

(Translation)

MAY / , 2007

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA,  
ONTARIO, QUEBEC, NEW BRUNSWICK, NOVA SCOTIA AND  
NEWFOUNDLAND AND LABRADOR  
(the "Jurisdictions")

AND

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

AND

IN THE MATTER OF  
MONTRUSCO BOLTON INVESTMENTS INC.  
("MBII")

AND

MONTRUSCO BOLTON T-MAX FUND, MONTRUSCO BOLTON  
BALANCED + FUND AND MONTRUSCO BOLTON ENTERPRISE FUND  
(the "Mutual Funds" and together with MBII, the "Filers")

MRRS DECISION DOCUMENT

**Background**

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application from MBII on its own behalf and on behalf of the Mutual Funds for a decision under the securities legislation (the "**Legislation**") of the Jurisdictions revoking the reporting issuer status of the Mutual Funds or deeming the Mutual Funds to have ceased to be reporting issuers, as applicable (the "**Requested Relief**").

Under the Mutual Reliance Review System ("**MRRS**") for Exemptive Relief Applications:

- (a) the Autorité des marchés financiers is the principal regulator for this application; and

- (b) this MRRS decision document evidences the decision of each Decision Maker.

### Interpretation

Defined terms contained in National Instrument 14-101 – *Definitions* have the same meaning in this decision unless they are defined in this decision.

### Representations

This decision is based on the following facts represented by the Filers:

1. MBII, a company incorporated under the laws of Canada having its head office in Montreal, is registered with the principal regulator as adviser with an unrestricted practice and mutual fund dealer. MBII is also registered in Ontario as investment counsel, portfolio manager and limited market dealer, in Nova Scotia as investment counsel and portfolio manager, as portfolio manager (securities) in British Columbia, as investment counsel and portfolio manager in Alberta and New Brunswick, as investment counsel (institutional clients) in Saskatchewan and as a broker dealer and investment counsel in Manitoba.
2. MBII is the manager of the Mutual Funds, established under the laws of the Province of Ontario which are offered by simplified prospectus in all the Jurisdictions.
3. The Mutual Funds are reporting issuers or the equivalent in each of the Jurisdictions and are not in default of any of their obligations as reporting issuers or the equivalent under the Legislation.
4. MBII is also the manager and advisor of the Montrusco Bolton Fixed Income Fund, Montrusco Bolton Canadian Equity Fund, Montrusco Bolton U.S. Equity Fund, Montrusco Bolton Canadian Small Capitalization Equity Fund, Montrusco Bolton E.A.F.E. Equity Fund, Montrusco Bolton Global Equity Fund, Montrusco Bolton Balanced Fund, TSX 100 Momentum Fund, Canadian Equity+ Fund, Montrusco Bolton Income Trust Fund, Montrusco Bolton Bond Total Return Fund and the AEQ U.S. Equity Fund (the “**Pooled Funds**”).
5. Each of the Pooled Funds is an open-ended mutual fund trust established by a trust agreement between MBII and Desjardins Trust Inc. The Pooled Funds are not reporting issuers under the Legislation.
6. Although the Mutual Funds are distributed in the Jurisdictions by prospectus, the units of the Mutual Funds are only distributed to the clients of MBII, all of which have entered into discretionary management agreements with MBII. Clients cannot directly purchase units of the Mutual Funds or Pooled Funds.
7. The sole reason behind MBII's decision to distribute the Mutual Funds by way of prospectus was to respect investment restrictions contained, at that time, in investment policies of certain of MBII's institutional clients which restricted them to investing exclusively in mutual funds distributed by way of prospectus.



Investors that had such restrictions in their investment policies have not been clients of MBII for at least four years.

8. Notwithstanding the investment restrictions contained in the investment policies of certain institutional clients described in paragraph 7 above, MBII would have benefited from an exemption from the prospectus and registration requirements of the Legislation. Therefore, under the Legislation, the investments made pursuant to such prospectus exemption would not have caused the Mutual Funds to become reporting issuers.
9. In addition, none of the clients of MBII who currently hold units of the Mutual Funds have, in their investment policies, investment restrictions which restrict them to investing exclusively in mutual funds distributed by way of prospectus.
10. As adviser in securities of the Mutual Funds and the Pooled Fund, MBII enters into fully managed discretionary account agreements with all its clients.
11. Once mandated, MBII selects, based on the clients' individual investment policies and restrictions, the investments that would meet the client's profile and portfolio requirements. This selection for the client's account may take the form of various investment vehicles including segregated accounts, pooled funds which may include units of the Pooled Funds or mutual funds which may include units of the Mutual Funds.
12. Therefore, in all of the Jurisdictions, except Ontario, the distribution has been made to MBII, an "accredited investor" according to the definition of "accredited investor" found at section 1.1(q) of National Instrument 45-106 – *Prospectus and Registration Exemptions* ("NI 45-106") since MBII has entered into fully managed discretionary account agreements with all its clients. At its discretion, MBII decides if the portfolio of its clients will include units of the Mutual Funds and in no case, does the discretionary management agreement signed between the parties require that the investment of a client's assets be invested in mutual funds. In addition certain clients also possess one or more of the characteristics listed in sub-paragraphs a, b or c of paragraph 13.
13. In Ontario, in order to benefit from the prospectus and registration exemptions set out in NI 45-106, clients of MBII have one or more of the following characteristics:
  - (a) they have made a minimum investment of \$150,000 in a Mutual Fund;
  - (b) alone or with a spouse beneficially own financial assets having an aggregate realizable value which exceeds \$1,000,000; or
  - (c) they are a registered charity under the *Income Tax Act* (Canada).
14. As mutual fund trusts, the Mutual Funds will comply with the provisions in National Instrument 81-106 - *Investment Fund Continuous Disclosure* applicable to non-reporting issuers.

Decision

Each of the Decision Makers is satisfied that the tests contained in the Legislation that provide the Decision Makers with the jurisdiction to make the decision have been met.

The decision of the Decision Makers is that the Requested Relief is granted.

Jean St-Gelais

President and Chief Executive Officer