

GREYSTONE MANAGED INVESTMENTS INC.

WHEREAS:

(A) Greystone Managed Investments Inc. ("Greystone") has made an application on behalf of present and future employees, officers and directors of Greystone resident in Manitoba (the "Employees") to the Manitoba Securities Commission (the "Commission") for an order, pursuant to section 20 of *The Securities Act* (Manitoba) (the "Act"), that trades by Greystone Balanced Fund, Greystone Canadian Money Market Fund, Greystone Canadian Equity Fund, Greystone Canadian Fixed Income Growth Fund, Greystone Canadian Income and Growth Fund, Greystone U.S. Equity Fund, Greystone Non-North American Equity Fund and Greystone Emerging Markets Equity Fund (collectively, the "Funds") to Employees and to corporations wholly-owned by those Employees and/or their spouses and to trusts whose beneficiaries are those Employees and their spouses and children ("Related Entities") shall be exempt from Sections 6(1) or 37(1) of the Act;

(B) Greystone has represented to the Commission that:

1. Each of the Funds is an open-ended mutual fund unit trust established under the laws of Saskatchewan by separate declarations of trust.
2. None of the Funds is subject to the continuous disclosure requirements of the Act or is a reporting issuer in any jurisdiction in Canada. None of the Funds is in default of any requirement of the Act, the regulations thereunder or any decision of the Commission.
3. The units of each of the Funds are offered and sold on an exempt basis to clients of Greystone and to Greystone as portfolio manager for accounts fully managed by it, primarily under the exemptions set out in Sections 19(3) and 58(1)(a) of the Act.
4. Greystone is registered as a Broker Dealer and Investment Counsel under the Act.
5. Greystone is a wholly-owned subsidiary of Greystone Capital Management Inc. ("Capital"), a corporation incorporated under the laws of Saskatchewan and registered as an adviser under *The Securities Act*, 1988 (Saskatchewan). Approximately 55% of the issued and outstanding shares of Capital are owned by a group of 29 employees of Capital.

6. As part of the ongoing compensation program of Greystone, Greystone intends to offer and sell units in the Funds to the Employees. Pursuant to arrangements in place with each of the Funds, Greystone has agreed that it will not charge any fees to the Employees, the Related Entities or the Funds in respect of units held by the Employees or the Related Entities. In addition, other than reimbursement for certain out-of-pocket expenses incurred in connection with the administration of the Funds, no fees are payable to the Funds.

7. At present, there are 6 full-time Employees resident in Manitoba. Of these, 3 are directly involved in the investment activities of Greystone (including 1 marketing personnel), 3 are primarily in administrative and accounting capacities. All such Employees will be provided equal opportunity to participate in the Funds on the no-fee basis described above.

8. The issue and sale of securities by an issuer to its employees is typically exempt from the registrations and prospectus provisions of the Act by virtue of the exemptions in Sections 19(1)(l) and 58(1)(a) of the Act. Technically, those exemptions are not available in this case as the Funds are the issuers and the Employees are those of Greystone, the manager of the Funds. Furthermore, although the Funds have been established and are managed by Greystone, Greystone is not an "affiliate" of the Funds within the meaning of the Act.

9. The Employees have knowledge of or access to, information relating to the Funds, the units of the Funds and the management of the assets of the Funds by Greystone, by virtue of their positions with Greystone and the Funds, the availability of personal contact with investment personnel registered as advisers in Manitoba and Saskatchewan, all of whom are directly involved in the management of the Funds.

10. Given the relatively small size of the firm, all of Greystone's Employees are given free access to the firm's research capabilities and are provided with the opportunity to speak on regular basis to and consult with the Funds' portfolio managers and other Employees of Greystone who are registered as advisers in Manitoba and/or Saskatchewan concerning the Funds' investment portfolios and the advisability of, and risks involved in, purchasing units in the Funds. Employees will be advised by Greystone's Chief Compliance Officer that information and advice is available to Employees. The Chief Compliance Officer of Greystone will retain oversight responsibility for ensuring Employees questions and concerns are addressed appropriately.

11. Employees purchasing units in the Funds will be provided with a copy any confidential offering memorandum prepared by the Funds, and with the statutory rights of action provided in the Act.

12. Employees are provided at any time with the option of engaging Greystone to manage their investment portfolios on a fully discretionary basis, at no charge to the Employee. Greystone also manages the Employees' pension fund.

13. Participation by Employees provides Employees access to no-fee investment management services of, and the opportunity to participate in the business of, Greystone.

(C) The Commission is satisfied that it would not be prejudicial to the public interest to grant this Order;

IT IS ORDERED:

1. THAT, Pursuant to Section 20 of the Act, trades by Funds of units of respective funds to:

(a) Employees of Greystone;

(b) holding companies wholly-owned by an Employee and/or his/her spouse where the investment decision to purchase the units of the Funds is exercised by the Employee; or

(c) trusts, the beneficiaries of which is an Employee, a spouse of an Employee or children of an Employee where the investment decision to purchase the units of the Funds is exercised by the Employee;

shall be exempt from sections 6 and 37 of the Act provided that Greystone files with the Commission, within 30 days of the end of each fiscal quarter in which sales of units of the Funds have been made to the persons referred to in (a) through (c) above, a report setting out the names, addresses, telephone numbers and purchasers of units made such purchasers.

2. The fee for this order shall be \$1000.00.

BY ORDER OF THE COMMISSION

DIRECTOR - LEGAL