

THE SECURITIES ACT

)

Order No. 3351

)

Section 116(1)(c)

)

May 28, 2001

**COUNSEL GROUP OF FUNDS INC.
AND
COUNSEL SELECT CANADA PORTFOLIO
COUNSEL SELECT VALUE PORTFOLIO**

WHEREAS

(A) The Manitoba Securities Commission (the "Commission") in the province of Manitoba (the "Jurisdiction") has received an application (the "Application") from Counsel Group of Funds Inc., (the "Manager") and Counsel Select Canada Portfolio and Counsel Select Value Portfolio (the "Top Funds") for a decision pursuant to subsection 116(1)(c) of *The Securities Act*, R.S.M. 1988, c. S50 (the "Act") exempting Counsel from the reporting requirements contained in section 109 of the Act with respect to investments to be made by Counsel Select Canada Portfolio in Synergy Canadian Momentum Class and to investments by Counsel Select Value Portfolio in AGF International Stock Class;

(B) It has been represented by Counsel to the Commission that:

1. The Manager is a corporation established under the laws of the Province of Ontario and will act as the manager and promoter of the Top Funds.
2. The Top Funds will be open-end mutual fund trusts established under the laws of the Province of Ontario. Units of the Top Funds will be qualified for distribution under a final simplified prospectus and annual information form (collectively, the "Prospectus").
3. The Top Funds will be a reporting issuer in every province in Canada (except Quebec) and are not in default of any requirements of the securities legislation of the Provinces in Canada.
4. Synergy Canadian Momentum Class (the "Synergy Fund") is a class of shares of a mutual fund corporation, Synergy Canadian Fund Inc., and is managed by Synergy Asset Management Inc. ("Synergy"). Shares of the Synergy Fund are offered for distribution under a simplified prospectus dated November 13, 2000.
5. AGF International Stock Class (the "AGF Fund") is a class of shares of a mutual fund corporation, AGF International Group Limited, and is managed by AGF Funds Inc. ("AGF"). Shares of the AGF Fund are offered for distribution under a simplified prospectus dated April 19, 2000.

6. The Synergy Fund and the AGF Fund (collectively, the "Underlying Funds") are reporting issuers in all the provinces of Canada and are not in default of any requirements of the securities legislation of the Provinces of Canada.

7. The Prospectus discloses that each Top Fund will be a "fund of funds" which will invest (the "Investments") all their assets, excluding cash and cash equivalents held to meet redemptions and expenses, in their corresponding Underlying Fund in order to achieve their respective investment objectives.

8. The amount a Top Fund may invest in an Underlying Fund is referred to as its target weighting ("Target Weighting"). The Target Weighting for Counsel Select Canada Portfolio in the Synergy Fund is 30%. The Target Weighting for Counsel Select Value Portfolio in the AGF Fund is 50%.

9. The Manager will amend the Prospectus, provide 60 days' notice to investors or obtain approval of unitholders of the Top Funds, as the case may be, in the event it changes an Underlying Fund or a Target Weighting.

10. In the absence of this Decision, as soon as the aggregate holdings of Counsel Select Canada Portfolio of securities of the Synergy Fund exceed 10% of the outstanding securities of the Synergy Fund, the Manager and possibly Counsel Select Canada Portfolio would be required to comply with the insider reporting requirements of the Act.

11. In the absence of this Decision, as soon as the aggregate holdings of Counsel Select Value Portfolio of securities of the AGF Fund exceed 10% of the outstanding securities of the AGF Fund, the Manager and possibly Counsel Select Value Portfolio would be required to comply with the insider reporting requirements of the Act.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant this order.

IT IS ORDERED:

1. THAT, pursuant to subsection 116(1)(c) of the Act, Counsel Select Canada Portfolio shall be exempt from the reporting requirements of section 109 of the Act with respect to the purchase and sale of securities of the Synergy Fund.

2. THAT, pursuant to subsection 116(1)(c) of the Act, Counsel Select Value Portfolio shall be exempt from the reporting requirements of section 109 of the Act with respect to the purchase and sale of securities of the AGF Fund.

3. THAT, the fee for this order is \$25.00.

BY ORDER OF THE COMMISSION

Director - Legal