

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

AND

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

AND

IN THE MATTER OF  
COUNSEL GROUP OF FUNDS INC.  
COUNSEL WORLD EQUITY PORTFOLIO  
COUNSEL FOCUS PORTFOLIO  
MAWER WORLD INVESTMENT FUND

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application (the "Application") from Counsel Group of Funds Inc. (the "Manager") in its own capacity and on behalf of Counsel World Equity Portfolio (the "Top Fund"), and Counsel Focus Portfolio and Mawer World Investment Fund (collectively, the "Underlying Funds") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that, if applicable in a particular Jurisdiction, the following requirements and restrictions contained in the Legislation (the "Requirement(s)") shall not apply in respect of certain investments to be made by the Top Fund in the Underlying Funds:

1. the Requirements that the Top Fund and the Manager issue a news release and file a report where its aggregate holdings of securities of a reporting issuer exceed 10% of the outstanding securities of the reporting issuer and refrain from purchasing additional securities of the Underlying Funds pending the expiration of one business date from the date the report is filed;
2. the Requirement 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; and
3. The Requirement that the Manager file a report relating to a purchase or sale of securities between the Top 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 Top Fund is a joint participant with one or more of its related persons or companies;

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

AND WHEREAS it has been represented by the Manager to the Decision Makers that:

1. The Top Fund and Counsel Focus Portfolio will be open-ended mutual fund trusts established under the laws of the Province of Ontario. The Manager is a corporation established under the laws of Ontario and will be the manager, promoter, registrar and transfer agent for the Top Fund and Counsel Focus Portfolio. The Manager's head office is located in Ontario.

2. Mawer World Investment Fund is a member of a group of ten open-ended mutual funds established by way of Declaration of Trust dated July 16, 1987 under the laws of Alberta, Mawer Investment Management ("Mawer Investment") is the manager of the Mawer World Investment Fund. Mawer Investment has been retained by the Manager to act as adviser to the Top Fund.

3. The Top Fund and Counsel Focus Portfolio will be, and Mawer World Investment Fund is, a reporting issuer in each Jurisdiction, Mawer World Investment Fund is not in default of any requirements of the Legislation. The securities of the Mawer World Investment Fund are currently qualified for distribution pursuant to a simplified prospectus dated June 3, 1999. The securities of the Top Fund and Counsel Focus Portfolio will be qualified once their preliminary simplified prospectus and preliminary annual information form receive a final receipt from the Canadian securities authorities.

4. Mawer World Investment Fund's objective is achieved by investing primarily in stocks and currencies traded outside of Canada. Counsel Focus Portfolio's investment objective will be achieved by investing in 20 to 30 large capitalization international corporations.

5. The Top Fund will invest all of its assets (exclusive of cash and cash equivalents) in the Underlying Funds' units.

6. The Top Fund's prospectus will disclose the Top Fund's and the Underlying Funds' investment objectives, the fixed percentages of the net assets of the Top Fund invested in units of each of the Underlying Funds (the "Fixed Percentages") and the permitted ranges within which such Fixed Percentages may vary (the "Permitted Range"). The Top Fund will invest its assets in each of the Underlying Funds in the following Fixed Percentages: 50% in the Mawer World Investment Fund and 50% in the Counsel Focus Portfolio. The Fixed Percentages are subject to the Permitted Range of not more than 2.50 percentage points above or below the Fixed Percentages, all of which will be disclosed in the Top Fund's prospectus.

7. The Underlying Funds in which the Top Fund will invest and Fixed Percentages will not be changed except upon the filing of an amendment of the Top Fund's prospectus and the provision of sixty days' notice (which notice shall include a copy of the amendment) of the change to the Top Fund's securityholders.

8. Except to the extent evidenced by this Decision and specific approvals granted by the Canadian securities administrators pursuant to National Instrument 81-102 Mutual Funds ("NI 81-102"), the investments by the Top Fund in the Underlying Funds have been structured to comply with the investment restrictions of the Legislation and NI 81-102.

9. In order to avoid the duplication of management fees with respect to the Top Fund's investments in Mawer World Investment Fund, Mawer Investment has agreed to arrange for Mawer World Investment Fund to pay the Top Fund a management fee rebate distribution (calculated and accrued daily and paid monthly) in accordance with an investment management agreement (the "Management Fee Rebate Distribution"). The Management Fee Rebate Distribution is paid so that when added to the management fee charged directly to the Top Fund, the total effective management fee charged to an investor in the Top Fund will not exceed the annual management fee of 2.50% as stated in the Top Fund's prospectus. The investment management agreement may be terminated upon 60 days prior written notice.

10. In the absence of this Decision, as soon as the aggregate holdings by the Top Fund of each Underlying Fund's units exceed 10% of the outstanding securities of an Underlying Fund, the Manager, and possibly the Top Fund, would be required to comply with the reporting and other requirements of the Legislation.

11. In the absence of this Decision, pursuant to the Legislation, the Top Fund is prohibited from (a) knowingly making 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; and (b) knowingly holding an investment referred to in subsection (a). As a result, in the absence of this Decision, the Top Fund would be required to divest itself of any investments referred to in subsections (a) and (b).

12. In the absence of this Decision, the Legislation requires the Manager to file a report on every purchase or sale by the Top Fund of the Underlying Funds' units.

13. The Top Fund's purchase and sale of the Underlying Funds' units will represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Top Fund.

AND WHEREAS pursuant to the System this MRRS 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 pursuant to the Legislation is that the Requirements do not apply to the Top Fund's purchase and sale of the Underlying Funds' units;

PROVIDED IN EACH CASE THAT:

1. this 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

2. the foregoing Decision shall only apply to the Top Fund's purchases and sales of an Underlying Fund's units made in compliance with the following conditions:

(a) the Top Fund and Counsel Focus Portfolio are under common management and the Underlying Fund's units are offered for sale in the jurisdiction of the Decision Maker pursuant to a prospectus which has been filed with and accepted by the Decision Maker;

(b) the Top Fund will make investments in the Underlying Fund in accordance with the Fixed Percentages;

(c) the investment by the Top Fund in the Underlying Fund is compatible with the fundamental investment objective of the Top Fund;

(d) the Top Fund's simplified prospectus will disclose its intent to invest in the Underlying Funds, the name of the Underlying Funds, the Fixed Percentages and the Permitted Range;

(e) the Fixed Percentages and the Underlying Funds may not be changed until the Top Fund's prospectus is amended and filed or a new prospectus is filed with the Decision Maker, existing unitholders of the Top Fund have been given at least 60 days' prior written notice of the change, or the prior approval of the unitholders has been given to change the Fixed Percentages and the Underlying Funds, at a meeting of unitholders of the Top Fund called for that purpose and each prospective purchaser of the Top Fund's units who proposed to acquire units following the issuance of the receipt for the amendment receives a copy of the Top Fund's amended prospectus;

(f) the Top Fund will not pay sales charges for its purchases of the Underlying Fund's units;

(g) there are compatible dates for the calculation of the Top Funds and the Underlying Funds' net asset value for the purpose of issuing and redeeming units of such mutual funds;

(h) the Underlying Fund does not charge the Top Fund redemption fees or other charges for redeeming the Underlying Fund's units;

(i) the arrangements between the Top Fund and the Underlying Funds avoid the duplication of management fees;

(j) no fees and charges of any sort are paid by the Top Fund, an Underlying Fund (except the Management Fee Rebate Distribution paid by Mawer World Investment Fund to the Top Fund referred to above) by the Top Fund's or the Underlying Funds' manager or principal distributor or by the foregoing entities' affiliates or associates to anyone in respect of the Top Fund's purchase, holding or redemption of the Underlying Fund's units;

(k) if the Underlying Fund's constating documents or the laws applicable to the Underlying Funds, require it to give notice to its unitholders, it will also deliver such notice to the Top Fund's unitholders; all voting rights attached to the Underlying Fund's units owned by the Top Fund will be passed through to the Top Fund's unitholders; if an Underlying Fund calls a unitholders' meeting, all of the disclosure and notice material prepared for the meeting will be provided to the Top Fund's unitholders who will be entitled to direct a representative of the Top Fund to vote that Top Fund's holding in the Underlying Fund in accordance with their direction; the Top Fund's representative will not be permitted to vote the Top Fund's holdings in the Underlying Fund other than as the RSP Fund's unitholders direct;

(l) in addition to receiving the Top Fund's annual and, upon request the semi-annual financial statements, the Top Fund's unitholders will receive the Underlying Fund's annual and, upon request, semi-annual financial statements in either a combined report, containing both the Top Fund's and Underlying Funds' financial statements, or in a separate report containing the Underlying Funds' financial statements; and

(m) if the Top Fund and the Underlying Funds do not use a combined simplified prospectus and annual information form and financial statements containing disclosure about the Top Fund and the Underlying Funds, copies of the Underlying Fund's simplified prospectus and annual and semi-annual financial statements may be obtained upon request by a Top Fund's unitholder.

DATED at Toronto, Ontario this "11<sup>th</sup>" day of February, 2000.