



Document Type: Rule
Document N°: 81-101
Subject: Mutual Fund Prospectus Disclosure
Amendments:
Published Date: 12 August 2005
Effective Date: 12 August 2005

NATIONAL INSTRUMENT 81-101
MUTUAL FUND PROSPECTUS DISCLOSURE
(Incorporating Amendments to May 2, 2001)
TABLE OF CONTENTS

Part 1 DEFINITIONS, INTERPRETATION AND APPLICATION	1
1.1 Definitions	1
1.2 Interpretation	2
1.3 Application	2
Part 2 DISCLOSURE DOCUMENTS	2
2.1 Filing of Disclosure Documents	2
2.2 Amendments to Disclosure Documents	3
2.3 Supporting Documents	3
2.4 Simplified Prospectus	6
Part 3 DOCUMENTS INCORPORATED BY REFERENCE AND DELIVERY TO SECURITYHOLDERS	7
3.1 Documents Incorporated by Reference	7
3.2 Delivery of Preliminary Simplified Prospectus and Simplified Prospectus	7
3.3 Documents to be Delivered or Sent upon Request	7
3.4 Toll-Free Telephone Number or Collect Telephone Calls	8
3.5 Soliciting Expressions of Interest Prohibited	8
Part 4 PLAIN LANGUAGE AND PRESENTATION	8
4.1 Plain Language and Presentation	8
4.2 Preparation in the Required Form	8
Part 5 PACKAGING	9
5.1 Combinations of Documents	9
5.2 Order of Contents of Bound Documents	9
5.3 Separate Binding of Part B Sections of a Multiple SP	9
5.4 Annual Information Forms	10
Part 6 EXEMPTION	10
6.1 Grant of Exemption	10
6.2 Evidence of Exemption by Securities Regulatory Authority	10
Part 7 TRANSITIONAL	10
7.1 Effective Date	10
7.2 Prospectus Disclosure	11
7.3 Blacklined	11

NATIONAL INSTRUMENT 81-101
MUTUAL FUND PROSPECTUS DISCLOSURE

PART 1 DEFINITIONS, INTERPRETATION AND APPLICATION

1.1 Definitions - In this Instrument

"commodity pool" means a mutual fund, other than a precious metals fund, that has adopted fundamental investment objectives that permit it to use

- (a) specified derivatives other than as permitted by National Instrument 81-102 Mutual Funds, or
- (b) physical commodities other than as permitted by National Instrument 81-102;

"educational material" means material containing general information about one or more of investing in general, mutual funds, portfolio management, capital markets, retirement savings, income or education saving plans and financial planning, if the material does not promote a particular mutual fund or mutual fund family or the products or services offered by a particular mutual fund or mutual fund family;

"financial year" includes the first completed financial period of a mutual fund beginning with the inception of the mutual fund and ending on the date of its first financial year end;

"material contract" means, for a mutual fund, a contract listed in the annual information form of the mutual fund in response to Item 16 of Form 81-101 F2 Contents of Annual Information Form;

"multiple AIF" means a document containing two or more annual information forms that have been consolidated in accordance with section 5.4;

"multiple SP" means a document containing two or more simplified prospectuses that have been consolidated in accordance with subsection 5.1(1);

"Part A section" means the section of a simplified prospectus that contains the disclosure required by Part A of Form 81-101F1 Contents of Simplified Prospectus;

"Part B section" means the section of a simplified prospectus that contains the disclosure required by Part B of Form 81-101 F 1;

"plain language" means language that can be understood by a reasonable person, applying a reasonable effort;

"precious metals fund" means a mutual fund that has adopted fundamental investment objectives, and received all required regulatory approvals, that permit it to invest in

precious metals or in entities that invest in precious metals and that otherwise complies with National Instrument 81-102;

"single AIF" means an annual information form that has not been consolidated with another annual information form under section 5.4; and

"single SP" means a simplified prospectus that has not been consolidated with another simplified prospectus under subsection 5.1(1)

1.2 Interpretation - Terms defined in National Instrument 81-102 or National Instrument 81-105 Mutual Fund Sales Practices and used in this Instrument have the respective meanings ascribed to them in those Instruments.

1.3 Application - This Instrument does not apply to mutual funds that are

- (a) labour-sponsored venture capital corporations;
- (b) commodity pools; or
- (c) listed and posted for trading on a stock exchange or quoted on an over-the-counter market.

PART 2 DISCLOSURE DOCUMENTS

2.1 Filing of Disclosure Documents - A mutual fund

- (a) that files a preliminary prospectus shall file the preliminary prospectus in the form of a preliminary simplified prospectus prepared in accordance with Form 81-101 F 1, and shall concurrently file a preliminary annual information form prepared and certified in accordance with Form 81-101 F2;
- (b) that files a *pro forma* prospectus shall file the *pro forma* prospectus in the form of a *pro forma* simplified prospectus prepared in accordance with Form 81-101 F 1, and shall concurrently file a *pro forma* annual information form prepared in accordance with Form 81-101F2;
- (c) that files a prospectus shall file the prospectus in the form of a simplified prospectus prepared in accordance with Form 81-101 F 1, and shall concurrently file an annual information form prepared and certified in accordance with Form 81-101F2; and
- (d) that files an amendment to a prospectus
 - (i) shall file an amendment to a simplified prospectus and shall concurrently file an amendment to the related annual information form, or

- (ii) in circumstances in which changes are made only to an annual information form, shall file an amendment to the annual information form.

2.2 Amendments to Disclosure Documents

- (1) An amendment to a simplified prospectus or to an annual information form may consist of either
 - (a) an amendment that does not fully restate the text of the simplified prospectus or annual information form; or
 - (b) an amended and restated simplified prospectus or annual information form.
- (2) Despite subsection (1), an amendment to the Part B section that is separately bound from the Part A section of a simplified prospectus shall be effected only by way of an amended and restated Part B section.
- (3) An amendment to a simplified prospectus or to an annual information form shall be identified and dated as follows:
 - 1. For an amendment that does not restate the text of a simplified prospectus or annual information form:

"Amendment No. [insert amendment number] dated [insert date of amendment] to [identify document] dated [insert date of document being amended]."
 - 2. For an amended and restated simplified prospectus, other than an amendment to which subsection (2) applies, or annual information form:

"Amended and Restated [identify document] dated [insert date of amendment], amending and restating [identify document] dated [insert date of document being amended]."

2.3 Supporting Documents

- (1) A mutual fund shall
 - (a) file with a preliminary simplified prospectus and a preliminary annual information form any other supporting documents required to be filed under securities legislation; and
 - (b) at the time a preliminary simplified prospectus and preliminary annual information form are filed, deliver or send to the securities regulatory authority

- (i) a copy of all material contracts of, and drafts of all material contracts intended to be of, the mutual fund,
 - (ii) for
 - (A) a new mutual fund, a copy of a draft opening balance sheet of the mutual fund, and
 - (B) an existing mutual fund, a copy of the latest audited financial statements of the mutual fund, and
 - (iii) any other supporting documents required to be delivered or sent to the securities regulatory authority under securities legislation.
- (2) A mutual fund shall
- (a) file with a *pro forma* simplified prospectus and a *pro forma* annual information form
 - (i) a copy of any material contract of the mutual fund, and a copy of any amendment to a material contract of the mutual fund, not previously filed, and
 - (ii) any other supporting documents required to be filed under securities legislation; and
 - (b) at the time a *pro forma* simplified prospectus and *pro forma* annual information form are filed, deliver or send to the securities regulatory authority
 - (i) a copy of the *pro forma* simplified prospectus, blacklined to show changes and the text of deletions from the latest simplified prospectus previously filed,
 - (ii) a copy of the *pro forma* annual information form, blacklined to show changes and the text of deletions from the latest annual information form previously filed,
 - (iii) a copy of a draft of each material contract of the mutual fund, and a copy of each draft amendment to a material contract of the mutual fund, in either case not yet executed but proposed to be executed by the time of filing of the simplified prospectus, and
 - (iv) any other supporting documents required to be delivered or sent to the securities regulatory authority under securities legislation.
- (3) A mutual fund shall

- (a) file with a simplified prospectus and an annual information form
 - (i) a copy of any material contract, and a copy of any amendment to a material contract, of the mutual fund and not previously filed,
 - (ii) for a new mutual fund, a copy of the audited balance sheet of the mutual fund, and
 - (iii) any other supporting documents required to be filed under securities legislation; and
 - (b) at the time a simplified prospectus is filed, deliver or send to the securities regulatory authority
 - (i) a copy of the simplified prospectus, blacklined to show changes and the text of deletions from the preliminary or *pro forma* simplified prospectus,
 - (ii) a copy of the annual information form, blacklined to show changes and the text of deletions from the preliminary or *pro forma* annual information form, and
 - (iii) any other supporting document required to be delivered or sent to the securities regulatory authority under securities legislation.
- (4) A mutual fund shall
- (a) file with an amendment to a simplified prospectus and an amendment to the annual information form
 - (i) a copy of any material contract of the mutual fund, and a copy of any amendment to a material contract of the mutual fund, not previously filed, and
 - (ii) any other supporting documents required to be filed under securities legislation; and
 - (b) at the time an amendment to a simplified prospectus is filed, deliver or send to the securities regulatory authority
 - (i) if the amendment to the simplified prospectus is in the form of an amended and restated simplified prospectus, a copy of that document blacklined to show changes and the text of deletions from the simplified prospectus,
 - (ii) if the amendment to the annual information form is in the form of an amended and restated annual information form, a copy of the

amended annual information form, blacklined to show changes and the text of deletions from the annual information form, and

(iii) any other supporting document required to be delivered or sent to the securities regulatory authority under securities legislation.

(5) A mutual fund shall

(a) file with an amendment to an annual information form in circumstances in which the corresponding simplified prospectus is not amended

(i) a copy of any material contract of the mutual fund, and a copy of any amendment to a material contract of the mutual fund, not previously filed, and

(ii) any other supporting documents required to be filed under securities legislation; and

(b) at the time an amendment to an annual information form is filed, if the amendment is in the form of an amended and restated annual information form, deliver or send to the securities regulatory authority

(i) a copy of the amended and restated annual information form blacklined to show changes and the text of deletions from the annual information form, and

(ii) any other supporting documents required to be delivered or sent to the securities regulatory authority under securities legislation.

(6) Despite any other provision of this section, a mutual fund may delete commercial or financial information from the copy of an agreement of the mutual fund, its manager or trustee with a portfolio adviser or portfolio advisers of the mutual fund filed under this section if the disclosure of that information could reasonably be expected to

(a) prejudice significantly the competitive position of a party to the agreement; or

(b) interfere significantly with negotiations in which parties to the agreements are involved.

2.4 Simplified Prospectus - A simplified prospectus is a prospectus for the purposes of securities legislation.

PART 3 DOCUMENTS INCORPORATED BY REFERENCE AND DELIVERY TO SECURITYHOLDERS

3.1 Documents Incorporated by Reference - The following documents shall, by means of a statement to that effect, be incorporated by reference into, and shall form part of, a simplified prospectus:

1. The annual information form that is filed concurrently with the simplified prospectus.
2. The most recently filed comparative annual financial statements of the mutual fund, together with the accompanying report of the auditor, filed either before or after the date of the simplified prospectus.
3. The most recently filed interim financial statements of the mutual fund that were filed before or after the date of the simplified prospectus and that pertain to a period after the period to which the annual financial statements then incorporated by reference in the simplified prospectus pertain.

3.2 Delivery of Preliminary Simplified Prospectus and Simplified Prospectus

- (1) The requirement under securities legislation to deliver or send a preliminary prospectus of a mutual fund to a person or company is satisfied by delivering or sending a preliminary simplified prospectus for the mutual fund filed under this Instrument, prepared in accordance with Form 81-101 F 1, either with or without the documents incorporated by reference.
- (2) The requirement under securities legislation to deliver or send a prospectus of a mutual fund to a person or company is satisfied by delivering or sending a simplified prospectus for the mutual fund filed under this Instrument, prepared in accordance with Form 81-101 F 1, either with or without the documents incorporated by reference.

3.3 Documents to be Delivered or Sent upon Request

- (1) A mutual fund shall deliver or send to any person or company that requests the simplified prospectus of the mutual fund or any of the documents incorporated by reference into the simplified prospectus, a copy of the simplified prospectus or requested document.
- (2) A mutual fund shall deliver or send, to any person or company that requests the annual information form of the mutual fund, the current simplified prospectus of the mutual fund with the annual information form, unless the mutual fund has previously delivered or sent that simplified prospectus to that person or company.
- (3) A mutual fund shall deliver or send all documents requested under this section within three business days of receipt of the request and free of charge.

- 3.4 Toll-Free Telephone Number or Collect Telephone Calls** - A mutual fund shall have a toll- free telephone number for, or accept collect telephone calls from, persons or companies that want to receive a copy of the simplified prospectus of the mutual fund and any or all documents incorporated by reference into the simplified prospectus.
- 3.5 Soliciting Expressions of Interest Prohibited** - Neither a multiple SP that includes both a *pro forma* simplified prospectus and a preliminary simplified prospectus nor a multiple AIF that includes both a *pro forma* annual information form and a preliminary annual information form shall be used to solicit expressions of interest.

PART 4 PLAIN LANGUAGE AND PRESENTATION

4.1 Plain Language and Presentation

- (1) A simplified prospectus and annual information form shall be prepared using plain language and in a format that assists in readability and comprehension.
- (2) A simplified prospectus
 - (a) shall present all information briefly and concisely;
 - (b) shall present the items listed in the Part A section of Form 81- 101F 1 and the items listed in the Part B section of Form 81-101 F 1 in the order stipulated in those parts;
 - (c) may, unless the Part B section is being bound separately from the Part A section as permitted by subsection 5.3(1), place the Part B section of the simplified prospectus in any location in the simplified prospectus;
 - (d) shall use the headings and sub-headings stipulated in Form 81-101F1, and may use sub-headings in items for which no sub-headings are stipulated;
 - (e) shall contain only educational material or the information that is specifically mandated or permitted by Form 81-101 F 1; and
 - (f) shall not incorporate by reference into the simplified prospectus, from any other document, information that is required to be included in a simplified prospectus.

- 4.2 Preparation in the Required Form** - Despite provisions in securities legislation relating to the presentation of the content of a prospectus, the simplified prospectus and annual information form shall be prepared in accordance with this Instrument.

PART 5 PACKAGING

5.1 Combinations of Documents

- (1) A simplified prospectus shall not be consolidated with one or more other simplified prospectuses to form a multiple SP unless the Part A sections of each simplified prospectus are substantially similar.
- (2) A multiple SP shall be prepared in accordance with the applicable requirements of Form 81-101F1.
- (3) A simplified prospectus or a multiple SP may only be attached to, or bound with, one or more of the following documents:
 1. Documents incorporated by reference.
 2. Educational material.
 3. Account application documents.
 4. Registered tax plan applications and documents.
 5. Any point of sale disclosure documents required by securities legislation.

5.2 Order of Contents of Bound Documents

- (1) If the material or documents referred to in paragraphs 1 to 5 of subsection 5.1(3) are attached to, or bound with, a single SP or multiple SP
 - (a) the single SP or multiple SP shall be the first document contained in the package; and
 - (b) no pages shall come before the single SP or multiple SP in the package other than, at the option of the mutual fund, a general front cover and a table of contents pertaining to the entire package.
- (2) The general front cover referred to in paragraph 1(b) may contain only the names of the mutual funds to which the package relates, trademark or tradenames identifying those mutual funds or other members of the organization of those mutual funds, and artwork.

5.3 Separate Binding of Part B Sections of a Multiple SP

- (1) The Part B sections of a multiple SP may be bound separately from the Part A section of that document.
- (2) If a Part B section of a multiple SP is bound separately from the Part A section of the multiple SP
 - (a) all of the Part B sections of the multiple SP shall be bound separately from the Part A section; and

- (b) all or some of the Part B sections may be bound together with each other or separately.

5.4 Annual Information Forms

- (1) An annual information form shall be consolidated with one or more other annual information forms into a multiple AIF if the related simplified prospectuses are consolidated into a multiple SP.
- (2) A multiple AIF shall be prepared in accordance with the applicable requirements of Form 81-101F2.

PART 6 EXEMPTION

6.1 Grant of Exemption

- (1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario only the regulator may grant such an exemption.

6.2 Evidence of Exemption by Securities Regulatory Authority - Without limiting the manner in which an exemption under section 6.1 may be evidenced, the issuance by the regulator of a receipt for a simplified prospectus and annual information form, or an amendment to a simplified prospectus and annual information form, is evidence of the granting of the exemption from any form or content requirements relating to a simplified prospectus or annual information form if

- (a) the person or company that sought the exemption sent to the regulator, with the *pro forma* or preliminary simplified prospectus and annual information form, or at least 10 days before the issuance of the receipt in the case of an amendment, a letter or memorandum describing the matters relating to the exemption and indicating why consideration should be given to the granting of the exemption; and
- (b) the regulator has not sent written notice to the contrary to the person or company that sought the exemption before, or concurrent with, the issuance of the receipt.

PART 7 TRANSITIONAL

7.1 Effective Date - This Instrument comes into force on 12 August 2005.

- 7.2 Prospectus Disclosure** - The simplified prospectus of a mutual fund for which a preliminary or *pro forma* simplified prospectus is filed, or for which a receipt is obtained, before the date that this Instrument comes into force is not required to comply with this Instrument if the simplified prospectus complies with National Policy Statement No. 36 as if that policy statement or a rule based on that policy statement were in force in the local jurisdiction.
- 7.3 Blacklined Copies** - Despite Part 2, a mutual fund need not file a blacklined copy of a document prepared under this Instrument that compares the document with a document prepared under National Policy Statement No. 36.

**NATIONAL INSTRUMENT 81-101
MUTUAL FUND PROSPECTUS DISCLOSURE FORM 81-101F1
CONTENTS OF SIMPLIFIED PROSPECTUS**

(incorporating amendments of December 31, 2003)

TABLE OF CONTENTS

PART ITEM

GENERAL INSTRUCTIONS

PART A GENERAL DISCLOSURE

Item 1:	Front Cover Disclosure	4
Item 2:	Table of Contents	6
Item 3:	Introductory Disclosure	7
Item 4:	General Investment Risks	8
Item 5:	Organization and Management Details for a Multiple SP	9
Item 6:	Purchases, Switches and Redemptions	10
Item 7:	Optional Services Provided by the Mutual Fund Organization	11
Item 8:	Fees and Expenses	11
Item 9:	Dealer Compensation	14
Item 10:	Income Tax Considerations for Investors	16
Item 11:	Statement of Rights	17
Item 12:	Additional Information	17
Item 13:	Part B Introduction	18
Item 14:	Back Cover	19

PART B FUND-SPECIFIC INFORMATION

Item 1:	General	20
Item 2:	Introductory	20
Item 3:	General Information	21
Item 4:	Organization and Management Details	21
Item 5:	Fund Details	22
Item 6:	Fundamental Investment Objectives	23
Item 7:	Investment Strategies	25
Item 8:	Top Ten Holdings	27
Item 9:	Risks	28
Item 10:	Suitability	30
Item 11:	Past Performance	31
Item 12:	Distribution Policy	35
Item 13:	Financial Highlights	35
Item 14:	Additional Information	39

**NATIONAL INSTRUMENT 81-101
MUTUAL FUND PROSPECTUS DISCLOSURE
FORM 81-101F1
CONTENTS OF SIMPLIFIED PROSPECTUS**

(incorporating amendments of December 31, 2003)

GENERAL INSTRUCTIONS :

General

- (1) This Form describes the disclosure required in a simplified prospectus of a mutual fund. Each Item of this Form outlines disclosure requirements. Instructions to help you provide this disclosure are printed in italic type.*
- (2) Terms defined in National Instrument 81-101 Mutual Fund Prospectus Disclosure, National Instrument 81-102 Mutual Funds or National Instrument 81-105 Mutual Fund Sales Practices and used in this Form have the meanings that they have in those national instruments. However, subsection 1.3(3) of National Instrument 81-102 does not apply to this Form.*
- (3) A simplified prospectus shall state the required information concisely and in plain language. Reference should be made to Part 3 of Companion Policy 81-101CP for a discussion concerning plain language and presentation.*
- (4) Respond as simply and directly as is reasonably possible and include only as much information as is necessary for an understanding of the fundamental and particular characteristics of the mutual fund. Brevity is especially important in describing practices or aspects of a mutual fund's operations that do not differ materially from those of other mutual funds.*
- (5) National Instrument 81-101 requires the simplified prospectus to be presented in a format that assists in readability and comprehension. This Form does not mandate the use of a specific format to achieve these goals. However, mutual funds are encouraged to use, as appropriate, tables, captions, bullet points or other organizational techniques that assist in presenting the required disclosure clearly and concisely.*
- (6) Each Item shall be presented under the heading or sub-heading stipulated in this Form; references to the relevant Item number are optional. If no sub-heading for an Item is stipulated in this Form, a mutual fund may include sub-headings, under the required headings, at its option.*

- (7) *A simplified prospectus may contain photographs and artwork only if they are relevant to the business of the mutual fund, mutual fund family or members of the organization of the mutual fund and are not misleading.*
- (8) *Any footnotes to tables provided for under any Item in this Form may be deleted if the substance of the footnotes is otherwise provided.*

Contents of a Simplified Prospectus

- (9) *A simplified prospectus shall pertain to one mutual fund, and shall consist of two sections, a Part A section and a Part B section.*
- (10) *The Part A section of a simplified prospectus contains the response to the Items in Part A of this Form and contains introductory information about the mutual fund, general information about mutual funds and information applicable to the mutual funds managed by the mutual fund organization.*
- (11) *The Part B section of a simplified prospectus contains the response to the Items in Part B of this Form and contains specific information about the mutual fund to which the simplified prospectus pertains.*
- (12) *Despite securities legislation, a simplified prospectus shall present each Item in the Part A section and each Item in the Part B section in the respective order provided for in this Form. However, the Part B section of the simplified prospectus may be placed in any location in the simplified prospectus. For a single SP, this means that the Part B section may be placed before the Part A section, somewhere in the middle of the Part A section or after the Part A section, except for the covers.*
- (13) *Subsection 5.1(3) of National Instrument 81-101 permits certain documents to be attached to, or bound with, a simplified prospectus. Those documents consist of the documents incorporated by reference into the simplified prospectus, educational material, account application documents, registered tax plan applications and documents and any point of sale disclosure documents required by securities legislation. No other documents may be attached to, or bound with, a simplified prospectus.*

Consolidation of Simplified Prospectuses into a Multiple SP

- (14) *Subsection 5.1(1) of National Instrument 81-101 states that simplified prospectuses shall not be consolidated to form a multiple SP unless the Part A sections of each simplified prospectus are substantially similar. The Part A sections in a consolidated document need not be repeated. These provisions permit a mutual fund organization to create a document that contains the disclosure for a number of mutual funds in the same family.*

- (15) *As with a single SP, a multiple SP will consist of two Parts:*
1. *A Part A section that contains general information about the mutual funds, or the mutual fund family, described in the document.*
 2. *A number of Part B sections, each of which will provide specific information about one mutual fund. The Part B sections shall not be consolidated with each other so that, in a multiple SP, information about each of the mutual funds described in the document shall be provided on a fund by fund or catalogue basis and shall set out for each mutual fund separately the information required by Part B of this Form. Each Part B section shall start on a new page.*
- (16) *For a multiple SP in which the Part A and Part B sections are bound together, the Part B sections may be placed at any location in the document; that is, before the Part A section, somewhere in the middle of the Part A section or after the Part A section, except for the back cover. If the Part B sections are bound with the Part A section, the Part B sections shall be kept together in the document.*
- (17) *Section 5.3 of National Instrument 81-101 permits the Part B sections of a multiple SP to be bound separately from the Part A section of the document. If one Part B section is bound separately from the Part A section of the document, all Part B sections must be separate from the Part A section of the document.*
- (18) *Subsection 5.3(2) of National Instrument 81-101 permits Part B sections that have been bound separately from the related Part A section to either be bound individually or together, at the option of the mutual fund organization. There is no prohibition against the same Part B section of a multiple SP being bound by itself for distribution to some investors, and also being bound with the Part B section of other mutual funds for distribution to other investors.*
- (19) *Section 3.2 of National Instrument 81-101 provides that the requirement under securities legislation to deliver a prospectus for a mutual fund will be satisfied by the delivery of a simplified prospectus, either with or without the documents incorporated by reference. Mutual fund organizations that bind separately the Part B sections of a multiple SP from the Part A section are reminded that, since a simplified prospectus consists of a Part A section and a Part B section, delivery of both sections is necessary in order to satisfy the delivery obligations in connection with the sale of securities of a particular mutual fund.*
- (20) *In Items 1 through 4 of Part A of this Form, specific instructions are provided for a single SP and a multiple SP and in some cases for a multiple SP for which the Part A section is either bound with, or separate from, the Part B*

sections of the document. The remainder of Part A of this Form generally refers to disclosure required for “a mutual fund” in a “simplified prospectus”. This disclosure should be modified as appropriate to reflect multiple mutual funds covered by a multiple SP.

Multi-Class Mutual Funds

- (21) *A mutual fund that has more than one class or series that are referable to the same portfolio may treat each class or series as a separate mutual fund for purposes of this Form, or may combine disclosure of one or more of the classes or series in one simplified prospectus. If disclosure pertaining to more than one class or series is combined in one simplified prospectus, separate disclosure in response to each Item in this Form must be provided for each class or series unless the responses would be identical for each class or series.*
- (22) *As provided in National Instrument 81-102, a section, part, class or series of a class of securities of a mutual fund that is referable to a separate portfolio of assets is considered to be a separate mutual fund. Those principles are applicable to National Instrument 81-101 and this Form.*

PART A GENERAL DISCLOSURE

Item 1: Front Cover Disclosure

1.1 For a Single SP

- (1) Indicate on the front cover whether the document is a preliminary simplified prospectus, a *pro forma* simplified prospectus or a simplified prospectus.
- (2) Indicate on the front cover the name of the mutual fund to which the simplified prospectus pertains. If the mutual fund has more than one class or series of securities, indicate the name of each of those classes or series covered in the simplified prospectus; and
- (3) Despite securities legislation, state on the front cover of a preliminary simplified prospectus the following:

“A copy of this Simplified Prospectus has been filed with [the securities authority(ies) in each of/certain of the provinces/provinces and territories of Canada] but the Simplified Prospectus has not yet become final for the purpose of a distribution. Information contained in this Simplified Prospectus may not be complete and may have to be amended. The [units/shares] described in this Simplified Prospectus may not be sold to you until a receipt for the Simplified Prospectus is obtained by the mutual fund from the securities regulatory [authority(ies)].”

- (4) If a commercial copy of the preliminary simplified prospectus is prepared, print the legend referred to in subsection (3) in red ink.
- (5) For a preliminary simplified prospectus or simplified prospectus, indicate the date of the document, which shall be the date of the certificates contained in the related annual information form. This date shall be within three business days of the date the document is filed with the securities regulatory authority. Write the date in full, writing the name of the month in words. A *pro forma* simplified prospectus need not be dated, but may reflect the anticipated date of the simplified prospectus.
- (6) State, in substantially the following words:

“No securities regulatory authority has expressed an opinion about these [units/shares] and it is an offence to claim otherwise.”

1.2 For a Multiple SP in which the Part A section and the Part B sections are bound together

- (1) Indicate on the front cover whether the document is a preliminary simplified prospectus, a *pro forma* simplified prospectus or a simplified prospectus for each of the mutual funds to which the document pertains.
- (2) Indicate on the front cover the names of the mutual funds and, at the option of the mutual funds, the name of the mutual fund family, to which the document pertains. If the mutual fund has more than one class or series of securities, indicate the name of each of those classes or series covered in the simplified prospectus.
- (3) Despite securities legislation, state on the front cover of a document that contains a preliminary simplified prospectus the following:

“A copy of this document has been filed with [the securities authority(ies) in each of/certain of the provinces/provinces and territories of Canada] but has not yet become final for the purpose of a distribution. Information contained in this document may not be complete and may have to be amended. The [units/shares] described in this document may not be sold to you until receipts for this document are obtained by the mutual fund from the securities regulatory [authority(ies)].”
- (4) If a commercial copy of the document that contains a preliminary simplified prospectus is prepared, print the legend referred to in subsection (3) in red ink.
- (5) If the document contains a preliminary simplified prospectus or a simplified prospectus, indicate the date of the document, which shall be the date of the certificates contained in the related multiple AIF. This date shall be within three business days of the date the document is filed with the securities

regulatory authority. Write the date in full, writing the name of the month in words. A document that is a *pro forma* multiple SP need not be dated, but may reflect the anticipated date of the multiple SP.

- (6) State, in substantially the following words:

“No securities regulatory authority has expressed an opinion about these [units/shares] and it is an offence to claim otherwise.”

1.3 For a Multiple SP in which the Part A section is bound separately from the Part B sections

- (1) Comply with Item 1.2.
- (2) State prominently, in substantially the following words:

“A complete simplified prospectus for the mutual funds listed on this page consists of this document and an additional disclosure document that provides specific information about the mutual funds in which you are investing. This document provides general information applicable to all of the [name of mutual fund family] funds. You must be provided with the additional disclosure document.”

Item 2: Table of Contents

2.1 For a Single SP

- (1) Despite securities legislation, at the option of the mutual fund, include a table of contents.
- (2) If a table of contents is included, begin it on a new page, which may be the inside front cover of the document.

2.2 For a Multiple SP in which the Part A section and the Part B sections are bound together

- (1) Include a table of contents.
- (2) Include in the table of contents, under the heading “Fund Specific Information”, a list of all of the mutual funds to which the document pertains, with the numbers of the pages where information about each mutual fund can be found.
- (3) Begin the table of contents on a new page, which may be the inside front cover of the document.

2.3 For a Multiple SP in which the Part A section is bound separately from the Part B sections

- (1) Include a table of contents for the Part A section of the multiple SP.
- (2) Begin the table of contents on a new page, which may be the inside front cover of the document.
- (3) Include, immediately following the table of contents and on the same page, a list of the mutual funds to which the multiple SP pertains and details on how the Part B disclosure for each mutual fund will be provided.

Item 3: Introductory Disclosure

3.1 For a Single SP

Provide, either on a new page or immediately under the table of contents, under the heading “Introduction”, the following statement in substantially the following words:

- “• This Simplified Prospectus contains selected important information to help you make an informed investment decision and to help you understand your rights.
- This Simplified Prospectus contains information about the Fund and the risks of investing in mutual funds generally, as well as the names of the firms responsible for the management of the Fund.
- Additional information about the Fund is available in the Annual Information Form, the Fund’s most recently filed annual financial statements and any interim financial statements of the Fund filed after those annual financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document. You can get a copy of the Annual Information Form and those financial statements, including a statement of portfolio transactions, at your request, and at no cost, by calling [toll-free/collect] [insert the toll-free telephone number or telephone number where collect calls are accepted, as required by section 3.4 of the Instrument], or from your dealer.
- [If applicable] These documents are available on the [mutual fund’s/mutual fund family’s] Internet site at [insert mutual fund’s Internet site address], or by contacting the [mutual fund/mutual fund family] at [insert mutual fund’s/mutual fund family’s e-mail address].
- These documents and other information about the Fund are available on the Internet at www.sedar.com.”

3.2 For a Multiple SP

Provide, either on a new page or immediately under the table of contents, under the heading “Introduction” the following statement in substantially the following words:

- “• This document contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor.
- This document is divided into two parts. The first part, [from pages • through •], contains general information applicable to all of the [name of fund family] Funds. The second part, [from pages • through •] [which is separately bound], contains specific information about each of the Funds described in this document.
- Additional information about each Fund is available in the Fund’s Annual Information Form and the Fund’s most recently filed annual financial statements and any interim financial statements of the Fund filed after those annual financial statements. These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as a part of this document. You can get a copy of the Fund’s Annual Information Form and those financial statements, including a statement of portfolio transactions, at your request, and at no cost, by calling [toll-free/collect] [insert the toll-free telephone number or telephone number where collect calls are accepted, as required by section 3.4 of the Instrument], or from your dealer.
- [If applicable] These documents are available on the [mutual funds’/mutual fund family’s] Internet site at [insert mutual funds’/mutual fund family’s Internet site address], or by contacting the [mutual funds/mutual fund family] at [insert e-mail address].
- These documents and other information about the Funds are available at www.sedar.com.”

Item 4: General Investment Risks

- (1) Disclose under the heading “What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?”
 - (a) a brief general description of the nature of a mutual fund; and
 - (b) the risk factors or other investment considerations that an investor should take into account that are associated with investing in mutual funds generally.
- (2) For a multiple SP, at the option of the mutual fund, disclose the risk factors and investment considerations that are applicable to more than one of those mutual funds.
- (3) At a minimum, in response to the requirements of subsection (1), include disclosure in substantially the following words:

- “• Mutual funds own different types of investments, depending upon their investment objectives. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, and market and company news. As a result, the value of a mutual fund’s [units/shares] may go up and down, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.
 - [If applicable], The full amount of your investment in any [name of mutual fund family] mutual fund is not guaranteed.
 - Unlike bank accounts or GICs, mutual fund [units/shares] are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.”
- (4) State that, under exceptional circumstances, a mutual fund may suspend redemptions. Provide a reference to the disclosure provided in response to Item 6(2) of Part A of this Form.

INSTRUCTIONS:

- (1) *Examples of the risks that may be disclosed under subsection (2) are stock market risk, interest rate risk, foreign security risk, foreign currency risk, specialization risk and risk associated with the use of derivatives. If this risk disclosure is provided under this subsection, the fund-specific disclosure about each mutual fund described in the document should contain a reference to the appropriate parts of this risk disclosure.*
- (2) *In providing disclosure under subsection (1), follow the instructions under Item 9 of Part B of this Form, as appropriate.*

Item 5: Organization and Management Details for a Multiple SP

- (1) Provide, under the heading “Organization and Management of the [name of mutual fund family]”, information about the manager, trustee, portfolio adviser, principal distributor, custodian, registrar and auditor of the mutual funds to which the document relates in the form of a diagram or table.
- (2) For each entity listed in the diagram or table, briefly describe the services provided by that entity and the relationship of that entity to the manager.
- (3) For each entity listed in the diagram or table, other than the manager of the mutual funds, provide the municipality and the province or country where it principally provides its services to the mutual funds. Provide the complete municipal address for the manager of the mutual funds.

- (4) At the option of the mutual fund, provide, under a separate sub-heading, details of the manager of the mutual fund, including the history and background of the manager and any overall investment strategy or approach used by the manager in connection with the mutual funds for which it acts as manager.
- (4.1) If a mutual fund holds, in accordance with section 2.5 of National Instrument 81-102 Mutual Funds, securities of another mutual fund that is managed by the same manager or an affiliate or associate of the manager, disclose
 - (a) that the securities of the other mutual fund held by the mutual fund will not be voted; and
 - (b) if applicable, that the manager may arrange for the securities of the other mutual fund to be voted by the beneficial holders of the securities of the mutual fund.

as amended December 31, 2003

- (5) Despite subsection (1), if the information required by subsection (1) is not the same for substantially all of the mutual funds described in the document, provide in the diagram or table contemplated by subsection (1) only that information that is the same for substantially all of the mutual funds and provide the remaining disclosure required by that subsection in the diagram or table required by Item 4(1) of Part B of this Form.

INSTRUCTIONS:

- (1) *The information required to be disclosed in this Item shall be presented prominently, using enough space so that it is easy to read.*
- (2) *The descriptions of the services provided by the listed entities should be brief. For instance, the manager may be described as “manages the overall business and operations of the funds”, a portfolio adviser may be described as “provides investment advice to the manager about the investment portfolio of the funds” or “manages the investment portfolio of the funds”, and a “principal distributor” may be described as “markets the securities of the funds and sells securities [through brokers and dealers] [or its own sales force]”.*

Item 6: Purchases, Switches and Redemptions

- (1) Briefly describe, under the heading “Purchases, Switches and Redemptions”, how an investor can purchase and redeem the securities of the mutual fund or switch them for securities of other mutual funds, how often the mutual fund is valued, and state that the issue and redemption price of those securities is

based on the mutual fund's net asset value of a security of that class, or series of a class, next determined after the receipt by the mutual fund of the purchase order or redemption order.

- (2) State that, under extraordinary circumstances, the rights of investors to redeem securities may be suspended by the mutual fund, and describe the circumstances when the suspension of redemption rights could occur.
- (3) For a new mutual fund that is being sold on a best efforts basis, state whether the issue price will be fixed during the initial distribution period, and state when the mutual fund will begin issuing and redeeming securities based on the net asset value per security of the mutual fund.
- (4) Describe all available purchase options and state, if applicable, that the choice of different purchase options requires the investor to pay different fees and expenses and, if applicable, that the choice of different purchase options affects the amount of compensation paid by a member of the organization of the mutual fund to a dealer. Include cross-references to the disclosure provided under Items 8 and 9 of Part A of this Form.

Item 7: Optional Services Provided by the Mutual Fund Organization

If applicable, under the heading "Optional Services", describe the optional services that may be obtained by typical investors from the mutual fund organization.

INSTRUCTION:

Disclosure in this Item should include, for example, any asset allocation services, registered tax plans, foreign content monitoring plans, regular investment and withdrawal plans, U.S. dollar purchase plans, periodic purchase plans, contractual plans, periodic withdrawal plans or switch privileges.

Item 8: Fees and Expenses

8.1 General Disclosure

- (1) Set out information about the fees and expenses payable by the mutual fund and by investors in the mutual fund under the heading "Fees and Expenses".
 - (1.1) If the mutual fund holds securities of other mutual funds, disclose that with respect to securities of another mutual fund
 - (a) there are fees and expenses payable by the other mutual fund in addition to the fees and expenses payable by the mutual fund;
 - (b) no management fees or incentive fees are payable by the mutual fund that, to a reasonable person, would duplicate a fee payable by the other mutual fund for the same service;

- (c) no sales fees or redemption fees are payable by the mutual fund in relation to its purchases or redemptions of the securities of the other mutual fund if the other mutual fund is managed by the manager or an affiliate or associate of the manager of the mutual fund; and
- (d) no sales fees or redemption fees are payable by the mutual fund in relation to its purchases or redemptions of securities of the other mutual fund that, to a reasonable person, would duplicate a fee payable by an investor in the mutual fund.

as amended December 31, 2003

- (2) The information required by this Item shall first be a summary of the fees, charges and expenses of the mutual fund and investors presented in the form of the following table, appropriately completed, and introduced using substantially the following words:

“This table lists the fees and expenses that you may have to pay if you invest in the [insert the name of the mutual fund]. You may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Fund.”

- (3) Include the fees for any optional services provided by the mutual fund organization, as described by Item 7 of Part A of this Form, in the table.
- (4) If management fees are payable directly by investors, add a line item in the table to disclose the maximum percentage that could be paid by investors.
- (5) If the manager permits negotiation of a management fee rebate, provide disclosure of these arrangements. If these arrangements are not available for each mutual fund described in the document, make this disclosure in the description of fees and expenses required for each fund by Item 5 of Part B of this Form and include a cross-reference to that information in the table required by this Item.

Fees and Expenses Payable by the Fund	
Management Fees	<i>[See Instruction (1)] [disclosure re management fee rebate program]</i>
Operating Expenses	<i>[See Instructions (2) and (3)] Fund[s] pay[s] all operating expenses, including _____</i>
Fees and Expenses Payable Directly by You	
Sales Charges	<i>[specify percentage, as a percentage of _____]</i>
Switch Fees	<i>[specify percentage, as a percentage of _____, or specify amount]</i>
Redemption Fees	<i>[specify percentage, as a percentage of _____, or specify amount]</i>

Registered Tax Plan Fees <i>[include this disclosure and specify the type of fees if the registered tax plan is sponsored by the mutual fund and is described in the simplified prospectus]</i>	<i>[specify amount]</i>
Other Fees and Expenses <i>[specify type]</i>	<i>[specify amount]</i>

INSTRUCTIONS:

- (1) *If the table pertains to more than one mutual fund and not all of the mutual funds pay the same management fees, under “Management Fees” in the table, either*
 - (a) *state that the management fees are unique to each mutual fund, include management fee disclosure for each mutual fund as a separate line item in the table required by Item 5 of Part B of this Form for that mutual fund, and include a cross-reference to that table; or*
 - (b) *list the amount of the management fee, including any performance or incentive fee, for each mutual fund separately.*
- (2) *If the table pertains to more than one mutual fund and not all of the mutual funds have the same obligations to pay operating expenses, either*
 - (a) *state that the operating expenses payable by the mutual funds are unique to each mutual fund, include the description of the operating expenses payable by each mutual fund as a separate line item in the table required by Item 5 of Part B of this Form for that mutual fund, and include a cross-reference to that table; or*
 - (b) *provide the disclosure concerning the operating expenses for each mutual fund contemplated by this Item separately.*
- (3) *Under “Operating Expenses”, state whether the mutual fund pays all of its operating expenses and list the main components of those expenses. If the mutual fund pays only certain operating expenses and is not responsible for payment of all such expenses, adjust the statement in the table to reflect the proper contractual responsibility of the mutual fund.*
- (4) *Show all fees or expenses payable by the mutual fund, even if it is expected that the manager of the mutual fund or other member of the organization of the mutual fund will waive or absorb some or all of those fees and expenses.*

- (5) *If the management fees of a mutual fund are payable directly by a securityholder and vary so that specific disclosure of the amount of the management fees cannot be disclosed in the simplified prospectus of the mutual fund, or cannot be derived from disclosure in the simplified prospectus, provide as much disclosure as is possible about the management fees to be paid by securityholders, including the highest possible rate or range of those management fees.*

8.2 Illustrations of Different Purchase Options

- (1) Under the sub-heading “Impact of Sales Charges” provide information, substantially in the form of the following table, concerning the amount of fees payable by an investor under the available purchase options and introduced using substantially the following words:

“The following table shows the amount of fees that you would have to pay under the different purchase options available to you if you made an investment of \$1,000 in the Fund, if you held that investment for one, three, five or ten years and redeemed immediately before the end of that period.”

	At Time of Purchase	1 Year	3 Years	5 Years	10 Years
Sales Charge Option	\$•	---	---	---	---
Redemption Charge Option ⁽¹⁾	---	\$•	\$•	\$•	\$•
No Load Option	---	---	---	---	---
[Other purchase options]	\$•	\$•	\$•	\$•	\$•

- (1) Redemption charges may apply only if you redeem your [units/shares] in a particular year. Redemption charges are shown under “Fees and Expenses” above.
- (2) In preparing the table contemplated by this Item, assume, in determining the fees paid under the sales charge option, that
- (a) the maximum sales commission disclosed in the simplified prospectus is paid by the investor; and
 - (b) if the mutual fund has a deferred sales charge option in which the amount paid by an investor at the time of a redemption of securities is based upon the net asset value of those securities at that time, an annual return of five percent since time of purchase, and disclose that assumption in a footnote to the table.

Item 9: Dealer Compensation

9.1 General

Provide, under the heading “Dealer Compensation”, the disclosure of sales practices and equity interests required by sections 8.1 and 8.2 of National Instrument 81-105.

INSTRUCTIONS:

- (1) *Briefly state the compensation paid and the sales practices followed by the members of the organization of the mutual fund in a concise and explicit manner, without explaining the requirements and parameters for permitted compensation contained in National Instrument 81-105.*
- (2) *For example, if the manager of the mutual fund pays an up-front sales commission to participating dealers, so state and include the range of commissions paid. If the manager permits participating dealers to retain the sales commissions paid by investors as compensation, so state and include the range of commissions that can be retained. If the manager or another member of the mutual fund’s organization pays trailing commissions, so state and provide an explanation of the basis of calculation of these commissions and the range of the rates of such commissions. If the mutual fund organization from time to time pays the permitted marketing expenses of participating dealers on a co-operative basis, so state. If the mutual fund organization from time to time holds educational conferences that sales representatives of participating dealers may attend or from time to time pays certain of the expenses incurred by participating dealers in holding educational conferences for sales representatives, so state.*
- (3) *If the members of the organization of the mutual funds follow any other sales practices permitted by National Instrument 81-105, briefly describe these sales practices.*
- (4) *Include a brief summary of the equity interests between the members of the organization of the mutual fund and participating dealers and representatives as required by section 8.2 of National Instrument 81-105. This disclosure may be provided by means of a diagram or table.*

9.2 Dealer Compensation from Management Fees

Disclose, under the heading “Dealer Compensation from Management Fees”, the approximate percentage obtained from a fraction

- (a) the numerator of which is the aggregate amount of cash paid to registered dealers in the last completed financial year of the manager of the mutual fund, for payments made
 - (i) by
 - (A) the manager of the mutual fund, or

- (B) an affiliate of the manager,
- (ii) in order to
 - (A) pay compensation to registered dealers in connection with the distribution of securities of the mutual fund or mutual funds that are members of the same mutual fund family as the mutual fund, or
 - (B) pay for any marketing, fund promotion or educational activity in connection with the mutual fund or mutual funds that are members of the same mutual fund family as the mutual fund; and
 - (b) the denominator of which is the aggregate amount of management fees received by the managers of the mutual fund and all other mutual funds in the same mutual fund family as the mutual fund in the last completed financial year of the manager.

INSTRUCTION:

- (1) *The disclosure presented under this Item should be described as information about the approximate percentage of management fees paid by mutual funds in the same family as the mutual fund that were used to fund commissions or other promotional activities of the mutual fund family in the most recently completed financial year of the manager of the mutual fund.*
- (2) *The calculations made under this Item should take into account the payment of sales and trailing commissions and the costs of participation in co-operative marketing, fund promotion and educational conferences.*
- (3) *Amounts paid out by a mutual fund organization as sales commissions should be netted against amounts received from deferred sales charges.*

Item 10: Income Tax Considerations for Investors

- (1) Briefly describe under the heading “Income Tax Considerations for Investors” the income tax consequences for investors of income and capital gains distributions made by the mutual fund, as well as of the gains or losses that occur on the disposition of securities of the mutual fund by the investor.
- (2) This description shall explain the different tax treatment applicable to mutual fund securities held in a registered tax plan as compared to mutual fund securities held in non-registered accounts.
- (3) Describe the impact of the mutual fund’s distribution policy on a taxable investor who acquires securities of the mutual fund late in a calendar year.

- (4) If material, describe the potential impact of the mutual fund's anticipated portfolio turnover rate on a taxable investor.
- (5) Describe how the adjusted cost base of a security of a mutual fund can be calculated by those investors holding outside a registered tax plan.

INSTRUCTION:

- (1) *If management fees are paid directly by investors, describe generally the income tax consequences to taxable investors of this arrangement.*
- (2) *Subsection (2) is particularly relevant for investors who hold their mutual fund investments through RRSPs, if they have invested in a mutual fund that requires management fees to be paid directly by the investors. Detailed disclosure of the tax consequences of this arrangement on those investors should be made by such mutual funds.*

Item 11: Statement of Rights

Provide a brief explanation, under the heading "What are your Legal Rights?", of an investor's statutory rights of rescission and damages, including the right of action for misrepresentations contained in the simplified prospectus and in any documents incorporated by reference into the simplified prospectus, in substantially the following words:

"Securities legislation in some provinces gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the Simplified Prospectus, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund [units/shares] and get your money back, or to make a claim for damages, if the Simplified Prospectus, Annual Information Form or financial statements misrepresent any facts about the Fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer."

Item 12: Additional Information

- (1) Provide any specific disclosure required or permitted to be disclosed in a prospectus under securities legislation or by an order or ruling of the securities regulatory authority pertaining to the mutual fund that is not otherwise required to be disclosed by this Form.

- (2) This Item does not apply to the requirements of securities legislation that are form requirements for a prospectus.

INSTRUCTIONS:

- (1) *An example of a provision of securities legislation that may be relevant to this Item is the requirement contained in the conflict of interest provisions of the Canadian securities legislation of a number of jurisdictions to the effect that a mutual fund shall not make an investment in respect of which a related person will receive any fee or compensation except for fees paid pursuant to a contract disclosed in, among other things, a prospectus. Another example is the requirement of some jurisdictions that certain statements be included in a simplified prospectus of a mutual fund with a non-Canadian manager.*
- (2) *For a single SP, provide this disclosure either under this Item or under Item 14 of Part B of this Form, whichever is more appropriate.*
- (3) *For a multiple SP, this disclosure should be provided under this Item if the disclosure pertains to all of the mutual funds described in the document. If the disclosure does not pertain to all of those funds, the disclosure should be provided in the fund-specific disclosure required or permitted under Item 14 of Part B of this Form.*

Item 13: Part B Introduction

- (1) For a multiple SP, at the option of the mutual fund, include in a separate section any explanatory information that would otherwise be repeated identically in each Part B section of the document.
- (2) Any information included in an introductory section under subsection (1) may be omitted elsewhere in the Part B section of the document.

INSTRUCTION:

- (1) *This Item may be used to avoid the need for repetition of standard information in each Part B section of a multiple SP.*
- (2) *Examples of the type of information that may be moved to an introductory section from other parts of the Part B section are:*
 - (a) *definitions or explanations of terms used in each Part B section, such as “portfolio turnover rate” and “management expense ratio”; and*
 - (b) *discussion or explanations of the tables or charts that are required in each Part B section of the document.*

- (3) *A similar Item is contained in Item 3 of Part B of this Form. A mutual fund organization may include this section either at the end of the Part A section of the multiple SP or at the beginning of the Part B section, at its option.*

Item 14: Back Cover

- (1) State on the back cover the name of the mutual fund or funds included in the document or the mutual fund family, as well as the name, address and telephone number of the manager of the mutual fund or funds.
- (2) State, in substantially the following words:
- “• Additional information about the Fund[s] is available in the Fund[‘s/s’] Annual Information Form and financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.
 - You can get a copy of the Fund[‘s/s’] Annual Information Form and financial statements, including a statement of portfolio transactions, at your request, and at no cost, by calling [toll-free/collect] [insert toll-free telephone number or telephone number where collect calls are accepted, as required by section 3.4 of the Instrument], or from your dealer or by e-mail at [insert e-mail address].
 - These documents and other information about the Fund[s], such as information circulars and material contracts, are also available [on the [insert name of mutual fund manager] Internet site at [insert fund’s Internet site] or] or at www.sedar.com.”
- (3) For a multiple SP in which the Part A section is bound separately from the Part B sections, state, in substantially the following words:
- “A complete simplified prospectus for the mutual funds listed on this cover consists of this document and an additional disclosure document that provides specific information about the mutual funds in which you are investing. This document provides general information applicable to all of the [name of mutual fund family] funds. You must be provided with the additional disclosure document.”

PART B FUND-SPECIFIC INFORMATION

Item 1: General

- (1) For a multiple SP in which the Part B sections are bound separately from the Part A section, include at the bottom of each page of a Part B section a footer in substantially the following words and in a type size consistent with the rest of the document:

“This document provides specific information about [name of Fund]. It should be read in conjunction with the rest of the simplified prospectus of the [name of mutual fund family] dated [insert date]. This document and the document that provides general information about [name of mutual fund family] together constitute the simplified prospectus.

- (2) If the Part B section is an amended and restated document, add to the footer required by subsection (1) a statement that the document has been amended and restated on [insert date].

Item 2: Introductory

2.1 For a Single SP

Include at the top of the first page of the Part B section of the simplified prospectus, the heading “Specific Information about the [name of Fund]”.

2.2 For a Multiple SP in which the Part A section and the Part B sections are bound together

Include

- (a) at the top of the first page of the first Part B section in the document, the heading “Specific Information about Each of the Mutual Funds Described in this Document”; and
- (b) at the top of each page of a Part B section of the document, a heading consisting of the name of the mutual fund described on that page.

2.3 For a Multiple SP in which the Part A section is bound separately from the Part B sections

Include at the top of each page of a Part B section of the document, a heading consisting of the name of the mutual fund described on that page.

Item 3: General Information

- (1) For a multiple SP, at the option of the mutual fund, include in an introductory section any explanatory information that would otherwise be repeated identically in each Part B section of the document.
- (2) Any information included in an introductory section under subsection (1) may be omitted elsewhere in the Part B section of the document.

INSTRUCTIONS:

- (1) *See the Instruction to Item 13 of Part A of this Form.*
- (2) *If the disclosure contemplated by this Item is included in Part A of the multiple SP under Item 13 of Part A of this Form, include in the introduction section of each Part B section of the multiple SP a cross-reference to where this disclosure is located in the Part A section of the multiple SP.*

Item 4: Organization and Management Details

- (1) For a single SP, under the heading “Organization and Management of the [name of mutual fund]”, provide information about the manager, trustee, portfolio adviser, principal distributor, custodian, registrar and auditor of the mutual fund in the form of a diagram or table.
- (2) For each entity listed in the diagram or table, briefly describe the services provided by that entity and the relationship of that entity to the manager.
- (3) For each entity listed in the diagram or table, other than the manager of the mutual fund, provide the municipality and the province or country where it principally provides its services to the mutual funds. Provide the complete municipal address for the manager of the mutual fund.
- (4) At the option of the mutual fund, include under a separate sub-heading, details of the manager of the mutual fund, including the history and background of the manager and any overall investment strategy or approach used by the manager in connection with its mutual funds.
- (4.1) If a mutual fund holds in accordance with section 2.5 of National Instrument 81-102 Mutual Funds securities of another mutual fund that is managed by the same manager or an affiliate or associate of the manager, disclose that
 - (a) the securities of the other mutual fund held by the mutual fund shall not be voted; and
 - (b) if applicable, that the manager may arrange for the securities of the other mutual fund to be voted by the beneficial holders of the securities of the mutual fund.

as amended December 31, 2003

- (5) Follow the requirements and instructions of Item 5 of Part A of this Form in connection with the diagram or table.

Item 5: Fund Details

Under the heading “Fund Details”, disclose, in a table

- (a) the type of mutual fund that the mutual fund is best characterized as;
- (b) the date on which the mutual fund was started;
- (c) the nature of the securities offered by the simplified prospectus;
- (d) whether the mutual fund is eligible as an investment for registered retirement savings plans, registered retirement income funds or deferred profit sharing plans;
- (e) whether securities of the mutual fund will constitute foreign property under the ITA;
- (f) if this information is not contained in the table required by Item 8.1 of Part A of this Form
 - (i) the amount of the management fee, including any performance or incentive fee, charged to the mutual fund; and
 - (ii) details concerning the operating expenses paid by the mutual fund contemplated by Instruction (3) of Item 8.1 of Part A of this Form; and
- (g) any information required by subsection (5) of Item 5 of Part A of this Form to be contained in Part B.

INSTRUCTIONS:

- (1) *In disclosing the date on which the mutual fund started, use the date on which the securities of the mutual fund first became available to the public, which will be on, or about, the date of the issuance of the first receipt for a prospectus of the mutual fund. For a mutual fund that formerly offered its securities privately, disclose this fact.*
- (2) *If the mutual fund pays a fee that is determined by the performance of the mutual fund, the disclosure required by paragraph 7.1(c) of National Instrument 81-102 to be described in a simplified prospectus of the mutual fund should be included in a footnote to the description of the incentive fee in the table.*

- (3) *Examples of types of mutual funds that could be listed in response to paragraph (a) are money market, equity, bond or balanced funds related, if appropriate, to a geographical region, or any other description that accurately identifies the type of mutual fund.*
- (4) *If the rights attached to the securities being offered are materially limited or qualified by those attached to any other class or series of securities of the mutual fund or if another class or series of securities of the mutual fund ranks ahead of or equally with the securities being offered, include, as part of the disclosure provided in response to paragraph (c), information regarding those other securities that will enable investors to understand the rights attaching to the securities being offered.*
- (5) *In providing the disclosure contemplated by paragraph (f), provide any disclosure required by, and follow, the Instructions to Item 8.1 of Part A of this Form.*

Item 6: Fundamental Investment Objectives

- (1) Set out under the heading “What Does the Fund Invest In?” and under the sub-heading “Investment Objectives” the fundamental investment objectives of the mutual fund, including information that describes the fundamental nature of the mutual fund, or the fundamental features of the mutual fund, that distinguish it from other mutual funds.
- (2) Describe the nature of any securityholder or other approval that may be required in order to change the fundamental investment objectives of the mutual fund and any of the material investment strategies to be used to achieve those investment objectives.
- (3) Describe any restrictions on investments adopted by the mutual funds, beyond what is required under securities legislation, that pertain to the fundamental nature of the mutual fund.
- (4) If the mutual fund purports to arrange a guarantee or insurance in order to protect all or some of the principal amount of an investment in the mutual fund, include this fact as a fundamental investment objective of the mutual fund and
 - (a) identify the person or company providing the guarantee or insurance;
 - (b) provide the material terms of the guarantee or insurance, including the maturity date of the guarantee or insurance;
 - (c) if applicable, state that the guarantee or insurance does not apply to the amount of any redemptions before the maturity date of the guarantee or

before the death of the securityholder and that redemptions before that date would be based on the net asset value of the mutual fund at the time; and

- (d) modify any other disclosure required by this section appropriately.
- (5) For an index mutual fund,
- (a) disclose the name or names of the permitted index or permitted indices on which the investments of the index mutual fund are based,
 - (b) briefly describe the nature of that permitted index or those permitted indices,
 - (c) [repealed] December 31, 2003
 - (d) [repealed] December 31, 2003

INSTRUCTIONS:

- (1) *State the type or types of securities, such as money market instruments, bonds, equity securities or securities of another mutual fund, in which the mutual fund will primarily invest under normal market conditions.*
as amended December 31, 2003
- (2) *If the mutual fund primarily invests, or intends to primarily invest, or if its name implies that it will primarily invest*
 - (a) *in a particular type of issuer, such as foreign issuers, small capitalization issuers or issuers located in emerging market countries;*
 - (b) *in a particular geographic location or industry segment; or*
 - (c) *in portfolio assets other than securities,**the mutual fund's fundamental investment objectives should so indicate.*

- (3) *If a particular investment strategy is an essential aspect of the mutual fund, as evidenced by the name of the mutual fund or the manner in which the mutual fund is marketed, disclose this strategy as an investment objective. This instruction would be applicable, for example, to a mutual fund that described itself as an “asset allocation fund” or a “mutual fund that invests primarily through the use of derivatives”.*

Item 7: Investment Strategies

- (1) Describe under the heading “What Does The Fund Invest In?” and under the sub-heading “Investment Strategies”
- (a) the principal investment strategies that the mutual fund intends to use in achieving its investment objectives; and
 - (b) the process by which the mutual fund’s portfolio adviser selects securities for the fund’s portfolio, including any investment approach, philosophy, practices or techniques used by the portfolio adviser or any particular style of portfolio management that the portfolio adviser intends to follow.
 - (c) if the mutual fund may hold other mutual funds,
 - (i) whether the mutual fund intends to purchase securities of, or enter into specified derivative transactions for which the underlying interest is based on the securities of, other mutual funds;
 - (ii) whether or not the other mutual funds may be managed by the manager or an affiliate or associate of the manager of the mutual fund;
 - (iii) what percentage of net assets of the mutual fund is dedicated to the investment in the securities of, or the entering into of specified derivative transactions for which the underlying interest is based on the securities of, other mutual funds; and
 - (iv) the process or criteria used to select the other mutual funds.
- as amended December 31, 2003
- (2) Indicate what types of securities, other than those held by the mutual fund in accordance with its fundamental investment objectives, may form part of the mutual fund’s portfolio assets under normal market conditions.
- (3) If the mutual fund intends to use derivatives
- (a) for hedging purposes only, state that the mutual fund may use derivatives for hedging purposes only;

- (b) for non-hedging purposes, or for hedging and non-hedging purposes, briefly describe
 - (i) how derivatives are or will be used in conjunction with other securities to achieve the mutual fund's investment objectives,
 - (ii) the types of derivatives expected to be used and give a brief description of the nature of each type, and
 - (iii) the limits of the mutual fund's use of derivatives.

- (4) If the mutual fund is managed so that its securities do not constitute foreign property for purposes of the ITA, state whether any, and if so what proportion, of the assets of the mutual fund may or will be invested in foreign securities.

- (5) If the mutual fund is not a money market fund, and intends to engage in active and frequent trading of portfolio securities as a principal investment strategy to achieve its investment objectives such that the portfolio turnover rate of the mutual fund is expected to be more than 70 percent, describe
 - (a) the tax consequences to securityholders of an active portfolio turnover, and
 - (b) how the tax consequences of, or trading costs associated with, the mutual fund's portfolio turnover may affect the mutual fund's performance.

- (6) If the mutual fund may depart temporarily from its fundamental investment objectives as a result of adverse market, economic, political or other considerations, disclose any temporary defensive tactics the mutual fund's portfolio adviser may use or intends to use in response to such conditions.

- (7) Describe any restrictions on investments adopted by the mutual fund, beyond what is required under securities legislation, that do not pertain to the fundamental nature of the mutual fund.

- (8) If the mutual fund intends to enter into securities lending, repurchase or reverse repurchase transactions under sections 2.12, 2.13 or 2.14 of National Instrument 81-102
 - (a) state that the mutual fund may enter into securities lending, repurchase or reverse repurchase transactions; and
 - (b) briefly describe

- (i) how those transactions are or will be entered into in conjunction with other strategies and investments of the mutual fund to achieve the mutual fund's investment objectives;
 - (ii) the types of those transactions to be entered into and give a brief description of the nature of each type, and
 - (iii) the limits of the mutual fund's entering into of those transactions.
- (9) For an index mutual fund,
- (a) for the 12 month period immediately preceding the date of the simplified prospectus,
 - (i) indicate whether one or more securities represented more than 10 percent of the permitted index or permitted indices;
 - (ii) identify that security or those securities; and
 - (iii) disclose the maximum percentage of the permitted index or permitted indices that the security or securities represented in the 12 month period," and
 - (b) disclose the maximum percentage of the permitted index or permitted indices that the security or securities referred to in paragraph (a) represented at the most recent date for which that information is available.

as amended December 31, 2003

INSTRUCTION:

A mutual fund may, in responding to this Item, provide a discussion of the general investment approach or philosophy followed by the portfolio adviser of the mutual fund.

Item 8: Top Ten Holdings

- (1) For any mutual fund other than a money market fund, list the ten largest holdings of the mutual fund, by percentage of net assets of the mutual fund, as at a date within 30 days of the date of the simplified prospectus and state the percentage of the net assets of the mutual fund that are invested in each of those holdings. Such listing shall be accompanied by a warning to the effect that the information contained in the list may change due to the ongoing portfolio transactions of the mutual fund and a statement on how more current information may be obtained by investors, if available.

- (2) If a mutual fund holds substantially all of its assets directly or indirectly (through the use of specified derivatives) in securities of another mutual fund,
 - (a) list only the ten largest holdings of the other mutual fund by percentage of net assets of the other mutual fund, as disclosed as at a date within 30 days of the date of the simplified prospectus of the mutual fund;
 - (b) provide a statement to the effect that the information contained in the list may change due to the ongoing portfolio transactions of the other mutual fund; and
 - (c) state how more current information may be obtained by investors, if available.
- (3) If the mutual fund holds securities of other mutual funds, a statement must be made to the effect that the simplified prospectus and other information about the other mutual funds are available on the internet at www.sedar.com;

INSTRUCTIONS:

- (1) *If the mutual fund owns more than one class of securities of an issuer, those classes should be aggregated for purposes of the calculations to be made under this Item.*
- (2) *Portfolio assets other than securities should be aggregated if they have substantially similar investment risks and profiles. For instance, gold certificates should be aggregated, even if they are issued by different financial institutions.*
- (3) *Cash and cash equivalents should be treated as one separate discrete category.*
- (4) *In making the determinations of its holdings for purposes of the disclosure required by this Item, a mutual fund should, for each long position in a derivative that is held by the mutual fund for purposes other than hedging and for each index participation unit held by the mutual fund, consider that it holds directly the underlying interest of that derivative or its proportionate share of the securities held by the issuer of the index participation unit.*

Item 9: Risks

- (1) Set out specific information concerning any material risks associated with an investment in the mutual fund, other than those risks previously discussed in response to Item 4 of Part A of this Form, under the heading “What are the Risks of Investing in the Fund?”.

- (1.1) If more than 10% of the securities of a mutual fund are held by a securityholder, including another mutual fund, the mutual fund must disclose
- (a) the percentage of securities held by the securityholder as at a date within 30 days of the date of the simplified prospectus of the mutual fund, and
 - (b) the risks associated with a possible redemption requested by the securityholder.
- (1.2) If the mutual fund may hold securities of a foreign mutual fund in accordance with subsection 2.5(3)(b) of National Instrument 81-102 Mutual Funds, disclose the risks associated with that investment.
- as amended December 31, 2003
- (2) For a money market fund, include disclosure to the effect that although the mutual fund intends to maintain a constant price for its securities, there is no guarantee that the price will not go up and down.
 - (3) Include specific cross-references to the risks described in response to paragraph 1(b) of Item 4 of Part A of this Form that are applicable to the mutual fund.
 - (4) If the mutual fund offers more than one class or series of securities, disclose the risks that the investment performance, expenses or liabilities of one class or series may affect the value of the securities of another class or series, if applicable.
 - (5) For an index mutual fund, disclose that the mutual fund may, in basing its investment decisions on one or more permitted indices, have more of its net assets invested in one or more issuers than is usually permitted for mutual funds, and disclose the risks associated with that fact, including the possible effect of that fact on the liquidity and diversification of the mutual fund, its ability to satisfy redemption requests and on the volatility of the mutual fund.
 - (6) If, at any time during the 12 month period immediately preceding the date of the simplified prospectus, more than 10 percent of the net assets of a mutual fund were invested in the securities of an issuer, other than a government security or a security issued by a clearing corporation, disclose
 - (a) the name of the issuer and the securities;
 - (b) the maximum percentage of the net assets of the mutual fund that securities of that issuer represented during the 12 month period; and
 - (c) disclose the risks associated with these matters, including the possible or actual effect of that fact on the liquidity and diversification of the mutual

fund, its ability to satisfy redemption requests and on the volatility of the mutual fund.

- (7) If the mutual fund is to enter into securities lending, repurchase or reverse repurchase transactions, describe the risks associated with the mutual fund entering into those transactions.

INSTRUCTIONS:

- (1) *Consider the mutual fund's portfolio investments as a whole.*
- (2) *Provide the disclosure in the context of the mutual fund's fundamental investment objectives and investment strategies, outlining the risks associated with any particular aspect of those fundamental investment objectives and investment strategies.*
- (3) *Include a discussion of general market, political, market sector, liquidity, interest rate, foreign currency, diversification, credit, legal and operational risks, as appropriate.*
- (4) *Include a brief discussion of general investment risks, such as specific company developments, stock market conditions, general economic and financial conditions in those countries where the investments of the mutual fund are listed for trading, applicable to the particular mutual fund.*
- (5) *If derivatives are to be used by the mutual fund for non-hedging purposes, describe the risks associated with any use or intended use by the mutual fund of derivatives.*
- (6) *In responding to subsection (6) above, it is necessary to disclose only that at a time during the 12 month period referred to, more than 10 percent of the net assets of the mutual fund were invested in the securities of an issuer. Other than the maximum percentage required to be disclosed under paragraph (6)(b), the mutual fund is not required to provide particulars or a summary of any such occurrences.*

Item 10: Suitability

Provide a brief statement of the suitability of the mutual fund for particular investors under the heading "Who Should Invest in this Fund?", describing either or both of the characteristics of the investor for whom the mutual fund may or may not be an appropriate investment, and the portfolios for which the mutual fund is suited or for which the mutual fund should not be used.

INSTRUCTIONS:

- (1) *In responding to the disclosure required by this Item, indicate the level of investor risk tolerance that would be appropriate for investment in the mutual fund.*
- (2) *If the mutual fund is particularly unsuitable for certain types of investors or for certain types of investment portfolios, emphasize this aspect of the mutual fund, and disclose both the types of investors who should not invest in the mutual fund, with regard to investments on both a short and long term basis, and the types of portfolios that should not invest in the mutual fund. Conversely, it might be appropriate to discuss whether the mutual fund is particularly suitable for particular investment objectives.*

Item 11: Past Performance

11.1 General

- (1) Item 11 applies only to mutual funds that are permitted under paragraph 15.6(a) of National Instrument 81-102 Mutual Funds to include performance data in their sales communications.
- (2) Despite the specific requirements of this Item, performance data shall not be provided for any period if the mutual fund was not offering its securities by way of a prospectus or simplified prospectus at all times during the period.
- (3) In responding to the requirements of this Item, a mutual fund shall comply with section 15.9 of National Instrument 81-102 as if that section applied to a simplified prospectus.
- (4) Set out in footnotes to the chart, graph or table required by this Item the assumptions relevant to the calculation of the performance information, and include a statement of the significance for taxable investors of the assumption that distributions are reinvested.
- (5) In the introduction to the chart, graph or table required by this Item, or in a general introduction to the “Past Performance” section, indicate that
 - (a) the returns or performance information shown assume that all distributions made by the mutual fund in the periods shown were reinvested in additional securities of the mutual fund;
 - (b) the return or performance information do not take into account sales, redemption, distribution or other optional charges or income taxes payable that would have reduced returns or performance; and

- (c) how the mutual fund has performed in the past does not necessarily indicate how it will perform in the future.
- (6) Use a linear scale for the each axis of the bar chart and line graph required by this Item.
- (7) The y-axis for each of the bar chart and line graph shall start at 0.
- (8) A reference to "the inception of a mutual fund" in Item 11 refers to the time at which the mutual fund first began distributing its securities under a simplified prospectus.

11.2 Year-by-Year Returns

- (1) Provide a bar chart, under the heading "Past Performance" and under the sub-heading "Year-by-Year Returns", that shows, in chronological order with the most recent year on the right of the bar chart, the annual total return, calculated as provided under subsection (2), of the mutual fund for the lesser of
 - (a) each of the ten most recently completed calendar years; and
 - (b) each of the completed calendar years in which the mutual fund has been in existence and in which the securities of the mutual fund have been offered by way of a prospectus or simplified prospectus.
- (2) Calculate the annual total return of the mutual fund for a year in accordance with the requirements of Part 15 of National Instrument 81-102.
- (3) Provide an introduction to the bar chart that
 - (a) indicates that the bar chart shows the mutual fund's annual performance for each of the years shown, and illustrates that the mutual fund's performance has changed from year to year; and
 - (b) indicates that the bar chart shows, in percentage terms, how much an investment made on January 1 in each year would have grown or decreased by December 31 in that year.

11.3 Line Graph

- (1) If the mutual fund is not a money market fund, include immediately following the bar chart required by Item 11.2, under the sub-heading "Overall Past Performance", a line graph that shows the information described in subsection (2) for the period determined under subsection (3).
- (2) The information to be provided in the line graph shall be

- (a) the initial value, and final value, of a hypothetical \$10,000 investment in the mutual fund as at the beginning, and as at the end, of the period determined under subsection (3), with the dollar amounts of those values shown on the line graph;
 - (b) the subsequent values, shown graphically, of the investment referred to in paragraph (a) at the end of each quarter in the period determined under subsection (3); and
 - (c) assuming a level of \$10,000 at the beginning of the period determined under subsection (3), the subsequent levels, shown graphically, of each index selected under subsection (6) at the end of each quarter in the period determined under subsection (3), and the final value of each index at the end of that period with the dollar amount of the final value of each index shown on the line graph.
- (3) The period covered by the line graph shall be an unbroken period that
 - (a) ends on December 31 of the year before the date of the simplified prospectus; and
 - (b) consists of the least of
 - (i) 10 years, and
 - (ii) the time since the inception of the mutual fund.
- (4) Show the hypothetical values for the mutual fund and the index or indices in chronological order, with the most recent year on the right.
- (5) Provide an introduction to the line graph that indicates that the graph shows the growth of a hypothetical \$10,000 investment in the mutual fund, as compared to the increase of the shown index or indices for the indicated number of years.
- (6) Include in the line graph, and provide a brief description of
 - (a) one or more appropriate broad-based securities market indices; and
 - (b) at the option of the mutual fund, one or more non-securities financial indices or narrowly-based market indices that reflect the market sectors in which the mutual fund invests.
- (7) If the mutual fund includes in the line graph an index that is different from those included in the most recently filed simplified prospectus, explain the

reason(s) for the change and include in the line graph the disclosure required by this Item for both the new and former indices.

INSTRUCTIONS:

- (1) *It is not necessary to disclose the exact value, in a dollar amount, of the hypothetical investment and index levels as at the end of each quarter in the period covered by the line graph. Subsection (2) requires only that the line graph itself be detailed enough to show increases or decreases of the relevant level in each quarter in graphic form. Actual dollar amounts may be included in the line graph at the option of the mutual fund, except that the initial value of \$10,000 and the final value at the end of the period covered by the line graph are to be shown as actual dollar amounts, as required by subsection (2).*
- (2) *An “appropriate broad-based securities market index” is one that*
 - (a) *is administered by an organization that is not affiliated with any of the mutual fund, its manager, its portfolio adviser or principal distributor, unless the index is widely recognized and used; and*
 - (b) *has been adjusted by its administrator to reflect the reinvestment of dividends on securities in the index or interest on debt.*
- (3) *It may be appropriate for a mutual fund that invests in more than one type of security to compare its performance to a mix of relevant indices. For example, a balanced fund may wish to compare its performance to both a bond index and an equity index or to a blended return based on a combination of the returns of the bond index and the equity index, in proportions comparable to the mutual fund’s own investment mix.*
- (4) *In addition to the appropriate broad-based securities market index, the mutual fund may compare its performance to other more financial or narrowly based securities indices that reflect the market sectors in which the mutual fund invests or that provide useful comparatives to the performance of the mutual fund. For example, a mutual fund could compare its performance to an index that measured the performance of certain sectors of the stock market (e.g. communications companies, financial sector companies, etc.) or to a non-securities index, such as the Consumer Price Index, so long as the comparison is not misleading.*
- (5) *The descriptions required by subsection (6) of the indices included in the line graph may, at the option of the mutual fund, be presented as footnotes to the line graph.*

11.4 Annual Compound Returns

- (1) If the mutual fund is not a money market fund, disclose, in the form of a table immediately following the line graph required by Item 11.3, under the sub-heading “Annual Compound Returns”
 - (a) the mutual fund’s past performance for the 10, five, three and one year periods ended on December 31 in the year immediately before the year in which the simplified prospectus is filed; and
 - (b) if the mutual fund was offering its securities by way of a prospectus or simplified prospectus for more than one and less than ten years, the mutual fund’s past performance since the inception of the mutual fund.
- (2) Provide an introduction to the table that indicates that the table shows the mutual fund’s historical annual compound total return for the periods indicated, as compared to the performance of an indicated index or indices.
- (3) Include in the table, for the same periods for which total return information about the mutual fund is provided, the historical annual compound total returns or changes of the index or indices for which information is provided in the line graph prepared under Item 11.3.
- (4) Calculate the compound total return in accordance with the requirements of Part 15 of National Instrument 81-102.
- (5) If the mutual fund includes in the table an index that is different from those included in the most recently filed simplified prospectus, explain the reason(s) for the change and include in the table the disclosure required by this Item for both the new and former indices.

Item 12: Distribution Policy

State under the heading “Distribution Policy” whether distributions are made by the mutual fund in cash or reinvested in securities of the mutual fund, and indicate when distributions are made.

Item 13: Financial Highlights

13.1 Tables

- (1) Provide selected financial information about the mutual fund under the heading “Financial Highlights”, in the form of the following tables, appropriately completed, and introduced using substantially the following words:

“The following tables show selected key financial information about the Fund and are intended to help you understand the Fund’s financial performance for

the past [insert number] years. This information is derived from the Fund’s audited annual financial statements. Please see page [insert page number] for information about how you can obtain the Fund’s audited financial statements.”

The Fund’s Distributions and Net Asset Value per [Unit/Share]

	[insert year]	[insert year]	[insert year]	[insert year]	[insert year]
Distributions:	\$•	\$•	\$•	\$•	\$•
From net income	\$•	\$•	\$•	\$•	\$•
From realized gain	\$•	\$•	\$•	\$•	\$•
Return of capital	\$•	\$•	\$•	\$•	\$•
Total Annual Distributions ⁽¹⁾	\$•	\$•	\$•	\$•	\$•
Net asset value at [insert last day of financial year] of year shown	\$•	\$•	\$•	\$•	\$•

(1) *Distributions were [paid in cash/reinvested in additional [units/shares] of the Fund].*

Ratios and Supplemental Data

	[insert year]	[insert year]	[insert year]	[insert year]	[insert year]
Net assets (000’s) ⁽¹⁾	\$•	\$•	\$•	\$•	\$•
Number of [units/shares] outstanding ⁽¹⁾	•	•	•	•	•
Management expense ratio ⁽²⁾	•%	•%	•%	•%	•%
Portfolio turnover rate ⁽³⁾	•%	•%	•%	•%	•%

(1) *This information is provided as at [insert date of end of financial year] of the year shown.*

(2) *Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.*

(3) *The Fund’s portfolio turnover rate indicates how actively the Fund’s portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund’s portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.*

- (2) Derive the selected financial information in the tables referred to in subsection (1) from the audited annual financial statements of the mutual fund.
- (3) Provide per unit or per share amounts to the nearest cent, and provide percentage amounts to two decimal places.
- (4) Provide the selected financial information required by this Item in chronological order for each of the five most recently completed financial years of the mutual fund for which audited financial statements have been filed, with the information for the most recent financial year in the first column on the right of the table.
- (5) If the mutual fund was not in existence or was not offering its securities by way of prospectus for any year for which information would otherwise be required to be provided under subsection (4), the tables shall not include any information for that year and the mutual fund shall disclose by way of a note to the table that the information is unavailable because the mutual fund only came into existence or only commenced offering its securities by way of prospectus or simplified prospectus on a date specified in that note.
- (6) The management expense ratio for any period less than a full financial year of a mutual fund shall be annualized.
- (7) If the basis of the calculation of the management fees or of the other fees, charges or expenses that are charged to the mutual fund is changed or is proposed to be changed and if the change would have had an effect on the management expense ratio for the last completed financial year of the mutual fund if the change had been in effect throughout that financial year, disclose the effect of the change on the management expense ratio in a note to the appropriate table.
- (8) Do not include disclosure concerning portfolio turnover rate for a money market fund.
- (9) If the mutual fund is the result of the reorganization with, or the acquisition of assets from, one or more mutual funds, include in the table only the financial information of the continuing mutual fund.

as amended December 31, 2003

INSTRUCTIONS:

- (1) *Calculate the mutual fund's portfolio turnover rate by dividing the lesser of the amounts of the purchases and sales of portfolio securities for the financial year by the average of the value of the portfolio securities owned by the mutual fund in the financial year. Calculate the monthly average by totalling the values of portfolio securities as at the beginning and end of the first month of the financial year and as at the end of each of the succeeding 11 months*

and dividing the sum by 13. Exclude from both numerator and denominator amounts relating to all securities having a remaining term to maturity on the date of acquisition by the mutual fund of one year or less.

- (2) *Calculate the management expense ratio of the mutual fund as required by Part 16 of National Instrument 81-102.*

13.2 Illustration of Fund Expenses Indirectly Borne by Investors

- (1) Following the disclosure required by Item 13.1, under the heading “Fund Expenses Indirectly Borne by Investors”, provide an example of the share of the expenses of the mutual fund indirectly borne by investors, containing the information and based on the assumptions described in subsection (2).
- (2) The information to be provided under this Item shall be an investor’s cumulative proportional share of the fees and expenses paid by the mutual fund, in dollars, over a period of one, three, five and 10 years, assuming
 - (a) an initial investment of \$1,000;
 - (b) a total annual return of the mutual fund of five percent in each year, calculated in accordance with section 15 of National Instrument 81-102;
 - (c) a management expense ratio of the mutual fund the same throughout the 10 year period as they were in the last completed financial year of the mutual fund, excluding any performance fees paid in a year which would not have been paid had the mutual fund earned a total return of five percent in that last completed financial year.
- (3) Provide an introduction to the disclosure that explains that the disclosure is intended to help an investor compare the cost of investing in the mutual fund with the cost of investing in other mutual funds, shows the amount of fees and expenses paid by the mutual fund that are indirectly borne by an investor, and describes the assumptions used.
- (4) If the management expense ratio of the mutual fund is composed, in part, of fees charged directly to investors, include disclosure of that fact. The management expense ratio used in calculating the disclosure to be provided under this Item should be the management expense ratio that includes these fees directly charged to investors; that is, the management expense ratio calculated in accordance with the general rules of Part 16 of National Instrument 81-102.
- (5) Provide a cross-reference to the disclosure provided under Item 8 of Part A of this Form for information about fees and expenses paid directly by the investor which are not included in the calculation of management expense ratio.

Item 14: Additional Information

- (1) Provide any specific disclosure required or permitted to be disclosed in a prospectus under securities legislation or by an order or ruling of the securities regulatory authority pertaining to the mutual fund that is not otherwise required to be disclosed by this Form.
- (2) This Item does not apply to requirements of securities legislation that are form requirements for a prospectus.

INSTRUCTIONS:

- (1) *See Instruction (1) to Item 12 of Part A of this Form for examples of disclosure that might appropriately be made under these Items.*
- (2) *For a simplified prospectus that is not part of a multiple SP, provide this disclosure either under this Item or under Item 12 of Part A of this Form, whichever is more appropriate.*
- (3) *For a multiple SP, this disclosure should be provided under this Item if the disclosure does not pertain to all of the mutual funds described in the document. If the disclosure pertains to all of those funds, the disclosure should be provided in the fund-specific disclosure required or permitted under Item 12 of Part A of this Form.*

**NATIONAL INSTRUMENT 81-101
MUTUAL FUND PROSPECTUS DISCLOSURE
FORM 81-101F2
CONTENTS OF ANNUAL INFORMATION FORM
(Incorporating Amendments to December 31, 2003)
TABLE OF CONTENTS**

PART TITLE

GENERAL INSTRUCTIONS

Item 1:	Front Cover Disclosure	3
Item 2:	Table of Contents	4
Item 3:	Name, Formation and History of the Mutual Fund.....	5
Item 4:	Investment Restrictions.....	5
Item 5:	Description of Securities Offered by the Mutual Fund.....	6
Item 6:	Valuation of Portfolio Securities	7
Item 7:	Calculation of Net Asset Value.....	7
Item 8:	Purchases and Switches	7
Item 9:	Redemption of Securities.....	8
Item 10:	Responsibility for Mutual Fund Operations	8
Item 11:	Conflicts of Interest.....	13
Item 12:	Fund Governance	15
Item 13:	Fees and Expenses	17
Item 14:	Income Tax Considerations	18
Item 15:	Remuneration of Directors, Officers and Trustees	18
Item 16:	Material Contracts.....	19
Item 17:	Legal and Administrative Proceedings	19
Item 18:	Other Material Information.....	20
Item 19:	Certificate of the Mutual Fund.....	21
Item 20:	Certificate of the Manager of the Mutual Fund	21
Item 21:	Certificate of Each Promoter of the Mutual Fund	22
Item 22:	Certificate of the Principal Distributor of the Mutual Fund	22
Item 23:	Exemptions and Approvals.....	22
Item 24:	Back Cover.....	23

**NATIONAL INSTRUMENT 81-101
MUTUAL FUND PROSPECTUS DISCLOSURE
FORM 81-101F2
CONTENTS OF ANNUAL INFORMATION FORM**

GENERAL INSTRUCTIONS :

General

- (1) *This Form describes the disclosure that is required in an annual information form of a mutual fund. Each Item of this Form outlines disclosure requirements. Instructions to help you provide this disclosure are printed in italic type.*
- (2) *Terms defined in National Instrument 81-101 Mutual Fund Prospectus Disclosure, National Instrument 81-102 Mutual Funds or National Instrument 81-105 Mutual Fund Sales Practices and used in this Form have the meanings that they have in those national instruments. However, subsection 1.3(3) of National Instrument 81-102 does not apply to this Form.*
- (3) *An annual information form is intended to supplement the information contained in the related simplified prospectus. Information contained in the related simplified prospectus need not be repeated except as required to make the annual information form comprehensible as an independent document. Generally speaking, all of the disclosure required to be provided in connection with a particular requirement of Form 81-101F1 (“the SP Form”) in order to satisfy statutory disclosure requirements should be contained in the simplified prospectus. For some Items, it may be appropriate to expand in the annual information form on matters discussed in the simplified prospectus; for instance, a mutual fund organization may wish to describe in an annual information form some of its optional services in more detail than in the simplified prospectus. Generally speaking, however, an annual information form is intended to provide disclosure about different matters than those discussed in the simplified prospectus, which may be of assistance or interest to some investors.*
- (4) *Unless otherwise required by this Form, information may be presented in a different format and style in an annual information form than in a simplified prospectus. An annual information form is required by National Instrument 81-101 to be presented in a format that assists in readability and comprehension. This Form generally does not mandate the use of a specific format to achieve this goal and mutual funds are encouraged to use, as appropriate, tables, captions, bullet points or other organizational techniques that assist in presenting the disclosure clearly.*
- (5) *An annual information form may contain photographs and artwork only if they are relevant to the business of the mutual fund, mutual fund family or members of the organization of the mutual fund and are not misleading.*

- (6) *As with a simplified prospectus, an annual information form is to be prepared using plain language. Reference should be made to Part 3 of Companion Policy 81-101CP for a discussion concerning plain language and presentation.*
- (7) *Any footnotes provided for under any Item of this Form may be deleted if the substance of the footnotes is otherwise provided.*

Contents of an Annual Information Form

- (8) *An annual information form pertains to one mutual fund but, unlike a simplified prospectus, is not required to be divided into a discrete Part A section, pertaining to general disclosure, and a Part B section, pertaining to fund-specific disclosure.*
- (9) *It is not necessary to disclose the Items required by this Form in an annual information form in any particular order or under any particular heading. This is unlike the rule for a simplified prospectus, which provides that information contained in a simplified prospectus must be in the order and under the headings required by the SP Form.*

Consolidation of Annual Information Forms into a Multiple AIF

- (10) *Section 5.4 of National Instrument 81-101 requires an annual information form to be consolidated with one or more other annual information forms into a multiple AIF if the related simplified prospectuses are consolidated into a multiple SP. As the Instrument does not prevent the consolidation of annual information forms even if the related simplified prospectuses are not consolidated, a mutual fund organization may prepare one multiple AIF that pertains to all of its mutual funds, even if the simplified prospectuses for those mutual funds are not fully or even partially consolidated.*
- (11) *Unlike the situation with a multiple SP, National Instrument 81-101 does not permit parts of a multiple AIF to be bound separately.*
- (12) *Unlike the requirements for a multiple SP, there are no requirements that disclosure concerning each mutual fund described in a multiple AIF be organized in any particular manner or order. In particular, it is not necessary to use the catalogue approach required to be used in a multiple SP in which disclosure about individual mutual funds is required to be separately presented. Information may be presented separately for each mutual fund, or consolidated, at the option of the mutual fund organization.*
- (13) *The requirements in this Form generally speak of “a mutual fund”. These requirements apply to each mutual fund to which a multiple AIF pertains.*

Multi-Class Mutual Funds

- (14) *A mutual fund that has more than one class or series that are referable to the same portfolio may treat each class or series as a separate mutual fund for purposes of this Form, or may combine disclosure of one or more of the classes or series in one annual*

information form. If disclosure pertaining to more than one class or series is combined in one annual information form, separate disclosure in response to each Item in this Form must be provided for each class or series unless the responses would be identical for each class or series.

- (15) *As provided in National Instrument 81-102, a section, party, class or series of a class of securities of a mutual fund that is referable to a separate portfolio of assets is considered to be a separate mutual fund. Those principles are applicable to National Instrument 81-101 and this Form.*

Item 1: Front Cover Disclosure

1.1 For a Single AIF

- (1) Indicate on the front cover whether the document is a preliminary annual information form, a *pro forma* annual information form or an annual information form.
- (2) Indicate on the front cover the name of the mutual fund to which the annual information form pertains. If the mutual fund has more than one class or series of securities, indicate the name of each of those classes or series covered in the annual information form.; and
- (3) Despite securities legislation, state on the front cover of a preliminary annual information form the following:

“A copy of this annual information form has been filed with [the securities authority(ies) in each of/certain of the provinces/provinces and territories of Canada] but has not yet become final for the purpose of a distribution. Information contained in this annual information form may not be complete and may have to be amended. The securities described in this annual information form may not be distributed to you until a receipt for the annual information form is obtained by the mutual fund from the securities regulatory [authority(ies)].”
- (4) If a commercial copy of the preliminary annual information form is prepared, print the legend referred to in subsection (3) in red ink.
- (5) For a preliminary annual information form or annual information form, indicate the date of the document, which shall be the date of the certificates for the document. This date shall be within three business days of the date it is filed with the securities regulatory authority. Write the date of the document in full, writing the name of the month in words. A *pro forma* annual information form need not be dated, but may reflect the anticipated date of the annual information form.
- (6) State, in substantially the following words:

“No securities regulatory authority has expressed an opinion about these [units/shares] and it is an offence to claim otherwise.”

1.2 For a Multiple AIF

- (1) Indicate on the front cover whether the document is a preliminary annual information form, a *pro forma* annual information form or an annual information form for each of the mutual funds to which the document pertains.
- (2) Indicate on the front cover the names of the mutual funds and, at the option of the mutual funds, the name of the mutual fund family to which the document pertains. If the mutual fund has more than one class or series of securities, indicate the name of each of those classes or series covered in the document.
- (3) Despite securities legislation, state on the front cover of a document that contains a preliminary annual information form the following:

“A copy of this annual information form has been filed with [the securities authority(ies) in each of/certain of the provinces/provinces and territories of Canada] but has not yet become final for the purpose of a distribution. Information contained in this annual information form may not be complete and may have to be amended. The securities described in this annual information form may not be distributed to you until a receipt for the annual information form is obtained by the mutual fund from the securities regulatory [authority(ies)].”

- (4) If a commercial copy of a document that contains a preliminary annual information form is prepared, print the legend referred to in subsection (3) in red ink.
- (5) If the document contains a preliminary annual information form or annual information form, indicate the date of the document, which shall be the date of the certificates for the document. This date shall be within three business days of the date it is filed with the securities regulatory authority. Write the date of the document in full, writing the name of the month in words. A document that is a *pro forma* multiple AIF need not be dated, but may reflect the anticipated date of the multiple AIF.
- (6) State, in substantially the following words:

“No securities regulatory authority has expressed an opinion about these [units/shares] and it is an offence to claim otherwise.”

Item 2: Table of Contents

Include a table of contents.

Item 3: Name, Formation and History of the Mutual Fund

- (1) State the full name of the mutual fund and the address of its head or registered office.
- (2) State the laws under which the mutual fund was formed and the date and manner of its formation.
- (3) Identify the constating documents of the mutual fund and, if material, state whether the constating documents have been amended in the last 10 years and describe the amendments.
- (4) If the mutual fund's name has been changed in the last 10 years, state the mutual fund's former name or names and the date on which it was changed.
- (5) Disclose, and provide details about, any major events affecting the mutual fund in the last 10 years. Include information, if applicable, about
 - (a) the mutual fund having participated in, or been formed from, an amalgamation or merger with one or more other mutual funds;
 - (b) the mutual fund having participated in any reorganization or transfer of assets in which the securityholders of another issuer became securityholders of the mutual fund;
 - (c) any changes in fundamental investment objectives or material investment strategies;
 - (d) any changes in the portfolio adviser or changes in, or of control of, the manager; and
 - (e) the mutual fund, before it filed a prospectus as a mutual fund, having existed as a closed-end investment fund, non-public mutual fund or other entity.

Item 4: Investment Restrictions

- (1) Include a statement to the effect that the mutual fund is subject to certain restrictions and practices contained in securities legislation, including National Instrument 81-102, which are designed in part to ensure that the investments of the mutual fund are diversified and relatively liquid and to ensure the proper administration of the mutual fund, and state that the mutual fund is managed in accordance with these restrictions and practices.
- (2) If the mutual fund has received the approval of the securities regulatory authorities to vary any of the investment restrictions and practices contained in securities legislation, including National Instrument 81-102, provide details of the permitted variations.

- (3) Describe the nature of any securityholder or other approval that may be required in order to change the fundamental investment objectives and any of the material investment strategies to be used to achieve the investment objectives.
- (4) State the restrictions on the investment objectives and strategies that arise out of any of the following matters:
 1. Whether the securities of the mutual fund are or will be a qualified investment within the meaning of the ITA for retirement savings plans, retirement income funds, education savings plans, deferred profit sharing plans or other plans registered under the ITA.
 2. Whether the securities of the mutual fund are or will be recognized as a registered investment within the meaning of the ITA.
 3. Whether the securities of the mutual fund will constitute foreign property within the meaning of the ITA.
- (5) State whether the mutual fund has deviated in the last year from the rules under the ITA that apply to the status of its securities as
 - (a) qualified investments within the meaning of the ITA for retirement savings plans, retirement income funds, education savings plans, deferred profit sharing plans or other plans registered under the ITA;
 - (b) registered investments within the meaning of the ITA; or
 - (c) non-foreign property under the ITA.
- (6) State the consequences of any deviation described in response to subsection (5).

Item 5: Description of Securities Offered by the Mutual Fund

- (1) State the description or the designation of securities, or the series or classes of securities, offered by the mutual fund under the related simplified prospectus and describe the securities or all material attributes and characteristics, including
 - (a) dividend or distribution rights;
 - (b) voting rights;
 - (c) liquidation or other rights upon the termination of the mutual fund;
 - (d) conversion rights;

- (e) redemption rights; and
 - (f) provisions as to amendment of any of these rights or provisions.
- (2) Describe the rights of securityholders to approve
- (a) the matters set out in section 5.1 of National Instrument 81-102; and
 - (b) any matters provided for in the constating documents of the mutual fund.

Item 6: Valuation of Portfolio Securities

- (1) Describe the methods used to value the various types or classes of portfolio assets of the mutual fund and its liabilities for the purpose of calculating net asset value.
- (2) If the manager has discretion to deviate from the mutual fund's valuation practices described in subsection (1), disclose when and to what extent that discretion may be exercised and, if it has been exercised in the past three years, provide an example of how it has been exercised or, if it has not been exercised in the past three years, so state.

Item 7: Calculation of Net Asset Value

- (1) State that the issue and redemption price of securities of the mutual fund is based on the mutual fund's net asset value next determined after the receipt of a purchase order and a redemption order. Describe the method followed or to be followed by the mutual fund in determining the net asset value.
- (2) State the frequency at which the net asset value is determined and the date and time of day at which it is determined.
- (3) If a money market mutual fund intends to maintain a constant net asset value per security, disclose this intention and disclose how the mutual fund intends to maintain this constant net asset value.

Item 8: Purchases and Switches

- (1) Describe the procedure followed or to be followed by investors who desire to purchase securities of the mutual fund or switch them for securities of other mutual funds.
- (2) State that the issue price of securities is based on the net asset value of a security of that class, or series of a class, next determined after the receipt by the mutual fund of the purchase order.

- (3) Describe how the securities of the mutual fund are distributed. If sales are effected through a principal distributor, give brief details of any arrangements with the principal distributor.
- (4) Describe all available purchase options and state, if applicable, that the choice of different purchase options requires the investor to pay different fees and expenses and, if applicable, that the choice of different purchase options affects the amount of compensation paid by a member of the organization of the mutual fund to the dealer.
- (5) Disclose that a dealer may make provision in arrangements that it has with an investor that will require the investor to compensate the dealer for any losses suffered by the dealer in connection with a failed settlement of a purchase of securities of the mutual fund caused by the investor.
- (6) For a mutual fund that is being sold on a best efforts basis, state whether the issue price will be fixed during the initial distribution period, and state when the mutual fund will begin issuing securities at the net asset value per security of the mutual fund.

Item 9: Redemption of Securities

- (1) Describe the procedures followed, or to be followed, by an investor who desires to redeem securities of the mutual fund, specifying the procedures to be followed and documents to be delivered before a redemption order pertaining to securities of the mutual fund is accepted by the mutual fund for processing and before payment of the proceeds of redemption is made by the mutual fund.
- (2) State that the redemption price of the securities is based on the net asset value of a security of that class, or series of a class, next determined after the receipt by the mutual fund of the redemption order.
- (3) Disclose that a dealer may make provision in arrangements that it has with an investor that will require the investor to compensate the dealer for any losses suffered by the dealer in connection with any failure of the investor to satisfy the requirements of the mutual fund or securities legislation for a redemption of securities of the mutual fund.
- (4) Discuss the circumstances under which the mutual fund may suspend redemptions of the securities of the mutual fund.

Item 10: Responsibility for Mutual Fund Operations

10.1 General

Describe how each of the following aspects of the operations of the mutual fund are administered and who administers those functions:

- (a) the management and administration of the mutual fund, including valuation services, fund accounting and securityholder records, other than the management of the portfolio assets;
- (b) the management of the portfolio assets, including the provision of investment analysis or investment recommendations and the making of investment decisions;
- (c) the purchase and sale of portfolio assets by the mutual fund and the making of brokerage arrangements relating to the portfolio assets;
- (d) the distribution of the securities of the mutual fund;
- (e) if the mutual fund is a trust, the trusteeship of the mutual fund;
- (f) if the mutual fund is a corporation, the oversight of the affairs of the mutual fund by the directors of the mutual fund; and
- (g) the custodianship of the assets of the mutual fund.

INSTRUCTION:

The disclosure required under Item 10.1 may be provided separately from, or combined with, the detailed disclosure concerning the persons or companies that provide services to the mutual fund required by Items 10.2 through 10.10.

10.2 Manager

- (1) State the name, address, telephone number, e-mail address and, if applicable, website address of the manager of the mutual fund.
- (2) List the names and home addresses in full or, alternatively, solely the municipality of residence or postal address, and the respective positions and offices held with the manager and their respective principal occupations at, and within the five years preceding, the date of the annual information form, of all partners, directors and officers of the manager of the mutual fund at the date of the annual information form.
- (3) If a partner, director or officer of the manager of the mutual fund has held more than one office with the manager of the mutual fund within the past five years, state only the current office held.
- (4) If the principal occupation of a director or officer of the manager of the mutual fund is with an organization other than the manager of the mutual fund, state the principal business in which the organization is engaged.

- (5) Describe the circumstances under which any agreement with the manager of the mutual fund may be terminated, and include a brief description of the essential terms of this agreement.

10.3 Portfolio Adviser

- (1) If the manager of the mutual fund provides the portfolio management services in connection with the mutual fund, so state.
- (2) If the manager does not provide portfolio management services, state the names and municipality of the principal or head office for each portfolio adviser of the mutual fund.
- (3) State
 - (a) the extent to which investment decisions are made by certain individuals employed by the manager or a portfolio adviser and whether those decisions are subject to the oversight, approval or ratification of a committee; and
 - (b) the name, title, and length of time of service of the person or persons employed by or associated with either the manager or a portfolio adviser of the mutual fund who is or are principally responsible for the day-to-day management of a material portion of the portfolio of the mutual fund, implementing a particular material strategy or managing a particular segment of the portfolio of the mutual fund, and each person's business experience in the last five years.
- (4) Describe the circumstances under which any agreement with a portfolio adviser of the mutual fund may be terminated, and include a brief description of the essential terms of this agreement.

10.4 Brokerage Arrangements

- (1) State
 - (a) the formula, method or criteria, if any, used in allocating brokerage business to persons or companies engaged in the distribution of the securities of the mutual fund;
 - (b) the formula, method or criteria, if any, used in allocating brokerage business to persons or companies that furnish statistical, research or other services to the mutual fund, or to the manager or to the portfolio adviser of the mutual fund; and
 - (c) the formula, method or criteria, if any, used in allocating brokerage business to an "affiliated entity", within the meaning of that term contained in the Instructions in Item 11.2, and any variation from any

formula, method or criteria applied in allocating brokerage business to a non-affiliated entity.

- (2) State the name of any person or company that has provided investment decision-making services to the manager or a portfolio adviser of the mutual fund in connection with the mutual fund since the date of the last annual information form of the mutual fund, and a summary of the nature of those services, if all or some of those services were paid for through commissions or brokerage transactions executed on behalf of the mutual fund.

INSTRUCTION:

The term “investment decision-making services” means

- (a) *advice as to the value of securities and the advisability of effecting transactions in securities;*
- (b) *analyses and reports concerning securities, portfolio strategies or performance, issuers, industries, or economic or political factors and trends; and*
- (c) *databases or software to the extent they are designed mainly to support the services referred to in paragraphs (a) and (b).*

10.5 Principal Distributor

- (1) If applicable, state the name and address of the principal distributor of the mutual fund.
- (2) Describe the circumstances under which any agreement with the principal distributor of the mutual fund may be terminated, and include a brief description of the essential terms of this agreement.

10.6 Directors, Officers and Trustees

- (1) List the names and home addresses in full or, alternatively, solely the municipality of residence or postal address, and the principal occupations at, or within the five years preceding, the date of the annual information form, of all directors or officers of an incorporated mutual fund or of the individual trustee or trustees, if any, of a mutual fund that is a trust.
- (2) State, for a mutual fund that is a trust, the names and municipality of residence for each person or company that is responsible for performing the trusteeship function of the mutual fund.

- (3) Indicate, for an incorporated mutual fund, all positions and offices with the mutual fund then held by each person named in response to subsection (1).
- (4) If the principal occupation of a director, officer or trustee is that of a partner, director or officer of a company other than the mutual fund, state the business in which the company is engaged.
- (5) If a director or officer of an incorporated mutual fund has held more than one position in the mutual fund, state only the first and last position held.
- (6) For a mutual fund that is a limited partnership, provide the information required by this Item for the general partner of the mutual fund, modified as appropriate.

10.7 Custodian

- (1) State the name, municipality of the principal or head office, and nature of business of the custodian and any principal sub-custodian of the mutual fund.
- (2) Describe generally the sub-custodian arrangements of the mutual fund.

INSTRUCTION:

A “principal sub-custodian” is a sub-custodian to whom custodial authority has been delegated in respect of a material portion or segment of the portfolio assets of the mutual fund.

10.8 Auditor

State the name and municipality of the auditor of the mutual fund.

10.9 Registrar

If applicable, state the name of the registrar of securities of the mutual fund and the municipalities in which the register of securities of the mutual fund are kept.

10.10 Other Service Providers

State the name, municipality of the principal or head office, and the nature of business of each other person or company that provides services relating to portfolio valuation, securityholder records, fund accounting, or other material services, in respect of the mutual fund, and describe the material features of the contractual arrangements by which the person or company has been retained.

Item 11: Conflicts of Interest

11.1 Principal Holders of Securities

- (1) The information required in response to this Item shall be given as of a specified date within 30 days before the date of the annual information form.
- (2) Disclose the number and percentage of securities of each class or series of voting securities of the mutual fund and of the manager of the mutual fund owned of record or beneficially, directly or indirectly, by each person or company that owns of record, or is known by the mutual fund or the manager to own beneficially, directly or indirectly, more than 10 percent of any class or series of voting securities, and disclose whether the securities are owned both of record and beneficially, of record only, or beneficially only.
- (3) For any entity that is named in response to subsection (2), disclose the name of any person or company of which that entity is a “controlled entity”.
- (4) If any person or company named in respect of subsection (2) owns of record or beneficially, directly or indirectly, more than 10 percent of any class of voting securities of the principal distributor of the mutual fund, disclose the number and percentage of securities of the class so owned.
- (5) Disclose the percentage of securities of each class or series of voting or equity securities beneficially owned, directly or indirectly, in aggregate, by all the directors, senior officers and trustees
 - (a) of the mutual fund
 - (i) in the mutual fund if the aggregate level of ownership exceeds 10 percent,
 - (ii) in the manager, or
 - (iii) in any person or company that provides services to the mutual fund or the manager; and
 - (b) of the manager
 - (i) in the mutual fund if the aggregate level of ownership exceeds 10 percent,
 - (ii) in the manager, or
 - (iii) in any person or company that provides services to the mutual fund or the manager.

11.2 Affiliated Entities

- (1) State whether any person or company that provides services to the mutual fund or the manager in relation to the mutual fund is an affiliated entity of the manager, and show the relationships of those affiliated entities in the form of an appropriately labelled diagram.
- (2) State that disclosure of the amount of fees received from the mutual fund by each person or company described in subsection (1) is contained in the audited financial statements of the mutual fund.
- (3) Identify any individual who is a director or senior officer of the mutual fund or partner, director or officer of the manager and also of any affiliated entity of the manager described in response to subsection (1), and give particulars of the relationship.

INSTRUCTIONS:

- (1) *A person or company is an “affiliated entity” of another person or company if one is a subsidiary entity of the other or if both are subsidiary entities of the same person or company or if each of them is a controlled entity of the same person or company.*
- (2) *A person or company is a “controlled entity” of a person or company if*
 - (a) *in the case of a person or company*
 - (i) *voting securities of the first-mentioned person or company carrying more than 50 percent of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the other person or company, and*
 - (ii) *the votes carried by the securities are entitled, if exercised, to elect a majority of the directors of the first-mentioned person or company;*
 - (b) *in the case of a partnership that does not have directors, other than a limited partnership, the second-mentioned person or company holds more than 50 percent of the interests in the partnership; or*
 - (c) *in the case of a limited partnership, the general partner is the second-mentioned person or company.*
- (3) *A person or company is a “subsidiary entity” of another person or company if*
 - (a) *it is a controlled entity of*

- (i) *that other,*
 - (ii) *that other and one or more persons or companies, each of which is a controlled entity of that other, or*
 - (iii) *two or more persons or companies, each of which is a controlled entity of that other; or*
- (b) *it is a subsidiary entity of a person or company that is that other's subsidiary entity.*
- (4) *For the purposes of subsection (1) of Item 11.2, the provision of services includes the provision of brokerage services in connection with execution of portfolio transactions for the mutual fund.*

11.3 Dealer Manager Disclosure

If the mutual fund is dealer managed, disclose this fact and that the mutual fund is subject to the restrictions set out in section 4.1 of National Instrument 81-102, and summarize section 4.1 of National Instrument 81-102.

Item 12: Fund Governance

- (1) Provide detailed information concerning the governance of the mutual fund, including information concerning
 - (a) the body or group that has responsibility for fund governance, the extent to which its members are independent of the manager of the mutual fund and the names and municipalities of residence of each member of that body or group; and
 - (b) descriptions of the policies, practices or guidelines of the mutual fund or the manager relating to business practices, sales practices, risk management controls and internal conflicts of interest, and if the mutual fund or the manager have no such policies, practices or guidelines, a statement to that effect.
- (2) If the mutual fund intends to use derivatives, describe the policies and practices of the mutual fund to manage the risks associated with the use of derivatives.
- (3) In the disclosure provided under subsection (2), include disclosure of
 - (a) whether there are written policies and procedures in place that set out the objectives and goals for derivatives trading and the risk management procedures applicable to derivatives trading;

- (b) who is responsible for setting and reviewing the policies and procedures referred to in paragraph (a), how often are the policies and procedures reviewed, and the extent and nature of the involvement of the board of directors or trustee in the risk management process;
 - (c) whether there are trading limits or other controls on derivative trading in place and who is responsible for authorizing the trading and placing limits or other controls on the trading;
 - (d) whether there are individuals or groups that monitor the risks independent of those who trade; and
 - (e) whether risk measurement procedures or simulations are used to test the portfolio under stress conditions.
- (4) If the mutual fund intends to enter into securities lending, repurchase or reverse repurchase transactions, describe the policies and practices of the mutual fund to manage the risks associated with those transactions.
- (5) In the disclosure provided under subsection (4), include disclosure of
- (a) the involvement of an agent to administer the transactions on behalf of the mutual fund, and the details of the instructions provided by the mutual fund to the agent under the agreement between the mutual fund and the agent;
 - (b) whether there are written policies and procedures in place that set out the objectives and goals for securities lending, repurchase transactions or reverse repurchase transactions, and the risk management procedures applicable to the mutual fund's entering into of those transactions;
 - (c) who is responsible for setting and reviewing the agreement referred to in paragraph (a) and the policies and procedures referred to in paragraph (b), how often the policies and procedures are reviewed, and the extent and nature of the involvement of the board of directors or trustee in the risk management process;
 - (d) whether there are limits or other controls in place on the entering into of those transactions by the mutual fund and who is responsible for authorizing those limits or other controls on those transactions;
 - (e) whether there are individuals or groups that monitor the risks independent of those who enter into those transactions on behalf of the mutual fund; and
 - (f) whether risk measurement procedures or simulations are used to test the portfolio under stress conditions.

- (6) If the mutual fund held securities of other mutual funds during the year, provide details on how the manager of the mutual fund exercised its discretion with regard to the voting rights attached to the securities of the other mutual funds when the securityholders of the other mutual funds were called upon to vote.

as amended December 31, 2003

INSTRUCTION:

The disclosure provided under this Item should make appropriate distinctions between the risks associated with the intended use by the mutual fund of derivatives for hedging purposes as against the mutual fund's intended use of derivatives for non-hedging purposes.

Item 13: Fees and Expenses

13.1 Management Fee Rebate or Distribution Programs

- (1) Disclose details of all arrangements that are in effect or will be in effect during the currency of the annual information form that will result, directly or indirectly, in one securityholder in the mutual fund paying as a percentage of the securityholder's investment in the mutual fund a management fee that differs from that payable by another securityholder.
- (2) In the disclosure required by subsection (1), describe
 - (a) who pays the management fee;
 - (b) whether a reduced fee is paid at the relevant time or whether the full fee is paid at that time with a repayment of a portion of the management fee to follow at a later date;
 - (c) who funds the reduction or repayment of management fees, when the reduction or repayment is made and whether it is made in cash or in securities of the mutual fund;
 - (d) whether the differing management fees are negotiable or calculated in accordance with a fixed schedule;
 - (e) if the management fees are negotiable, the factors or criteria relevant to the negotiations and state who negotiates the fees with the investor;
 - (f) whether the differing management fees payable are based on the number or value of the securities of the mutual fund purchased during a specified period or the number or value of the securities of the mutual fund held at a particular time; and

- (g) any other factors that could affect the amount of the management fees payable.
- (3) Disclose the income tax consequences to the mutual fund and its securityholders of a management fee structure that results in one securityholder paying a management fee that differs from another.

Item 14: Income Tax Considerations

- (1) State in general terms the bases upon which the income and capital receipts of the mutual fund are taxed.
- (2) State in general terms the income tax consequences to the holders of the securities offered of
 - (a) any distribution to the holders in the form of dividends or otherwise, including amounts reinvested in securities of the mutual fund;
 - (b) the redemption of securities;
 - (c) the issue of securities; and
 - (d) any transfers between mutual funds.

Item 15: Remuneration of Directors, Officers and Trustees

- (1) if the management functions of the mutual fund are carried out by employees of the mutual fund, provide for those employees the disclosure concerning executive compensation that is required to be provided for executive officers of an issuer under securities legislation.
- (2) Describe any arrangements, including the amounts paid, the name of the individual and any expenses reimbursed by the mutual fund to the individual, under which compensation was paid or payable by the mutual fund during the most recently completed financial year of the mutual fund, for the services of directors of the mutual fund and members of an independent board of governors or advisory board of the mutual fund
 - (a) in that capacity, including any additional amounts payable for committee participation or special assignments; and
 - (b) as consultants or experts.
- (3) For a mutual fund that is a trust, describe the arrangements, including the amounts paid and expenses reimbursed, under which compensation was paid or payable by the mutual fund during the most recently completed financial year of the mutual fund for the services of the trustee or trustees of the mutual fund.

Item 16: Material Contracts

- (1) List and provide particulars of
 - (a) the declaration of trust or trust agreement of the mutual fund, if any;
 - (b) any agreement of the mutual fund or trustee with the manager of the mutual fund;
 - (c) any agreement of the mutual fund, the manager or trustee with the portfolio adviser or portfolio advisers of the mutual fund;
 - (d) any agreement of the mutual fund, the manager or trustee with the custodian of the mutual fund;
 - (e) any agreement of the mutual fund, the manager or trustee with the principal distributor of the mutual fund; and
 - (f) any other contract or agreement that can reasonably be regarded as material to an investor in the securities of the mutual fund.
- (2) State a reasonable time at which and place where the contracts or agreements listed in response to subsection (1) may be inspected by prospective or existing securityholders.
- (3) Include, in describing particulars of contracts, the date of, parties to, consideration paid by the mutual fund under, termination provisions of, and general nature of, the contracts.

INSTRUCTION:

This Item does not require disclosure of contracts entered into in the ordinary course of business of the mutual fund.

Item 17: Legal and Administrative Proceedings

- (1) Describe briefly any ongoing legal and administrative proceedings material to the mutual fund, to which the mutual fund, its manager or principal distributor is a party.
- (2) For all matters disclosed under subsection (1), disclose
 - (a) the name of the court or agency having jurisdiction;
 - (b) the date on which the proceeding was instituted;
 - (c) the principal parties to the proceeding;

- (d) the nature of the proceeding and, if applicable, the amount claimed; and
 - (e) whether the proceedings are being contested and the present status of the proceedings.
- (3) Provide similar disclosure about any proceedings known to be contemplated.
- (4) Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of any settlement agreement and the circumstances that gave rise to the settlement agreement, if the manager of the mutual fund, or a director or officer of the mutual fund or the partner, director or officer of the manager of the mutual fund has,
- (a) in the 10 years before the date of the simplified prospectus, been subject to any penalties or sanctions imposed by a court or securities regulator relating to trading in securities, promotion or management of a publicly-traded mutual fund, or theft of fraud, or 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 in determining whether to purchase securities of the mutual fund; or
 - (b) in the 10 years before the date of the simplified prospectus but after the date that National Instrument 81-101 came into force, entered into a settlement agreement with a court, securities regulatory or other regulatory body, in relation to any of the matters referred to in paragraph (a).
- (5) If the manager of the mutual fund, or a director or officer of the mutual fund or the partner, director or officer of the manager of the mutual fund has, within the 10 years before the date of the simplified prospectus, been subject to any penalties or sanctions imposed by a court or securities regulator relating to trading in securities, promotion or management of a publicly traded mutual fund, or theft or fraud, or has entered into a settlement agreement with a regulatory authority in relation to any of these matters, describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement.

Item 18: Other Material Information

- (1) Give particulars of any other material facts relating to the securities proposed to be offered that are not otherwise required to be disclosed by this Form or the SP Form.
- (2) Provide any specific disclosure required or permitted to be disclosed in a prospectus under securities legislation that is not otherwise required to be disclosed by this Form.

- (3) Subsection (2) does not apply to requirements of securities legislation that are form requirements for a prospectus.

INSTRUCTION:

The disclosure provided under subsection (2) may also be provided under Item 12 of Part A or Item 14 of Part B of the SP Form. If the disclosure is provided under one of these Items, it need not be provided under this Item.

Item 19: Certificate of the Mutual Fund

- (1) Include a certificate of the mutual fund that states:

“This annual information form, the financial statements of the fund [specify] for the financial period ended [specify] and the auditors’ report on those financial statements, together with the simplified prospectus required to be sent or delivered to a purchaser during the currency of this annual information form, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus and do not contain any misrepresentation.”
- (2) The certificate required to be signed by the mutual fund shall, if the mutual fund is established as a trust, be signed
 - (a) if any trustee of the mutual fund is an individual, by each individual who is a trustee or by a duly authorized attorney of the individual; or
 - (b) if any trustee of the mutual fund is a body corporate, by the duly authorized signing officer or officers of the body corporate.
- (3) Despite subsection (2), if the declaration of trust or trust agreement establishing the mutual fund delegates the authority to do so, or otherwise authorizes a person to do so, the certificate form required to be signed by the trustee or trustees of the mutual fund may be signed by the person to whom the authority is delegated or who is authorized.
- (4) Despite subsections (2) and (3), if the trustee of the mutual fund is also its manager, the certificate shall indicate that it is being signed by the person or company both in its capacity of trustee and in its capacity as manager of the mutual fund and shall be signed in the manner prescribed by Item 20.

Item 20: Certificate of the Manager of the Mutual Fund

- (1) Include a certificate of the manager of the mutual fund in the same form as the certificate signed by the mutual fund.

- (2) The certificate shall, if the manager is a company, be signed by the chief executive officer and the chief financial officer of the manager, and on behalf of the board of directors of the manager by any two directors of the manager other than the chief executive officer or chief financial officer, duly authorized to sign.
- (3) Despite subsection (2), if the manager has only three directors, two of whom are the chief executive officer and chief financial officer, the certificate required by subsection (2) to be signed on behalf of the board of directors of the manager shall be signed by the remaining director of the manager.

Item 21: Certificate of Each Promoter of the Mutual Fund

- (1) Include a certificate of each promoter of the mutual fund in the same form as the certificate signed by the mutual fund.
- (2) The certificate to be signed by the promoter shall be signed by any officer or director of the promoter duly authorized to sign.

Item 22: Certificate of the Principal Distributor of the Mutual Fund

- (1) Include a certificate of the principal distributor of the mutual fund that states:

“To the best of our knowledge, information and belief, this annual information form, the financial statements of the fund [specify] for the financial period ended [specify] and the auditors’ report on those financial statements, together with the simplified prospectus required to be sent or delivered to a purchaser during the currency of this annual information form, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus and do not contain any misrepresentation.”
- (2) The certificate to be signed by the principal distributor shall be signed by any officer or director of the principal distributor duly authorized to sign.

INSTRUCTION:

For a mutual fund that has a principal distributor, the certificate required by this Item is necessary to satisfy the requirements of securities legislation that an underwriter sign a certificate to a prospectus.

Item 23: Exemptions and Approvals

- (1) Describe all exemptions from, or approvals under, this Instrument, National Instrument 81-102, National Instrument 81-105 or National Policy Statement No. 39, obtained by the mutual fund or the manager that continue to be relied upon by the mutual fund or the manager.

- (2) Include the disclosure required by subsection (1) in the section of the annual information form that describes the matter to which the exemption pertains.

Item 24: Back Cover

- (1) State on the back cover the name of the mutual fund or funds included in the annual information form or the mutual fund family, as well as the name, address and telephone number of the manager of the mutual fund or funds.
- (2) State, in substantially the following words:
 - “• Additional information about the Fund[s] is available in the Fund[‘s/s’] financial statements.
 - You can get a copy of the Fund[‘s/s’] financial statements, including a statement of portfolio transactions, at no cost by calling [toll-free/collect] [insert toll-free telephone number or telephone number where collect calls are accepted, as required by section 3.4 of the Instrument], or from your dealer or by e-mail at [insert e-mail address].
 - The financial statements and other information about the Fund[s], such as information circulars and material contracts, are also available on the [insert name of mutual fund manager] Internet site at [insert fund’s Internet site] or at www.sedar.com.”