

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO, NEW BRUNSWICK, NOVA SCOTIA,
PRINCE EDWARD ISLAND, NEWFOUNDLAND,
NORTHWEST TERRITORIES AND NUNAVUT**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR
EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
BARING ASSET MANAGEMENT INC. AND
BARING INTERNATIONAL INVESTMENT LIMITED**

MRRS DECISION DOCUMENT

WHEREAS the local securities authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland, Northwest Territories and Nunavut (the "Jurisdictions") has received an application from Baring International Investment Limited and Baring Asset Management Inc. (collectively, the "Applicants") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that:

1. Certain trades in Additional Units (as defined below) and Reinvested Units (as defined below) of a Baring Pooled Fund (as defined below) to existing holders of Units (as defined below) of that Baring Pooled Fund are not subject to the dealer registration requirement and prospectus requirement of the Legislation of Manitoba, Ontario, New Brunswick, Prince Edward Island and Newfoundland (the "Prospectus Jurisdictions"); and
2. Trades in units ("Units") of a Baring Pooled Fund are not subject to the requirements of the Legislation other than that of Manitoba relating to the filing of forms and the payment of fees within 10 days of each trade (or in some cases within 10 days after the end of the calendar year in which the distribution takes place).

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission (the "Principal Regulator") is the principal regulator for this application;

AND WHEREAS the Applicants have represented to the Decision Makers that:

1. Baring International Investment Limited ("BIIL") was incorporated in 1979 under the laws of England and Wales and carries on business internationally as an investment portfolio manager. BIIL is a member of the Investment Management Regulatory Organization – Financial Services Authority in the United Kingdom, and is registered in the United States as an investment adviser with the Securities and Exchange Commission, in Ontario as an international adviser and international dealer with the Principal Regulator and in British Columbia as a portfolio manager with the British Columbia Securities Commission.

2. Baring Asset Management Inc. ("BAMI"), an affiliate of BIIL, was incorporated in 1967 under the laws of Massachusetts and carries on business internationally as an investment adviser. BAMI is registered in the United States as an investment adviser with the Securities and Exchange Commission, in Ontario as a non-resident adviser in the categories of investment counsel and portfolio manager with the Principal Regulator, in Nunavut as a broker in the category of investment counsel with the Nunavut Registrar of Securities and in Alberta has applied for registration as an investment counsel and portfolio manager with the Alberta Securities Commission.

3. The Applicants are members of the Baring Asset Management Group of investment management companies that offer investment advisory services primarily outside of Canada. As at December 31, 2000, the Baring Asset Management Group had worldwide assets under management of approximately U.S. \$46.2 billion and as of the same date, BIIL managed assets of approximately U.S. \$10.5 billion and BAMI managed assets of approximately U.S. \$645 million. The Applicants are indirect, wholly-owned subsidiaries of Internationale Nederlanden Groep NV of the Netherlands.

4. The Applicants are not reporting issuers under the Legislation and are not in default of any of the requirements of the Legislation.

5. The Applicants currently offer a group of mutual fund trusts known as the "Baring Pooled Funds" in Canada. To date, BIIL has established two of such funds, Baring Europac Fund ("Europac Fund") and Baring Omnium Fund ("Omnium Fund"), and BAMI has established two of such funds, Baring U.S. Equity Fund ("U.S. Equity Fund") and Baring Global Bond Fund ("Global Bond Fund") (Europac Fund, Omnium Fund, U.S. Equity Fund and Global Bond Fund are referred to herein collectively as the "Existing Baring Pooled Funds").

6. Additional mutual fund trusts may be established by the Applicants from time to time in the future as members of the Baring Pooled Funds to better service the clients of the Applicants (the "Future Baring Pooled Funds", and collectively with the Existing Baring Pooled Funds, the "Baring Pooled Funds"). The Applicants are the manager, principal investment advisor, principal distributor and promoter of the Existing Baring Pooled Funds and it is anticipated that the management structure and general nature of the Future Baring Pooled Funds will be substantially the same as that of the Existing Baring Pooled Funds.

7. Each of the Baring Pooled Funds is or will be an open-ended, pooled investment trust established pursuant to a declaration of trust under the laws of the Province of Ontario. Each of the Baring Pooled Funds is or will be a "mutual fund" as defined in the Legislation.

8. Each Baring Pooled Fund is or will be divided into Units of one class. Units of a Baring Pooled Fund rank equally with every other Unit of the same fund. Units of the Baring Pooled Funds are or will not be transferable, except in the limited circumstances set out in the declaration of trust for a particular Baring Pooled Fund. It is not expected that any of the Baring Pooled Funds will become a reporting issuer (as such term is defined in the Legislation) or that Units of any of the Baring Pooled Funds will be listed on any stock exchange.

9. Units of each Baring Pooled Fund are or will be offered on a continuous basis to investors in all of the Jurisdictions at a price per Unit equal to the net asset value per Unit of the Baring Pooled Fund calculated in accordance with the declaration of trust of the relevant fund. Units of the Baring Pooled Funds are or will be redeemable at the option of investors, in accordance with the declaration of trust of each Baring Pooled Fund.

10. Units of each Baring Pooled Fund are or will be distributed to investors ("Unitholders") in the Jurisdictions by a registered dealer or in reliance on the exemption from the dealer registration and prospectus requirements set out in the Legislation where the purchaser purchases as principal if the aggregate acquisition cost is not less than a prescribed amount (the "Prescribed Amount") or pursuant to other exemptions from the dealer registration and prospectus requirements of the Legislation.

11. The minimum initial investment in a Baring Pooled Fund (the "Initial Investment") by a resident of any Jurisdiction will be not less than the Prescribed Amount in that Jurisdiction.

12. Following a Unitholder's Initial Investment in a Baring Pooled Fund, the Unitholder from time to time may wish to purchase additional Units of that Baring Pooled Fund ("Additional Units") having an acquisition value of less than the Prescribed Amount, provided that at the time of the subsequent acquisition the Unitholder holds Units of the relevant Baring Pooled Fund with an aggregate acquisition cost or aggregate net asset value equal to at least the Prescribed Amount.

13. Each Baring Pooled Fund distributes or will distribute Additional Units by way of automatic reinvestment of distributions to Unitholders of such Fund ("Reinvested Units").

AND WHEREAS under the System, this Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met:

THE DECISION of the Decision Makers under the Legislation is that:

1. The dealer registration requirement and prospectus requirement contained in the Legislation of the Prospectus Jurisdictions does not apply to:

(a) the issuance of Additional Units of a Baring Pooled Fund provided that:

(i) the Initial Investment by a Unitholder was for not less than the Prescribed Amount in the Jurisdiction.

(ii) at the time of the issuance of such Additional Units of a Baring Pooled Fund, the Unitholder who made the Initial Investment in such Fund of at least the Prescribed Amount, then owns Units of that Baring Pooled Fund having an aggregate purchase price or net asset value of not less than the Prescribed Amount of the applicable Prospectus Jurisdiction;

(iii) at the time of issuance of such Additional Units, BIIL is registered under the Legislation of Ontario as an international adviser or international dealer or BAMI is registered under the Legislation of Ontario as a non-resident adviser in the categories of investment counsel and portfolio manager and such registration is in good standing; and

(iv) this paragraph 1(a) will cease to be in effect with respect to a Prospectus Jurisdiction 90 days after the coming into force of any legislation, regulation or rule in such Jurisdiction regarding the distribution of Additional Units of pooled funds;

(b) an issuance of Reinvested Units of a Baring Pooled Fund to a Unitholder of that Fund provided that:

(i) no sales commissions or other charge in respect of such issuance of Reinvested Units is payable; and

(ii) each Unitholder who receives Reinvested Units has received, not more than 12 months before such issuance, disclosure in the annual financial statements of the Baring Pooled Fund describing (A) the details of any deferred or contingent sales charge or redemption fee that is payable at the time of the redemption of a Unit, (B) any right that the Unitholder has to make an election to receive cash instead of Units on the payment of the net income or net realized capital gains distributed by the Fund; (C) instructions on how the right referred to in subclause (B), if any, can be exercised, and (D) the fact that no prospectus is available for the Baring Pooled Fund as Units are offered pursuant to prospectus exemptions only;

provided that the first trade in Additional Units and Reinvested Units that are issued pursuant to this Decision shall be deemed to be a distribution or a primary distribution to the public under the Legislation of the Jurisdiction in which the trade takes place (the

"Applicable Legislation"), unless otherwise exempt thereunder or unless such first trade is made in the following circumstances:

(i) the applicable Baring Pooled Fund is a reporting issuer or the equivalent under the Applicable Legislation;

(ii) if the seller of the Additional Units or Reinvested Units is in a special relationship (as defined in the Applicable Legislation) with the Baring Pooled Fund, the seller has reasonable grounds to believe that the Baring Pooled Fund is not in default of any requirement of the Applicable Legislation;

(iii) no unusual effort is made to prepare the market or to create a demand for the Additional Units or Reinvested Units and no extraordinary commission or consideration is paid in respect of such trade; and

(iv) the Additional Units have been held for a period of at least eighteen months from the date they were acquired by the seller of the Additional Units, or the Reinvested Units have been held for a period of at least eighteen months from the date they were acquired by the seller of the Reinvested Units;

2. The requirements contained in the Legislation other than that of Manitoba to file a report of an Initial Investment or of a distribution of Additional Units within 10 days of such trade (or in some cases within 10 days after the end of the calendar year in which the distribution takes place), shall not apply to such trade, provided that within 30 days after each financial year end of each Baring Pooled Fund, such Fund:

(a) files with the applicable Decision Maker a report in respect of all trades in Units of that Fund during such financial year, in the form prescribed by the applicable Legislation; and

(b) remits to the applicable Decision Maker the fee prescribed by the applicable Legislation.

DATED July 30, 2001

"Paul M. Moore"

"Stephen N. Adams"