

contribution and in addition would be entitled to all income derived from the Fund and attributable to its interest in the Foundation Fund (a "Managed Fund"). Repayments may be made in the form of cash or, if market conditions dictate and the Foundation so elects, in the form of securities held in the Foundation Fund (the "Security Repayment").

4. For each of the Agency Funds, the Designated Funds and the Managed Funds (sometimes hereinafter collectively referred to as the "Third Party Funds"), the contributions are deposited into and commingled with other monies in the Foundation Fund (including those of the Foundation itself). The Foundation in turn has in effect unitized the Foundation Fund and records in a book entry system the number of Units of the Foundation Fund to which the non-related charitable organization is entitled by virtue of the capital investment it has made (all trades occurring on or before the date of this Order are hereinafter referred to as the "Past Trades").

5. The Foundation currently uses two professional investment managers being Jarislowsky Fraser Limited Investment Counsel and Knight Bain Seath and Holbrook Capital Management Inc. to manage the Funds.

6. Each of the Third Party Funds is charged a fee which essentially is a cost recovery mechanism used by the Foundation, since it is responsible for paying the investment management and custodial costs for the Foundation Fund. Other than that cost recovery amount, no fee or commission is charged by the Foundation for the Units.

7. The Foundation is required by its statute to publish its Annual Report wherein it discloses information relevant to the Foundation, its financial affairs and operations.

8. The Agency Funds and the Managed Funds also receive an agency fund report which is specific to the Fund under management as well as a report indicating the current capital account for the Fund.

9. In addition, the Foundation has adopted a statement of investment policies and guidelines which will be made available to the Agency Funds and the Managed Funds at their request.

10. The Foundation is not registered in any capacity under the Act.

11. Because the non-related charities are entitled to the income from the Agency Funds and the Designated Funds and, in the case of the Managed Funds, to the original capital contribution as well, the registration and prospectus exemptions available under the Act concerning the distribution of securities of a charitable organization is not available in this instance.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

IT IS ORDERED:

1. THAT, pursuant to subsection 20(1) of the Act, the Foundation is hereby exempted in the Past Trades and all future trades and all activities in furtherance of such trades involving the Third Party Funds from sections 6 and 37 of the Act provided that, in the case of the Agency Funds and the Managed Funds only:

a) that prior to engaging in any future trades with an Agency Fund or a Managed Fund a disclosure document in a form acceptable to staff be provided to the third party charity establishing the Agency Fund or the Managed Fund ;

b) all activities in connection with the trades in the Agency Funds or the Managed Funds including all activities in furtherance of such trades shall be conducted through the Executive Director and/or the Director of Financing and Gift Planning of the Foundation.

2. THAT the fee for this Order is \$650.00.

BY ORDER OF THE COMMISSION

Director – Legal