

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

AND

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

AND

IN THE MATTER OF  
ELLIOTT & PAGE LIMITED  
ELLIOTT & PAGE RSP AMERICAN GROWTH FUND  
ELLIOTT & PAGE RSP U.S. MID-CAP FUND

DECISION DOCUMENT

**WHEREAS** the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland (The "Jurisdictions") has received an application from Elliott & Page Limited ("EPL"), as manager and trustee of Elliott & Page RSP American Growth Fund and Elliott & Page RSP U.S. Mid-Cap Fund (collectively, the "RSP Funds"), for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") That the following requirements and restrictions contained in the Legislation (the "Requirements") shall not apply in respect of certain investments to be made *by* the RSP Funds in Elliott & Page American Growth Fund and Elliott & Page US. Mid-Cap Fund (collectively, the "Corresponding Funds"):

A. the requirements contained in the Legislation requiring each RSP Fund and EPL (as manager) to issue a news release and file a report where the aggregate holdings by an RSP Fund or RSP Funds of securities of a Corresponding Fund exceed ten percent of the outstanding securities of the Corresponding Fund and the requirements to not acquire or offer to acquire securities of such Corresponding Fund pending the expiration of one business day from the date the report is filed;

B. the requirements contained in the Legislation prohibiting the RSP Funds from knowingly making an investment in a person or company which the mutual fund, alone or together with one or more related mutual funds, is a substantial securityholder;

C. the requirements contained in the Legislation prohibiting the RSP Funds from knowingly holding an investment in a person or company which the mutual fund,

alone or together with one or more related mutual funds, is a substantial securityholder; and

D. the requirements contained in the Legislation requiring RSP to file a report relating to the purchase or sale of securities between an RSP Fund and any related person or company, or any transaction in which, by arrangement other than an arrangement relating to insider trading and portfolio securities, the RSP 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** EPL has represented to the Decision Makers that:

1. EPL is a corporation incorporated under the laws of Ontario, and its head office is located in Toronto, Ontario. EPL will be the manager, trustee and promoter of each RSP Fund and is currently the manager, trustee and promoter of each of the Corresponding Funds,

2. EPL proposes to establish the RSP Funds which will be open-end mutual fund trusts established under the laws of Ontario and which will be qualified for distribution in all Jurisdictions under a simplified prospectus and annual information form to be filed in 1999 (the "Prospectus").

3. Each of the Corresponding Funds is an open-end mutual fund trust established under the laws of Ontario and each of which is qualified for distribution in all Jurisdictions by means of a simplified prospectus and annual information form. Each RSP Fund will be, and each of the Corresponding Funds is, a reporting issuer under the securities laws of each of the provinces and territories of Canada. None of the Corresponding Funds is in default of any requirements of the Legislation.

4. The investment objective of each of the Corresponding Funds is achieved through investment primarily in foreign securities.

5. The Prospectus will contain disclosure with respect to the investment objective, investment practices and restrictions of each RSP Fund. The investment objective of the RSP Funds is to achieve long-term capital growth, by linking its performance to the applicable Corresponding Fund by using derivative instruments to obtain exposure to the applicable Corresponding Fund and investing directly in the applicable Corresponding Fund as described below. All purchases of the Corresponding Funds will be made through EPL.

6. Each of the RSP Funds seeks to achieve its investment objective while ensuring that it invests its assets in securities such that its securities will be "qualified

investments" for registered retirement savings plans, registered retirement income funds and deferred profit sharing plans (the "Registered Plans") under the *Income Tax Act* (Canada) (the "Tax Act") and, based on an opinion of counsel to EPL, will not constitute foreign property in a Registered Plan. The direct investment by an RSP Fund in a Corresponding Fund (the "Permitted RSP Fund Investment") will be in an amount which will not exceed the amount prescribed from time to time as the maximum permitted amount capable of being made as a foreign property investment under the Tax Act without the imposition of tax under Part XI of that Act (the "Foreign Property Maximum").

7. The investment in, or redemption of, securities of the Corresponding Funds by the RSP Funds represents the business judgment of responsible persons uninfluenced by considerations other than the best interests of the RSP Funds.

8. EPL and each RSP Fund will comply with the conditions of this Decision in respect of its direct investments in the linked Corresponding Fund. Except for transitional cash, the aggregate of derivative exposure to, and direct investment in, the Corresponding Funds will equal 100% of the assets of the RSP Fund.

9. Except to the extent evidenced by this Decision and specific approvals granted by the Canadian securities administrators pursuant to National Policy Statement No. 39, the investments by the RSP Funds in the Corresponding Funds have been structured to comply with the investment restrictions of the Legislation and National Policy Statement No. 39.

10. In the absence of this Decision, as soon as the aggregate holdings by a RSP Fund of securities of the linked Corresponding Fund exceed 10% of the outstanding securities of the Corresponding Fund, EPL and possibly the RSP 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, each of the RSP Funds 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) hereof. As a result, in the absence of this Decision a RSP Fund would be required to divest itself of any investments referred to in subsection (a) herein,

12. In the absence of this Decision, the Legislation requires EPL to file a report on every investment in, or redemption of, securities of the Corresponding Funds by the RSP Funds.

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

**AND WHEREAS** each Decision Maker 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 shall not apply so as to prevent the RSP Funds from investing in, or redeeming, securities of a Corresponding Fund provided 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 clause 2.04(4)(b) of National Policy No. 39; and

2. the foregoing Decision shall only apply in respect of investments in, or transactions with, the Corresponding Fund that are made by an RSP Fund in compliance with the following conditions:

(a) the RSP Funds and the Corresponding Funds are under common management and the Corresponding Funds' securities 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) each RSP Fund restricts its aggregate direct investments in its Corresponding Fund to a percentage of its assets that is within the Foreign Property Maximum;

(c) the investment by the RSP Fund in the Corresponding Fund is compatible with the fundamental investment objectives of the RSP Fund;

(d) the prospectus of the RSP Funds describes the intent of each RSP Fund to invest in a specified Corresponding Fund;

(e) the RSP Funds may change the Permitted RSP Fund Investments if they change their fundamental investment objectives in accordance with the legislation;

(f) the arrangements between or in respect of the RSP Funds and the Corresponding Funds are such as to avoid the duplication of management fees;

(g) no sales charges are payable by an RSP Fund in relation to its investments in the securities of the Corresponding Funds;

(h) no redemption fees or other charges are charged by the Corresponding Fund in respect of the redemption by the RSP Fund of securities of the Corresponding Fund owned by the RSP Fund;

(i) no fees and charges of any sort are paid by an RSP Fund or by a Corresponding Fund or by the manager or principal distributor of an RSP Fund or a Corresponding Fund or by any affiliate or associate of any of the foregoing

entities to anyone in respect of an RSP Fund's investment in, or redemption of the securities of the Corresponding Fund;

(j) in the event of the provision of any notice to securityholders of the Corresponding Funds as required by the constating documents of the such notice will also be delivered to the securityholders of the relevant RSP Fund. All voting rights attached to the securities of the Corresponding Funds which are owned by the RSP Funds will be passed through to the securityholders of the relevant RSP Fund. in the event that a securityholders' meeting is called for the Corresponding Funds, all of the disclosure and notice material prepared in connection with such meeting will be provided to the securityholders of the relevant RSP Fund and such securityholders will be entitled to direct a representative of the relevant RSP Fund to vote that RSP Fund's holding in the Corresponding Fund in accordance with their direction. The representative of the RSP Fund will not be permitted to vote the RSP Fund's holdings in the Corresponding Fund except to the extent the securityholders of the RSP Fund so direct;

(k) there are compatible dates for the calculation of the net asset value of the RSP Funds and the Corresponding Funds for the purpose of the issue and redemption of the securities of such mutual funds;

(l) to the extent that the RSP Funds and the Corresponding Funds do not use a combined report containing both the RSP Funds' and the Corresponding Funds' financial statements, in addition to receiving the annual and, upon request, the semi-annual financial statements of the RSP Funds, the securityholders of the RSP Funds will receive the annual and, upon request, the semi-annual financial statements of the Corresponding Funds; and

(m) to the extent that the RSP Funds and the Corresponding Funds do not use a combined simplified prospectus and annual information form containing disclosure about the RSP Funds and the Corresponding Funds, copies of the simplified prospectus and annual information form relating to the Corresponding Funds may be obtained upon request by a securityholder of an RSP Fund.

**DATED** at Toronto, Ontario the "17<sup>th</sup>" Day of "November", 1999.