

Multilateral Policy 31-202
REGISTRATION REQUIREMENT FOR INVESTMENT FUND MANAGERS

This Policy applies in British Columbia, Alberta, Saskatchewan, Manitoba, Prince Edward Island, Nova Scotia, New Brunswick, Northwest Territories, Yukon and Nunavut.

An investment fund manager directs or manages the business, operations or affairs of an investment fund. It is required to register in a jurisdiction if it carries on the activities of an investment fund manager in that jurisdiction.

Some of the functions and activities that an investment fund manager directs, manages or performs include:

- establishing a distribution channel for the fund
- marketing the fund
- establishing and overseeing the fund's compliance and risk management programs
- overseeing the day to day administration of the fund
- retaining and liaising with the portfolio manager, the custodian, the dealers and other service providers of the fund
- overseeing advisers' compliance with investment objectives and overall performance of the fund
- preparing the fund's prospectus or other offering documents
- preparation and delivery of security holder reports
- identifying, addressing and disclosing conflicts of interest
- calculating the net asset value (NAV) and the NAV per share or unit
- calculating, confirming and arranging payment of subscriptions, redemptions and arranging for the payment of dividends or other distributions, if required

An investment fund manager is required to register if it directs or manages the business, operations or affairs of an investment fund from a physical place of business in a jurisdiction or its head office is in a jurisdiction.

In circumstances where the investment fund manager does not have a physical place of business or head office in a jurisdiction, they will need to register if they engage in the activities that result in their directing or managing the business, operations or affairs of an investment fund in that jurisdiction. In determining if registration is required, these entities should consider what activities they are directing from within the jurisdiction, including those functions and activities listed above. As registration is only required if the person is conducting investment fund manager activities in a jurisdiction that result in them directing or managing the business, operations or affairs of an investment fund in that jurisdiction, we would not expect that any single function or activity would be determinative. Specifically, functions or activities tied to the presence of security holders,

solicitation of investors or the distribution of securities in a jurisdiction are not activities that would give rise to investment fund manager registration, unless they are directed from within the jurisdiction and result in the person directing or managing the business, operations or affairs of an investment fund in the jurisdiction.