

IN THE MATTER OF
THE SECURITIES LEGISLATION OF BRITISH COLUMBIA,
ALBERTA, MANITOBA, SASKATCHEWAN, 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
O'DONNELL SHORT TERM FUND
O'DONNELL CANADIAN BOND FUND
O'DONNELL MONEY MARKET FUND
O'DONNELL SELECT FUND
O'DONNELL CANADIAN FUND
STRATEGIC VALUE ASIA PACIFIC FUND
STRATEGIC VALUE EMERGING MARKETS FUND
(individually a "Fund" and collectively, the "Funds")

AND

IN THE MATTER OF
SVC O'DONNELL FUNDS MANAGEMENT INC.
("SVC ODFMI")

AND

IN THE MATTER OF
BONHAM & CO. INC.
("BCI")

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Manitoba, Saskatchewan, Ontario, Nova Scotia, Quebec and Newfoundland (collectively, the "Jurisdictions") has received an application from SVC ODFMI, the manager of each of the Funds, for a decision pursuant to the Canadian securities legislation (the "Legislation") of the Jurisdictions that, for the purposes of the mutual fund merger transactions described below, SVC ODFMI, BCI and the Funds be exempt from the requirements provided for by the Legislation with respect to:

(a) the prohibition on a portfolio manager, or where applicable, a mutual fund, knowingly causing a mutual fund to purchase or sell units of a mutual fund from or to the account of a "responsible person" or any "associate" of a responsible person (as defined in the Legislation);

(b) the prohibition on a mutual fund from investing in a person or company in which the mutual fund, alone or with one or more "related" mutual funds, is a "substantial security holder" (as defined in the Legislation);

(c) the filing of a report by a management company in connection with the purchase or sale of securities between a mutual fund and any "related person or company" (as defined in the Legislation); and

(d) the requirement that the terminating fund in acquiring more than 10% of the continuing funds' outstanding units issue and file a news report on the acquisition;

AND WHEREAS the above restrictions and requirements of the Legislation shall be referred to in this Decision Document as the "Applicable Legislation";

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

AND WHEREAS SVC ODFMI has represented to the Decision Makers that;

1. SVC ODFMI is the manager of each Fund, and is the trustee of and investment adviser to O'Donnell Short Term Fund ("Short Term Fund"), O'Donnell Canadian Bond Fund ("Canadian Bond Fund"), O'Donnell MoneyMarket Fund ("Money Market Fund"), O'Donnell Select Fund ("Select Fund") and O'Donnell Canadian Fund ("Canadian Fund") (individually, an "O'Donnell Fund" and collectively, the "O'Donnell Funds"). BCI, an affiliate of SVC ODFMI, is the trustee of and investment adviser to Strategic Value Asia Pacific Fund ("Asia Pacific Fund") and Strategic Value Emerging Markets Fund ("Emerging Markets Fund") (individually, a "Strategic Fund" and collectively, the "Strategic Funds"). Each of SVC ODFMI and BCI has its head office in Toronto, Ontario, is registered in Ontario as an adviser in the categories of investment counsel and portfolio manager, and BCI also is registered in Ontario as a securities dealer;

2. The units of the O'Donnell Funds (together with the nine other mutual funds that with the O'Donnell Funds comprise The O'Donnell Group of Funds (collectively, the "O'Donnell Group of Funds")) are distributed on a continuous basis in each province and territory of Canada pursuant to an amended and restated annual information form and simplified prospectus, both dated September 9, 1999. The units of the Strategic Funds (together with the 14 other mutual funds that with the Strategic Funds comprise the Strategic Value Series of Funds (the "Strategic Value Series of Funds")) are distributed on a continuous basis in each province and territory of Canada pursuant to an annual information form and simplified prospectus, both dated September 21, 1998 and amended September 9, 1999, the lapse date of which documents was recently

extended to December 25, 1999 by an MRRS decision document of the Decision Makers in each province and territory in Canada dated August 25, 1999;

3. Each of the Funds is an open-ended mutual fund trust created under the laws of the Province of Ontario by a declaration of trust;
4. Each of the Funds is a reporting issuer under the Legislation and is not on the list of defaulting reporting issuers maintained under the Legislation;
5. Strategic Value Corporation ("SVC"), the parent company of SVC ODFMI and BCI, completed the acquisition of O'Donnell Investment Management Corporation, the former manager of the O'Donnell Group of Funds, in June, 1999. Since that time, SVC has been assessing the manner in which the Strategic Value Series of Funds and the O'Donnell Group of Funds are structured, managed, operated and distributed, with a view to rationalizing and harmonizing the operations of the two mutual fund groups;
6. An important step in the process through which the Strategic Value Series of Funds and the O'Donnell Group of Funds will be rationalized and harmonized, will be the merger on a tax-deferred, rollover basis, of those of the Funds that have the same or broadly similar investment objectives (the "Mergers"). SVC ODFMI proposes that the following fund mergers occur:

Terminating Fund	Continuing Fund	Name/New Name of Continuing Fund
Short Term Fund	Money Market Fund	O'Donnell Money Market Fund
Bond Fund	Money Market Fund	
Select Fund	Canadian Fund	O'Donnell Canadian Large-Cap Fund
Asia Pacific Fund	Emerging Markets Fund	Strategic Value Asia and Emerging Markets Fund

Short Term Fund, Bond Fund, Select Fund and Asia Pacific Fund are collectively, the "Terminating Funds". Money Market Fund, Canadian Fund and Emerging Markets Fund are collectively, the "Continuing Funds".

7. Each of the Merger transactions (other than the Merger of Short Term Fund into Money Market Fund) will be a "qualifying exchange" within the meaning of section 132.2 of the *Income Tax Act* (Canada). As both Short Term Fund and Money Market Fund are money market funds and currently credit income to unitholders on a daily basis in order to maintain a constant net asset value per unit of \$10.00, it is not expected that the Merger of those two Funds will result in the recognition of any material income or capital gains even though this fund merger will not be a "qualifying exchange";
8. If approved, each Terminating Fund will merge with the appropriate Continuing Fund on a specified date in November, 1999 (the "Merger Date"), following which the merged Funds will

be distributed in each province and territory of Canada pursuant to a single combined prospectus and annual information form;

9. In order to effect the Mergers, each Terminating Fund and the corresponding Continuing Fund will take the following steps:

(a) prior to the Merger Date, the Terminating Fund and Continuing Fund will implement all requests for redemptions of units received prior to the Merger Date. The redemption price will be paid in cash;

(b) if required, the Terminating Fund and Continuing Fund will each make an additional distribution to securityholders so that the Fund is not subject to tax in the taxation year that includes the Merger;

(c) on the Merger Date, the Terminating Fund will sell all of its assets to the Continuing Fund for fair market value. The purchase price will be satisfied by the assumption by the Continuing Fund of the Terminating Fund's liabilities and by the issuance of units of the Continuing Fund to the Terminating Fund;

(d) the Terminating Fund will distribute its assets, consisting of units of the Continuing Fund, to its securityholders *pro rata* in accordance with the number of units held so that they become unitholders of the Continuing Fund; and

(e) thereafter, each Terminating Fund will be terminated.

In the case of the Merger of Short Term Fund, Canadian Bond Fund and Money Market Fund, Short Term Fund first will merge with Money Market Fund and Canadian Bond Fund thereafter will merge with Money Market Fund.

10. The investment objectives of each of the Terminating Funds are the same as or broadly similar to those of the Continuing Fund with which the Terminating Fund is to merge. As a result, the portfolio securities to be acquired by each Continuing Fund from the corresponding Terminating Fund, will be proper investments for the Continuing Fund having regard to its investment objectives and will be acceptable to the investment adviser to the Continuing Fund. The investment objectives of each mutual fund resulting from the Mergers will be the same as or broadly similar to those of each Terminating Fund and Continuing Fund that merge to make up the merged fund;

11. The net asset value of each of the Terminating Funds and the Continuing Funds is calculated on a daily basis for the purpose of issuing and redeeming securities of the Funds, and there are no material differences in the valuation methods of each of the Funds;

12. Each of the Terminating Funds will invest, for purposes of the Mergers, in units of the respective Continuing Fund by delivering its assets to the Continuing Fund as contemplated in section 11.07(2) of National Policy Statement No. 39 ("NP39"). No brokerage fees, commissions or other charges or expenses shall be incurred by a Terminating Fund or its securityholders in

connection therewith. All costs of the Mergers that would not otherwise be ordinary course costs charged to the Funds, including any brokerage fees that may arise as a result of the disposition of any of the investments of a Terminating Fund before it is merged into the relevant Continuing Fund, will be or have been borne by SVC ODFMI and will not be and have not been charged to either the Terminating Funds, the Continuing Funds or the securityholders thereof.

13. None of the Terminating Funds will pay any sales or redemption charges in connection with their purchases of units of the applicable Continuing Fund, and the Mergers will not result in the duplication of management fees or other charges payable by the holders of units. The cancellation of units of the Terminating Fund in exchange for units of the Continuing Fund will not give rise to any redemption fee payable by investors; the units of the Continuing Fund will be treated as a continuation of the units of the Terminating Fund for these purposes;

14. The securityholders of each Terminating Fund and Continuing Fund will have the right to redeem their units for cash up to the close of business on the business day before the Merger Date, subject to any usual redemption fees;

15. The securityholders of each Terminating Fund approved the appropriate Merger, the subsequent termination of the Terminating Fund (except in the case of the Strategic Funds in respect of which no such approval is necessary) and certain other proposed changes at a meeting of securityholders which was held on October 29, 1999. The securityholders of each Terminating Fund received a notice of meeting, management information circular and form of proxy setting out, in addition to the matters prescribed by law, a description of the proposed Mergers, the procedural steps involved in the Mergers, the reasons for the Mergers, the principal characteristics of the Continuing Funds, the effect of the Mergers on the Funds and the securityholders thereof, the material differences between the Terminating Funds and the corresponding Continuing Funds, the income tax considerations relating to the Mergers for the Funds and their securityholders. A copy of the simplified prospectus and most recent annual and interim financial statements of the O'Donnell Group of Funds and of the Strategic Value Series of Funds were provided to securityholders of the Terminating Funds together with such circular. Such circular stated that a copy of the annual information form for the relevant Continuing Fund would be made available to securityholders on request;

16. Press releases describing the Mergers were issued and filed on August 30, 1999 with respect to the O'Donnell Group of Funds and the Strategic Value Series of Funds;

17. Securities of the Terminating Funds will continue to be sold to investors until the close of business on the business day before the Merger Date. An amended and restated annual information form and simplified prospectus for the O'Donnell Group of Funds and an amendment to the annual information form and simplified prospectus for the Strategic Value Series of Funds dated September 9, 1999 and describing, *inter alia*, the Mergers, have been filed and will be provided to investors considering the purchase of securities of the O'Donnell Group of Funds and the Strategic Value Series of Funds. This will ensure that all prospective and new unitholders and shareholders will receive full disclosure of the Mergers;

18. An application has been filed with the Canadian securities administrators in all of the provinces and territories of Canada for all necessary approvals under NP39 in connection with the Mergers;

19. In the absence of this decision, the Legislation would prohibit each of SVC ODFMI and BCI from knowingly causing the Continuing Funds from purchasing the portfolio securities of the applicable Terminating Fund, as such purchase would involve the purchase or sale of the securities of issuers from or to the account of an "associate" of a "responsible person" (as defined in the Legislation");

20. In the absence of this decision, the Legislation would prohibit a Terminating Fund from investing in the applicable Continuing Fund as the purchase of units of the Continuing Fund by the Terminating Fund would make the Terminating Fund a "substantial security holder" (as defined in the Legislation) of the Continuing Fund for a moment in time;

21. Each Terminating Fund is a "related person or company" (as defined in the Legislation) of each applicable Continuing Fund and, in the absence of this decision, the Legislation would require SVC ODFMI to file reports on the purchase by a Terminating Fund of units of the applicable Continuing Fund and the sale by a Terminating Fund of its portfolio securities to the applicable Continuing Fund;

22. On the purchase by the Terminating Fund of units of the Continuing Fund, the Terminating Fund may hold more than 10% of the outstanding securities of the Continuing Fund and be required to issue a press release under the early warning requirements of the Legislation;

23. In the event that the report of the auditors on the financial statements of the Continuing Funds for its next completed financial year contains a reservation in respect of the investment portfolio of the Terminating Funds, SVC O'Donnell will provide each person who was a unitholder of the Terminating Fund on the Merger Date but is no longer a holder of the Continuing Fund at the time that the audited financial statements are sent to the unitholders of the Continuing Fund, a copy of that report together with a notice advising the recipient that although the recipient is no longer a unitholder of the Continuing Fund, they are entitled to receive the enclosed report and a summary of the reason for the reservation;

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 jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that the Applicable Legislation does not apply to the Mergers, provided that immediately following the Mergers, all assets of the Terminating Funds, being securities of the Continuing Funds, are distributed to the securityholders of Terminating Fund, and that the Terminating Fund is thereafter wound-up as soon as it is reasonable to do so without further notice to securityholders.

DATED at Toronto, Ontario this "26th" day of "November", 1999