

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

AND

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

AND

IN THE MATTER OF
RBC CANADIAN T-BILL FUND
RBC CANADIAN MONEY MARKET FUND
RBC PREMIUM MONEY MARKET FUND
RBC \$.U.S. MONEY MARKET FUND
RBC CANADIAN SHORT-TERM INCOME FUND
RBC BOND FUND
RBC CANADIAN BOND INDEX FUND
RBC MONTHLY INCOME FUND
RBC GLOBAL BOND FUND
RBC BALANCED FUND
RBC TAX MANAGED RETURN FUND
RBC BALANCED GROWTH FUND
RBC GLOBAL BALANCED FUND
RBC SELECT CONSERVATIVE PORTFOLIO
RBC SELECT BALANCED PORTFOLIO
RBC SELECT GROWTH PORTFOLIO
RBC SELECT CHOICES CONSERVATIVE PORTFOLIO
RBC SELECT CHOICES BALANCED PORTFOLIO
RBC SELECT CHOICES GROWTH PORTFOLIO
RBC SELECT CHOICES AGGRESSIVE GROWTH PORTFOLIO
RBC DIVIDEND FUND
RBC CANADIAN VALUE FUND
RBC CANADIAN EQUITY FUND
RBC CANADIAN INDEX FUND
RBC O'SHAUGHNESSY CANADIAN EQUITY FUND
RBC CANADIAN GROWTH FUND
RBC ENERGY FUND
RBC PRECIOUS METALS FUND
RBC U.S. EQUITY FUND
RBC U.S. INDEX FUND
RBC U.S. RSP INDEX FUND
RBC O'SHAUGHNESSY U.S. VALUE FUND
RBC U.S. MID-CAP EQUITY FUND

RBC O'SHAUGHNESSY U.S. GROWTH FUND
RBC LIFE SCIENCE AND TECHNOLOGY FUND
RBC INTERNATIONAL EQUITY FUND
RBC INTERNATIONAL RSP INDEX FUND
RBC EUROPEAN EQUITY FUND
RBC ASIAN EQUITY FUND
RBC GLOBAL EDUCATION FUND
RBC GLOBAL TITANS FUND
RBC GLOBAL COMMUNICATIONS AND MEDIA SECTOR FUND
RBC GLOBAL CONSUMER TRENDS SECTOR FUND
RBC GLOBAL FINANCIAL SERVICES SECTOR FUND
RBC GLOBAL HEALTH SCIENCES SECTOR FUND
RBC GLOBAL INDUSTRIALS SECTOR FUND
RBC GLOBAL RESOURCES SECTOR FUND
RBC GLOBAL TECHNOLOGY SECTOR FUND
RBC ADVISOR CANADIAN BOND FUND
RBC ADVISOR GLOBAL HIGH YIELD FUND
RBC ADVISOR BLUE CHIP CANADIAN EQUITY FUND
(collectively, the "Existing Funds")

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon Territory, Northwest Territories and Nunavut (the "Jurisdictions") has received an application from RBC Asset Management Inc. (the "Manager"), on behalf of the Existing Funds and any future mutual funds (the "Future Funds") of which the Manager or any affiliated successor to the Manager may be the manager, for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement in the Legislation to deliver the latest prospectus and any amendment to the prospectus together with the right not to be bound by an agreement of purchase and sale (the "Delivery Requirement") not apply in respect of a purchase and sale of securities of the Existing Funds or the Future Funds (collectively, the "Funds") pursuant to a pre-authorized investment plan (a "PAP");

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, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or in Qu₁antitative Commission Notice 14-101;

AND WHEREAS the Manager has represented to the Decision Makers that:

- (a) The Funds are, or will be, open-ended mutual funds established under the laws of Ontario.

- (b) The Manager or an affiliated successor to the Manager is, or will be, the portfolio adviser of the Funds. The Manager is registered as an adviser, or in an equivalent category, in each of the Jurisdictions except Nunavut.
- (c) Royal Mutual Funds Inc. ("RMFI") or an affiliated successor to RMFI is, or will be, a distributor of the Funds. RMFI is registered as a mutual fund dealer, or in an equivalent category, in each of the Jurisdictions.
- (d) The Manager and RMFI are affiliates.
- (e) The Funds are, or will be, reporting issuers in each of the Jurisdictions and the Existing Funds are not in default of any requirement of the Legislation.
- (f) Securities of the Funds are, or will be, offered for sale on a continuous basis in each of the Jurisdictions pursuant to a simplified prospectus.
- (g) Each of the Funds offers, or will offer, investors the opportunity to invest in a Fund on a regular basis pursuant to a PAP which is administered by RMFI.
- (h) Under the terms of a PAP, an investor instructs RMFI to accept additional contributions in a specified amount on a frequency determined by the investor and to apply such contributions on each scheduled investment date to additional investments in specified Funds. The investor authorizes RMFI to debit a specified account in the amount of the additional contributions. An investor may terminate the instructions at any time and the additional investments will not be made on the next scheduled investment date.
- (i) An investor who establishes a PAP (a "PAP Participant") receives a copy of the simplified prospectus relating to the Funds at the time a PAP is established.
- (j) Pursuant to the Legislation, RMFI, when it receives an order or subscription for a security of a Fund offered in a distribution to which the Delivery Requirement applies, must, unless it has previously done so, send by prepaid mail or deliver to the purchaser the latest prospectus and any amendment to the prospectus filed either before entering into an agreement of purchase and sale resulting from the order or subscription or not later than midnight on the second day after entering into such agreement.
- (k) Pursuant to the Legislation, an agreement referred to in paragraph (j) is not binding on the purchaser if RMFI receives notice of the intention of the purchaser not to be bound by the agreement of purchase and sale within a specified time period.
- (l) The terms of the PAP are such that an investor can terminate the instructions to RMFI at any time. Therefore, there is no agreement of purchase and sale until a scheduled investment date arrives and the instructions have not been terminated. At this point the debit is processed and the securities are purchased.
- (m) In order to ensure that it has been complying with the Legislation, RMFI has mailed

or delivered to all PAP Participants who purchase securities of the Existing Funds pursuant to a PAP the simplified prospectus of the Existing Funds at the time the investor enters into the PAP and annually following the time a new prospectus (a "Renewal Prospectus") is filed pursuant to the Legislation.

(n) There is significant cost involved in the annual printing and mailing or delivery of the Renewal Prospectus to PAP Participants. The Manager estimates the annual cost of production of a Renewal Prospectus, which is borne by the Existing Funds, to be approximately \$2.00 per Renewal Prospectus. In addition, RMFI bears an additional mailing cost which is approximately \$1.25 per Renewal Prospectus.

(o) Typically the Renewal Prospectus is mailed to PAP Participants on or about August 1.

(p) RMFI and the Manager are proposing to send to securityholders of the Existing Funds who are PAP Participants a notice (the "Notice") advising them of the terms of the relief and that PAP Participants will not receive the Renewal Prospectus of the Existing Funds in 2003 and thereafter, unless they request it. PAP Participants will receive with the Notice a request form (the "Request Form") to send back, by fax or prepaid mail, if they wish to receive the Renewal Prospectus.

(q) The Notice will advise PAP Participants that the Renewal Prospectus and any amendments thereto may be found either on the SEDAR website or on the Existing Funds' website. The Notice will also advise PAP Participants that they can subsequently request the current Renewal Prospectus and any amendments thereto on a toll-free number or at a branch of RBC Royal Bank. The Notice will advise PAP Participants that they will not have a right to withdraw (a "Withdrawal Right") from an agreement of purchase and sale in respect of purchases pursuant to a PAP, but that they will have a right (a "Misrepresentation Right") of action for damages or rescission in the event the Renewal Prospectus contains a misrepresentation, whether or not they request the Renewal Prospectus, and that they will continue to have the right to terminate the PAP at any time before a scheduled investment date.

(r) RMFI and the Manager are proposing that future investors who choose to become PAP Participants and invest in the Funds will be advised in the documents they receive in respect of their participation in the PAP or in the simplified prospectus of the Funds (in the section of the prospectus that describes the PAP) of the terms of the relief and that PAP Participants will not receive a Renewal Prospectus unless they request it at the time they decide to enrol in the PAP or subsequently on a toll-free number or at a branch of RBC Royal Bank. They will also be advised that a Renewal Prospectus and any amendments thereto may be found either on the SEDAR website or on the Funds' website. Future PAP Participants will also be advised that they will not have a Withdrawal Right in respect of purchases pursuant to a PAP, other than in respect of the initial purchase and sale, but they will have a Misrepresentation Right, whether or not they request the Renewal Prospectus, and they will have the right to terminate the PAP at any time before a scheduled investment date.

(s) PAP Participants will also be advised annually in the account statement sent by RMFI how they can request the current Renewal Prospectus and any amendments thereto and that they have a Misrepresentation Right.

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 the Existing Funds are not required after the date of the 2003 Renewal Prospectus to comply with the Delivery Requirement in respect of purchases and sales of securities of the Existing Funds to PAP Participants who purchase the securities pursuant to a PAP which is in existence on the date of the 2003 Renewal Prospectus provided that:

- (i) PAP Participants who are current securityholders of the Existing Funds are sent the Notice described in paragraph (p) above containing the information described in paragraph (q) above together with the Request Form referred to in paragraph (p) above;
- (ii) under the terms of the PAP, a PAP Participant can terminate participation in the PAP at any time prior to a scheduled investment date;
- (iii) PAP Participants are advised annually in the account statement sent by RMFI how they can request the current Renewal Prospectus and any amendments thereto and that they have a Misrepresentation Right; and
- (iv) the Misrepresentation Right in the Legislation of a Jurisdiction is maintained in respect of a PAP Participant whether or not a Renewal Prospectus is requested or received.

AND THE DECISION of the Decision Makers pursuant to the Legislation is that the Funds are not required after the date of the 2003 Renewal Prospectus to comply with the Delivery Requirement in respect of purchases and sales of securities of the Funds to PAP Participants who purchase the securities pursuant to a PAP which is established after the date of the 2003 Renewal Prospectus provided that:

- (i) PAP Participants are advised, in the simplified prospectus of the Funds or in the documents they receive in respect of their participation in the PAP, of the information described in paragraph (r) above;
- (ii) under the terms of the PAP, a PAP Participant can terminate participation in the PAP at any time prior to a scheduled investment date;
- (iii) PAP Participants are advised annually in the account statement sent by RMFI how

they can request the current Renewal Prospectus and any amendments thereto and that they have a Misrepresentation Right; and

(iv) the Misrepresentation Right in the Legislation of a Jurisdiction is maintained in respect of a PAP Participant whether or not a Renewal Prospectus is requested or received.

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 dealing with the Delivery Requirement.

DATED August 5, 2003

Harold P. Hands

Wendell S. Wigle