

*Note: [06 Jan 2022] – Changes to 81-106CP arising from the Reducing Regulatory Burden for Investment Fund Issuers project, Phase 2, Stage 1. Refer to Annex C Schedules 1-F, 2-G, and 3-B of the CSA Notice announcing amendments to NI 81-102 dated 07 Oct 2021.*

## **SCHEDULE 1-F**

### **CHANGE TO COMPANION POLICY 81-106 INVESTMENT FUND CONTINUOUS DISCLOSURE**

- 1. Companion Policy 81-106 Investment Fund Continuous Disclosure is changed by this Document.***
- 2. Section 10.1 is changed by deleting “, an annual information form” in subsection 10.1(1).***
- 3. This change becomes effective on January 6, 2022.***

## SCHEDULE 2-G

### CHANGES TO COMPANION POLICY 81-106 *INVESTMENT FUND CONTINUOUS DISCLOSURE*

1. *Companion Policy 81-106 Investment Fund Continuous Disclosure is changed by this Document.*
2. *Section 4.5 is repealed.*
3. *Subsection 6.1(4) is changed by replacing “to the fund's website if it has one” with “on the fund’s designated website”.*
4. *Section 9.1 is changed by replacing “make the results of that calculation available to the financial press” with “make the results of that calculation available on its designated website or to the financial press”.*
5. *The following Part is added:*

#### **PART 11 INVESTMENT FUND WEBSITE**

##### **11.1 Requirement to designate a website**

- (1) The purpose of Part 16.1 is to improve investor access to investment fund regulatory disclosure and other information that characterizes a fund. Investment funds’ websites typically include regulatory disclosure (e.g., a prospectus, a fund facts document, an ETF facts document, continuous disclosure documents), as well as other information on a fund (e.g. a fund profile) and its management (e.g., the names of its investment fund manager, portfolio manager, custodian, trustee). Section 16.1.2 of the Instrument does not prescribe the disclosure that must be posted on an investment fund’s designated website. The regulatory disclosure that must be posted on an investment fund’s designated website is included in other provisions of the securities legislation applicable to reporting investment funds.
- (2) The CSA would generally consider that an investment fund’s designated website includes a set of webpages on the internet containing links to each other and made available online by the investment fund, its investment fund manager or a person designated by its investment fund manager.

In the CSA’s view, an investment fund’s designated website must be open-access to everybody and free of charge. The designated website may contain a webpage that is accessible only by the fund’s securityholders (for example, with an access

code and a password) for the sole purpose of posting confidential or non-public information that is not required by securities legislation.

- (3) We note that an investment fund's regulatory disclosure and other information may be disseminated on a website that is established and maintained by the investment fund's manager or a person designated by the fund's manager, which may include a third-party service provider or an affiliate or an associate of the investment fund's manager.

The CSA does not expect an investment fund to create a stand-alone website to fulfil its obligations to post regulatory disclosure on a designated website. In order to improve flexibility and access to disclosure, investment funds may identify as a designated website, the website of another investment fund managed by the same investment fund manager, or of an affiliate or an associate of the investment fund's manager.

In any case, the investment fund's designated website is expected to clearly identify and differentiate between the information applicable to each investment fund. The designated website's user interface should make it clear to investors where information relating to their particular investment can be located.

- (4) The Instrument does not specify how an investment fund should structure its designated website. Investment funds may choose to post all regulatory disclosure and other information pertaining to one investment fund on a single webpage dedicated to this fund or instead aggregate some regulatory disclosure and other key information for several investment funds that are part of the same investment fund family into a single webpage. The CSA expect that investment funds and their investment fund managers will adopt a consistent and harmonized structure within an investment fund's designated website in order to avoid any confusion amongst users.
- (5) The investment fund's designated website should be designed in a manner that allows an individual investor with a reasonable level of technological skill and knowledge to easily do any of the following:
  - (a) access, read and search the information and the documents posted on the website;

- (b) download and print the documents.
  
- (6) Maintenance and supervision of an investment fund's designated website and its content should be accounted for in the compliance systems of the investment fund and its manager. The establishment and maintenance of a compliance system by investment fund managers is required under section 11.1 of NI 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. We also expect investment funds and their managers to take steps to protect themselves against cyber threats. In this respect, they should review and consult guidance issued by securities regulators and self-regulatory organizations.
  
- (7) Investment funds and their investment fund managers should ensure the designated website accurately discloses regulatory disclosure and other information. If inaccurate disclosure regarding a fund is found on the designated website, it should be removed or updated as soon as possible. A website that contains information that is out-of-date could in certain cases be considered inaccurate and misleading.

The Instrument does not specify the length of time that regulatory disclosure and other information must remain on an investment fund's designated website. The CSA are of the view that regulatory disclosure and other information should stay on a designated website for a reasonable length of time, and at least until replaced with more current information or documents. Some disclosure should be updated more frequently depending on its nature or its importance to current and potential investors (e.g. net asset values per security and past performance).

We generally encourage investment funds and their managers to archive documents or information that may retain historical or other value to investors on the designated website. However, documents or information that mislead investors should be removed.

- (8) An investment fund and its manager may create hyperlinks leading to third-party websites. In such cases, a warning informing individuals that they are about to leave the investment fund's designated website may be appropriate.
  
- (9) Section 16.1.2, sets out that an investment fund designates its website by identifying it in a specified location of the investment fund's prospectus, or its annual information form if it is required to file one under section 9.2. Where a prospectus or annual information form is prepared in respect of more than one investment fund, the designated websites of each investment fund, where they are different, should be disclosed.

When the fund designates its website under section 16.1.2, that website becomes the fund's designated website, including for the purpose of all requirements where a fund is required to disclose a designated website. For example, as required in Item 1 of Part I of Form 41-101F4 *Information Required in an ETF Facts Document* and

in Item 1 of Part I of Form 81-101F3 *Contents of Fund Facts Document*, the website noted in the ETF facts document or fund facts document must reference the same website. If the address of the designated website is modified, it would be acceptable for the website located at the previous address to redirect visitors to the new address of the designated website, with a corresponding update to the prospectus or annual information form, and each other document that is required to refer to the designated website, occurring at the time of the next renewal or filing.

- (10) Investment fund managers should consider the guidance concerning outsourcing found in sections 7.3 and Part 11 of the Companion Policy 31-103 CP, including that which indicates that the investment fund manager is responsible for any functions delegated or outsourced and must supervise the service provider..

6. These changes become effective on January 6, 2022.

## SCHEDULE 3-B

### CHANGES TO COMPANION POLICY 81-106 *INVESTMENT FUND CONTINUOUS DISCLOSURE*

1. *Companion Policy 81-106 Investment Fund Continuous Disclosure is changed by this Document.*
2. *The following is added after section 8.1:*

#### 8.2 Notice-and-access

- (1) In the Instrument and this Companion Policy, references to registered holders and beneficial owners should be read to correspond with references to forms of proxy or voting instruction forms, as appropriate.

We expect that persons or companies that solicit proxies will only use notice-and-access for a particular meeting where they have no reason to believe it is inappropriate or inconsistent with the purposes of notice-and-access to do so, taking into account factors such as

- the purpose of the meeting,
- whether a better participation rate would be obtained by sending the information circular with the other proxy-related materials, and
- whether notice-and-access resulted in material declines in beneficial owner voting rates in prior meetings where notice-and-access was used.

- (2) With respect to matters to be voted on at the meeting, the notice must only contain a description of each matter or group of related matters identified in the form of proxy, unless that information is already included in the form of proxy or voting instruction form. We expect that persons or companies who use notice-and-access will state each matter or group of related matters in the form of proxy or voting instruction form in a reasonably clear and user-friendly manner. For example, it would be inappropriate to identify the matter to be voted on solely by referring to disclosure contained in the information circular as follows: “To vote For or Against the resolution in Schedule A of the management information circular”.

The plain-language explanation of notice-and-access required in the notice can also address other aspects of the proxy voting process. However, there should not be any substantive discussion of the matters to be considered at the meeting.

- (3) Paragraph 12.2.1(h) requires establishment of a toll-free telephone number for the registered holder or beneficial owner to request a paper copy of the information circular. A person or company soliciting proxies may choose, but is not required, to provide additional methods for requesting a paper copy of the information circular. If persons or companies soliciting proxies do so, they must still comply with the fulfillment timelines in paragraph 12.2.1(i).
- (4) Section 12.2.2 is intended to restrict intentional information gathering about registered holders or beneficial owners who make requests for paper copies of information circulars or access the non-SEDAR website.
- (5) Section 12.2.3 is intended to enable registered holders and beneficial owners to access the posted proxy-related materials in a user-friendly manner. For example, requiring the registered holder or beneficial owner to navigate through several web pages to access the proxy-related materials, even within the same website, would not be user-friendly. Providing the registered holder or beneficial owner with the specific URL where the documents are posted would be more user-friendly. We encourage persons or companies soliciting proxies and their service providers to develop best practices in this regard.
- (6) We expect that where stratification is used for purposes other than complying with registered holder or beneficial owner instructions, it is used to enhance effective communication, and not used if it would potentially disenfranchise registered holders or beneficial owners.
- (7) Section 12.2.5 permits other delivery methods, such as electronic means, to be used to send proxy-related materials if the consent of the registered holder or beneficial owner has been obtained.

- (8) National Policy 11-201 *Electronic Delivery of Documents* discusses the sending of materials by electronic means. The guidelines set out in National Policy 11-201 *Electronic Delivery of Documents*, particularly the suggestion that consent be obtained to an electronic transmission of a document, are applicable to documents sent under the Instrument.
- (9) Whether persons or companies soliciting proxies may do so in compliance with foreign notice-and-access rules is not contemplated.
- (10) A single investor may hold securities of the same class or series in two or more accounts with the same address. Delivering a single set of securityholder materials to that person or company would satisfy the delivery requirements under the Instrument. We encourage this practice as a way to help reduce the costs of securityholder communications.
- (11) “Notice-and-access”, as used in all of the following provisions of Companion Policy 54-101CP – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, have the same meaning as in the Instrument, in addition to any other required adaptations:
  - subsection 3.1(1);
  - subsection 3.4.1(2);
  - section 5.1..

3. These changes become effective on January 5, 2022.