

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

AND

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

AND

IN THE MATTER OF THE  
iUNITS GOVERNMENT OF CANADA 5 YEAR BOND FUND  
iUNITS GOVERNMENT OF CANADA 10 YEAR BOND FUND

AND

IN THE MATTER OF  
BARCLAYS GLOBAL INVESTORS CANADA LIMITED

DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, Prince Edward Island, New Brunswick, Newfoundland, Yukon, Northwest Territories and Nunavut (the "Jurisdictions") has received an application from the iUnits Government of Canada 5 Year Bond Fund (the "iG5 Fund"), the iUnits Government of Canada 10 Year Bond Fund (the "iG10 Fund") (together, the "Funds") and Barclays Global Investors Canada Limited ("Barclays") (all collectively, the Filers") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that

(a) the registration requirement of the Legislation does not apply to Barclays and the Funds, in connection with their proposed dissemination of sales communications relating to the distribution of securities of the Fund, and

(b) in connection with the proposed distribution of securities of the Funds pursuant to a prospectus, the Funds be exempt from the requirement that the prospectus contain a certificate of the underwriter or underwriters who is/are in a contractual relationship with the issuer whose securities are being offered;

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 the Filers have represented to the Decision Makers as follows:

1. Each Fund is a trust established under the laws of Ontario, with Barclays as the trustee of each Fund. Barclays' head office is located in Toronto, Ontario.
2. Barclays is registered in all provinces and territories, except Quebec and Nunavut, as a portfolio manager and investment counsel (or the equivalent categories of registration) under the Legislation of such Jurisdictions. Barclays is currently registered in Quebec as a non-resident advisor.
3. The iG5 Fund seeks to replicate the return of a bond issued by the Government of Canada ("GOC") with a 5-year term to maturity, by investing in GOC bonds whose term to maturity closely matches the GOC 5-year benchmark bond selected by Barclays from time to time.
4. The iG10 Fund seeks to replicate the return of a bond issued by GOC with a 10-year term to maturity, by investing in GOC bonds whose term to maturity closely matches the GOC 10-year benchmark bond selected by Barclays from time to time.
5. Each Fund will issue units of beneficial interest ("Units"), which are intended to give investors the ability to receive a return approximately equivalent to that of the 5-year or 10-year benchmark bond (as the case may be) selected by Barclays from time to time.
6. The Funds have filed a preliminary prospectus with each Jurisdiction for the purpose of the public and continuous distribution of their Units in the Jurisdictions. Upon issuance of a receipt for the Funds' (final) prospectus (the "Prospectus"), the Funds will be reporting issuers under the Legislation of each Jurisdiction where such term is applicable.
7. The Units of each Fund will be listed and posted for trading on The Toronto Stock Exchange (the "Exchange"), and will trade at a market price that may not necessarily reflect the net asset value of the Fund.
8. The Funds will receive coupon income ("Coupon Income") on the GOC bonds that they hold. The Coupon Income and any other income may be held in cash or be invested by the Funds in bond futures contracts and short-term securities.
9. The Coupon Income received, investment income and any other income of each Fund will be distributed at least semi-annually to unitholders of the Fund.
10. The Units of each Fund may only be subscribed for or purchased directly from the Fund by
  - a. one or more members of the Exchange who are registered dealers or brokers and who have entered into an underwriting agreement with the Fund (the "Underwriters"), or

b. one or more members of the Exchange who are registered dealers or brokers and who have entered into a designated broker agreement with the Fund (the "Designated Brokers").

Subscription or purchase orders may be placed by an Underwriter or Designated Broker only for Units in the prescribed number (the "Prescribed Number") or an integral multiple thereof on any day on which there is a trading session on the Exchange.

11. Each Underwriter or Designated Broker who subscribes for or purchases Units of each Fund on the first day on which the Fund accepts subscriptions or purchase orders must deliver to the Fund, in respect of each Prescribed Number of Units to be issued, the 5-year or 10-year benchmark bonds (as the case may be) with a face amount equal to \$1,000,000, together with cash equal to 0.15% of the value of the benchmark bonds delivered.

12. Every subscription or purchase order for the Prescribed Number of Units of each Fund, subsequent to the first day on which the Fund accepts subscriptions or purchase orders, must be paid for

a. at Barclays' discretion, by the delivery of a cash amount equal to the net asset value of the Units next determined following receipt of the subscription order, or

b. by the delivery of the 5-year or 10-year benchmark bonds (as the case may be) with a face amount equal to \$1,000,000 plus sufficient cash, so that the value of the benchmark bonds and cash delivered is equal to the net asset value of the Fund next determined following receipt of the subscription order;

13. The Units of each Fund may also be issued directly from time to time and, in any event, not more than once every quarter, to one or more Designated Brokers, pursuant to the designated broker agreement which obliges each Designated Broker to make a cash subscription for Units in an amount not to exceed 0.15% of the net asset value of the Fund.

14. Neither the Underwriters nor the Designated Brokers will receive any fees or commissions in connection with each Fund's issuance of Units to them. Barclays, as trustee of the Funds may, at its discretion, charge an administration fee on the issuance of Units to the Underwriters.

15. Except as described in paragraphs 10 and 13 above, Units of each Fund may not be purchased directly from the Funds. Investors are generally expected to purchase Units of each Fund through the facilities of the Exchange. However, Units of each Fund may be issued directly to Unitholders upon the reinvestment of the Fund's distributions of income or capital gains.

16. While unitholders who wish to dispose of their Units may generally do so by selling their Units on the Exchange,

a. a unitholder may redeem any number of Units of each Fund for a redemption price equal to the net asset value of the Units on the effective day of the

redemption, less a redemption processing fee equal to 5% of the aggregate net asset value of the Units to be redeemed for redemptions of less than the Prescribed Number of Units, payable by the delivery of 5-year or 10-year benchmark bonds (as the case may be) and cash, and

b. a unitholder may also redeem any number of Units of each Fund for cash at a redemption price per unit equal to 95% of the closing price of the Units of the Fund on the Exchange on the effective day of redemption.

17. The only expenses of each Fund will be the annual 0.25% trustee fee payable to Barclays plus the applicable income and withholding taxes. Barclays will be responsible for the payment of all other expenses of the Fund.

AND WHEREAS under 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 under the Legislation is that

(a) the registration requirement of the Legislation does not apply to Barclays and the Funds, in connection with any dissemination of sales communications relating to the distribution Units of the Funds, provided that they comply with Part 15 of National Instrument 81-102, Mutual Funds; and

(b) in connection with the proposed distribution of Units of the Funds pursuant to the Prospectus or any renewal prospectus, the Funds are exempt from the requirement of the Legislation that the Prospectus or renewal prospectus contain a certificate of the Underwriters as defined in paragraph 10 above.

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

"J.A. Geller" "Stephen N. Adams"