

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH  
COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, Qu顛c,  
NOVA SCOTIA, AND NEWFOUNDLAND,

AND

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

AND

IN THE MATTER OF  
SPECTRUM UNITED MUTUAL FUNDS INC.  
SPECTRUM UNITED RRSP AMERICAN GROWTH FUND  
SPECTRUM UNITED RRSP GLOBAL GROWTH FUND  
SPECTRUM UNITED RRSP GLOBAL TELECOMMUNICATIONS FUND

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Qu顛c, Nova Scotia, and Newfoundland (the "Jurisdictions") has received an application (the "Application") from Spectrum United Mutual Funds Inc. ("Spectrum United") in its own capacity and on behalf of Spectrum United RRSP American Growth Fund, Spectrum United RRSP Global Growth Fund, and Spectrum United RRSP Global Telecommunications Fund (individually, an "RSP Fund" and 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 Spectrum United American Growth Fund, Spectrum United Global Growth Fund, and Spectrum United Global Telecommunications Fund (individually, a "Reference Fund" and collectively, the "Reference Funds");

A. the Requirements requiring each RSP Fund and Spectrum United (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 Reference Fund exceed 10 percent of the outstanding securities of the Reference Fund and the requirements to not acquire or offer to acquire securities of such Reference Fund pending the expiration of one business day from the date the report is filed.

B. the Requirements prohibiting the RSP Funds from knowingly:

(i) 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 security holder;

(ii) making an investment in an issuer in which any person or company who is a substantial securityholder of an RSP Fund, its management company or its distribution company has a significant interest; and

(iii) 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 security holder.

C. the Requirements requiring Spectrum United to file a report relating to a purchase or sale of securities between an RSP Fund and any related person or company, or a report relating to any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities of the RSP Funds or Reference Funds, an RSP Fund is a joint participant with one or more of its related persons or companies, in respect of each Reference Fund to which it provides services or advice.

D. the Requirement prohibiting Spectrum United from knowingly causing an investment portfolio managed by it to invest in any issuer in which a responsible person or an associate of a responsible person is an officer or director unless the specific fact is disclosed to the client and the written consent of the client to the investment is obtained before the purchase (other than in British Columbia where no consent is required).

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

Spectrum United has represented to the Decision Makers as follows:

1. Spectrum United is a corporation incorporated under the laws of Ontario with a registered and head office in Ontario. Spectrum United will be the manager of each of the RSP Funds and each of the Reference Funds.

2. Spectrum United 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 (collectively, the "Prospectus").

3. Each of the Reference 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 Reference Funds is, a reporting issuer under the securities laws of each of the provinces and territories of Canada. None of the Reference Funds is in default of any requirements of the Legislation.

4. Each Reference Fund seeks to achieve its investment objective through investment primarily in foreign securities.
5. The Prospectus will contain disclosure with respect to the investment objective and investment practices and restrictions of each RSP Fund. The investment objective of each RSP Fund is, while remaining fully eligible for registered plans, to achieve above-average long-term capital appreciation by investing in a combination of (i) forward contracts and other derivatives linked to returns earned by the corresponding Reference Fund, and (ii) units of the corresponding Reference Fund up to the foreign property limit.
6. Each of the RSP Funds invests its assets in securities such that its units will be "qualified investments" for registered retirement savings plans ("RRSPs"), including "group RRSPs" and locked-in retirement accounts, registered retirement income funds, including life income funds, deferred profit sharing plans and registered education savings plans (the "Registered Plans") and will not constitute foreign property in a Registered Plan. The direct investment by an RSP Fund in a Reference 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"). The amount of direct investment by each RSP Fund will be adjusted from time to time so that, except for transitional cash, the aggregate of derivative exposure to, and direct investment in, the Reference Fund will equal 100% of the assets of the RSP Fund.
7. Spectrum United is a wholly-owned subsidiary of Sun Life Assurance Company of Canada ("Sun Life"). From time to time, Sun Life may acquire and hold units of some of the Reference Funds and RSP Funds. It is possible that at any given time, Sun Life may be a substantial securityholder of an RSP Fund while at the same time have a significant interest in the corresponding Reference Fund.
8. 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 Reference Funds have been structured to comply with the investment restrictions of the Legislation and National Policy Statement No. 39.
9. In the absence of this Decision as soon as the aggregate holdings by an RSP Fund of securities of the linked Reference Fund exceed 10% of the outstanding securities of the Reference Fund, Spectrum United, and possibly the RSP Fund, would be required to comply with the reporting and other requirements of the Legislation.
10. In the absence of this Decision, pursuant to the Legislation, each of the RSP Funds is prohibited from (i) knowingly making an investment in a Reference Fund in which the RSP Fund, alone or together with one or more related mutual funds, is a substantial securityholder; (ii) knowingly making an investment in a Reference Fund in which any person or company who is a substantial securityholder of an RSP Fund, its management company or its distribution company has a significant interest; and (iii) knowingly holding an investment referred to in clauses (i) and (ii) of this paragraph.

11. In the absence of this Decision, the Legislation requires Spectrum United to file a report on every purchase or sale of securities of the Reference Funds by the RSP Funds.

12. Because certain of the directors and officers of Spectrum United and its parent company Sun Life also act as trustees of the Reference Funds, in the absence of this Decision, Spectrum United would be prohibited from knowingly causing an RSP Fund to invest in a Reference Fund unless the specific fact is disclosed to the client and the written consent of the client (except in B.C. where written consent is not required) to the investment is obtained before the purchase.

13. The purchase and sale of units in the Reference Funds represents the business judgment of responsible persons uninfluenced by considerations other than the best interests of 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 to the purchase and sale by an RSP Fund of units of a corresponding Reference 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 Statement No. 39; and

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

(a) the RSP Funds and the Reference Funds are under common management and the Reference 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 investment in its corresponding Reference Fund to a percentage of its assets that is within the Foreign Property Maximum;
- (c) the investment by each RSP Fund in the corresponding Reference Fund is compatible with The fundamental investment objective of the RSP Fund;
- (d) the Prospectus of the RSP Funds describes the intent of each RSP Fund to invest in a corresponding Reference Fund;
- (e) each RSP Fund may only change its corresponding Reference Fund if it changes its fundamental investment objective in accordance with the Legislation;
- (f) there are compatible dates for the calculation of the net asset value of the RSP Funds and the Reference Funds for the purpose of the issue and redemption of the securities of such mutual funds;
- (g) no sales charges are payable by the RSP Funds in relation to its investment in the securities of the Reference Funds;
- (h) no redemption fees or other charges are charged by the Reference Funds in respect of the redemption by the RSP Funds of securities of the Reference Funds owned by the RSP Funds;
- (i) the arrangements between or in respect of the RSP Funds and the Reference Funds are such as to avoid the duplication of management fees;
- (j) no fees or charges of any sort are paid by an RSP Fund or by a Reference Fund or by the manager or principal distributor of an RSP Fund or a Reference Fund or by any affiliate or associate of any of the foregoing entities to anyone in respect of a RSP Fund's investment in, or redemption of, the securities of the Reference Fund;
- (k) in the event of the provision of any notice to securityholders of the Reference Funds as required by the constating documents of the Reference Funds or by the laws applicable to the Reference Funds, such notice will also be delivered to the securityholders of the corresponding RSP Fund; all voting rights attached to the securities of the Reference Funds which are owned by the RSP Funds will be passed through to the securityholders of the applicable RSP Fund; in the event that a securityholders' meeting is called for a Reference Fund, all of the disclosure and notice material prepared in connection with such meeting will be provided to the securityholders of the corresponding RSP Fund and such securityholders will be entitled to direct a representative of the RSP Fund to vote the RSP Fund's holding in the Reference Fund in accordance with their direction; and the representative of the RSP Fund will not be permitted to vote the RSP Fund's

holdings in the Reference Fund except to the extent the securityholders of the RSP Fund so direct;

(1) in addition to receiving the annual and, upon request the semi-annual financial statements, of the RSP Funds, securityholders of the RSP Funds will receive the annual and, upon request the semi-annual financial statements, of the Reference Funds in either a combined report containing both the RSP Funds' and Reference Funds' financial statements, or in a separate report containing the Reference Funds' financial statements; and

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

DATED at Toronto, Ontario this "13<sup>th</sup>" day of December, 1999.