

**GENERAL RULING/ORDER 81-901**  
**EXEMPTION FOR MUTUAL FUNDS FROM DELIVERING FINANCIAL STATEMENTS**

IN THE MATTER OF  
*THE SECURITIES ACT, 1988, SS 1988, c. S-42.2*

AND

IN THE MATTER OF AN EXEMPTION FOR MUTUAL FUNDS FROM DELIVERING FINANCIAL  
STATEMENTS

ORDER  
(Section 89)

WHEREAS the Saskatchewan Financial Services Commission (the "Commission") has assigned to the Director of the Securities Division the power to make exemption orders and rulings under provisions of *The Securities Act, 1988* (the "Act") including orders and rulings of general application;

AND WHEREAS the staff of the Commission have applied to the Director for an order pursuant to section 89 of the Act of that the requirement in section 88 of the Act to send annual and interim financial statements to its security holders does not apply to mutual funds in Saskatchewan;

AND WHEREAS it has been represented to the Director that:

1. Section 88 of the Act requires mutual funds in Saskatchewan to send annual and interim financial statements to each holder of its securities with addresses in Saskatchewan;
2. Proposed National Instrument 81-106 Investment Fund Continuous Disclosure includes an exemption from the requirement to deliver annual and interim financial statements to its security holders on certain conditions;
3. The Director has recently granted exemption orders to some mutual funds from this delivery requirement; and
4. It is expedient to make a general order exempting all mutual funds in Saskatchewan from the requirement to deliver annual and interim financial statements to its security holders on the same terms;

AND WHEREAS the Director is of the opinion that it would not be prejudicial to the public interest to make this Order;

IT IS HEREBY ORDERED pursuant to section 89 of the Act that the provisions of section 88 of the Act shall not apply to a mutual fund in Saskatchewan provided that its manager:

1. annually sends to its security holders, including those who hold securities of the mutual fund in the name of another person:
  - (a) a notice informing them they will not receive annual or interim financial statements of the mutual fund after the date of the notice, unless they request them;

- (b) a form that they can use to request the annual or interim financial statements at no cost; and
  - (c) information about where they should send their request form;
2. within 90 days after sending the notice in paragraph 1 above, files on SEDAR, under the annual financial statements category, confirmation that it has complied with paragraph 1, provided that a mutual fund that is not a reporting issuer may file the confirmation with the Commission in paper format; and
  3. within three business days of the later of:
    - (a) filing the financial statements; or
    - (b) receiving a request from a security holder;

sends the annual or interim financial statements to the security holder who request them.

AND IT IS FURTHER ORDERED that this Order expires on the day that National Instrument 81-106 comes into force.

DATED February 13, 2003

*“Barbara Shourounis”*

Barbara Shourounis  
Director, Securities Division  
Saskatchewan Financial Services Commission