

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

AND

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

AND

IN THE MATTER OF
ABN AMRO BANK N.V.

AND

IN THE MATTER OF
ABN AMRO BANK CANADA

MMRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from ABN AMRO Bank N.V. (Multi Branch) and ABN AMRO Bank Canada (individually, an "Applicant", and collectively, the "Applicants") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation triggered by the acquisition of 10% or more of the outstanding securities of a reporting issuer (the "Early Warning Requirements") and the corresponding restrictions on further acquisitions (the "Moratorium Requirements") do not apply to the Applicants in respect of an investment by an Applicant in units or securities of Corresponding Funds (as defined below) where:

(a) an Applicant enters into a forward or other permitted derivative transaction (a "Forward Contract") directly with a Fund that is a fully qualified investment for registered plans such as RRSPs the units or securities of which are not "foreign property" for the purposes of the *Income Tax Act* (Canada) (the "Tax Act") (each such fund hereinafter referred to as an "RSP Fund" and collectively as the "RSP Funds");

(b) the respective underlying interest of each forward contract is units or securities of a related corresponding fund that is "foreign property" for the purposes of the Tax Act (each such fund, with respect to the corresponding RSP Fund having the same investment objective, is hereinafter referred to as a "Corresponding Fund" and collectively as the "Corresponding Funds");

(c) an Applicant purchases units or securities of a Corresponding Fund pursuant to a prospectus for which a receipt has been issued in order to hedge its obligations under the corresponding Forward Contract;

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 the Applicants have represented to the Decision Makers that:

1. ABN AMRO Bank N.V (Multi Branch) is a Netherlands-based bank.
2. ABN AMRO Bank Canada is a bank with its head office located in Toronto, Ontario.
3. Neither ABN AMRO Bank N.V. nor ABN AMRO Bank Canada is a reporting issuer in any province or territory of Canada.
4. The RSP Funds and the Corresponding Funds (collectively, the "Funds") are or will be open-end mutual fund trusts or corporations established under the laws of Canada or a province thereof.
5. The Funds are or will be reporting issuers under the securities laws of one or more of the provinces and territories of Canada. The units or securities of the Funds will be qualified for sale pursuant to a prospectus or simplified prospectus and annual information form.
6. The RSP Funds propose to enter into Forward Contracts or other permitted derivative instruments that are linked to the performance of the Corresponding Funds, while ensuring that units or securities of the RSP Funds do not constitute "foreign property" under the Tax Act for registered tax deferral plans.
7. The investment objectives, practices and restrictions of the Funds are or will be set out in their respective prospectuses.
8. The structure of the RSP Funds permits investors to increase their exposure to foreign securities markets beyond the current 20% foreign property limit imposed by the Tax Act without being subject to a penalty tax.
9. The value of the Forward Contracts will be linked to the value of the Corresponding Funds. It is expected that each of the Forward Contracts will be entered into and settled on a monthly or quarterly basis. Certain contracts will be adjusted daily to reflect the net amounts received by the RSP Funds in respect of purchases of their units or securities, the amounts paid in respect of redemption of their units or securities, the cost of the Forward Contracts and the expenses paid by such RSP Funds. All payments under the Forward Contracts are to be made only in cash and no RSP Fund will have any entitlement or right to securities of the Corresponding Fund held by an Applicant. Each Forward Contract creates economic exposure to the Corresponding Fund by delivering to the related RSP Fund a cash payment from an Applicant substantially equal to the

investment return, if any, in such Corresponding Fund, less the cost of the Forward Contract and the operating expenses of the RSP Fund. Any investment loss in a Corresponding Fund results in a cash payment by the related RSP Fund to an Applicant.

10. In order for an Applicant to hedge its position under the Forward Contracts, the Applicant may acquire directly units or securities of the Corresponding Funds. The number of units or securities of the Corresponding Funds to be acquired from time to time by the Applicant pursuant to its hedging program cannot be determined in advance and will change daily. Both the Applicant's subscriptions for units or securities and requests for redemption of units or securities of the Corresponding Funds will be linked to the number of units or securities subscribed for and redeemed from day to day by investors in the RSP Funds.

11. All purchases of a Corresponding Fund by an Applicant will be from treasury of the Corresponding Fund.

12. The Applicants may, from time to time, acquire beneficial ownership of more than 10% of the outstanding units or securities of a Corresponding Fund.

13. The prospectuses of the RSP Funds will at all relevant times disclose generally that counterparties to Forward Contracts with the RSP Funds may purchase units or securities of the Corresponding Funds for hedging purposes and the possible effects thereof.

AND WHEREAS pursuant to the System this MMRS 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 decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that the Early Warning Requirements and the Moratorium Requirements contained in the Legislation shall not apply to an Applicant in respect of acquisitions of units or securities of any Corresponding Fund purchased in order to hedge its obligations under the Forward Contracts.

DATED at Toronto this "22nd" day of February, 2000.