

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

AND

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

AND

IN THE MATTER OF THE ROYAL MUTUAL FUNDS AND THE RBC ADVISOR FUNDS
MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia, Newfoundland and Labrador and Ontario (collectively, the "Jurisdictions") has received an application from RBC Global Investment Management Inc. ("GIM") for the Mutual Funds (as listed in Schedule A) (the "Applicants" or the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the Applicants be exempt from:

1. the requirements triggered by the acquisition of beneficial ownership of, or the power to exercise control or direction over, or securities convertible into, 10% or more of a class of voting or equity securities under the provisions of the Legislation listed in Appendix B of National Instrument 62-103, *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, ("NI 62-103") (the "Early Warning Requirements");
2. the restrictions regarding further acquisitions of the securities described in 1. above under the provisions of the Legislation listed in Appendix C of NI 62-103 (the "Moratorium Requirements"); and
3. the requirement in the Legislation for an insider of a reporting issuer to file reports disclosing the insider's direct or indirect beneficial ownership of, or control or direction over, securities of a reporting issuer (the "Insider Reporting Requirements", and collectively with the Early Warning Requirements and the Moratorium Requirements, the "Requirements");

provided that the Applicants comply with, and otherwise meet, the reporting and filing requirements and the other applicable conditions of NI 62-103, in each case, as if the Applicants were "eligible institutional investors" thereunder;

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, unless otherwise defined, the terms herein have the meaning set out in

National Instrument 14-101, *Definitions*, or in Québec Commission Notice 14-101;

AND WHEREAS the Applicants have represented to the Decision Makers that:

1. GIM is a corporation incorporated under the laws of Canada. GIM's head office is located in the Province of Ontario;
2. GIM is registered under the securities legislation in each province and territory of Canada, except Nunavut, as an advisor in the categories of investment counsel and portfolio manager. GIM acts as portfolio manager for each of the Mutual Funds;
3. The Mutual Funds include the Royal Mutual Funds and the RBC Advisor Funds, as listed in the attached Schedule A (the "Existing Funds"), and any public mutual fund(s) that may be created in the future as part of the Royal Mutual Funds, the RBC Advisor Funds or otherwise, and for which GIM would act as portfolio manager (the "New Funds");
4. Each of the Existing Funds is a reporting issuer. As such, the Existing Funds are not "eligible institutional investors" under NI 62-103. Any New Funds would be reporting issuers and, therefore, would not be "eligible institutional investors" under NI 62-103;

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 Decisions has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that the Applicants be exempt from the Requirements contained in the Legislation, provided that the Applicants comply with, and otherwise meet, the reporting and filing requirements and the other applicable conditions of NI 62-103, in each case, as if the Applicants were "eligible institutional investors" thereunder.

DATED February 4, 2003

Howard I. Wetston Robert L. Shirriff

SCHEDULE A
Royal Mutual Funds

Royal Canadian Bond Index Fund
Royal Canadian Index Fund
Royal International RSP Index Fund
Royal Premium Canadian Index Fund
Royal Premium U.S. Index Fund
Royal U.S. Index Fund

Royal U.S. RSP Index Fund
O'Shaughnessy Canadian Equity Fund
O'Shaughnessy U.S. Growth Fund
O'Shaughnessy U.S. Value Fund
Royal \$U.S. Money Market Fund
Royal Asian Equity Fund
Royal Balanced Fund
Royal Balanced Growth Fund
Royal Bond Fund
Royal Canadian Equity Fund
Royal Canadian Growth Fund
Royal Canadian Money Market Fund
Royal Canadian Small Cap Fund
Royal Canadian T-Bill Fund
Royal Canadian Value Fund
Royal Dividend Fund
Royal Energy Fund
Royal European Equity Fund
Royal Global Balanced Fund
Royal Global Bond Fund
Royal Global Communications and Media Sector
Royal Global Consumer Trends Sector Fund
Royal Global Education Fund
Royal Global Financial Services Sector Fund
Royal Global Health Sciences Sector Fund
Royal Global Industrials Sector Fund
Royal Global Resources Sector Fund
Royal Global Technology Sector Fund
Royal Global Titans Fund
Royal International Equity Fund
Royal Japanese Stock Fund
Royal Latin American Fund
Royal Life Science and Technology Fund
Royal Monthly Income Fund
Royal Canadian Short-Term Income Fund
Royal Precious Metals Fund
Royal Premium Money Market Fund
Royal Select Balanced Portfolio
Royal Select Growth Portfolio
Royal Select Conservative Income Portfolio
Royal U.S. Equity Fund
Royal U.S. Mid-Cap Equity Fund
Royal Tax Managed Return Fund
Royal Select Choices Aggressive Growth Portfolio
Royal Select Choices Balanced Portfolio
Royal Select Choices Growth Portfolio

Royal Select Choices Conservative Portfolio

RBC Advisor Funds

RBC Advisor Global Titans Class
RBC Advisor Global Communications and Media Class
RBC Advisor Global Consumer Trends Class
RBC Advisor Global Financial Services Class
RBC Advisor Global Health Sciences Class
RBC Advisor Global Industrials Class
RBC Advisor Global Resources Class
RBC Advisor Global Technology Class
RBC Advisor U.S. Equity Class
RBC Advisor Global Small Cap Equity Class
RBC Advisor Emerging Markets Equity Class
RBC Advisor Global Balanced Class
RBC Advisor Short-Term Income Class
RBC Advisor Canadian Bond Fund
RBC Advisor Global High Yield Fund
RBC Advisor Blue Chip Canadian Equity Fund

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – investment manager and mutual funds which are reporting issuers exempted from early warning and insider reporting requirements provided that they comply with reporting and filing requirements as if they were "eligible institutional investors" under National Instrument 62-103

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 87, 91, 111 and 114(2)(c)

National Instrument 62-103 *The Early Warning System and Related Take-over Bid and Insider Reporting Issues*