjusted performance relative to fund classification, together with a measure of a fund's consistency. In respect of the Lipper Awards for Canada, the Lipper Ratings for Consistent Return are measured over the 36, 60 and 120 month periods ending at the end of July of each year. As noted above, the highest 20% of funds in each classification are named Lipper Leaders for Consistent Return, and the highest Lipper Leader for Consistent Return in each applicable fund classification over these periods (currently, in the case of the Lipper ETF Awards, over the 36 month period only) wins a Lipper Award.

Sales Communication Disclosure

22. The FundGrade Ratings fall within the definition of "performance data" under NI 81-102 as they constitute "a rating, ranking, quotation, discussion or analysis regarding an aspect of the investment performance of an investment fund", given that the FundGrade Ratings are based on performance measures calculated by Fundata. The FundGrade A+ Awards may be considered to be "overall ratings or rankings" given that the awards are based on the FundGrade Ratings as described above. Therefore, references to FundGrade Ratings and FundGrade A+ Awards in sales communications relating to the Funds need to meet the applicable requirements in Part 15 of NI 81-102.
23. Paragraph 15.3(4)(c) of NI 81-102 imposes a "matching" requirement for performance ratings or rankings that are included in sales communications for mutual funds. If a performance rating or ranking is referred to in a sales communication, it must be provided for, or "match", each period for which standard performance data is required to be given for a fund, except for the period since the inception of the fund (i.e. for one, three, five and ten year periods, as applicable).
24. While FundGrade Ratings are based on calculations for a minimum of two years through to a maximum of ten years and the FundGrade A+ Awards are based on a yearly average of monthly FundGrade Ratings, specific ratings for the three, five and ten year periods within the two to ten year measurement period are not given. This means that a sales communication referencing FundGrade Ratings cannot comply with the "matching" requirement contained in paragraph 15.3(4)(c) of NI 81-102. Relief from paragraph 15.3(4)(c) of NI 81-102 is, therefore, required in order for a fund to use FundGrade Ratings in sales communications.
25. The exemption in subsection 15.3(4.1) of NI 81-102 for references to overall ratings or rankings of funds cannot be relied upon to reference the FundGrade A+ Awards in sales communications for the Funds because it is available only if a sales communication "otherwise complies" with the requirements of subsection 15.3(4) of NI 81-102. As noted above, sales communications referencing the FundGrade A+ Awards cannot comply with the "matching" requirement in subsection 15.3(4) of NI 81-102 because the underlying FundGrade Ratings are not available for the three, five and ten year periods within the two to ten year measurement period for the FundGrade Ratings, rendering the exemption in subsection 15.3(4.1) of NI 81-102 unavailable. Relief from subsection 15.3(4)(c) of NI 81-102 is, therefore, required in order for Funds to reference the FundGrade A+ Awards in sales communications.
26. Paragraph 15.3(4)(f) of NI 81-102 imposes certain restrictions on disclosure in sales communications. This paragraph provides that in order for a rating or ranking such as a FundGrade A+ Award to be used in an advertisement, the advertisement must be published within 45 days of the calendar month end to which the rating or ranking applies. Further, in order for the rating or ranking to be used in any other sales communication, the rating or ranking must be published within three months of the calendar month end to which the rating or ranking applies.
27. Because the evaluation of funds for the FundGrade A+ Awards will be based on data aggregated until the end of December in any given year and the results will be published in January of the following year, by the time a fund receives FundGrade A+ Award in January, paragraph 15.3(4)(f) of NI 81-102 will only allow the FundGrade A+ Award to be used in an advertisement until the middle of February and in other sales communications until the end of March.
28. The Lipper Leader Ratings are performance ratings or rankings under NI 81-102 and Lipper Awards may be considered to be performance ratings or rankings under NI 81-102 given that the awards are based on the Lipper Leader Ratings as described above. Therefore, references to Lipper Leader Ratings and Lipper Awards in sales communications relating to the Funds need to meet the applicable requirements in Part 15 of NI 81-102.

29. In Canada and elsewhere, Lipper Leader Ratings are calculated only for 36, 60 and 120 month periods and are not calculated for a one year period. This means that a sales communication referencing a Lipper Leader Rating cannot comply with the “matching” requirement contained in paragraph 15.3(4)(c) of NI 81-102 because a rating is not available for the one year period. Relief from paragraph 15.3(4)(c) of NI 81-102 is therefore required in order for Funds to reference Lipper Leader Ratings in sales communications.
30. In addition, a sales communication referencing the overall Lipper Leader Ratings and the Lipper Awards, which are based on the Lipper Leader Ratings, must disclose the corresponding Lipper Leader Rating for each period for which standard performance data is required to be given. As noted above, because a rating for the one year period is not available for the Lipper Leader Ratings, sales communications referencing the overall Lipper Leader Ratings or Lipper Awards also cannot comply with the matching requirement contained in paragraph 15.3(4)(c) of NI 81-102.
31. The exemption in subsection 15.3(4.1) of NI 81-102 for references to overall ratings or rankings of funds cannot be relied upon to reference the overall Lipper Leader Ratings or Lipper Awards in sales communications for the Funds because subsection 15.3(4.1) of NI 81-102 is available only if a sales communication “otherwise complies” with the requirements of subsection 15.3(4) of NI 81-102. As noted above, sales communications referencing the overall Lipper Leader Ratings or Lipper Awards cannot comply with the “matching” requirement in subsection 15.3(4) of NI 81-102 because the underlying Lipper Leader Ratings are not available for the one year period, rendering the exemption in subsection 15.3(4.1) of NI 81-102 unavailable. Relief from paragraph 15.3(4)(c) of NI 81-102 is therefore required in order for the Funds to reference overall Lipper Leader Ratings and the Lipper Awards in sales communications.
32. Paragraph 15.3(4)(f) of NI 81-102 imposes certain restrictions on disclosure in sales communications. The paragraph provides that in order for a rating or ranking such as a Lipper Award to be used in an advertisement, the advertisement must be published within 45 days of the calendar month end to which the rating or ranking applies. Further, in order for the rating or ranking to be used in any other sales communication, the rating or ranking must be published within three months of the calendar month end to which the rating or ranking applies.
33. Because the evaluation of funds for the Lipper Awards will be based on data aggregated until the end of July in any given year and the results will be published in November of that year, by the time a fund receives an award in November, paragraph 15.3(4)(f) of NI 81-102 will prohibit it from publishing news of the award altogether.
34. The Exemption Sought is required in order for the FundGrade Ratings, FundGrade A+ Awards, Lipper Leader Ratings, and Lipper Awards to be referenced in sales communications relating to the Funds.
35. The Filer submits that the FundGrade A+ Awards, FundGrade Ratings, Lipper Awards, and Lipper Leader Ratings provide important tools for investors, as they provide investors with context when evaluating investment choices. These awards and ratings provide an objective, transparent and quantitative measure of performance that is based on the expertise of FundGrade or Lipper, as applicable, in fund analysis that alleviates any concern that references to them may be misleading and therefore, contrary to paragraph 15.2(1)(a) of NI 81-102.

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 to permit the FundGrade A+ Awards, FundGrade Ratings, Lipper Awards, and Lipper Leader Ratings to be referenced in sales communications relating to a Fund, provided that

1. the sales communication complies with Part 15 of NI 81-102, other than as set out herein, and contains the following disclosure in at least 10 point type:
 - (a) the name of the category for which the Fund has received the award or rating;
 - (b) the number of mutual funds in the category for the applicable period;
 - (c) the name of the ranking entity, i.e., Fundata or Lipper;
 - (d) the length of period and the ending date, or, the first day of the period and the ending date on which the FundGrade A+ Award, FundGrade Rating, Lipper Award or Lipper Leader Rating is based;
 - (e) a statement that FundGrade Ratings or Lipper Leader Ratings are subject to change every month;

- (f) in the case of a FundGrade A+ Award or Lipper Award, a brief overview of the FundGrade A+ Award or Lipper Award, as applicable;
 - (g) in the case of a FundGrade Rating (other than FundGrade Ratings referenced in connection with a FundGrade A+ Award) or a Lipper Leader Rating (other than Lipper Leader Ratings referenced in connection with a Lipper Award), a brief overview of the FundGrade Rating or Lipper Leader Rating, as applicable;
 - (h) where Lipper Awards are referenced, the corresponding Lipper Leader Rating that the Lipper Award is derived from is presented for each period for which standard performance data is required other than the one year and since inception periods;
 - (i) where a Lipper Leader Rating is referenced, the Lipper Leader Ratings are presented for each period for which standard performance data is required other than the one year and since inception periods;
 - (j) disclosure of the meaning of the FundGrade Ratings from A to E (e.g., rating of A indicates a fund is in the top 10% of its category) or Lipper Leader Ratings from 1 to 5 (e.g., rating of 5 indicates a fund is in the top 20% of its category), as applicable; and
 - (k) reference to Funddata's website (www.fundata.com) for greater detail on the FundGrade A+ Awards and the FundGrade Ratings or reference to Lipper's website (www.lipperweb.com) for greater detail on the Lipper Awards and Lipper Leader Ratings, which includes the rating methodology prepared by Funddata or Lipper, as applicable;
2. the FundGrade A+ Awards and Lipper Awards being referenced must not have been awarded more than 365 days before the date of the sales communication; and
3. the FundGrade A+ Awards, FundGrade Ratings, Lipper Awards, and Lipper Leader Ratings being referenced are calculated based on comparisons of performance of investment funds within a specified category established by the CIFSC (or a successor to the CIFSC).

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

2.1.3 CI Investments Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions –Relief granted from short selling restrictions in NI 81-102 to permit a alternative mutual funds to short sell “government securities”, as defined in NI 81-102, up to 300% of NAV – relief sought in order to short securities in connection with fund’s hedging strategy – features of government bonds mitigate many of the risks associated with short selling strategies – relief also granted to future alternative mutual funds managed by the Filer with similar short selling strategies.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds – ss. 2.6.1(1)(c)(v), 2.6.2 and 19.1.

June 6, 2019

**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
CI INVESTMENTS INC.
(the Filer)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer, on behalf of CI Lawrence Park Alternative Investment Grade Credit Fund and CI Marret Alternative Absolute Return Bond Fund (the **Existing Funds**) and any alternative mutual fund established in the future and managed by the Filer or an affiliate of the Filer (each, a **Future Fund** and, together with the Existing Funds, the **Funds**), for a decision under the securities legislation of the principal regulator (the **Legislation**) exempting the Funds from the following provisions of National Instrument 81-102 *Investment Funds (NI 81-102)* in order to permit each Fund to short sell “government securities” (as defined in NI 81-102) up to a maximum of 300% of a Fund’s net asset value (**NAV**) (the **Exemption Sought**):

- (a) subparagraph 2.6.1(1)(c)(v), which restricts a Fund from selling a security short if, at the time, the aggregate market value of the securities sold short by the Fund exceeds 50% of the Fund’s NAV; and
- (b) section 2.6.2 of NI 81-102, which states that a Fund may not borrow cash or sell securities short if, immediately after entering into a cash borrowing or short selling transaction, the aggregate value of cash borrowed combined with the aggregate market value of the securities sold short by the Fund would exceed 50% of the Fund’s NAV

(together, the Short Selling Limits).

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

- (a) the Ontario Securities Commission is the principal regulator for the 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 all of the provinces and territories of Canada other than the Jurisdiction (together with the Jurisdiction, the **Jurisdictions**).

Interpretation

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

Representations

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

1. The Filer is a corporation subsisting under the laws of Ontario with its head office located in Toronto, Ontario. The Filer is registered:
 - (a) under the securities legislation of all provinces of Canada as a portfolio manager;
 - (b) under the securities legislation of Ontario, Québec, and Newfoundland and Labrador as an investment fund manager;
 - (c) under the securities legislation of Ontario as an exempt market dealer; and
 - (d) under the *Commodity Futures Act* (Ontario) as a commodity trading counsel and a commodity trading manager.
2. The Existing Funds are alternative mutual funds established as trusts under the laws of Ontario that operate under the provisions of NI 81-102 applicable to alternative mutual funds. Each Future Fund will be an alternative mutual fund under NI 81-102.
3. The Existing Funds are reporting issuers in each Jurisdiction and their units are qualified for distribution to the public in each Jurisdiction pursuant to a simplified prospectus dated May 10, 2019. Each Future Fund will be a reporting issuer in one or more Jurisdictions.
4. Neither the Filer nor the Existing Funds are in default of securities legislation in any Jurisdiction.
5. The investment objective of CI Lawrence Park Alternative Investment Grade Credit Fund is to generate consistent positive total returns with an emphasis on capital preservation and low correlation to traditional equity and fixed income markets. This Fund is primarily invested in the investment grade debt of corporations and financial institutions in the developed world.
6. The investment objective of the CI Marret Alternative Absolute Return Bond Fund is to provide positive absolute returns with low volatility over a market cycle regardless of market conditions or general market direction, by primarily investing in debt instruments across the credit spectrum including cash, government debt, investment grade corporate debt, high yield debt, credit derivatives and other income-producing securities throughout the world.
7. An important investment strategy used by each of the Existing Funds is to enter into long positions in corporate bonds while hedging the interest rate risk of those bonds by taking short positions in government bonds. The short positions in the government bonds can be achieved either through short selling government bonds or by entering into short positions in government bond futures.
8. The Short Selling Limits would restrict the Existing Funds to short selling government securities to no more than 50% of the Fund's NAV. However, NI 81-102 would permit the Existing Funds to obtain the additional leveraged short exposure through the use of specified derivatives, up to an aggregate exposure of 300% of the Fund's NAV.
9. The Filer is of the view, however, that it would be in the Existing Funds' best interest to permit them to physically short sell government securities up to 300% of the Fund's NAV, instead of being limited to achieve the same degree of leverage through either specified derivatives only, or a combination of physical short selling and specified derivatives, for the following reasons:
 - (a) While derivatives can be used to create similar investment exposure as short selling up to 300% of each Existing Fund's NAV, the use of derivatives is more complex, more expensive and riskier than short selling. Implementing derivatives necessitates incremental transactional steps and expense to each of the Existing Funds.
 - (b) There is a potential mismatch between the corporate bond and government security futures contract, which makes the use of derivatives less efficient than short selling government securities. The futures contract has

standard terms set by the exchange on which it trades and is not directly linked to one particular government security. This makes it more difficult to determine whether the interest rate exposure of the government security futures contract is a good match for the interest rate exposure of the corporate bond it is meant to hedge. On the other hand, the short position in a government security that the market pairs with a corporate bond has been selected due to its proven effectiveness in hedging the interest rate exposure of the corresponding corporate bond.

10. The Future Funds will employ an investment strategy similar to the Existing Funds' in that each Future Fund will contemplate short selling government securities concurrently with investing in long positions in corporate fixed-income securities.
11. The only securities sold short by the Funds in excess of 50% of a Fund's NAV will be "government securities" as such term is defined in NI 81-102. The Funds will otherwise comply with the provisions governing short selling by an alternative mutual fund under sections 2.6.1 and 2.6.2 of NI 81-102.
12. Each Fund's aggregate exposure to short selling, cash borrowing and specified derivatives transactions will not exceed 300% of the Fund's NAV, in compliance with subsection 2.9.1 of NI 81-102 (the **Aggregate Exposure Limit**).
13. Each Fund will implement the following controls when conducting a short sale:
 - (a) The Fund will assume the obligation to return to the Borrowing Agent (as defined in NI 81-102) the securities borrowed to effect the short sale;
 - (b) The Fund will receive cash for the securities sold short within normal trading settlement periods for the market in which the short sale is effected;
 - (c) The Filer will monitor the short positions of the Fund at least as frequently as daily;
 - (d) The security interest provided by the Fund over any of its assets that is required to enable the Fund to effect a short sale transaction is made in accordance with section 6.8.1 of NI 81-102 and will otherwise be made in accordance with industry practice for that type of transaction and relates only to obligations arising under such short sale transaction;
 - (e) The Fund will maintain appropriate internal controls regarding short sales, including written policies and procedures for the conduct of short sales, risk management controls and proper books and records; and
 - (f) The Filer and the Fund will keep proper books and records of short sales and all of its assets deposited with Borrowing Agents as security.
14. Each Fund's prospectus (the **Prospectus**) will contain adequate disclosure of the Fund's short selling activities, including material terms of the Exemption Sought.

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. The only securities which a Fund will sell short in an amount that exceeds 50% of the Fund's NAV will be securities that meet the definition of "government security" as such term is defined in NI 81-102.
2. Each short sale by a Fund will comply with all of the short sale requirements applicable to alternative mutual funds in sections 2.6.1 and 2.6.2 of NI 81-102.
3. A Fund's aggregate exposure to short selling, cash borrowing and specified derivatives will not exceed the Aggregate Exposure Limit.
4. Each short sale will be made consistent with the Fund's investment objectives and investment strategies.
5. The Fund's Prospectus will disclose that the Fund is able to short sell "government securities" (as defined in NI 81-102) in an amount up to 300% of the Fund's NAV, including the material terms of this decision.

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

2.1.4 Mackenzie Financial Corporation et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – approval of investment fund mergers – approval required because mergers do not meet the criteria for pre-approved reorganizations and transfers in National Instrument 81-102 Investment Funds – certain terminating funds and continuing funds do not have substantially similar fundamental investment objectives – certain continuing funds do not have recently filed simplified prospectuses and fund facts documents – mergers to otherwise comply with pre-approval criteria, including securityholder vote, IRC approval – securityholders provided with timely and adequate disclosure regarding the mergers.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 5.5(1)(b), 5.7(1)(b), and 19.1(2).

June 13, 2019

**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
MACKENZIE FINANCIAL CORPORATION
(the Filer)**

AND

**MACKENZIE CANADIAN BALANCED FUND
AND
MACKENZIE US STRATEGIC INCOME FUND
(collectively, the Terminating Funds and individually, a Terminating Fund)**

DECISION

BACKGROUND

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Terminating Funds, for a decision under the securities legislation of the Jurisdiction (the **Legislation**) approving the proposed mergers (collectively, the **Mergers** and individually, a **Merger**) of each of the Terminating Funds with applicable Continuing Funds (each as defined below), pursuant to paragraph 5.5(1)(b) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) (the **Approval Sought**).

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

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the 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 each of the provinces and territories of Canada, other than Ontario (together with Ontario, the **Canadian 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. The following additional terms shall have the following meanings:

Continuing Fund means each of Mackenzie Strategic Income Fund and Mackenzie Global Strategic Income Fund (collectively, the **Continuing Funds**);

Effective Date means on or about August 16, 2019, the anticipated date of the Mergers;

Exempt Merger means the Merger of Mackenzie Canadian Balanced Fund into Mackenzie Strategic Income Fund, where the Series S units of Mackenzie Strategic Income Fund will be offered only on an exempt distribution basis;

Funds means collectively, the Terminating Funds and the Continuing Funds;

Grandfathering Merger means the Merger of Mackenzie Canadian Balanced Fund into Mackenzie Strategic Income Fund, where the Series DZ units of Mackenzie Strategic Income Fund will be created solely to facilitate the Merger, will not be qualified for distribution under a prospectus and will not be available for sale subsequent to the Merger; and

New Series Mergers means the Merger of Mackenzie Canadian Balanced Fund into Mackenzie Strategic Income Fund, where the D8 Series, H8 Series, HW8 Series, L8 Series and N8 Series units of Mackenzie Strategic Income Fund will be created to facilitate the Merger.

REPRESENTATIONS

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

The Filer

1. The Filer is a corporation governed by the laws of Ontario and is registered as follows: as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador; as a portfolio manager and exempt market dealer in the Canadian Jurisdictions; as an adviser in Manitoba; and as a commodity trading manager in Ontario.
2. The Filer, with its head office in Toronto, Ontario, is the trustee and manager of the Funds.

The Funds

3. The Funds are unit trusts established under the laws of Ontario. Each of the Funds are reporting issuers under the securities legislation of the Canadian Jurisdictions. Neither the Filer nor the Funds are in default of securities legislation in any of the Canadian Jurisdictions.
4. Other than circumstances in which the securities regulatory authority of a Canadian Jurisdiction has expressly exempted a Fund therefrom, the Funds follow the standard investment restrictions and practices established under NI 81-102.
5. Units of the Funds are generally qualified for sale under one or more of the simplified prospectus, annual information form and fund facts documents each dated:
 - (i) September 28, 2018, as amended;
 - (ii) June 28, 2018, as amended; and
 - (iii) November 23, 2018(collectively, the **Offering Documents**).

Series S units of Mackenzie Canadian Balanced Fund are, and Series S units of Mackenzie Strategic Income Fund will only be, offered on an exempt distribution basis.

Series DZ units of Mackenzie Canadian Balanced Fund are not qualified for distribution under a prospectus. Further, Series DZ units of Mackenzie Strategic Income Fund will be created solely to facilitate the Mergers, will not be qualified for distribution under a prospectus and will not be available for sale subsequent to the Mergers.

D8 Series, H8 Series, HW8 Series, L8 Series and N8 Series units of Mackenzie Strategic Income Fund will be newly created to facilitate the Mergers and will be qualified for distribution under a prospectus.

6. The net asset value for each series of the Funds is calculated on a daily basis in accordance with the Funds' valuation policy and as described in the applicable Offering Documents.

Reasons for the Approval Sought

7. Approval of the Mergers is required because each Merger does not satisfy all of the criteria for pre-approved reorganizations and transfers set out in section 5.1 of NI 81-102. The pre-approval criteria are not satisfied in the following ways:
- (i) the fundamental investment objectives of the Continuing Funds are not, or may be considered not to be, “substantially similar” to the investment objectives of their corresponding Terminating Funds; and
 - (ii) the materials sent to applicable unitholders of Mackenzie Canadian Balanced Fund in respect of the Exempt Merger, the Grandfathering Merger and the New Series Mergers did not include the current simplified prospectuses or the most recently filed fund facts document(s) for the corresponding series of Mackenzie Strategic Income Fund.
8. Except as noted above, the Mergers will otherwise comply with all other criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102.

The Proposed Mergers

9. Pursuant to the Mergers, unitholders of each of the Terminating Funds would become unitholders of the applicable Continuing Fund, as follows:

Terminating Fund	Continuing Fund
Mackenzie Canadian Balanced Fund	Mackenzie Strategic Income Fund
Mackenzie US Strategic Income Fund	Mackenzie Global Strategic Income Fund

10. The Mergers do not require approval of unitholders of the Continuing Funds as the Filer has determined that the Mergers do not constitute material changes for any of the Continuing Funds.
11. As required by National Instrument 81-107 *Independent Review Committee for Investment Funds*, the Independent Review Committee (**IRC**) has been appointed for the Funds. The Filer presented the terms of the Mergers to the IRC for a recommendation. The IRC reviewed the Mergers and provided a positive recommendation for each of the Mergers, having determined that the Mergers, if implemented, would achieve a fair and reasonable result for the Funds and their respective unitholders.
12. In accordance with National Instrument 81-106 — *Investment Fund Continuous Disclosure (NI 81-106)*, a press release announcing the Mergers was issued and filed via SEDAR on April 26, 2019. A material change report and amendments to the Offering Documents with respect to the Mergers were filed in accordance with NI 81-106.
13. By way of order dated October 21, 2016, the Filer was granted relief (the **Notice-and-Access Relief**) from the requirement set out in paragraph 12.2(2)(a) of NI 81-106 to send a printed management information circular to unitholders while proxies are being solicited. Subject to certain conditions, the Notice-and-Access Relief instead allows a notice-and-access document to be sent to such unitholders. Pursuant to the requirements of the Notice-and-Access Relief, the notice-and-access document, a form of proxy in connection with each special meeting of unitholders of the Funds, as well as the most recent fund facts document(s) for the applicable series of the Continuing Funds (other than in respect of the Exempt Merger, the Grandfathering Merger and the New Series Mergers) will be mailed to unitholders of the Terminating Funds commencing on or about June 18, 2019. The management information circular and forms of proxy (collectively, the **Meeting Materials**) in connection with special meetings of unitholders of the Funds will be posted on the Filer’s website at www.mackenzieinvestments.com, the Quadrus Group of Funds website at www.quadrusgroupoffunds.com, as applicable, and on the Laurentian Bank Group of Funds website at www.laurentianbank.ca/mackenzie, as applicable. The Meeting Materials will also appear on the SEDAR website at www.sedar.com.
14. The Meeting Materials describe all of the relevant facts concerning the Mergers relevant to each unitholder, including the differences between investment objectives, strategies of the Terminating Funds and the Continuing Funds, the IRC’s recommendations regarding the Mergers, and income tax considerations so that unitholders of the Terminating Funds may consider this information before voting on the Mergers. The Meeting Materials also describe the various ways in which unitholders can obtain a copy of the simplified prospectus and annual information form of the Continuing Funds, as well as the most recent interim and annual financial statements and management reports of fund performance for the Continuing Funds, at no cost.

15. Fund facts document(s) relating to the applicable series of each Continuing Fund were mailed to unitholders of the corresponding series of each Terminating Fund in all instances other than in respect of the Exempt Merger, the Grandfathering Merger and the New Series Mergers. In order to effect the Mergers relating to Series S and Series DZ of Mackenzie Canadian Balanced Fund, Series S and Series DZ units of Mackenzie Strategic Income Fund will be distributed to unitholders of Mackenzie Canadian Balanced Fund in reliance on the prospectus exemption contained in section 2.11 of National Instrument 45-106 *Prospectus Exemptions*.
16. In respect of the Exempt Merger and the Grandfathering Merger, because a current simplified prospectus and fund facts documents are not available for Series S and Series DZ of Mackenzie Strategic Income Fund, unitholders of Series S and Series DZ of Mackenzie Canadian Balanced Fund were sent a fund facts document relating to Series A units of Mackenzie Strategic Income Fund.
17. In respect of the New Series Mergers, because a current simplified prospectus and fund facts documents are not available for D8 Series, H8 Series, HW8 Series, L8 Series and N8 Series of Mackenzie Strategic Income Fund, unitholders of D8 Series, H8 Series, HW8 Series, L8 Series and N8 Series of Mackenzie Canadian Balanced Fund were sent a fund facts document relating to Quadrus Series units of Mackenzie Strategic Income Fund.
18. The Filer will pay for the costs of the Mergers. These costs consist mainly of brokerage charges associated with the trades that occur both before and after the date of the Mergers and legal, proxy solicitation, printing, mailing and regulatory fees. There are no charges payable by unitholders of the Terminating Funds who acquire units of the corresponding Continuing Funds as a result of the Mergers.
19. Unitholders of each of the Terminating Funds will be asked to approve the Merger associated with that Terminating Fund at a special meeting of unitholders scheduled to be held on or about July 24, 2019.
20. Following the implementation of the Mergers, all systematic plans that will be established with respect to the Terminating Funds will be re-established in the Continuing Fund, either on a series-for-series basis or into a similar series with substantially similar fees, unless unitholders advise the Filer otherwise or unless otherwise noted in the information circular.
21. Unitholders may change or cancel any systematic plan at any time and unitholders of the Terminating Funds who wish to establish one or more systematic plans in respect of their holdings in the Continuing Fund may do so following the implementation of the Mergers.
22. Each Merger will be completed as a tax-deferred transaction under the *Income Tax Act* (Canada) (**Tax Act**). Unitholders of the Terminating Funds will be provided with information about the income tax consequences of the Mergers in the information circular and will have the opportunity to consider such information prior to voting on the Mergers.

Merger Steps

23. If the necessary approvals are obtained, the Filer will carry out the following steps to complete the Mergers:
 - (i) Prior to effecting a Merger, if required, each Terminating Fund will sell any securities in its portfolio that do not meet the investment objectives and investment strategies of the applicable Continuing Fund and purchase other securities so that, as of the effective date of the Merger, the portfolio of the Terminating Fund is substantially similar to that of the applicable Continuing Fund. As a result, some of the Terminating Funds may temporarily hold cash, money market instruments or investments that are not consistent with their investment objectives, and may not be fully invested in accordance with their investment objectives for a brief period of time prior to the Merger being effected.
 - (ii) The value of each Terminating Fund's portfolio and other assets will be determined at the close of business on the effective date of each applicable Merger in accordance with the constating documents of the applicable Terminating Fund.
 - (iii) Each Continuing Fund will acquire the investment portfolio and other assets of the applicable Terminating Fund in exchange for units of the Continuing Fund.
 - (iv) Each Continuing Fund will not assume any liabilities of the applicable Terminating Fund and the Terminating Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the effective date of the applicable Merger.

- (v) The Terminating Funds will distribute a sufficient amount of their net income and net realized capital gains, if any, to unitholders to ensure that they will not be subject to tax under Part 1 of the Tax Act for their current tax year.
 - (vi) The units of each Continuing Fund received by the applicable Terminating Fund will have an aggregate net asset value equal to the value of the portfolio assets and other assets that the Continuing Fund is acquiring from the Terminating Fund, and the units of the Continuing Fund will be issued at the applicable series net asset value per unit as of the close of business on the effective date of the applicable Merger.
 - (vii) Immediately thereafter, units of each Continuing Fund received by the applicable Terminating Fund will be distributed to unitholders of the Terminating Fund, as proceeds of redemption of their units in the Terminating Fund on a dollar-for-dollar and series by series basis.
 - (viii) As soon as reasonably possible following each Merger, the applicable Terminating Fund will be wound up.
24. Unitholders in the Terminating Funds will continue to have the right to redeem their units or exchange their units for units of any other mutual fund of the Filer at any time up to the close of business on the business day before the Effective Date. Unitholders of the Terminating Fund that switch their units for units of other mutual funds of the Filer will not incur any charges other than switch fees, if applicable, as described in each Terminating Fund's simplified prospectus. Unitholders who redeem units may be subject to redemption charges.
25. Following the implementation of the Mergers, the Continuing Funds will continue as publicly offered open-ended mutual funds offering units in the Canadian Jurisdictions.
26. Following the implementation of the Mergers, a press release and material change report announcing the results of the unitholder meetings in respect of the reorganization of the Terminating Funds will be issued and filed.
27. No sales charges will be charged by the Filer to investors or to the Terminating Fund or Continuing Fund in connection with the acquisition by a Continuing Fund of the investment portfolio of its applicable Terminating Fund.
28. The assets of each Terminating Fund to be acquired by the applicable Continuing Fund in order to effect the Mergers are currently, or will be, acceptable, on or prior to the effective date of the Mergers, to the portfolio manager(s) of the applicable Continuing Fund and are, or will be, consistent with the investment objectives of the Continuing Fund.
29. If the Mergers are approved, the reorganizations will be implemented after the close of business on the Effective Date. If either of the Mergers are not approved, the applicable Terminating Fund(s) will continue to be offered for distribution.

Merger Benefits

30. The Filer believes that the Mergers are beneficial to unitholders of the Terminating Funds for the following reasons:
- (i) **Superior Performance of the Continuing Funds:** Each Continuing Fund has generated better past performance than the corresponding Terminating Fund (although past performance is not a guarantee of future returns and may not be repeated).
 - (ii) **Better Future Return Potential:** The Mergers are being proposed to reflect the Filer's belief that the Continuing Funds will provide better return potential over the long term.
 - (iii) **Same or Lower Fees:** In each case, management fees and/or fixed administration fees will be the same or lower for the Continuing Funds.
 - (iv) **More Viable Long-Term Investment Vehicle:** In the case of the Merger of Mackenzie US Strategic Income Fund into Mackenzie Global Strategic Income Fund, the Filer believes that the Continuing Fund is a more viable long-term investment vehicle for existing and potential investors.

DECISION

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

The decision of the principal regulator under the Legislation is that the Approval Sought is granted, provided that the Filer obtains the prior approval of the unitholders of the Terminating Funds for the Mergers at a special meeting held for that purpose.

"Darren McKall"
Investment Funds and Structured Products
Ontario Securities Commission

2.1.5 BMO Asset Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the conflict of interest investment restrictions in the Securities Act (Ontario) and the self-dealing prohibitions in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations to permit pooled funds to invest in investment funds under common management or managed by an affiliate, that are governed by the laws of a jurisdiction of Canada, or governed by the laws of the U.S., Hong Kong, U.K., Ireland or Luxembourg, subject to certain conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 111(2)(b), 111(2)(c), 111(3), and 113.

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.5(2)(a) and 15.1.

June 7, 2019

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
BMO ASSET MANAGEMENT INC.
(the Filer)

AND

THE TOP FUNDS
(as defined below)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer, on behalf of each of the Filer, the Filer's affiliates, and BMO AM Balanced Fund (the **Initial Top Fund**) and any other existing or future mutual fund that is not, or will not be, a reporting issuer, that is, or will be, managed by the Filer or one of its affiliates (the **Future Top Funds** and, together with the Initial Top Fund, the **Top Funds**) and that invests, or will invest, its assets in BMO International Value Fund (the **Initial Underlying Fund**) and/or in any other existing or future investment fund that is, or will be, managed by the Filer or one of its affiliates (the **Future Underlying Funds** and, together with the Initial Underlying Fund, the **Underlying Funds**), for a decision under the securities legislation of the Jurisdiction (the **Legislation**):

- (a) exempting the Top Funds from the restriction in the Legislation which prohibits:
 - (i) an investment fund from knowingly making an investment in a person or company in which the investment fund, alone or together with one or more related investment funds, is a substantial security holder;
 - (ii) an investment fund from knowingly making an investment in an issuer in which:
 - (1) any officer or director of the investment fund, its management company or distribution company or an associate of any of them, or

- (2) any person or company who is a substantial security holder of the investment fund, its management company or its distribution company,

has a significant interest; and
- (iii) an investment fund, its management company or its distribution company from knowingly holding an investment described in paragraph (i) or (ii) above (collectively, the **Related Issuer Relief**); and
- (b) exempting the Filer and each of its affiliates, with respect to each of the Top Funds that invests in an Underlying Fund, from the restriction in clause 13.5(2)(a) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103)*, which prohibits a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as adviser, to invest in securities of any issuer in which a responsible person or an associate of a responsible person is a partner, officer or director, unless the fact is disclosed to the client and the written consent of the client to the investment is obtained before the purchase (the **Consent Requirement Relief** and, together with the Related Issuer 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 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 Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Québec, Prince Edward Island, Saskatchewan and Yukon (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.

AIMF Directive means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, including, where the context so requires, any delegated acts and implementing legislation made thereunder which applies in England and Wales.

AIFM Regulation means Commission Delegated Regulation No. 231/2013 of 19 December, 2012.

Ireland UCITS Directive means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 as regards depositary functions, remunerations policies and sanctions, including its mandatory implementing regulations on an EU or Home Member State level and as may be further amended from time to time and including the Delegated Regulation (once effective) and any further supplementing European Commission delegated regulations in force from time to time.

Luxembourg UCITS Directive means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended, notably by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 as regards depositary functions, remunerations policies and sanctions, including its implementing legislation and regulations on an EU or Home Member State level which are of mandatory application as and when they have come into force and have become applicable, and as amended from time to time.

UCITS means Undertaking for Collective Investment in Transferable Securities and refers to the investment funds authorized by the European Union as investment funds suitable to be distributed in more than one country of Europe.

UK UCITS Directive means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 as regards depositary functions, remunerations policies and sanctions, including its mandatory implementing regulations on an EU or Home Member State level.

Representations

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

The Filer

1. The Filer is a corporation with its head office located in Toronto, Ontario.
2. The Filer is registered as an investment fund manager (**IFM**) in each of Ontario, Québec and Newfoundland and Labrador, as a portfolio manager (**PM**) and an exempt market dealer in each of the Jurisdictions, and as a commodity trading manager in Ontario.
3. The Filer is the IFM of the Initial Top Fund. An affiliate of the Filer, BMO Investments Inc. (**BMOII**) is the IFM of the Initial Underlying Fund, which is qualified under a mutual fund prospectus dated May 10, 2019, as amended. The Filer or an affiliate of the Filer will be the IFM of the Future Top Funds and the Future Underlying Funds. To the extent that the Filer or an affiliate of the Filer is the IFM of any Future Top Fund or Future Underlying Fund, the representations set out in this decision will apply to the same extent to such Future Top Fund and/or Future Underlying Fund.
4. The Filer or its affiliates are, or will be, “responsible persons” of the Top Funds and the Underlying Funds, as that term is defined in NI 31-103.
5. Bank of Montreal is a substantial securityholder of the Filer and BMOII, as each of the Filer and BMOII is a direct or indirect wholly owned subsidiary of Bank of Montreal.
6. The Filer is not in default of securities legislation in any Jurisdiction.
7. An officer and/or director of the Filer or an affiliate of the Filer may have a significant interest in an Underlying Fund from time to time.
8. A person or company who is a substantial security holder of a Top Fund, the Filer, or an affiliate of the Filer, such as Bank of Montreal, may also have a significant interest in an Underlying Fund from time to time.

The Top Funds

9. The Initial Top Fund is an investment trust established by the Filer on August 1, 2001 and is governed by the laws of Ontario.
10. The investment objective of the Initial Top Fund is to achieve stable long term rates of return through long term capital growth and current income. Portfolio volatility is reduced through investment in fixed income, Canadian equities, foreign equities and cash asset categories. The Initial Top Fund’s return objective is to outperform a benchmark which consists of 5% FTSE/TMX 91-Day T-Bill Index, 35% FTSE/TMX Universe Bond Index, 35% S&P/TSX Composite Index and 25% MSCI World Index (net) on a four year moving average basis.
11. The Initial Top Fund wishes to invest in units of the Initial Underlying Fund and, as a result, the Filer is seeking the Exemption Sought in order to permit the Initial Top Fund to make these investments.
12. A Future Top Fund may:
 - (a) invest in one or more of the Underlying Funds, which investment or investments will be consistent with the Future Top Fund’s investment objectives and strategies; or
 - (b) invest all or substantially all of its assets in an Underlying Fund with the objective of tracking the performance of that Underlying Fund (a **Clone Fund**). Investing all or substantially all of its assets in an Underlying Fund may provide an efficient and cost effective way for the Future Top Fund to achieve diversification and obtain unique exposures to the markets in which the Underlying Fund invests.
13. The securities of each of the Top Funds are, or will be, sold solely to investors pursuant to exemptions from the prospectus requirements in accordance with National Instrument 45-106 *Prospectus Exemptions (NI 45-106)* or the Legislation.
14. Each of the Top Funds is, or will be, a “mutual fund” as defined in securities legislation of the Jurisdictions in which the Top Funds are distributed.
15. None of the Top Funds investing in Underlying Funds in reliance on this decision is, or will be, a reporting issuer in any jurisdiction of Canada.
16. The Initial Top Fund is not in default of the securities legislation of any Jurisdiction.

The Underlying Funds

17. The Initial Underlying Fund is an investment trust established by BMOII on December 23, 2013 and is governed by the laws of Ontario.
18. The investment objective of the Initial Underlying Fund is to achieve long-term capital growth consistent with the preservation of capital by investing primarily in equity securities of mid to large capitalization companies located outside of Canada and the United States that have long-term growth potential or that pay or are expected to pay above-average dividends.
19. The Initial Underlying Fund is not in default of the securities legislation of any Jurisdiction.
20. Each of the Underlying Funds is, or will meet the definition of, a "mutual fund" as defined in the Legislation.
21. Each Underlying Fund is, or will be, structured as a limited partnership, a trust or a corporation governed by the laws of a jurisdiction of Canada or may be governed by the laws of the United States of America, Hong Kong, United Kingdom, Ireland or Luxembourg. In its home jurisdiction, each Underlying Fund will either be distributed pursuant to a prospectus or prospectus exemption.
22. The investment fund manager of each Underlying Fund will be an affiliate of the Filer. The portfolio manager of each Underlying Fund may or may not be an affiliate of the Filer.
23. Each of the Underlying Funds has, or will have, separate investment objectives and investment strategies.
24. Securities of the Underlying Funds are, or will be, sold to Canadian investors either pursuant to exemptions from the prospectus requirements in accordance with NI 45-106 and the Legislation or pursuant to a prospectus qualified in one or more of the Jurisdictions.

Fund-on-Underlying Fund Structure

25. An investment by a Top Fund in an Underlying Fund is, or will be, compatible with the investment objectives of the Top Fund and allows, or will allow, the Top Fund to obtain exposure to securities in which the Top Fund may otherwise invest directly (the **Fund-on-Underlying Fund Structure**).
26. The Filer believes that the Fund-on-Underlying Fund Structure provides the Top Funds with an efficient and cost-effective manner of pursuing portfolio diversification instead of purchasing securities directly. The Fund-on-Underlying Fund Structure also provides the Top Funds with access to the investment expertise of the portfolio adviser of the applicable Underlying Funds.
27. Investments by a Top Fund in an Underlying Fund are, or will be, effected at an objective price. The Filer's policies and procedures provide that an objective price, for this purpose, is the net asset value (**NAV**) per security of the applicable class or series of that Underlying Fund.
28. Each Underlying Fund holds, or will hold, primarily liquid assets. To the extent that such Underlying Fund holds any assets whose resale is restricted or that cannot be readily disposed of through market facilities on which public quotations in common use are widely available, such illiquid assets comprise, or will comprise, no more than 10% of the Underlying Fund's NAV.
29. Each Top Fund and Underlying Fund is, or will be, valued and redeemable daily.
30. The custodian of the assets of each Top Fund is, or will be, one or more financial institutions and/or their affiliates, or such third party or parties as may be appointed by the Filer or its affiliates, which meets, or will meet, the qualifications for a custodian of an investment fund under Division 3 of Part 14 of NI 31-103. The custodian of each Underlying Fund will meet one of the following requirements:
 - (a) meet the requirements of Part 6 of National Instrument 81-102 *Investment Funds (NI 81-102)* (or any successor instrument or provisions thereto), where the securities of the Underlying Fund are offered in Canada under a prospectus qualified in one or more of the Jurisdictions,
 - (b) meet the requirements of Division 3 of Part 14 of NI 31-103 (or any successor instrument or provisions thereto), where the Underlying Fund is governed under the laws of a Jurisdiction or of Canada and the securities of which are offered in Canada pursuant to exemptions from the prospectus requirements under the Legislation,

- (c) meet the requirements of Section 17(f) of the *Investment Company Act of 1940 (1940 Act)* (or any successor instrument or provisions thereto) for entities acting as custodians to registered investment companies, where the Underlying Fund is a registered investment company under the 1940 Act,
- (d) meet the requirements under the Hong Kong Securities and Future Commission (**SFC**) Code on Unit Trusts and Mutual Funds for entities acting as custodian/trustee where the Underlying Fund is a SFC authorised fund,
- (e) meet the requirements of Articles 23(1) and 23(2) of the UK UCITS Directive for entities acting as custodians to UCITS (or any successor instrument or provisions thereto), where the Underlying Fund is a UCITS under the UK UCITS Directives,
- (f) meet the requirements of Article 21(3)(b) of the AIFM Directive and AIFM Regulation for entities acting as custodians (or any successor instrument or provisions thereto), where the Underlying Fund is an alternative investment fund under the AIFM Directive and AIFM Regulation,
- (g) meet the requirements of Articles 23(1) and 23(2) of the Ireland UCITS Directive (or any successor instrument or provisions thereto), where the Underlying Fund is a UCITS under the Ireland UCITS Directive, or
- (h) meet the applicable requirements of Articles 23(1) and 23(2) of the Luxembourg UCITS Directive (or any successor instrument or provisions thereto), where the Underlying Fund is a UCITS SICAV under the Luxembourg UCITS Directive.

Generally

- 31. The amount invested from time to time in an Underlying Fund by a Top Fund, either alone or together with one or more other funds managed by the Filer or an affiliate of the Filer, may exceed 20% of the outstanding voting securities of the Underlying Fund. As a result, each Top Fund could, either alone or together with one or more other funds managed by the Filer or an affiliate of the Filer, become a substantial security holder of an Underlying Fund. The Top Funds and other funds managed by the Filer or the Top Funds and other funds managed by an affiliate of the Filer are, or will be, related mutual funds by virtue of common management by the Filer or by an affiliate of the Filer, respectively.
- 32. In addition, the Fund-on-Underlying Fund Structure may result in a Top Fund investing in an Underlying Fund in which an officer or director of the Filer or of an affiliate of the Filer has a significant interest and/or a Top Fund investing in an Underlying Fund in which a person or company who is a substantial security holder of the Top Fund, the Filer or an affiliate of the Filer has a significant interest. As at February 28, 2019, Bank of Montreal, a substantial securityholder of the Filer, held 10.13% of the outstanding units of the Initial Underlying Fund.
- 33. Since the Top Funds do not offer their securities under a simplified prospectus, they are not subject to NI 81-102 and therefore the Top Funds are unable to rely upon the exemption codified under subsection 2.5(7) of NI 81-102.
- 34. In the absence of the Related Issuer Relief, each Top Fund would be limited by the investment restrictions in the Legislation in terms of the extent to which they could implement the Fund-on-Underlying Fund Structure. Specifically, a Top Fund would be prohibited from: (i) becoming a substantial securityholder of an Underlying Fund, either alone or together with related investment funds; and (ii) investing in an Underlying Fund in which an officer or director of the Filer has a significant interest or in which a person or company who is a substantial securityholder of the Top Fund or the Filer, has a significant interest.
- 35. The Fund-on-Underlying Fund Structure may also result in a Top Fund investing in an Underlying Fund that is a limited partnership or corporation in which a responsible person or an associate of a responsible person is a partner, officer or director, or performs a similar function or occupies a similar position.
- 36. In the absence of the Consent Requirement Relief, the Filer or its affiliates would be precluded from causing each Top Fund to invest in an Underlying Fund in these circumstances unless the consent of each investor in the Top Fund is obtained. The Top Funds may have a number of existing investors and, as a result, obtaining the consent of each such investor is not practical.
- 37. A Top Fund's investment in an Underlying Fund represents the business judgment of a responsible person uninfluenced by considerations other than the best interests of the investment funds concerned.
- 38. The investment by a Top Fund in an Underlying Fund is compatible with the fundamental investment objectives of the Top 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) securities of the Top Funds are distributed in Canada solely to investors pursuant to exemptions from the prospectus requirements in NI 45-106 or the Legislation;
- (b) the investment by a Top Fund in an Underlying Fund is compatible with the fundamental investment objectives of such Top Fund;
- (c) an investment in an Underlying Fund by a Top Fund will be effected at an objective price, being the NAV per security of the applicable class or series of that Underlying Fund;
- (d) a Top Fund will not invest in an Underlying Fund that is not a reporting issuer unless the Underlying Fund has prepared annual audited financial statements for the Underlying Fund's most recently completed financial year and interim financial statements for the Underlying Fund's most recently completed interim period;
- (e) the interim and annual financial statements of a Top Fund that is a Clone Fund will include the top 25 positions of the Underlying Fund in which the Clone Fund invests, each expressed as a percentage of NAV of the Underlying Fund as at the end of the financial reporting period;
- (f) at the time of the purchase by a Top Fund of securities of an Underlying Fund, the Underlying Fund holds no more than 10% of its NAV in securities of other investment funds unless the Underlying Fund:
 - (i) has adopted a fundamental investment objective to track the performance of another investment fund or similar investment product;
 - (ii) purchases or holds securities of investment funds that are "money market funds" (as such term is defined in NI 81-102); or
 - (iii) purchases or holds securities that are "index participation units" (as such term is defined in NI 81-102) issued by an investment fund;
- (g) no management fees or incentive fees are payable by a Top Fund that, to a reasonable person, would duplicate a fee payable by an Underlying Fund for the same service;
- (h) no sales fees or redemption fees are payable by a Top Fund in relation to its purchases or redemptions of securities of an Underlying Fund, other than brokerage fees incurred for the purchase or sale of securities issued by an investment fund that are listed for trading on a stock exchange;
- (i) the securities of an Underlying Fund held by a Top Fund will not be voted at any meeting of the security holders of the Underlying Fund except that the Top Fund may arrange for the securities of the Underlying Fund it holds to be voted by the beneficial holders of securities of the Top Fund who are not the Filer or any of its affiliates, or an officer, director or substantial security holder of the Filer or any of its affiliates;
- (j) when purchasing and/or redeeming securities of an Underlying Fund, the Filer or an affiliate of the Filer shall, as investment fund manager of the applicable Top Fund and Underlying Fund, act honestly, in good faith and in the best interests of the Top Fund and the Underlying Fund, and shall exercise the care and diligence that a reasonably prudent person would exercise in comparable circumstances;
- (k) the offering memorandum, where available, or other disclosure document of a Top Fund, will be provided to each new investor in a Top Fund prior to their purchase of securities of the Top Fund, and will disclose the following information:
 - (i) that the Top Fund may purchase securities of one or more Underlying Funds;
 - (ii) the fact that the Filer and/or an affiliate of the Filer, as the case may be, is the IFM of the Top Fund and the Underlying Funds;

- (iii) the approximate or maximum percentage of the Top Fund's net assets that is intended to be invested in securities of the Underlying Funds;
- (iv) for each officer, director or substantial security holder of the Filer, an affiliate of the Filer or of a Top Fund that also has a significant interest in an Underlying Fund, the approximate amount of the significant interest they hold, on an aggregate basis, expressed as a percentage of the applicable fund's NAV, and the potential conflicts of interest which may arise from such relationships;
- (v) the fees and expenses payable by each Underlying Fund in which the Top Fund may invest, including any incentive fee;
- (vi) the process or criteria used to select the Underlying Funds;
- (vii) that security holders of the Top Fund are entitled to receive from the Filer or an affiliate of the Filer, on request and free of charge, the following documents of any Underlying Fund in which the Top Fund invests:
 - (1) the prospectus, offering memorandum, where available, or other disclosure document, as applicable, and
 - (2) the annual and interim financial statements;
- (l) within three months from the date the Initial Top Fund or a Top Fund in existence as of the date of this decision invests in an Underlying Fund, the Filer delivers to each existing securityholder of the Initial Top Fund or existing Top Fund, as applicable, the offering memorandum or disclosure document providing the disclosure contemplated in paragraph (k); and
- (m) the Filer or an affiliate will annually inform investors in a Top Fund of their right to receive from the Filer or affiliate, on request and free of charge, a copy of the prospectus, offering memorandum or other similar disclosure document of each Underlying Fund, as applicable, and the annual audited financial statements and interim financial reports relating to each Underlying Fund in which the Top Fund invests.

The Consent Requirement Relief

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

The Related Issuer Relief

"Heather Zordel"
Commissioner
Ontario Securities Commission

"Poonam Puri"
Commissioner
Ontario Securities Commission

2.2 Orders

2.2.1 BDO Canada LLP

FILE NO.: 2018-59

IN THE MATTER OF
BDO CANADA LLP

Timothy Moseley, Vice-Chair and Chair of the Panel

June 13, 2019

ORDER

WHEREAS on June 13, 2019, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario;

ON HEARING the submissions of the representatives for Staff of the Commission (**Staff**) and for BDO Canada LLP (**BDO**);

IT IS ORDERED THAT:

1. BDO shall file and serve a witness list, and serve a summary of each witness's anticipated evidence on Staff, and indicate any intention to call an expert witness by no later than July 25, 2019;
2. each party shall file a completed copy of the *E-hearing Checklist for the Hearing on the Merits* by no later than August 2, 2019; and
3. an Attendance in this matter is scheduled for August 12, 2019 at 10:00 a.m., or on such other date and time as may be agreed to by the parties and set by the Office of the Secretary.

"Timothy Moseley"

2.2.2 360 Treasury Systems AG – s. 147

Headnote

Application for an order that a Multilateral Trading Facility registered with the German Federal Financial Services Authority is exempt from the requirement to be recognized as an exchange in Ontario – requested order granted.

Applicable Legislative Provisions

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

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

AND

**IN THE MATTER OF
360 TREASURY SYSTEMS AG**

**ORDER
(Section 147 of the Act)**

WHEREAS 360 Treasury Systems AG (**Applicant**) has filed an application dated July 27, 2018 (**Application**) with the Ontario Securities Commission (**Commission**) requesting an order pursuant to section 147 of the Act exempting the Applicant from the requirement to be recognized as an exchange under subsection 21(1) of the Act (**Exchange Relief**);

AND WHEREAS the German Federal Financial Services Authority (**BaFin**) authorized the Applicant to act as the operator of a multilateral trading facility (**MTF**) under the German Securities Trading Act (Wertpapierhandelsgesetz) (**WpHG**) on January 11, 2017;

AND WHEREAS the Applicant has represented to the Commission that:

- 1.1 The Applicant is a stock corporation organized under the laws of the Federal Republic of Germany, and is wholly owned by its direct parent company, 360T Verwaltungs GmbH, and is indirectly wholly owned by its ultimate parent company, Deutsche Börse AG;
- 1.2 The Applicant is authorized by BaFin to act as the operator of a MTF for FX derivative instruments under WpHG;
- 1.3 The Applicant's MTF supports request-for-quote trading in FX derivative instruments;
- 1.4 Each member of the Applicant's MTF must qualify as an "eligible counterparty" or "professional client" under the Markets in Financial Instruments Directive 2014/65/EU (**MiFID II**) and the Markets in Financial Instruments Regulation (EU) No 600/2014 (**MiFIR**), both as amended;
- 1.5 An MTF is obliged under BaFin rules to have requirements governing the conduct of members, to monitor compliance with those requirements and to discipline its members, including by means other than exclusion from the Applicant's trading platform;
- 1.6 The Applicant monitors the trading activity conducted under its MTF's rules with a view to identifying breaches of such rules, disorderly trading and conduct that may amount to market abuse;
- 1.7 Because the Applicant regulates the conduct of its members, it is considered by the Commission to be an exchange;
- 1.8 Because the Applicant will have members located in Ontario, it will be considered by the Commission to be carrying on business as an exchange in Ontario and will be required to be recognized as such or exempted from recognition pursuant to section 21 of the Act;

- 1.9 The Applicant does not list or trade derivative instruments that are required to be cleared;
- 1.10 The Applicant has no physical presence in Ontario and does not otherwise carry on business in Ontario except as described herein; and
- 1.11 The Applicant satisfies all the Criteria for Exemption as described in Appendix 1 to Schedule "A";

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

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

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

AND WHEREAS based on the Application, together with the representations made by and acknowledgements of the Applicant to the Commission, the Commission has determined that Applicant satisfies the criteria set out in Appendix 1 to Schedule "A" and that the granting of the Exchange Relief would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission that, pursuant to section 147 of the Act, the Applicant is exempt from recognition as an exchange under subsection 21(1) of the Act,

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

DATED June 14, 2019.

"Mary Anne De Monte-Whelan"

"Poonam Puri"

SCHEDULE "A"

TERMS AND CONDITIONS

Meeting Criteria for Exemption

1. 360 Treasury Systems AG ("**360T**") will continue to meet the criteria for exemption included in Appendix 1 to this Schedule.

Regulation and Oversight of 360T

2. **360T** will maintain its registration as a multilateral trading facility ("**MTF**") with the German Federal Financial Services Authority ("**BaFin**") and will continue to be subject to the regulatory oversight of BaFin.
3. **360T** will continue to comply with the ongoing requirements applicable to it as an MTF registered with BaFin.
4. **360T** will promptly notify the Commission if its registration as an MTF has been revoked, suspended, or amended by BaFin, or the basis on which its registration as an MTF has been granted has significantly changed.
5. **360T** must do everything within its control, which includes cooperating with the Commission as needed, to carry out its activities as an exchange exempted from recognition under subsection 21(1) of the Act in compliance with Ontario securities law.

Access

6. **360T** will not provide direct access to a participant in Ontario ("**Ontario User**") unless the Ontario User is appropriately registered as applicable under Ontario securities laws or exempt from or not subject to those requirements, and qualifies an "eligible counterparty" or "professional client" under the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and the Markets in Financial Instruments Regulation (EU) No 600/2014 (MiFIR), both as amended.
7. For each Ontario User provided direct access to its MTF, **360T** will require, as part of its application documentation or continued access to the MTF, the Ontario User to represent that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements.
8. **360T** may reasonably rely on a written representation from the Ontario User that specifies either that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements, provided **360T** notifies such Ontario User that this representation is deemed to be repeated each time it enters an order, request for quote or response to a request for quote or otherwise uses the MTF.
9. **360T** will require Ontario Users to notify **360T** if their registration as applicable under Ontario securities laws has been revoked, suspended, or amended by the Commission or if they are no longer exempt from or become subject to those requirements and, following notice from the Ontario User and subject to applicable laws, **360T** will promptly restrict the Ontario User's access to **360T** if the Ontario User is no longer appropriately registered or exempt from those requirements.
10. **360T** must make available to Ontario Users appropriate training for each person who has access to trade on **360T**'s facilities.

Trading by Ontario Users

11. **360T** will not provide access to an Ontario User to trading in products other than "swaps," as defined in section 1a(47) of the United States Commodity Exchange Act ("**CEA**") as amended (and for greater certainty, excluding security-based swaps), without prior Commission approval.

Submission to Jurisdiction and Agent for Service

12. With respect to a proceeding brought by the Commission arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of the activities of **360T** in Ontario, **360T** will submit to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Ontario and (ii) an administrative proceeding in Ontario.

13. **360T** will file with the Commission a valid and binding appointment of an agent for service in Ontario upon whom the Commission may serve a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of **360T's** activities in Ontario.

Disclosure

14. 360T will provide to its Ontario Users disclosure that states that:
- (a) rights and remedies against **360T** may only be governed by the laws of Germany, rather than the laws of Ontario and may be required to be pursued in Germany rather than in Ontario;
 - (b) the rules applicable to trading on **360T** may be governed by the laws of Germany, rather than the laws of Ontario; and
 - (c) **360T** is regulated by BaFin, rather than the Commission.

Prompt Reporting

15. **360T** will notify staff of the Commission promptly of any of:
- (a) any material change to its business or operations or the information provided in the Application, including, but not limited to material changes:
 - (i) to the regulatory oversight by BaFin;
 - (ii) the corporate governance structure of **360T**;
 - (iii) the access model, including eligibility criteria, for Ontario Users;
 - (iv) systems and technology; and
 - (v) the clearing and settlement arrangements for **360T**;
 - (b) any change in **360T** regulations or the laws, rules and regulations in Germany relevant to the financial instruments available for trading on **360T's** MTF where such change may materially affect its ability to meet the criteria set out in Appendix I to this Schedule;
 - (c) any condition or change in circumstances whereby **360T** is unable or anticipates it will not be able to continue to meet any applicable requirements or regulations of BaFin;
 - (d) any known investigations of, or disciplinary action against, **360T** by BaFin or any other regulatory authority to which it is subject;
 - (e) any matter known to **360T** that may materially and adversely affect its financial or operational viability, including, but not limited to, any declaration of an emergency pursuant to **360T's** rules;
 - (f) any default, insolvency, or bankruptcy of a participant known to **360T** or its representatives that may have a material, adverse impact upon **360T**; and
 - (g) any material systems outage, malfunction or delay.
16. **360T** will promptly provide staff of the Commission with the following information to the extent it is required to provide to or file such information with BaFin:
- (a) details of any material legal proceeding instituted against **360T**;
 - (b) notification that **360T** has instituted a petition for a judgment of bankruptcy or insolvency or similar relief, or to wind up or liquidate **360T** or has a proceeding for any such petition instituted against it; and
 - (c) the appointment of a receiver or the making of any voluntary arrangement with creditors.

Quarterly Reporting

17. **360T** will maintain the following updated information and submit such information in a manner and form acceptable to the Commission on a quarterly basis (within 30 days of the end of each calendar quarter), and at any time promptly upon the request of staff of the Commission:
- (a) a current list of all Ontario Users and whether the Ontario User is registered under Ontario securities laws or is exempt from or not subject to registration, and, to the extent known by **360T**, other persons or companies located in Ontario trading on the MTF as customers of participants (**Other Ontario Participants**);
 - (b) the legal entity identifier assigned to each Ontario User, and, to the extent known by **360T**, to Other Ontario Participants in accordance with the standards set by the Global Legal Entity Identifier System;
 - (c) a list of all Ontario Users whom **360T** has referred to BaFin, or, to the best of **360T's** knowledge, whom have been disciplined by BaFin with respect to such Ontario Users' activities on the MTF and the aggregate number of all participants referred to BaFin in the last quarter by **360T**;
 - (d) a list of all active investigations during the quarter by **360T** relating to Ontario Users and the aggregate number of active investigations during the quarter relating to all participants undertaken by **360T**;
 - (e) a list of all Ontario applicants for status as a participant who were denied such status or access to **360T** during the quarter, together with the reasons for each such denial;
 - (f) a list of all additions, deletions, or changes to the products available for trading since the prior quarter;
 - (g) for each product,
 - (i) the total trading volume and value originating from Ontario Users, and, to the extent known by **360T**, from Other Ontario Participants, presented on a per Ontario User or per Other Ontario Participant basis; and
 - (ii) the proportion of worldwide trading volume and value on **360T** conducted by Ontario Users, and, to the extent known by **360T**, by Other Ontario Participants, presented in the aggregate for such Ontario Users and Other Ontario Participants;
- provided in the required format; and
- (h) a list outlining each material incident of a security breach, systems failure, malfunction, or delay (including cyber security breaches, systems failures, malfunctions or delays reported under section 15(j) of this Schedule) that occurred at any time during the quarter for any system relating to trading activity, including trading, routing or data, specifically identifying the date, duration and reason, to the extent known or ascertainable by **360T**, for the failure, malfunction or delay, and noting any corrective action taken.

Annual Reporting

18. **360T** will file with the Commission any annual financial report or financial statements (audited or unaudited) of **360T** provided to or filed with BaFin promptly after filing with BaFin.

Information Sharing

19. **360T** will provide such information as may be requested from time to time by, and otherwise cooperate with, the Commission or its staff, subject to any applicable privacy or other laws (including solicitor-client privilege) governing the sharing of information and the protection of personal information.

APPENDIX 1

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

PART 1 REGULATION OF THE EXCHANGE

1.1 Regulation of the Exchange

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

1.2 Authority of the Foreign Regulator

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

PART 2 GOVERNANCE

2.1 Governance

The governance structure and governance arrangements of the exchange ensure:

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

2.2 Fitness

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

PART 3 REGULATION OF PRODUCTS

3.1 Review and Approval of Products

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

3.2 Product Specifications

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

3.3 Risks Associated with Trading Products

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

PART 4 ACCESS

4.1 Fair Access

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

PART 5 REGULATION OF PARTICIPANTS ON THE EXCHANGE

5.1 Regulation

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

PART 6 RULEMAKING

6.1 Purpose of Rules

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

PART 7 DUE PROCESS

7.1 Due Process

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

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

PART 8 CLEARING AND SETTLEMENT

8.1 Clearing Arrangements

The exchange has or requires its participants to have appropriate arrangements for the clearing and settlement of transactions for which clearing is mandatory through a clearing house.¹

8.2 Risk Management of Clearing House

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

PART 9 SYSTEMS AND TECHNOLOGY

9.1 Systems and Technology

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

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

9.2 System Capability/Scalability

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

- (a) makes reasonable current and future capacity estimates;
- (b) conducts capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner;
- (c) reviews the vulnerability of those systems and data centre computer operations to internal and external threats, including physical hazards and natural disasters;

¹ For the purposes of these criteria, "clearing house" also means a "clearing agency".

- (d) ensures that safeguards that protect a system against unauthorized access, internal failures, human errors, attacks and natural catastrophes that might cause improper disclosures, modification, destruction or denial of service are subject to an independent and ongoing audit which should include the physical environment, system capacity, operating system testing, documentation, internal controls and contingency plans;
- (e) ensures that the configuration of the system has been reviewed to identify potential points of failure, lack of back-up and redundant capabilities;
- (f) maintains reasonable procedures to review and keep current the development and testing methodology of those systems; and
- (g) maintains reasonable back-up, contingency and business continuity plans, disaster recovery plans and internal controls.

9.3 Information Technology Risk Management Procedures

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

PART 10 FINANCIAL VIABILITY

10.1 Financial Viability

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

PART 11 TRADING PRACTICES

11.1 Trading Practices

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

11.2 Orders

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

11.3 Transparency

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

PART 12 COMPLIANCE, SURVEILLANCE AND ENFORCEMENT

12.1 Jurisdiction

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

12.2 Member and Market Regulation

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

12.3 Availability of Information to Regulators

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

PART 13 RECORD KEEPING

13.1 Record Keeping

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

PART 14 OUTSOURCING

14.1 Outsourcing

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

PART 15 FEES

15.1 Fees

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

PART 16 INFORMATION SHARING AND OVERSIGHT ARRANGEMENTS

16.1 Information Sharing and Regulatory Cooperation

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

16.2 Oversight Arrangements

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

PART 17 IOSCO PRINCIPLES

17.1 IOSCO Principles

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

2.2.3 PharmaCielo Ltd. – s. 1(11)(b)

Headnote

Subsection 1(11)(b) – Order that the issuer is a reporting issuer for the purposes of Ontario securities law – Issuer is already a reporting issuer in British Columbia and Alberta – Issuer's securities listed for trading on the TSX Venture Exchange – Continuous disclosure requirements in British Columbia and Alberta are substantially the same as those in Ontario – Issuer has a significant connection to Ontario.

Statutes Cited

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

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

AND

**IN THE MATTER OF
PHARMACIELO LTD.**

**ORDER
(Subsection 1(11)(b))**

UPON the application of PharmaCielo Ltd. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to subsection 1(11)(b) of the Act that, for the purposes of Ontario securities law, the Applicant is a reporting issuer in Ontario;

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

AND UPON the Applicant having represented to the Commission as follows:

1. The Applicant was incorporated under the *Business Corporations Act* (British Columbia) as AAJ Capital 1 Corp. (AAJ) on May 30, 2017. The Applicant's head office is located at 82 Richmond Street East, Toronto, Ontario M5C 1P1.
2. On January 15, 2019, the Applicant completed a qualifying transaction pursuant to the policies of the TSX Venture Exchange (the **TSXV**) whereby 10949469 Canada Inc. (**AAJ Sub**), a wholly owned subsidiary of the Applicant, acquired all of the issued and outstanding common shares of PharmaCielo Ltd. (**PharmaCielo Private Co**), pursuant to a plan of arrangement (the **Arrangement**) under an arrangement agreement between the Applicant, AAJ Sub, and PharmaCielo Private Co dated August 17, 2018. Pursuant to the Arrangement, PharmaCielo Private Co and AAJ Sub amalgamated and continued as a wholly owned subsidiary of the Applicant, and the Applicant changed its name to PharmaCielo Ltd.
3. The authorized share capital of the Applicant consists of an unlimited number of common shares (**Common Shares**) and an unlimited number of preferred shares (**Preferred Shares**). As of the date hereof, 96,442,373 Common Shares are issued and outstanding. No Preferred Shares are issued and outstanding.
4. The Applicant has been a reporting issuer under the *Securities Act* (British Columbia) (the **BC Act**) and under the *Securities Act* (Alberta) (the **Alberta Act**) since January 30, 2018 when it was first listed on the TSXV.
5. The Applicant is not a reporting issuer or the equivalent in any jurisdiction in Canada other than Alberta and British Columbia.
6. The British Columbia Securities Commission is the Applicant's current principal regulator and the Commission will be the principal regulator of the Applicant once it has obtained reporting issuer status in Ontario. Upon granting of this Order, the Applicant will amend its profile on the System for Electronic Document Analysis Retrieval (SEDAR) to indicate that the Commission is its principal regulator.

7. The Applicant is not on the lists of defaulting reporting issuers maintained pursuant to the BC Act or the Alberta Act, and is not in default of any requirement of either the BC Act or the Alberta Act or the rules and regulations made thereunder.
8. The Applicant is subject to the continuous disclosure requirements of the Alberta Act and the B.C. Act. The continuous disclosure requirements of the BC Act and the Alberta Act are substantially the same as the requirements under the Act.
9. The Common Shares are listed and posted for trading on the TSXV under the trading symbol "PCLO". The Common Shares are not traded on any other stock exchange or trading or quotation system.
10. The Applicant is not in default of any of the rules, regulations or policies of the TSXV.
11. The continuous disclosure materials filed by the Applicant under the BC Act and the Alberta Act are available on SEDAR. The Applicant made its first filing on SEDAR on November 1, 2017.
12. The TSXV requires all of its listed issuers, which are not otherwise reporting issuers in Ontario, to assess whether they have a significant connection to Ontario, as defined in Policy 1.1 of the TSXV Corporate Finance Manual, and, upon first becoming aware that it has a significant connection to Ontario, to promptly make a bona fide application to the Commission to be designated a reporting issuer in Ontario.
13. The Applicant has determined that it has a significant connection to Ontario in accordance with the policies of the TSXV. Specifically, based on the factors that: (i) as at June 3, 2019, approximately 64,565,921 of the 96,442,373 outstanding Common Shares or 66.95% are held by persons resident in Ontario; (ii) the Applicant's mind and management is principally located in Ontario; and (iii) the Applicant's head office is located in Ontario.
14. The Applicant does not have a shareholder that holds sufficient securities of the Applicant to affect materially the control of the Applicant.
15. Neither the Applicant nor any of its officers or directors has:
 - a. been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority;
 - b. entered into a settlement agreement with a Canadian securities regulatory authority; or
 - c. been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.
16. Neither the Applicant nor any of its officers or directors is or has been subject to:
 - a. any known ongoing or concluded investigations by a Canadian securities regulatory authority; or a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or
 - b. any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.
17. None of the officers or directors of the Applicant, is or has been at the time of such event an officer or director of any other issuer which is or has been subject to:
 - a. any cease trade order or similar orders or order that denied access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, within the preceding 10 years; or
 - b. any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

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

IT IS HEREBY ORDERED pursuant to subsection 1(11)(b) of the Act that the Applicant is a reporting issuer for the purposes of Ontario securities law.

DATED at Toronto on this 10th day of June, 2019.

"Winnie Sanjoto"
Manager, Corporate Finance
Ontario Securities Commission

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

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

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Internet of Things Inc.	06 June 2019	11 June 2019

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

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

4.2.2 Outstanding Management & Insider Cease Trading Orders

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

Company Name	Date of Order	Date of Lapse
Blocplay Entertainment Inc.	03 May 2019	

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Chapter 7

Insider Reporting

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

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

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

Chapter 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:

BetaPro NASDAQ-100® -2x Daily Bear ETF (formerly
Horizons BetaPro NASDAQ-100® Bear Plus ETF)
Principal Regulator - Ontario

Type and Date:

Amendment #2 to Final Long Form Prospectus dated June
12, 2019

Received on June 12, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Horizons ETFs Management (Canada) Inc.

Project #2785476

Issuer Name:

Waratah Alternative Equity Income Fund
Principal Regulator - British Columbia

Type and Date:

Preliminary Simplified Prospectus dated Jun 13, 2019
NP 11-202 Preliminary Receipt dated Jun 14, 2019

Offering Price and Description:

Class F Units

Class I Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2930602

Issuer Name:

RGP Global Sector Class (formerly R.E.G.A.R. Investment
Management Global Equity Class)

RGP Global Sector Fund (formerly R.E.G.A.R. Investment
Management Global Equity Fund)

Sectorwise Balanced Portfolio

Sectorwise Conservative Portfolio

Sectorwise Growth Portfolio

Principal Regulator - Quebec

Type and Date:

Preliminary Simplified Prospectus dated June 10, 2019

NP 11-202 Preliminary Receipt dated June 13, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

R.E.G.A.R. Gestion Privée Inc.

Project #2881130

Issuer Name:

CI Canadian Dividend Private Pool

CI Global Equity Core Private Pool

Principal Regulator - British Columbia

Type and Date:

Preliminary Simplified Prospectus dated Jun 13, 2019

NP 11-202 Final Receipt dated Jun 14, 2019

Offering Price and Description:

Class A units

Class F units

Class I units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2915169

Issuer Name:

Federated Strategic Value U.S. Equity Dividend Fund

Principal Regulator - British Columbia

Type and Date:

Amended and Restated to Final Simplified Prospectus
dated May 30, 2019

NP 11-202 Receipt dated June 12, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2841986

Issuer Name:

Federated Strategic Value U.S. Equity Dividend Fund

Principal Regulator - British Columbia

Type and Date:

Amended and Restated to Final Simplified Prospectus
dated May 30, 2019

NP 11-202 Receipt dated June 12, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2841986

Issuer Name:

Franklin Liberty Core Bond Plus ETF
Franklin Liberty Short Duration Bond ETF
Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated Jun 11, 2019
NP 11-202 Final Receipt dated Jun 13, 2019

Offering Price and Description:

Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2906275

Issuer Name:

Marret Alternative Absolute Return Bond Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated June
10, 2019

NP 11-202 Final Receipt dated Jun 14, 2019

Received on June 12, 2019

Offering Price and Description:

Class A units

Class FH units

Class F units

Class AH units

Class IH units

Class I units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2899088

NON-INVESTMENT FUNDS

Issuer Name:

Automotive Properties Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated June 17, 2019
NP 11-202 Preliminary Receipt dated June 17, 2019

Offering Price and Description:

\$73,150,000.00 - 7,000,000 Units
Price: C\$10.45 per Offered Unit

Underwriter(s) or Distributor(s):

TD SECURITIES INC.
BMO NESBITT BURNS INC.
SCOTIA CAPITAL INC.
CANACCORD GENUITY CORP.
CIBC WORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
RAYMOND JAMES LTD.
DESJARDINS SECURITIES INC.
INDUSTRIAL ALLIANCE SECURITIES INC.

Promoter(s):

893353 Alberta Inc.
Project #2930199

Issuer Name:

Avicanna Inc.
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Long Form Prospectus
dated June 12, 2019
NP 11-202 Preliminary Receipt dated June 13, 2019

Offering Price and Description:

2,228,328 Common Shares and 1,114,164 Warrants
issuable without payment upon the conversion of 2,228,328
Special Warrants

Underwriter(s) or Distributor(s):

Sprott Capital Partners LP by its general partner, Sprott
Capital Partners GP Inc.
Paradigm Capital Inc.

Promoter(s):

Aras Azadian
Kyle Langstaff
Setu Purohit
Project #2863765

Issuer Name:

Bitfarms Ltd.
Type and Date:
Final Long Form Prospectus dated June 12, 2019
Received on June 13, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

Pierre-Luc Quimper
Emiliano Joel Grodzki
Mathieu Vachon
Nicolas Bonta
Project #2890726

Issuer Name:

Breath of Life International Ltd.
Principal Regulator - Ontario

Type and Date:

Amendment dated June 13, 2019 to Preliminary Long Form
Prospectus dated May 23, 2019
NP 11-202 Preliminary Receipt dated June 14, 2019

Offering Price and Description:

C\$150,000,000.00 - * Ordinary Shares
Price: C\$ * ** per Offered Share

Underwriter(s) or Distributor(s):

BMO NESBITT BURNS INC.
SCOTIA CAPITAL INC.
CIBC WORLD MARKETS INC.
CANACCORD GENUITY CORP.
RAYMOND JAMES LTD.

Promoter(s):

-

Project #2920530

Issuer Name:

Brookfield Infrastructure Partners L.P.
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated June 12, 2019
NP 11-202 Preliminary Receipt dated June 13, 2019

Offering Price and Description:

US\$4,000,000,000.00 - Limited Partnership Units Class A
Preferred Limited Partnership Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2930155

Issuer Name:

Delta 9 Cannabis Inc.
Principal Regulator - Manitoba

Type and Date:

Preliminary Short Form Prospectus dated June 17, 2019
NP 11-202 Preliminary Receipt dated June 17, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2931250

Issuer Name:

Enbridge Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Shelf Prospectus dated June 13, 2019
NP 11-202 Preliminary Receipt dated June 14, 2019

Offering Price and Description:

\$4,000,000,000.00 - MEDIUM TERM NOTES
(UNSECURED)

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2930576

Issuer Name:

Eve & Co Incorporated (formerly Carlaw Capital V Corp.)
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated June 10, 2019
NP 11-202 Preliminary Receipt dated June 11, 2019

Offering Price and Description:

20,900,000 Common Shares and 20,900,000 Common
Share Purchase Warrants Issuable on Exercise of
Outstanding Special Warrants

Underwriter(s) or Distributor(s):

Haywood Securities Inc.

Promoter(s):

-

Project #2929432

Issuer Name:

Genesis Acquisition Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated June 12, 2019
NP 11-202 Preliminary Receipt dated June 13, 2019

Offering Price and Description:

\$460,000.00 - 2,300,000 Common Shares
Price: C\$0.20 per Common Share

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.

Promoter(s):

Charles Blair Wilson

Project #2930191

Issuer Name:

Spectra7 Microsystems Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated June 17, 2019
NP 11-202 Preliminary Receipt dated June 17, 2019

Offering Price and Description:

\$3,000,000.00 - 60,000,000 Units
Price: \$0.05 per Unit

Underwriter(s) or Distributor(s):

Haywood Securities Inc.

Promoter(s):

-

Project #2931274

Issuer Name:

Sun Residential Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Final CPC Prospectus dated June 11, 2019
NP 11-202 Receipt dated June 14, 2019

Offering Price and Description:

MINIMUM OFFERING: \$250,000.00 (2,500,000 Trust
Units)

MAXIMUM OFFERING: \$500,000.00 (5,000,000 Trust
Units)

Price: C\$0.10 per Trust Unit

Underwriter(s) or Distributor(s):

Raymond James Ltd.

Promoter(s):

-

Project #2903155

Issuer Name:

TeraGo Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated June 17, 2019
NP 11-202 Preliminary Receipt dated June 17, 2019

Offering Price and Description:

\$7,700,000.00 - 700,000 Common Shares
Price: C\$11.00 per Common Share

Underwriter(s) or Distributor(s):

TD SECURITIES INC.

CANACCORD GENUITY CORP.

CORMARK SECURITIES INC.

DESJARDINS SECURITIES INC.

Promoter(s):

-

Project #2929853

Issuer Name:

The Yield Growth Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Shelf Prospectus dated June 12, 2019
NP 11-202 Preliminary Receipt dated June 12, 2019

Offering Price and Description:

\$10,000,000.00 - Common Shares, Debt Securities,
Warrants, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2930115

Issuer Name:

Village Farms International, Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Shelf Prospectus dated June 14, 2019
NP 11-202 Preliminary Receipt dated June 14, 2019

Offering Price and Description:

US\$100,000,000.00 - Common Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2930745

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change in Registration Category	Kindigo Capital Ltd.	From: Exempt Market Dealer To: Exempt Market Dealer and Commodity Trading Manager	June 11, 2019
Voluntary Surrender	JVAR Capital Limited	Portfolio Manager and Exempt Market Dealer	June 10, 2019
New Registration	Emerge Canada Inc.	Investment Fund Manager, Portfolio Manager and Exempt Market Dealer	June 13, 2019

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 TSX Inc. – Enhancement of ‘Seek Dark Liquidity’ Functionality – Notice of Withdrawal

TSX INC.

NOTICE OF WITHDRAWAL

ENHANCEMENT OF ‘SEEK DARK LIQUIDITY’ FUNCTIONALITY

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits thereto (the "Protocol") in Schedule 10 of the Ontario Securities Commission's recognition order recognizing Toronto Stock Exchange ("TSX") as an exchange, TSX has withdrawn the Notice of Proposed Changes and Request for Comments published on March 14, 2019 in relation to the enhancement of ‘seek dark liquidity’ functionality. To the extent the TSX decides to pursue the proposal again, it will be published for comment in accordance with the requirements of the Protocol.

13.2.2 360 Treasury Systems AG – Application for Exemptive Relief – Notice of Commission Order

IN THE MATTER OF 360 TREASURY SYSTEMS AG

APPLICATION FOR EXEMPTIVE RELIEF

NOTICE OF COMMISSION ORDER

On June 14, 2019, the Commission issued an order (the **Order**) to 360 Treasury Systems AG (the **Applicant**) pursuant to section 147 of the *Securities Act* (Ontario) (**OSA**) exempting the Applicant's Multilateral Trading Facility from the requirement to be recognized as an exchange under section 21 of the OSA.

A copy of the Order is published in Chapter 2 of this Bulletin.

The Commission published each Applicant's application and draft exemption order for comment on April 11, 2019 on the OSC website at www.osc.gov.on.ca and provided notice of the application and order in the OSC Bulletin. No comments were received and no changes were made to the draft exemption order.

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