



4. To achieve its investment objective, each Top Fund will invest its assets in securities such that its units will be "qualified investments" for tax-deferred retirement savings plans ("Registered Plans").
5. The primary investment objective or strategy of each Top Fund is to invest directly (the "Direct Investments") in securities of certain prospectus-qualified mutual funds (each an "Underlying Fund"), a portion of which will include investments in foreign property securities up to the maximum limit (subject to "Target Allocations" defined below) permitted for Registered Plans (the "Permitted Limit") by the *Income Tax Act (Canada)* (the "Tax Act"). Some of the Top Funds may also enter into one or more forward contracts or other specified derivative instruments with one or more financial institutions (the "Counterparty" or "Counterparties") in order to gain exposure to one or more Underlying Funds (the "Derivative Investments", and together with the Direct Investments, the "Investments").
6. The Underlying Funds will either be a mutual fund trust or a class of shares of a mutual fund corporation established or incorporated, as the case may be, under the laws of a province of Canada. Securities of the Underlying Funds will be qualified for distribution under a (final) simplified prospectus and annual information form filed with and accepted by the regulators in each of the Participating Jurisdictions.
7. The Underlying Funds will be reporting issuers in each of the Participating Jurisdictions and are not in default of any requirements of the Legislation.
8. AGF International Stock Class (the "AGF Fund") is a class of shares of a mutual fund corporation (AGF International Group Limited) and is managed by AGF Funds Inc. ("AGF"). Shares of AGF Fund are offered for distribution under a simplified prospectus dated March 28, 2001.
9. Synergy Canadian Momentum Class (the "Synergy Fund") is a class of shares of a mutual fund corporation (Synergy Canadian Fund Inc.) and is managed by Synergy Asset Management Inc. ("Synergy"). Shares of the Synergy Fund are offered for distribution under a simplified prospectus dated August 24, 2001.
10. The AGF Fund and the Synergy Fund are Underlying Funds.
11. The amount a Top Fund may invest in an Underlying Fund is referred to as its target allocation ("Target Allocation"). A Target Allocation has been established for each of the Underlying Funds and will be subject to a +/-2.5% deviation (the "Permitted Range") due solely to market fluctuations.
12. The Target Allocations for the Top Funds in the AGF Fund and the Synergy Fund are as follows:

- (i) Counsel Conservative Portfolio – AGF Fund (7.5%);
- (ii) Counsel Balanced Portfolio – AGF Fund (10%);
- (iii) Counsel Balanced RSP Portfolio – AGF Fund (10%);
- (iv) Counsel Growth Portfolio – AGF Fund (15%) and Synergy Fund (2.5%);
- (v) Counsel Growth RSP Portfolio – AGF Fund (15%) and Synergy Fund (2.5%);
- (vi) Counsel All Equity Portfolio – AGF Fund (22.5%) and Synergy Fund (2.5%);
- (vii) Counsel All Equity RSP Portfolio – AGF Fund (22.5%) and Synergy Fund (2.5%).

13. The name, investment objective, investment strategy, Target Allocation and investment risk for each Underlying Fund is described in the Prospectus. Where an Underlying Fund or Target Allocation is changed, the Manager will amend the Prospectus, or file a new prospectus reflecting the change within 10 days thereof, and provide 60 days' notice of the change to unitholders of the affected Top Fund.

14. In the absence of this Decision, as soon as the aggregate holdings of a Top Fund of securities of a particular Underlying Fund (that is a class of shares of a mutual fund corporation) exceed 10% of the outstanding securities of that Underlying Fund, the Manager and possibly the Top Fund would be required to comply with the insider reporting requirements of the Act.

C. The Commission is of the opinion that it would not be prejudicial to the public interest and there is adequate justification in the circumstances to grant this order.

**IT IS ORDERED:**

**1. THAT**, pursuant to subsection 116(1)(c) of the Act, the Top Funds shall be exempt from the reporting requirements of section 109 of the Act with respect to the purchase and sale of securities of the Underlying Funds.

**2. THAT**, the fee for this order is \$25.00.

BY ORDER OF THE COMMISSION

Deputy Director – Legal