

## **Form 41-101F4 — Information Required in an ETF Facts Document**

### General Instructions:

#### *General*

*(1) This Form describes the disclosure required in an ETF facts document for an ETF. Each Item of this Form outlines disclosure requirements. Instructions to help you provide this disclosure are in italic type.*

*(2) Terms defined in National Instrument 41-101 General Prospectus Requirements, National Instrument 81-102 Investment Funds, National Instrument 81-105 Mutual Fund Sales Practices or National Instrument 81-106 Investment Fund Continuous Disclosure and used in this Form have the meanings that they have in those national instruments.*

*(3) An ETF facts document must state the required information concisely and in plain language.*

*(4) Respond as simply and directly as is reasonably possible. Include only the information necessary for a reasonable investor to understand the fundamental and particular characteristics of the ETF.*

*(5) National Instrument 41-101 General Prospectus Requirements requires the ETF facts document to be presented in a format that assists in readability and comprehension. This Form does not mandate the use of a specific format or template to achieve these goals. However, ETFs must use, as appropriate, tables, captions, bullet points or other organizational techniques that assist in presenting the required disclosure clearly and concisely.*

*(6) This Form does not mandate the use of a specific font size or style but the text must be of a size and style that is legible. Where the ETF facts document is made available online, information must be presented in a way that enables it to be printed in a readable format.*

*(7) An ETF facts document can be produced in colour or in black and white, and in portrait or landscape orientation.*

*(8) Except as permitted by subsection (9), an ETF facts document must contain only the information that is specifically mandated or permitted by this Form. In addition, each Item must be presented in the order and under the heading or sub-heading stipulated in this Form.*

*(9) An ETF facts document may contain a brief explanation of a material change or a proposed fundamental change. The disclosure may be included in a textbox before Item 2 of Part I or in the most relevant section of the ETF facts document. If necessary, the ETF may provide a cross-reference to a more detailed explanation at the end of the ETF facts document.*

*(10) An ETF facts document must not contain design elements (e.g., graphics, photos, artwork) that detract from the information disclosed in the document.*

#### **Contents of an ETF Facts Document**

*(11) An ETF facts document must disclose information about only one class or series of securities of an ETF. ETFs that have more than one class or series of securities that are referable to the same portfolio of assets must prepare a separate ETF facts document for each class or series.*

*(12) The ETF facts document must be prepared on letter-size paper and must consist of two Parts: Part I and Part II.*

(13) *The ETF facts document must begin with the responses to the Items in Part I of this Form.*

(14) *Part I must be followed by the responses to the Items in Part II of this Form.*

(15) *Each of Part I and Part II must not exceed one page in length, unless the required information in any section causes the disclosure to exceed this limit. Where this is the case, an ETF facts document must not exceed a total of four pages in length.*

(16) *For a class or series of securities of the ETF denominated in a currency other than the Canadian dollar, specify the other currency under the heading "Trading Information (12 months ending [date])" and provide the dollar amounts in the other currency, where applicable, under the headings "How has the ETF performed?" and "How much does it cost?".*

(17) *For items that must be as at a date within 60 days before the date of the ETF facts document or over a period ending within 60 days before the date of the ETF facts document, the same date within 60 days before the date of the ETF facts document must be used and disclosed in the ETF facts document.*

(18) *An ETF must not attach or bind other documents to an ETF facts document, except those documents permitted under Part 3C of National Instrument 41-101 General Prospectus Requirements.*

#### ***Consolidation of ETF Facts Document into a Multiple ETF Facts Document***

(19) *ETF facts documents must not be consolidated with each other to form a multiple ETF facts document, except as permitted by Part 3C of National Instrument 41-101 General Prospectus Requirements. When a multiple ETF facts document is permitted under the Instrument, an ETF must provide information about each of the ETFs described in the document on a fund-by-fund or catalogue basis and must set out for each ETF separately the information required by this Form. Each ETF facts document must start on a new page and may not share a page with another ETF facts document.*

#### ***Multi-Class ETFs***

(20) *As provided in National Instrument 81-102 Investment Funds, each section, part, class or series of a class of securities of an investment fund that is referable to a separate portfolio of assets is considered to be a separate investment fund. Those principles are applicable to this Form.*

### **Part I — Information about the ETF**

#### ***Item 1 — Introduction***

Include at the top of the first page a heading consisting of:

- (a) the title "ETF Facts";
- (b) the name of the manager of the ETF;
- (c) the name of the ETF to which the ETF facts document pertains;
- (d) if the ETF has more than one class or series of securities, the name of the class or series described in the ETF facts document;
- (e) the ticker symbol(s) for the class or series of securities of the ETF ;
- (f) the date of the document;

(g) if the final prospectus of the ETF includes textbox disclosure on the cover page, substantially similar textbox disclosure on the ETF facts document;

(h) a brief introduction to the document using wording substantially similar to the following:

This document contains key information you should know about [insert name of the ETF]. You can find more details about this exchange-traded fund (ETF) in its prospectus. Ask your representative for a copy, contact [insert name of the manager of the ETF] at [insert if applicable the toll-free number and email address of the manager of the ETF] or visit [insert the website of the ETF, the ETF's family or the manager of the ETF] [as applicable]; and

(i) state in bold type using wording substantially similar to the following:

Before you invest, consider how the ETF would work with your other investments and your tolerance for risk.

**INSTRUCTIONS:**

*(1) The date for an ETF facts document that is filed with a preliminary prospectus or final prospectus must be the date of the preliminary prospectus or final prospectus, respectively. The date for an ETF facts document that is filed with a pro forma prospectus must be the date of the anticipated final prospectus. The date for an amended ETF facts document must be the date on which it is filed.*

*(2) If the investment objectives of the ETF are to track a multiple (positive or negative) of the daily performance of a specified underlying index or benchmark, provide textbox disclosure in bold type using wording substantially similar to the following:*

This ETF is highly speculative. It uses leverage, which magnifies gains and losses. It is intended for use in daily or short-term trading strategies by sophisticated investors. If you hold this ETF for more than one day, your return could vary considerably from the ETF's daily target return. Any losses may be compounded. Don't buy this ETF if you are looking for a longer-term investment.

*(3) If the investment objectives of the ETF are to track the inverse performance of a specified underlying index or benchmark, provide textbox disclosure in bold type using wording substantially similar to the following:*

This ETF is highly speculative. It is intended for use in daily or short-term trading strategies by sophisticated investors. If you hold this ETF for more than one day, your return could vary considerably from the ETF's daily target return. Any losses may be compounded. Don't buy this ETF if you are looking for a longer-term investment.

*(4) If the ETF is a commodity pool, and Instruction (2) or (3) does not apply, provide textbox disclosure in bold type using wording substantially similar to the following:*

This ETF is a commodity pool and is highly speculative and involves a high degree of risk. You should carefully consider whether your financial condition permits you to participate in this investment. You may lose a substantial portion or even all of the money you place in the commodity pool.

**Item 2 — Quick Facts, Trading Information and Pricing Information**

(1) Under the heading "Quick Facts", include disclosure in the form of the following table:

|  |
|--|
| <b>Date ETF started</b><br>(see instruction 1)               |
| <b>Total value on [date]</b><br>(see instruction 2)          |
| <b>Management expense ratio (MER)</b><br>(see instruction 3) |
| <b>Fund manager</b><br>(see instruction 4)                   |
| <b>Portfolio manager</b><br>(see instruction 5)              |
| <b>Distributions</b><br>(see instruction 6)                  |

(2) Under the heading "Trading Information (12 months ending [date])", include disclosure in the form of the following table:

|  |
|--|
| <b>Ticker symbol</b><br>(see instruction 7)          |
| <b>Exchange</b><br>(see instruction 8)               |
| <b>Currency</b><br>(see instruction 9)               |
| <b>Average daily volume</b><br>(see instruction 10)  |
| <b>Number of days traded</b><br>(see instruction 11) |

(3) Under the heading "Pricing Information (12 months ending [date])", include disclosure in the form of the following table:

|   |
|---|
| <b>Market price</b><br>(see instruction 12)           |
| <b>Net asset value (NAV)</b><br>(see instruction 13)  |
| <b>Average bid-ask spread</b><br>(see instruction 14) |

(4) An ETF may include the website address where updated Quick Facts, Trading Information and Pricing Information are posted by stating:

For more updated Quick Facts, Trading Information and Pricing Information, visit [insert the website of the ETF, the ETF's family or the manager of the ETF] [as applicable].

(5) An ETF may include the Committee on Uniform Securities Identification Procedures (CUSIP) number for the class or series of securities of the ETF at the bottom of the first page by stating:

For dealer use only: CUSIP [insert CUSIP number]

**INSTRUCTIONS:**

- (1) Use the date that the securities of the class or series of the ETF described in the ETF facts document first became available to the public.*
- (2) Specify the net asset value (NAV) of the ETF as at a date within 60 days before the date of the ETF facts document. The amount disclosed must take into consideration all classes or series that are referable to the same portfolio of assets. For a newly established ETF, state that this information is not available because it is a new ETF.*
- (3) Use the management expense ratio (MER) disclosed in the most recently filed management report of fund performance for the ETF. The MER must be net of fee waivers or absorptions and, despite subsection 15.1(2) of National Instrument 81-106 Investment Fund Continuous Disclosure, need not include any additional disclosure about the waivers or absorptions. For a newly established ETF that has not yet filed a management report of fund performance, state that the MER is not available because it is a new ETF.*
- (4) Specify the name of the fund manager of the ETF.*
- (5) Specify the name of the portfolio manager of the ETF. The ETF may also name the specific individual(s) responsible for portfolio selection and if applicable, the name of the sub-advisor(s).*
- (6) Include disclosure under this element of the "Quick Facts" only if distributions are a fundamental feature of the ETF. Disclose the expected frequency and timing of distributions. If there is a targeted amount for distributions, the ETF may include this information.*
- (7) Specify the ticker symbol(s) for the class or series of securities of the ETF.*
- (8) Specify the exchange(s) on which the class or series of securities of the ETF are listed.*
- (9) Specify the currency that the class or series of securities of the ETF is denominated.*
- (10) Disclose the consolidated (all trading venues) average daily trading volume of the class or series of securities of the ETF over a 12 month period ending within 60 days before the date of the ETF facts document. Include non-trading (zero volume) days in the average daily trading volume calculation. For a newly established ETF, state that this information is not available because it is a new ETF. For an ETF that has not yet completed 12 consecutive months, state that this information is not available because the ETF has not yet completed 12 consecutive months.*
- (11) Disclose the number of days the class or series of securities of the ETF has traded out of the total number of available trading days over a 12 month period ending within 60 days before the date of the ETF facts document. For a newly established ETF, state that this information is not available because it is a new ETF. For an ETF that has not yet completed 12 consecutive months, state that this information is not available because the ETF has not yet completed 12 consecutive months.*
- (12) Disclose the range for the market price of the class or series of securities of the ETF by specifying the highest and lowest prices at which the class or series of securities of the ETF have traded on all trading venues over a 12 month period ending within 60 days before the date of the ETF facts document. The dollar amounts shown under this Item may be rounded to two decimal places. For a newly established ETF, state that this information is not available because it is a new ETF. For an ETF that has not yet completed 12 consecutive months, state that this information is not available because the ETF has not yet completed 12 consecutive months.*

*(13) Disclose the range for the net asset value per share or unit of the class or series of securities of the ETF by specifying the highest and lowest net asset value per share or unit of the class or series of securities of the ETF over a 12 month period ending within 60 days of the date of the ETF facts document. The dollar amounts shown under this Item may be rounded to two decimal places. For a newly established ETF, state that this information is not available because it is a new ETF. For an ETF that has not yet completed 12 consecutive months, state that this information is not available because the ETF has not yet completed 12 consecutive months.*

*(14) Disclose the average bid-ask spread (the Average Bid-Ask Spread) for the class or series of the ETF being described in the ETF facts document. The disclosure must comply with the following:*

- The Average Bid-Ask Spread must be calculated by taking the average of the daily average bid-ask spread (the Daily Bid-Ask Spread) using the bid and ask orders displayed on the primary Canadian listing exchange (the Listing Exchange) for the class or series of the ETF for each day the Listing Exchange was open for trading (each, a Trading Day) over the 12-month period ending within 60 days before the date of the ETF facts document (the Time Period).*
- Each Daily Bid-Ask Spread must be calculated by taking the average of the intraday bid-ask spreads (each, an Intraday Bid-Ask Spread) for each Trading Day.*
- An Intraday Bid-Ask Spread must be calculated at each one second interval beginning 15 minutes after the opening and ending 15 minutes prior to the closing of the Listing Exchange (the Interval Points).*
- The bid price at each Interval Point (the Interval Bid Price) must be determined by multiplying each bid price by its displayed order amount in number of shares until the sum of \$50,000 (Bid Market Depth) is reached then dividing by the total number of securities bid.*
- The ask price at each Interval Point (the Interval Ask Price) must be determined by multiplying each ask price by its displayed order amount in number of securities until the sum of \$50,000 (Ask Market Depth) is reached then dividing by the total number of securities offered.*
- The bid-ask spread at each Interval Point (the Interval Bid-Ask Spread) is determined by calculating the difference between the Interval Bid Price and the Interval Ask Price and dividing by the midpoint of the Interval Bid Price and Interval Ask Price.*
- If the Listing Exchange for the ETF does not have sufficient Bid Market Depth, bid orders from other Canadian marketplaces must be used to the extent necessary to arrive at the Bid Market Depth.*
- If the Listing Exchange for the ETF does not have sufficient Ask Market Depth, ask orders from other Canadian marketplaces must be used to the extent necessary to arrive at the Ask Market Depth.*
- If the Listing Exchange has sufficient Bid Market Depth or Ask Market Depth the ETF may, at its discretion, also include bid and ask orders from other Canadian marketplaces in its calculation of the Interval Bid-Ask Spread.*

*If there is insufficient Bid Market Depth or Ask Market Depth at a particular Interval Point even after including data from all Canadian marketplaces, no Interval Bid-Ask Spread can be calculated for that Interval Point. In order to include the Daily Average Bid-Ask Spread for a particular Trading Day in the 12-month Average Bid-Ask Spread calculation, the ETF must be able to calculate an Interval Bid-Ask Spread for at least 75% of the Interval Points in that Trading Day. In order to calculate the 12-month Average Bid-Ask Spread, the ETF must be able to calculate a Daily Bid-Ask Spread for at least 75% of the Trading Days over the Time Period. For a newly established ETF, state that the Average Bid-Ask Spread is not available because it is a new ETF. For an ETF that has not yet completed 12 consecutive months, state that the Average Bid-Ask Spread is not available because the ETF has not yet completed 12 consecutive*

months. For an ETF that has completed 12 consecutive months but does not have sufficient data to calculate the Average Bid-Ask Spread, state the following: "This ETF did not have sufficient market depth (\$50,000) to calculate the average bid-ask spread."

**Item 3 — Investments of the ETF**

(1) Briefly set out under the heading "What does the ETF invest in?" a description of the fundamental nature of the ETF, or the fundamental features of the ETF that distinguish it from other ETFs.

(2) For an ETF that replicates an index,

(a) disclose the name or names of the permitted index or permitted indices on which the investments of the index ETF are based, and

(b) briefly describe the nature of that permitted index or those permitted indices.

(3) For an ETF that uses derivatives to replicate an index, state using wording substantially similar to the following:

The ETF uses derivatives, such as options, futures and swaps, to get exposure to the [index/benchmark] without investing directly in the securities that make up the [index/benchmark].

(4) Include an introduction to the information provided in response to subsection (5) and subsection (6) using wording similar to the following:

The charts below give you a snapshot of the ETF's investments on [insert date]. The ETF's investments will change.

(5) Unless the ETF is a newly established ETF, include under the sub-heading "Top 10 investments [date]", a table disclosing the following:

(a) the top 10 positions held by the ETF, each expressed as a percentage of the net asset value of the ETF;

(b) the percentage of net asset value of the ETF represented by the top 10 positions;

(c) the total number of positions held by the ETF.

(6) Unless the ETF is a newly established ETF, under the sub-heading "Investment mix [date]" include at least one, and up to two, charts or tables that illustrate the investment mix of the ETF's investment portfolio.

(7) For a newly established ETF, state the following under the sub-headings "Top 10 investments [date]" and "Investment mix [date]":

This information is not available because this ETF is new.

**INSTRUCTIONS:**

(1) Include in the information under "What does this ETF invest in?" a description of what the ETF primarily invests in, or intends to primarily invest in, or that its name implies that it will primarily invest in, such as

(a) particular types of issuers, such as foreign issuers, small capitalization issuers or issuers located in emerging market countries;

*(b) particular geographic locations or industry segments; or*

*(c) portfolio assets other than securities.*

*(2) Include a particular investment strategy only if it is an essential aspect of the ETF, as evidenced by the name of the ETF or the manner in which the ETF is marketed.*

*(3) If an ETF's stated objective is to invest primarily in Canadian securities, specify the maximum exposure to investments in foreign markets.*

*(4) The information under "Top 10 investments" and "Investment mix" is intended to give a snapshot of the composition of the ETF's investment portfolio. The information required to be disclosed under these sub-headings must be as at a date within 60 days before the date of the ETF facts document. The date shown must be the same as the one used in Item 2 for the total value of the ETF.*

*(5) If the ETF owns more than one class of securities of an issuer, those classes should be aggregated for the purposes of this Item, however, debt and equity securities of an issuer must not be aggregated.*

*(6) Portfolio assets other than securities should be aggregated if they have substantially similar investment risks and profiles. For instance, gold certificates should be aggregated, even if they are issued by different financial institutions.*

*(7) Treat cash and cash equivalents as one separate discrete category.*

*(8) In determining its holdings for purposes of the disclosure required by this Item, an ETF must, for each long position in a derivative that is held by the ETF for purposes other than hedging and for each index participation unit held by the ETF, consider that it holds directly the underlying interest of that derivative or its proportionate share of the securities held by the issuer of the index participation unit.*

*(9) If an ETF invests substantially all of its assets directly or indirectly (through the use of derivatives) in securities of one other mutual fund, list the 10 largest holdings of the other mutual fund and show the percentage of the other mutual fund's net asset value represented by the top 10 positions. If the ETF is not able to disclose this information as at a date within 60 days before the date of the ETF facts document, the ETF must include this information as disclosed by the other mutual fund in the other mutual fund's most recently filed ETF facts document or fund facts document, or its most recently filed management report of fund performance, whichever is most recent.*

*(10) Indicate whether any of the ETF's top 10 positions are short positions.*

*(11) Each investment mix chart or table must show a breakdown of the ETF's investment portfolio into appropriate subgroups and the percentage of the aggregate net asset value of the ETF constituted by each subgroup. The names of the subgroups are not prescribed and can include security type, industry segment or geographic location. The ETF should use the most appropriate categories given the nature of the ETF. The choices made must be consistent with disclosure provided under "Summary of Investment Portfolio" in the ETF's management report of fund performance.*

*(12) In presenting the investment mix of the ETF, consider the most effective way of conveying the information to investors. All tables or charts must be clear and legible.*

*(13) For new ETFs where the information required to be disclosed under "Top 10 investments" and "Investment mix" is not available, include the required sub-headings and provide a brief statement explaining why the required information is not available.*



**Item 4 — Risks**

(1) Under the heading "How risky is it?", state the following:

The value of the ETF can go down as well as up. You could lose money.

One way to gauge risk is to look at how much an ETF's returns change over time. This is called "volatility".

In general, ETFs with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. ETFs with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

(2) Under the sub-heading "Risk rating",

(a) using the investment risk classification methodology prescribed by Appendix F – *Investment Risk Classification Methodology to National Instrument 81-102 Investment Funds*, identify the ETF's investment risk level on the following risk scale:

|     |               |        |                |      |
|-----|---------------|--------|----------------|------|
| Low | Low to medium | Medium | Medium to high | High |
|-----|---------------|--------|----------------|------|

(b) unless the ETF is a newly established ETF, include an introduction to the risk scale which states the following:

[Insert name of the manager of the ETF] has rated the volatility of this ETF as [insert investment risk level identified in paragraph (a) in bold type].

This rating is based on how much the ETF's returns have changed from year to year. It doesn't tell you how volatile the ETF will be in the future. The rating can change over time. An ETF with a low risk rating can still lose money.

(c) for a newly established ETF, include an introduction to the risk scale which states the following:

[Insert name of the manager of the ETF] has rated the volatility of this ETF as [insert investment risk level identified in paragraph (a) in bold type].

Because this is a new ETF, the risk rating is only an estimate by [insert name of the manager of the ETF]. Generally, the rating is based on how much the ETF's returns have changed from year to year. It doesn't tell you how volatile the ETF will be in the future. The rating can change over time. An ETF with a low risk rating can still lose money.

(d) following the risk scale, state using wording substantially similar to the following:

For more information about the risk rating and specific risks that can affect the ETF's returns, see the [insert cross-reference to the appropriate section of the ETF's final prospectus] section of the ETF's prospectus.

(3) If the ETF does not have any guarantee or insurance, under the sub-heading "No guarantees", state using wording substantially similar to the following:

ETFs do not have any guarantees. You may not get back the amount of money you invest.

(4) If the ETF has an insurance or guarantee feature protecting all or some of the principal amount of an investment in the ETF, under the sub-heading "Guarantees":

(a) identify the person or company providing the guarantee or insurance; and

(b) provide a brief description of the material terms of the guarantee or insurance, including the maturity date of the guarantee or insurance.

**INSTRUCTIONS:**

*Based upon the investment risk classification methodology 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 ETF facts document, identify where the ETF fits on the continuum of investment risk levels by showing the full investment risk scale and highlighting the applicable category on the scale. Consideration should be given to ensure that the highlighted investment risk rating is easily identifiable.*

**Item 5 — Past Performance**

(1) Unless the ETF is a newly established ETF, under the heading "How has the ETF performed?", include an introduction using wording substantially similar to the following:

This section tells you how [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF have performed over the past [insert number of calendar years shown in the bar chart required under paragraph (3)(a)] years. Returns [add a footnote stating: Returns are calculated using the ETF's net asset value (NAV).] after expenses have been deducted. These expenses reduce the ETF's returns. (For an ETF that replicates an index, state: This means that the ETF's returns may not match the returns of the [index/benchmark].)

(2) For a newly established ETF, under the heading "How has the ETF performed?", include an introduction using the following wording:

This section tells you how [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF have performed, with returns calculated using the ETF's net asset value (NAV). However, this information is not available because the ETF is new.

(3) Under the sub-heading "Year-by-year returns",

(a) for an ETF that has completed at least one calendar year:

(i) provide a bar chart that shows the annual total return of the ETF, in chronological order with the most recent year on the right of the bar chart, for the lesser of

(A) each of the 10 most recently completed calendar years, and

(B) each of the completed calendar years in which the ETF has been in existence and for which the ETF was a reporting issuer; and

(ii) include an introduction to the bar chart using wording substantially similar to the following:

This chart shows how [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF performed in each of the past [insert number of calendar years shown in the bar chart required under paragraph (a)]. The ETF dropped in value in [for the particular years shown in the bar chart required under paragraph (a), insert the number of years in which the value of

the ETF dropped] of the [insert number of calendar years shown in the bar chart required in paragraph (a)(i)] years. The range of returns and change from year to year can help you assess how risky the ETF has been in the past. It does not tell you how the ETF will perform in the future.

(b) for an ETF that has not yet completed a calendar year, state the following:

This section tells you how [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF have performed in past calendar years. However, this information is not available because the ETF has not yet completed a calendar year.

(c) for a newly established ETF, state the following:

This section tells you how [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF have performed in past calendar years. However, this information is not available because the ETF is new.

(4) Under the sub-heading "Best and worst 3-month returns",

(a) for an ETF that has completed at least one calendar year:

(i) provide information for the period covered in the bar chart required under paragraph (3)(a) in the form of the following table:

|              | <b>Return</b>       | <b>3 months ending</b> | <b>If you invested \$1,000 at the beginning of the period</b> |
|--------------|---------------------|------------------------|---|
| Best return  | (see instruction 7) | (see instruction 9)    | Your investment would [rise/drop] to (see instruction 11).    |
| Worst return | (see instruction 8) | (see instruction 10)   | Your investment would [rise/drop] to (see instruction 12).    |

(ii) include an introduction to the table using wording substantially similar to the following:

This table shows the best and worst returns for the [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF in a 3-month period over the past [insert number of calendar years shown in the bar chart required under paragraph (3)(a)]. The best and worst 3-month returns could be higher or lower in the future. Consider how much of a loss you could afford to take in a short period of time.

(b) for an ETF that has not yet completed a calendar year, state the following:

This section shows the best and worst returns for the [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF in a 3-month period. However, this information is not available because the ETF has not yet completed a calendar year.

(c) for a newly established ETF, state the following:

This section shows the best and worst returns for the [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF in a 3-month period. However, this information is not available because the ETF is new.

(5) Under the sub-heading "Average return",

(a) for an ETF that has completed at least 12 consecutive months, show the following:

(i) the final value of a hypothetical \$1,000 investment in the ETF as at the end of the period that ends within 60 days before the date of the ETF facts document and consists of the lesser of

(A) 10 years, or

(B) the time since inception of the ETF; and

(ii) the annual compounded rate of return that equates the hypothetical \$1,000 investment to the final value.

(b) for an ETF that has not yet completed 12 consecutive months, state the following:

This section shows the value and annual compounded rate of return of a hypothetical \$1,000 investment in [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF. However, this information is not available because the ETF has not yet completed 12 consecutive months.

(c) for a newly established ETF, state the following:

This section shows the value and annual compounded rate of return of a hypothetical \$1,000 investment in [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF. However, this information is not available because the ETF is new.

**INSTRUCTIONS:**

*(1) In responding to the requirements of this Item, an ETF must comply with the relevant sections of Part 15 of National Instrument 81-102 Investment Funds as if those sections applied to an ETF facts document.*

*(2) Use a linear scale for each axis of the bar chart required by this Item.*

*(3) The x-axis and y-axis for the bar chart required by this Item must intersect at zero.*

*(4) An ETF that distributes different classes or series of securities that are referable to the same portfolio of assets must show performance data related only to the specific class or series of securities being described in the ETF facts document.*

*(5) The dollar amounts shown under this Item may be rounded up to the nearest dollar.*

*(6) The percentage amounts shown under this Item may be rounded to one decimal place.*

*(7) Show the best rolling 3-month return as at the end of the period that ends within 60 days before the date of the ETF facts document.*

*(8) Show the worst rolling 3-month return as at the end of the period that ends within 60 days before the date of the ETF facts document.*

*(9) Insert the end date for the best 3-month return period.*

*(10) Insert the end date for the worst 3-month return period.*

*(11) Insert the final value that would equate with a hypothetical \$1,000 investment for the best 3-month return period shown in the table.*

(12) Insert the final value that would equate with a hypothetical \$1,000 investment for the worst 3-month return period shown in the table.

### **Item 6 — Trading ETFs**

Under the sub-heading "Trading ETFs", state the following:

ETFs hold a basket of investments, like mutual funds, but trade on exchanges like stocks. Here are a few things to keep in mind when trading ETFs:

#### *Pricing [in bold type]*

ETFs have two sets of prices: market price and net asset value (NAV).

#### Market price

ETFs are bought and sold on exchanges at the market price. The market price can change throughout the trading day. Factors like supply, demand, and changes in the value of an ETF's investments can affect the market price.

You can get price quotes any time during the trading day. Quotes have two parts: bid and ask.

The bid is the highest price a buyer is willing to pay if you want to sell your ETF [units/shares]. The ask is the lowest price a seller is willing to accept if you want to buy ETF [units/shares]. The difference between the two is called the "bid-ask spread".

In general, a smaller bid-ask spread means the ETF is more liquid. That means you are more likely to get the price you expect.

#### Net asset value (NAV)

Like mutual funds, ETFs have a NAV. It is calculated after the close of each trading day and reflects the value of an ETF's investments at that point in time.

NAV is used to calculate financial information for reporting purposes – like the returns shown in this document.

#### *Orders [in bold type]*

There are two main options for placing trades: market orders and limit orders. A market order lets you buy or sell [units/shares] at the current market price. A limit order lets you set the price at which you are willing to buy or sell [units/shares].

#### *Timing [in bold type]*

In general, market prices of ETFs can be more volatile around the start and end of the trading day. Consider using a limit order or placing a trade at another time during the trading day.

## ***Item 7 — Suitability***

Provide a brief statement of the suitability of the ETF for particular investors under the heading "Who is this ETF for?". Describe the characteristics of the investor for whom the ETF may or may not be an appropriate investment, and the portfolios for which the ETF is and is not suited.

### ***INSTRUCTIONS:***

*(1) If the ETF is particularly unsuitable for certain types of investors or for certain types of investment portfolios, emphasize this aspect of the ETF. Disclose both the types of investors who should not invest in the ETF, with regard to investments on both a short- and long-term basis, and the types of portfolios that should not invest in the ETF. If the ETF is particularly suitable for investors who have particular investment objectives, this can also be disclosed.*

*(2) If there is textbox disclosure on the cover page pursuant to Item 1(g) of Part I of this form, the brief statement of the suitability of the ETF in Item 8 of Part I of this form must be consistent with any suitability disclosure in the textbox.*

## ***Item 8 — Impact of Income Taxes on Investor Returns***

Under the heading "A word about tax", provide a brief explanation of the income tax consequences for investors using wording similar to the following:

In general, you'll have to pay income tax on any money you make on an ETF. How much you pay depends on the tax laws where you live and whether or not you hold the ETF in a registered plan such as a Registered Retirement Savings Plan, or a Tax-Free Savings Account.

Keep in mind that if you hold your ETF in a non-registered account, distributions from the ETF are included in your taxable income, whether you get them in cash or have them reinvested.

## **Part II — Costs, Rights and Other Information**

### ***Item 1 — Costs of Buying, Owning and Selling the ETF***

#### ***1.1 — Introduction***

Under the heading "How much does it cost?", state the following:

This section shows the fees and expenses you could pay to buy, own and sell [name of the class/series of securities described in the ETF facts document] [units/shares] of the ETF. Fees and expenses – including trailing commissions – can vary among ETFs. Higher commissions can influence representatives to recommend one investment over another. Ask about other ETFs and investments that may be suitable for you at a lower cost.

#### ***1.2 — Brokerage commissions***

Under the sub-heading "Brokerage commissions", provide a brief statement using wording substantially similar to the following:

You may have to pay a commission every time you buy and sell [units/shares] of the ETF. Commissions may vary by brokerage firm. Some brokerage firms may offer commission-free ETFs or require a minimum purchase amount.

### 1.3 — ETF expenses

(1) Under the sub-heading "ETF expenses", include an introduction using wording similar to the following:

You don't pay these expenses directly. They affect you because they reduce the ETF's returns.

(2) Unless the ETF has not yet filed a management report of fund performance, provide information about the expenses of the ETF in the form of the following table:

|   | <b>Annual rate<br/>(as a % of the ETF's value)</b> |
|---|--|
| <b>Management expense ratio (MER)</b><br>This is the total of the ETF's management fee and operating expenses.<br>(If the ETF pays a trailing commission, state the following: "This is the total of the ETF's management fee (which includes the trailing commission) and operating expenses.")<br>(see instruction 1) | (see instruction 2)                                |
| <b>Trading expense ratio (TER)</b><br>These are the ETF's trading costs.  | (see instruction 3)                                |
| <b>ETF expenses</b>   | (see instruction 4)                                |

(3) Unless the ETF has not yet filed a management report of fund performance, above the table required under subsection (2), include a statement using wording similar to the following:

As of [see instruction 5], the ETF's expenses were [insert amount included in table required under subsection (2)]% of its value. This equals \$[see instruction 6] for every \$1,000 invested.

(4) For an ETF that has not yet filed a management report of fund performance, state the following:

The ETF's expenses are made up of the management fee, operating expenses and trading costs. The [class'/series'/ETF's] annual management fee is [see instruction 7]% of the [class'/series'/ETF's] value. As this [class/series/ETF] is new, operating expenses and trading costs are not yet available.

(5) If the ETF pays an incentive fee that is determined by the performance of the ETF, provide a brief statement disclosing the amount of the fee and the circumstances in which the ETF will pay it.

(6) Under the sub-heading "Trailing commission", include a description using wording substantially similar to the following:

The trailing commission is an ongoing commission. It is paid for as long as you own the ETF. It is for the services and advice that your representative and their firm provide to you.

(7) If the manager of the ETF or another member of the ETF's organization does not pay trailing commissions, include a description using wording substantially similar to the following:

This ETF doesn't have a trailing commission.

(8) If the manager of the ETF or another member of the ETF's organization pays trailing commissions, disclose the range of the rates of the trailing commission after providing a description using wording substantially similar to the following:

[Insert name of the manager of the ETF] pays the trailing commission to your representative's firm. It is paid from the ETF's management fee and is based on the value of your investment.

(9) If the manager of the ETF or another member of the ETF's organization pays trailing commissions for the class or series of securities of the ETF described in the ETF facts document but does not pay trailing commissions for another class or series of securities of the same ETF, state using wording substantially similar to the following:

This ETF also offers a [class/series] of [units/shares] that does not have a trailing commission. Ask your representative for details.

#### **INSTRUCTIONS:**

*(1) If any fees or expenses otherwise payable by the ETF were waived or otherwise absorbed by a member of the organization of the ETF, despite subsection 15.1(2) of National Instrument 81-106 Investment Fund Continuous Disclosure, only include a statement in substantially the following words:*

*[Insert name of the manager of the ETF] waived some of the ETF's expenses. If it had not done so, the MER would have been higher.*

*(2) Use the same MER that is disclosed in Item 2 of Part I of this Form. If applicable, include a reference to any fixed administration fees in the management expense ratio description required in the table under Item 1.3(2) of Part II of this Form.*

*(3) Use the trading expense ratio disclosed in the most recently filed management report of fund performance for the ETF.*

*(4) The amount included for ETF expenses is the amount arrived at by adding the MER and the trading expense ratio. Use a bold font or other formatting to indicate that ETF expenses is the total of all ongoing expenses set out in the chart and is not a separate expense charged to the ETF.*

*(5) Insert the date of the most recently filed management report of fund performance.*

*(6) Insert the equivalent dollar amount of the ongoing expenses of the ETF for each \$1,000 investment.*

*(7) The percentage disclosed for the management fee must correspond to the percentage shown in the fee table in the final prospectus.*

*(8) For an ETF that is required to include the disclosure under subsection (4), in the description of the items that make up ETF fees, include a reference to any fixed administrative fees, if applicable. Also disclose the amount of the fixed administration fee in the same manner as required for the management fee. The percentage disclosed for the fixed administration fee must correspond to the percentage shown in the fee table in the final prospectus.*

*(9) In disclosing the range of rates of trailing commissions, show both the percentage amount and the equivalent dollar amount for each \$1,000 investment.*

#### **1.4 — Other Fees**

(1) If applicable, provide the sub-heading "Other Fees".



(2) Provide information about the amount of fees payable by an investor when they buy, hold, sell or switch units or shares of the ETF, substantially in the form of the following table:

| <b>Fee</b>                         | <b>What you pay</b>  |
|------------------------------------|--|
| Redemption Fee                     | [Insert name of the manager of the ETF] may charge you up to [see instruction 1]% of the value of your [units/shares] you redeem or exchange directly from [insert name of the manager of the ETF].<br>(see instruction 1) |
| Other fees [ <i>specify type</i> ] | [ <i>specify amount</i> ]<br>(see instructions 2 and 3)  |

**INSTRUCTIONS:**

(1) *The percentage disclosed for the redemption fee must correspond to the percentage shown in the final prospectus.*

(2) *Under this Item, it is necessary to include only those fees that apply to the particular class or series of securities of the ETF. Examples include management fees and administration fees payable directly by investors, and switch fees. This also includes any requirement for an investor to participate in a fee-based arrangement with their dealer in order to be eligible to purchase the particular class or series of securities of the ETF. If there are no other fees associated with buying, holding, selling or switching units or shares of the ETF, replace the table with a statement to that effect.*

(3) *Provide a brief description of each fee disclosing the amount to be paid as a percentage (or, if applicable, a fixed dollar amount) and state who charges the fee. If the amount of the fee varies so that specific disclosure of the amount of the fee cannot be disclosed include, where possible, the highest possible rate or range for that fee.*

**Item 2 — Statement of Rights**

Under the heading "What if I change my mind?", state using wording substantially similar to the following:

Under securities law in some provinces and territories, you have the right to cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the prospectus, ETF Facts or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

**Item 3 — More Information about the ETF**

(1) Under the heading "For more information", state using wording substantially similar to the following:

Contact [insert name of the manager of the ETF] or your representative for a copy of the ETF's prospectus and other disclosure documents. These documents and the ETF Facts make up the ETF's legal documents.

(2) State the name, address and toll-free telephone number of the manager of the ETF. If applicable, also state the e-mail address and website of the manager of the ETF.