

ALBERTA SECURITIES COMMISSION
STAFF NOTICE

INVESTMENT FUND FINANCIAL STATEMENTS
USED IN AN OFFERING MEMORANDUM

4 November 2011

Reporting-Issuer Investment Funds

ASC Staff understand that some investment funds that are reporting issuers may be uncertain as to which accounting standards apply to financial statements incorporated by reference into an offering memorandum prepared in accordance with Form 45-106F3 *Offering Memorandum for Qualifying Issuers (Form F3)*.

Item B1 of the instructions to Form F3 requires that all financial statements incorporated by reference into an offering memorandum prepared in accordance with Form F3 comply with National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards (NI 52-107)*. However, section 2.1(1) of NI 52-107 states that NI 52-107 does not apply to investment funds.

An investment fund that is a reporting issuer is, however, subject to National Instrument 81-106 *Investment Fund Continuous Disclosure (NI 81-106)*. Thus, financial statements that such an investment fund incorporates by reference into an offering memorandum must comply with sections 2.6, 2.7 and 2.8 of NI 81-106.

Non-Reporting-Issuer Investment Funds

Non-reporting-issuer investment funds that prepare an offering memorandum in accordance with Form 45-106F2 *Offering Memorandum for Non-Qualifying Issuers (Form F2)* have been designated, under section 10(1)(f) of the *Securities Act*, R.S.A. 2000, c. S-4, to be reporting issuers, for the sole purpose (and only to the extent necessary for that purpose) of subjecting them to the requirements of sections 2.6, 2.7 and 2.8 of NI 81-106 and thus requiring that financial statements they include in an offering memorandum comply with those provisions (see *Re Designation of Investment Funds as Reporting Issuers for Certain Purposes*, 2011 ABASC 561).

Please direct your questions to:

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