

Nova Scotia Securities Commission
Rule 81-106 (Amendment)
Amendments to National Instrument 81-106
Investment Fund Continuous Disclosure
and Form 81-106F1

-And-

Amendments to National Instrument 81-106
Investment Fund Continuous Disclosure
and
Form 81-106F1

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. Amendments to National Instrument 81-106 Investment Fund Continuous Disclosure and Form 81-106F1, a copy of which is attached hereto and is hereinafter called the "Rule", has been adopted as a rule by one or more of the Canadian securities regulatory authorities; and

3. 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 and makes the same a rule of the Commission except insofar as the Rule contains coming into force or effective date provisions; and

(b) declares that the rule approved and made pursuant to clause (a) shall take effect on **February 19, 2007**, unless the Governor-in-Council disapproves the rule or returns it to the Commission in accordance with subsection 150A(3) of

the Act in which event the rule shall not be effective until the rule is approved by the Governor-in-Council.

IN WITNESS WHEREOF this Instrument has been signed by the Chair and 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 6th day of December, 2006.

"H. Leslie O'Brien"
H. Leslie O'Brien

"R. Daren Baxter"
R. Daren Baxter

Attachments

**NATIONAL INSTRUMENT 81-106
INVESTMENT FUND CONTINUOUS DISCLOSURE AND
FORM 81-106F1 CONTENTS OF ANNUAL AND INTERIM
MANAGEMENT REPORT OF FUND PERFORMANCE
AMENDMENT INSTRUMENT**

1. Section 1.1 of National Instrument 81-106 *Investment Fund Continuous Disclosure* is amended by
 - (a) adding the following after the definition of “EVCC”:

“independent review committee” means the independent review committee of the investment fund established under National Instrument 81-107 *Independent Review Committee for Investment Funds*;” and
 - (b) adding the following after the definition of “National Instrument 51-102”:

“National Instrument 81-107” means National Instrument 81-107 *Independent Review Committee for Investment Funds*;”.
2. Section 1.3 of National Instrument 81-106 *Investment Fund Continuous Disclosure* is amended by striking out “Multilateral Instrument 81-104” and substituting “National Instrument 81-104”.
3. Section 3.2 of National Instrument 81-106 *Investment Fund Continuous Disclosure* is amended by adding the following after item 8:

“8.1. independent review committee fees.”
4. Section 9.4 of National Instrument 81-106 *Investment Fund Continuous Disclosure* is amended by repealing paragraph (2)(f) and substituting the following:

“(f) Item 15 of Form 81-101F2 does not apply to an investment fund that is a corporation, except for the disclosure in connection with the independent review committee; and”.
5. Form 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance* is amended
 - (a) in section 2.4 by
 - (i) striking out “and” at the end of paragraph (d);
 - (ii) adding “;and” at the end of paragraph (e);
 - (iii) adding the following after paragraph (e):

“(f) changes to the composition or members of the independent review committee of the investment fund.”; and
 - (b) in section 2.5 by adding the following Instruction after Instruction (3):

“(4) If the investment fund has an independent review committee, state whether the investment fund has relied on the positive recommendation or approval of the independent review committee to proceed with the transaction, and provide details of any conditions or parameters surrounding the transaction imposed by the independent review committee in its positive recommendation or approval.

6. This Instrument comes into force on November 1, 2006.