

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO, NOVA SCOTIA, QUEBEC AND NEWFOUNDLAND

AND

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

AND

IN THE MATTER OF

C.I. EMERGING MARKETS RSP FUND	C.I. EMERGING MARKETS FUND
C.I. INTERNATIONAL RSP FUND	C.I. INTERNATIONAL FUND
C.I. PACIFIC RSP FUND	C.I. PACIFIC FUND
C.I. GLOBAL BUSINESS-TO- BUSINESS(b2b) RSP FUND (formerly C.I. European RSP Fund)	C.I. GLOBAL BUSINESS-TO-BUSINESS (b2b) SECTOR SHARES (formerly C.I. European Sector Shares)
C.I. GLOBAL BIOTECHNOLOGY RSP FUND	C.I. GLOBAL BIOTECHNOLOGY SECTOR SHARES
C.I. GLOBAL CONSUMER PRODUCTS RSP FUND	C.I. GLOBAL CONSUMER PRODUCTS SECTOR SHARES
C.I. GLOBAL ENERGY RSP FUND	C.I. GLOBAL ENERGY SECTOR SHARES
C.I. JAPANESE RSP FUND	C.I. JAPANESE SECTOR SHARES
C.I. GLOBAL MANAGERS RSP FUND (formerly C.I. Multi-Manager RSP Fund)	C.I. GLOBAL MANAGERS SECTOR SHARES (formerly C.I. Multi-Manager Sector Shares)

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from C.I. Mutual Funds Inc. ("C.I."), on its own behalf and on behalf of the C.I. Emerging Markets RSP Fund, C.I. International RSP Fund, C.I. Pacific RSP Fund, C.I. Global Business-to Business (b2b) RSP Fund (formerly C.I. European RSP Fund), C.I. Global Biotechnology RSP Fund, C.I. Global Consumer Products RSP Fund, C.I. Global Energy RSP Fund, C.I. Japanese RSP Fund, and C.I. Global Managers RSP Fund (formerly C.I. Multi-Manager RSP Fund) (collectively, the "RSP Funds"), for a decision by each Decision Maker (collectively, the "Decision") under the securities legislation of the Jurisdictions (the "Legislation") that the following provisions of the Legislation (the "Applicable Requirements") do not apply to the RSP Funds, or C.I., as the case may be, in connection with certain investments to be made by the RSP Funds;

- i. the provisions requiring a mutual fund security holder to issue a news release and file a report where its aggregate holdings of securities of a reporting issuer exceed 10% of the outstanding voting or equity securities of the reporting issuer, and to refrain from purchasing additional voting or equity securities of the reporting issuer for a specified period of time once its holdings exceed the 10% level and before such holdings exceed the 20% level;
- ii. the provisions prohibiting a mutual fund from knowingly making and holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial securityholder;
- iii. the provision requiring the management company of a mutual fund to file a report relating to the purchase or sale of securities between the mutual fund and any related person or company, or any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, the mutual fund is a joint participant with one or more of its related persons or companies; and
- iv. the provision prohibiting a portfolio manager from knowingly causing an investment portfolio managed by it to invest in the securities of an issuer in which a "responsible person" (as that term is defined in the Legislation) is a director or officer, unless the specific fact is disclosed to the client and, if applicable, the written consent of the client to the investment is obtained before the purchase;

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

AND WHEREAS C.I. has made the following representations to the Decision Makers:

1. The C.I. Emerging Markets Fund, C.I. International Fund, C.I. Pacific Fund (collectively, the "Reference Funds") are the funds underlying the RSP Funds shown on left-hand side of the title of this decision document opposite the names of the Reference Funds.
2. The C.I. Global Business-to-Business (b2b) Sector Shares (formerly C.I. European Sector Shares), C.I. Global Biotechnology Sector Shares, C.I. Global Consumer Products Sector Shares, C.I. Global Energy Sector Shares, C.I. Japanese Sector Shares, and C.I. Global Managers Sector Shares (formerly C.I. Multi-Manager Sector Shares) (collectively, the "Reference Shares") are the classes of shares of C.I. Sector Fund Limited (the "Sector Fund"), which underlie the RSP Funds shown on the left-hand side of the title of this decision document opposite each Reference Shares.
3. Each of the RSP Funds will be, and each of the Reference Funds, is an open-ended mutual fund trust established or will be established under the laws of the Province of Ontario. Each of the Reference Shares is or will be a class of shares of the Sector Fund, a mutual fund corporation incorporated under the laws of the Province of Ontario,
4. C.I. is a corporation amalgamated under the laws of the Province of Ontario. The head office of C.I. is located in Ontario,

5. C.I. is or will be the manager, promoter, trustee and portfolio manager of each of the RSP Funds and the Reference Funds. It is also the manager, promoter and portfolio manager of the Reference Shares. C.I., as portfolio manager of the RSP Funds, and the directors and officers of C.I. are responsible persons in respect of the RSP Funds. Certain directors and officers of C.I. are also directors of the Sector Fund.

6. The RSP Funds will be, and the Reference Funds are, reporting issuers. None of the Reference Funds is in default of any requirements of the Legislation of the Jurisdictions. The securities of each of the Reference Funds are currently qualified for distribution in all the Jurisdictions pursuant to a simplified prospectus and annual information form dated August 5, 1999 (the "August/99 Prospectus") of the Reference Funds. The Reference Shares, other than the C.I. Global Business-to Business (b2b) Sector Shares (the "Global b2b Shares") and the C.I. Global Managers Sector Shares (the "Managers Shares"), are also currently qualified for distribution in all the Jurisdictions pursuant to the August/99 Prospectus of the Sector Fund. The securities of the RSP Funds and the Global b2b Shares and the Managers Shares will be qualified under a simplified prospectus and annual information form (collectively, the "Prospectus") to be filed shortly in all the Jurisdictions.

7. Each of the RSP Funds seeks to achieve its investment objective while ensuring that securities of the RSP Funds do not constitute "foreign property" for registered plans (the "Registered Plans") under the *Income Tax Act* (Canada) (the "Tax Act").

8. To achieve its investment objective, each of the RSP Funds will invest its assets in securities such that its units will, in the opinion of tax counsel to the RSP Funds, be "qualified investments" for Registered Plans and will not constitute "foreign property" (as defined in the Tax Act) to such Registered Plans. This will primarily be achieved through the implementation of a derivative strategy. However, the RSP Funds also intend to invest a portion of their assets in securities of their corresponding Reference Funds or Reference Shares. This investment of the RSP Funds will at all times be below the maximum foreign property limit prescribed for Registered Plans (the "Permitted Limit").

9. The investment objectives of the Reference Funds, and of each Reference Shares of the Sector Fund, are or will be achieved through investments primarily in foreign securities.

10. The direct investments by the RSP Funds in their corresponding Reference Funds or Reference Shares will be within the Permitted Limit (the "Permitted RSP Fund Investments"). The amount of direct investment by each RSP Fund in its corresponding Reference Fund or Reference Shares will be adjusted from time to time so that, except for transitional cash, the aggregate of derivative exposure to, and direct investment in, the Reference Fund or Reference Shares will equal 100% of the assets of the RSP Fund.

11. Except as provided by This Decision and except for the specific exemptions or approvals granted or to be granted by the Canadian securities administrators under National Instrument 81-102 ("NI 81-102"), the investments of the RSP Funds in the Reference Funds or the Reference Shares have been or will be structured to comply with the investment restrictions of the Legislation and NI 81-102.

12. In the absence of the Decision, as soon as each RSP Fund's aggregate holdings of securities of its corresponding Reference Fund or Reference Shares exceed 10% of the outstanding securities of such Reference Fund or class of Reference Shares, the RSP Fund would be required to comply with the reporting and other requirements of the Legislation.

13. In the absence of the Decision, each of the RSP Funds is prohibited from

(a) knowingly making an investment in its corresponding Reference Fund or Reference Shares in which the RSP Fund, alone or together with one or more related mutual funds, is or will be a substantial securityholder; and

(b) knowingly holding an investment referred to in subparagraph (a) above and would thus be required to divest itself of such investment.

14. In the absence of the Decision, C.I. would be required to file a report on every purchase or sale by the RSP Funds of securities of their corresponding Reference Funds or Reference Shares.

15. In the absence of the Decision, C.I. is prohibited from causing certain RSP Funds to invest in their corresponding Reference Shares, unless the fact that certain directors of C.I. are also officers of the Sector Fund is disclosed to the RSP Funds and, if applicable, the written consent of the RSP Funds is obtained before the purchase.

16. The investment in or redemption of securities of the corresponding Reference Funds or Reference Shares, by the RSP Funds, represents the business judgment of responsible persons, uninfluenced by considerations other than the best interest of the RSP Funds.

AND WHEREAS under the System, this MRRS Decision Document evidences the Decision of each Decision Maker;

AND WHEREAS each of the Decision Makers is satisfied that the tests contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision have been met;

THE DECISION of the Decision Makers under the Legislation is that the Applicable Requirements do not apply to the RSP Funds, or C.I., as the case may be, in respect of investments to be made by the RSP Funds in their corresponding Reference Funds or Reference Shares,

PROVIDED IN EACH CASE THAT:

(i) the Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule of that Decision Maker dealing with the matters in section 2.5 of NI 81-102; and

(ii) the Decision shall only apply in respect of investments in, or transactions with, the corresponding Reference Funds or Reference Shares that are made by the RSP Funds in compliance with the following conditions:

- (a) the RSP Funds, the Reference Funds and the Reference Shares are under common management, and both the Reference Funds' securities and the Reference Shares are offered, and will continue to be offered, for sale in the Jurisdiction of the Decision Maker pursuant to a prospectus that has been filed with and accepted by the Decision Maker,
- (b) each RSP Fund restricts its aggregate direct investment in its corresponding Reference Fund or Reference Shares to a percentage of its assets that is within the Permitted Limit;
- (c) the investment by the RSP Funds in their corresponding Reference Funds or Reference Shares is compatible with the fundamental investment objective of the RSP Funds;
- (d) the Prospectus of the RSP Funds describes the intent of the RSP Funds to invest in their corresponding Reference Funds or Reference Shares;
- (e) the RSP Funds may change the Permitted RSP Fund Investments if they change their fundamental investment objectives in accordance with NI 81-102;
- (f) there are compatible dates for the calculation of the net asset value of the RSP Funds and their corresponding Reference Funds or Reference Shares for the purpose of the issue and redemption of the securities of the RSP Funds, Reference Funds and the Reference Shares;
- (g) no sales charges are payable by the RSP Funds in relation to their purchases of securities of the corresponding Reference Funds or Reference Shares;
- (h) no redemption fees or other charges are charged by the Reference Funds or by the Sector Fund as issuer of the Reference Shares, in respect of the redemption by the RSP Funds of securities of their corresponding Reference Funds or Reference Shares that are owned by the RSP Funds;
- (i) the arrangements between or in respect of the RSP Funds, the Reference Funds and the Reference Shares are such as to avoid the duplication of management fees;
- (j) no fees and charges of any sort are paid by each RSP Fund, its corresponding Reference Fund, or the Sector Fund as issuer of the corresponding Reference Shares, or by the manager or principal distributor of the RSP Funds, Reference Funds or Reference Shares, or by any affiliate or associate of any of the foregoing

entities, to anyone in respect of each RSP Fund's purchase, holding or redemption of the securities of its corresponding Reference Fund or Reference Shares;

(k) in the event of the provision of any notice to the securityholders of a Reference Fund or any Reference Shares, as required by applicable laws or the constating documents of the Reference Fund or the Sector Fund as issuer of the Reference Shares, the notice will also be delivered to the securityholders of the corresponding RSP Fund; all voting rights attached to the securities of the Reference Fund or the Reference Shares that are owned by the corresponding RSP Fund will be passed through to the securityholders of such RSP Fund;

(l) in the event that a meeting of the securityholders of a Reference Fund or any Reference Shares is called, all of the disclosure and notice material prepared in connection with such meeting and received by the corresponding RSP Fund will be provided to the securityholders of such RSP Fund; such securityholders will be entitled to direct a representative of the RSP Fund to vote the RSP Fund's holding in the Reference Fund or the Reference Shares in accordance with their direction; and the representative of the RSP Fund will not be permitted to vote the RSP Fund's holdings in the Reference Fund or the Reference Shares except to the extent the securityholders of the RSP Fund so direct;

(m) in addition to receiving the annual and (upon request) the semi-annual financial statements of the RSP Funds, securityholders of the RSP Funds will receive the annual and (upon request) semi-annual financial statements of the Reference Funds or the Sector Fund as issuer of the Reference Shares, either in a combined report containing the financial statements of both the RSP Funds and the Reference Funds or the Sector Fund, or in a separate report containing the financial statements of the Reference Funds or the Sector Fund; and

(n) to the extent that the RSP Funds, the Reference Funds and the Sector Fund as issuer of the Reference Shares do not use a combined simplified prospectus, annual information form and financial statements containing disclosure about the RSP Funds, Reference Funds and Reference Shares, copies of the simplified prospectus and annual and semiannual financial statements relating to the Reference Funds and the Sector Fund may be obtained upon request by a securityholder of the RSP Funds.

DATED at Toronto, Ontario this "24th" day of February, 2000.

Headnote

RSP funds propose to invest in units of their underlying funds that are under common management with the RSP funds - certain directors and officers of portfolio manager are also officers of certain underlying funds - exemption granted from the requirements of section 101, clause 111(2)(b), subsection 111(3), clauses 117(l)(a) and (d), and clause 118(2)(a) of the Act, subject to specified conditions.

Rules Cited

National Instrument 81-102 - Mutual Funds, s. 2.5.