

SEDAR® Subscriber Update

November 22, 2005

Clarification Regarding National Instrument 81-106 *Investment Fund Continuous Disclosure*

On June 1, 2005, the Canadian Securities Administrators implemented National Instrument 81-106. The concept of investment fund was introduced in this legislation. An investment fund includes mutual funds and non-redeemable investment funds.

With the implementation of National Instrument 81-106, the term "Mutual Fund" in the SEDAR system was replaced with "Investment Fund". A mutual fund issuer required to file in SEDAR should now create an Investment Fund Group Profile and an Investment Fund Issuer Profile and file as an Investment Fund Issuer. An issuer that is a non-redeemable investment fund under National Instrument 81-106 or a non-conventional mutual fund, and is required to file in SEDAR, should now create an Other Issuer Profile and file as an Other Issuer.

Some non-redeemable investment funds have created Investment Fund Issuer Profiles when they should have just created Other Issuer Profiles. These issuers must now create new Other Issuer Profiles.

Incorrect Filings in SEDAR

If you are an investment fund issuer and have created the incorrect profile type in SEDAR, CDS INC. cannot transfer filings between an Investment Fund Issuer Profile and an Other Issuer Profile. **It is recommended that you create the correct profile type in SEDAR using the Other Issuer Profile and file all future filings under this profile. The issuer should also file a news release to indicate that previous filings can be found under the Investment Funds Profile, for anyone who wants to reference the previous documents.**

Only Other Issuer Profiles are replicated from the SEDAR system to the SEDI system. Investment Fund Group Profiles and Investment Fund Issuer Profiles are not replicated to the SEDI system. A mutual fund issuer, whose insiders are required to file SEDI reports, must create an Other Issuer Profile in SEDAR solely for the purpose of enabling the profile to be replicated to SEDI and to permit insiders to file. **A mutual fund issuer should not use this Other Issuer Profile when making filings in SEDAR.** SEDAR filings made by mutual fund issuers must be done using the Investment Fund Issuer Profile and the Investment Fund Group Profile. Please refer to section 3.1.3 of CSA Staff Notice 55-310 *Questions and Answers on the System for Electronic Disclosure by Insiders (SEDI)*, which describes this process in more detail.

The Other Issuer Profile created by the investment fund above must be public in SEDAR before it is replicated to SEDI. It is suggested that the filer contact the CDS INC. Help Desk to request that the Other Issuer Profile be made public. This process will result in the investment fund having two profiles in SEDAR with the same issuer name – one Other Issuer Profile and one Investment Fund Issuer Profile. Both of these profiles will appear on the SEDAR web site (www.SEDAR.com) but only one of these profiles will appear on the SEDI web site (www.SEDI.ca).

Annual Filing Service Charges

All issuers that are required to file in SEDAR pay an annual filing service charge. This service charge is paid by the issuer with the filing of the annual financial statements in SEDAR.

For more information, please contact your local SEDAR Customer Service Representative or the CDS INC. Help Desk at 1-800-219-5381.

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