

**THE SECURITIES ACT**

)

**Order No. 2868**

)

**Section 20**

)

**April 7, 2000**

**RT CAPITAL MANAGEMENT INC.**

**WHEREAS:**

(A) Application has been made by RT Capital Management Inc. (the "Applicant") to The Manitoba Securities Commission (the "Commission") for an order pursuant to section 20 of the Securities Act (the "Act") that additional investments in units of pooled fund trusts (individually a "Fund" and, collectively, the "Funds") established or to be established from time to time by the Applicant be exempt from sections 6 and 37 of the Act on certain conditions;

(B) The Applicant has represented to the Commission that:

1. The Applicant is a corporation incorporated under the laws of Canada and is registered under the Act as an adviser;
2. The Applicant has established and may establish Funds under the laws of Ontario, from time to time, as open-ended pooled investment trusts, in order to provide a pooled investment vehicle for its clients;
3. Each Fund is or will be established pursuant to a declaration or deed of trust under which a trust company incorporated and licensed under the laws of Canada or a province of Canada will act as trustee and custodian of the trust property comprising each Fund;
4. The Funds are not and do not currently intend to become subject to the continuous disclosure requirements of the Act, and units of the Funds are not and will not be listed on any stock exchange;
5. Units of certain existing Funds and Funds to be established are or will be qualified for investment by a trust governed by a registered retirement savings plan or a registered retirement income fund;
6. Units of each Fund are and will be non-transferable and are and will be redeemable upon the request of a unitholder at the net asset value per unit on a valuation date, all as set out in each Fund's respective declaration or deed of trust;
7. Units of the Funds are and will be distributed on a continuous basis pursuant to the exemptions from the registration and prospectus requirements contained in subsection 19(3) and clause 58(1)(a) of the Act, and subsection 90(1) of the Securities Regulation made pursuant to the Act, available to purchasers of at least

\$97,000 of units of a Fund, (the "Privately Placed Units") and pursuant to other exemptions or discretionary rulings granting relief from the registration and prospectus requirements of the Act;

8. The assets of each Fund are and will be invested from time to time upon the advice of the Applicant, or an investment adviser appointed by the Applicant based on the objectives, policies and restrictions of such Fund as set out in each Fund's respective declaration or deed of trust;

9. The value of the minimum initial investment in Privately Placed Units (the "Initial Investment") by an investor will be no less than \$97,000;

10. Following the Initial Investment in a Fund, investors may acquire additional Privately Placed Units of that Fund (the "Additional Units") by subscribing and paying for Additional Units;

11. Investors may acquire additional units of the Funds by automatically reinvesting distributions attributable to outstanding units;

12. In order to issue additional units upon reinvestment of distributions otherwise payable, each Fund relies and will rely on the exemption from the registration and prospectus requirements of the Act in Order 230/87 of the Commission entitled Automatic Investment of Dividends or Distributions in Shares or Units of Mutual Funds;

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

**IT IS ORDERED:**

**1. THAT**, pursuant to section 20 of the Act that trades in Additional Units of a Fund, as described above, are not subject to sections 6 and 37 of the Act, provided that:

(a) at the time of the acquisition of Additional Units of a Fund, the Applicant's registration under the Act as an adviser is in good standing;

(b) at the time of the acquisition of Additional Units of a Fund, the unitholder then holds Privately Placed Units of that Fund by way of an Initial Investment having an aggregate acquisition cost or an aggregate net asset value of not less than \$97,000; and

(c) the ruling will terminate 90 days after the publication in final form by the Commission of any rule exempting from sections 6 and 37 of the Act distributions on behalf of a pooled fund of additional securities, which rule applies to trades of Additional Units as described in paragraph 10 above.

**BY ORDER OF THE COMMISSION**

**Director – Legal**