

Nova Scotia Securities Commission

Rule 81-102 (Amendment)
Investment Funds

-and-

Consequential Amendments to Rule 81-101

-and-

Amendments to National Instrument 81-101 *Mutual Fund Prospectus Disclosure*
(the Rule Amendment)

-and-

Changes to Companion Policy 81-101CP to National Instrument 81-101
Mutual Fund Prospectus Disclosure
(the Policy Amendment)

WHEREAS:

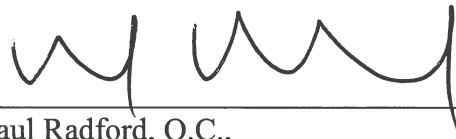
1. Pursuant to section 150 of the *Securities Act*, R.S.N.S. 1989, chapter 418, as amended (the Act), the Nova Scotia Securities Commission (the Commission) has power to make rules subject to compliance with the requirements of the Act;
2. Pursuant to section 19 of the Act, the Commission has power to issue and publish policy statements;
3. The Rule Amendment and the Policy Amendment, copies of which are attached hereto, have been made a rule by one or more of the Canadian securities regulatory authorities; and
4. The Commission is of the opinion that the attainment of the purpose of the Act is advanced by this Instrument.

NOW THEREFORE the Commission hereby:

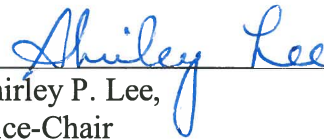
- (a) pursuant to the authority contained in section 150 of the Act and subject to compliance with the requirements of section 150A of the Act, approves the Rule Amendment and makes the same a rule of the Commission;
- (b) pursuant to the authority contained in section 19 of the Act and subject to publication on the Commission's website, issues the Policy Amendment as a policy statement of the Commission; and

- (c) declares that the rule approved and made pursuant to clause (a) and the issuance of the policy statement pursuant to clause (b) shall both take effect on **March 8, 2017**, unless the Minister disapproves the rule or returns it to the Commission in accordance with subsection 150A(3) of the Act in which event the rule and the policy statement shall not be effective until the rule is approved by the Minister.

IN WITNESS WHEREOF this Instrument has been signed by the Chair and the Vice-Chair of the Commission, being the members of the Commission prescribed by the Chair pursuant to subsection 15(3) of the Act to attend the hearing of this matter and the quorum with respect to this matter, on the 8th day of December, 2016.

A handwritten signature in black ink, consisting of a series of connected, wavy loops, positioned above a horizontal line.

Paul Radford, Q.C.,
Chair

A handwritten signature in blue ink, written in a cursive style, positioned above a horizontal line.

Shirley P. Lee,
Vice-Chair

Attachments

Amendments to National Instrument 81-101 *Mutual Fund Prospectus Disclosure*

- 1. *National Instrument 81-101 Mutual Fund Prospectus Disclosure is amended by this Instrument.***
- 2. *Item 9.1 of Part B of Form 81-101F1 Contents of Simplified Prospectus is replaced with the following:***

Item 9.1 Investment Risk Classification Methodology

For a mutual fund,

- (a) state in words substantially similar to the following:

The investment risk level of this mutual fund is required to be determined in accordance with a standardized risk classification methodology that is based on the mutual fund's historical volatility as measured by the 10-year standard deviation of the returns of the mutual fund.;

- (b) if the mutual fund has less than 10 years of performance history and complies with Item 4 of Appendix F *Investment Risk Classification Methodology* to National Instrument 81-102 *Investment Funds*, provide a brief description of the other mutual fund or reference index, as applicable; if the other mutual fund or reference index has been changed since the most recently filed prospectus, provide details of when and why the change was made; and
- (c) disclose that the standardized risk classification methodology used to identify the investment risk level of the mutual fund is available on request, at no cost, by calling [toll free/collect call telephone number] or by writing to [address].

- 3. *Item 4 of Part I of Form 81-101F3 Contents of Fund Facts Document is amended by***

(a) replacing in paragraph (2)(a) “adopted by the manager of the mutual fund” with “prescribed by Appendix F *Investment Risk Classification Methodology* to National Instrument 81-102 *Investment Funds*”,

(b) deleting in paragraph 2(a) “mutual fund’s”, and

(c) replacing in the Instructions “adopted by the manager of the mutual fund” with “prescribed by Appendix F *Investment Risk Classification Methodology* to National Instrument 81-102 *Investment Funds*, as at the end of the period that ends within 60 days before the date of the fund facts document”.

4. Subject to section 5, this Instrument comes into force on March 8, 2017.
5. The provision of this Instrument listed in column 1 of the following table comes into force on the date set in column 2 of the table:

Column 1: Provision of this Instrument	Column 2: Date
Section 3	September 1, 2017

**Changes to Companion Policy 81-101CP
to National Instrument 81-101 *Mutual Fund Prospectus Disclosure***

- 1. *The changes to Companion Policy 81-101CP to National Instrument 81-101 Mutual Fund Prospectus Disclosure are set out in this Annex.***
- 2. *Subsection 2.1.1(5) is repealed.***
- 3. *Subsection 2.7(2) is changed by deleting “or risk level” from the last sentence.***
- 4. *These changes become effective on March 8, 2017.***