

**IN THE MATTER OF  
THE CANADIAN SECURITIES LEGISLATION OF  
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,  
MANITOBA, ONTARIO, NEW BRUNSWICK,  
NOVA SCOTIA, NEWFOUNDLAND,  
PRINCE EDWARD ISLAND, YUKON TERRITORY,  
NORTHWEST TERRITORIES AND NUNAVUT**

**AND**

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

**AND**

**IN THE MATTER OF  
ALTAMIRA MANAGEMENT LTD.**

**MRRS DECISION DOCUMENT**

**WHEREAS** the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, Newfoundland, New Brunswick, Prince Edward Island, Yukon Territory, Northwest Territories and Nunavut Territory (the "Jurisdictions") has received an application from Altamira Management Ltd. (the "Applicant"), as proposed manager and trustee of certain funds (the "Funds") to be established by the Applicant, for a decision pursuant to the securities legislation and securities directions of the Jurisdictions (the "Legislation") that certain distributions of units of the Funds (the "Units") by the Funds to their respective unitholders not be subject to the prospectus requirements contained in the Legislation, other than the Legislation of the provinces of Saskatchewan, British Columbia, Alberta, Nova Scotia, the Northwest Territories and Nunavut Territory (the "Prospectus Requirements"), subject to certain conditions, and that the requirement in the Legislation and the Decision (as defined below) to file a report of an Exempt Trade (as defined below) within 10 days of such Exempt Trade shall not apply to the Funds, subject to certain conditions;

**AND WHEREAS** pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission (the "Commission") is the principal regulator for this application;

**AND WHEREAS** it has been represented by the Applicant to the Decision Makers that:

1. The Applicant is a corporation continued under the laws of the Province of Ontario. The Applicant is registered under the Legislation as an advisor in the categories of investment counsel and portfolio manager. The Applicant is not a reporting issuer or the equivalent under the Legislation.

2. In order to service certain of its present and future clients, the Applicant proposes to establish a group of pooled funds to be called The Altamira Private Investment Funds pursuant to a single declaration of trust (the "Declaration of Trust"). It is expected that the Funds will initially consist of 6 separate Funds designated as Altamira Private Canadian Equity Fund, Altamira Private Canadian Income Fund, Altamira Private U.S. Equity Fund, Altamira Private European Equity Fund, Altamira Private Asian Equity Fund and Altamira Private Science and Technology Fund. The Funds will be constituted and maintained as separate investment trusts. Additional funds may be established from time to time and shall be subject to the provisions of the Declaration of Trust.
3. The Applicant will act as manager and investment manager of each of the Funds, and pursuant to approval of the Commission dated May 12, 2000, will also act as trustee of the Funds.
4. Units will not be offered by prospectus, however, an offering memorandum containing applicable prescribed rights of action and rescission will be delivered to prospective investors in respect of each of the Funds.
5. The assets of each Fund will be invested from time to time upon the advice of the Applicant based on the objectives, policies and restrictions of such Fund as set forth in the Declaration of Trust and described in the offering memorandum of the Funds.
6. An unlimited number of Units will be offered to qualified members of the public by each of the Funds and will be distributed on a continuous basis.
7. Units will be redeemable upon the request of a unitholder at the net asset value per Unit on a valuation date, all as set out in the Declaration of Trust and the offering memorandum.
8. None of the Funds will be a reporting issuer or the equivalent as defined in the Legislation and the Units of the Funds will not be listed on any stock exchange.
9. Units of each of the Funds will be offered to residents in all Provinces and Territories of Canada, and except in the provinces of Alberta, New Brunswick, the Northwest Territories and Nunavut Territory, may be sold by Altamira Financial Services Ltd., a mutual fund dealer registered in all provinces and territories of Canada.
10. In the provinces of Alberta and New Brunswick, the Northwest Territories and Nunavut Territory, Units will only be sold through appropriately registered dealers until such time as Altamira Financial Services Ltd. applies for and receives the appropriate exemptions or relief under the Legislation of the provinces of Alberta, New Brunswick, the Northwest Territories and Nunavut Territory.
11. In the province of British Columbia, Altamira Financial Services Ltd. and any other mutual fund dealers offering the Units for sale will comply with all conditions of registration imposed on such dealers in connection with the offering of such Units.

12. The minimum initial investment (the "Initial Investment") in any Fund will not be less than \$150,000 and will be made in reliance on applicable prospectus exemptions contained in the Legislation.

13. It is proposed that existing unitholders who have made an Initial Investment in a Fund be permitted to acquire additional units (the "Additional Units") of the same Fund with an aggregate acquisition cost of less than \$150,000 by:

(a) automatically reinvesting distributions otherwise receivable by the unitholder which are attributable to outstanding Units; or

(b) subscribing and paying for Additional Units with an aggregate acquisition cost of not less than \$10,000.

12. No unitholder will be permitted to acquire Additional Units in a Fund at an acquisition cost of less than \$150,000 unless, at the time of subsequent acquisition, the unitholder holds Units in the same Fund which have either an aggregate acquisition cost or an aggregate net asset value of at least \$150,000.

**AND WHEREAS** pursuant to the System this MRRS 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:

A. the Prospectus Requirements do not apply to the purchase of Additional Units in a Fund provided that:

(a) this Decision will cease to be effective in a Jurisdiction 90 days after the coming into force in such Jurisdiction of legislation or a rule governing the distribution of additional securities of pooled funds;

(b) at the time of acquisition of Additional Units, the unitholder then owns Units of the same Fund having either an aggregate acquisition cost or an aggregate net asset value of not less than \$150,000;

(c) in accordance with the Legislation, the Applicant files with the applicable Decision Maker a report in respect of all trades in Additional Units as if the trades in Additional Units were trades in Units and pays to the applicable Decision Maker the fees relating to such filing prescribed by the Legislation; and

(d) the first trade in Additional Units of a Fund is deemed to be a distribution, or primary distribution to the public, under the Legislation of the Jurisdiction in

which the trade takes place (the "Applicable Legislation"), unless otherwise exempt thereunder or unless such first trade is made in the following circumstances:

- (i) the Fund is a reporting issuer or the equivalent under the Applicable Legislation;
- (ii) if the seller of the Additional Units is in a special relationship (where such expression is defined in the Applicable Legislation) with the Fund, the seller has reasonable grounds to believe that the Fund is not in default of any requirement of the Applicable Legislation;
- (iii) no unusual effort is made to prepare the market or to create a demand for the Additional Units and no extraordinary commission or consideration is paid in respect of such trade; and
- (iv) the Additional Units have been held for a period of at least 18 months from the later of the date they were acquired by the seller of the Additional Units or the date the Fund became a reporting issuer or the equivalent in the applicable Jurisdiction.

B. the requirement contained in the Legislation and the Decision to file a report of an Initial Investment or subscription for Additional Units (the "Exempt Trades") within 10 days of such trade shall not apply, except in the Province of Manitoba, in connection with the Exempt Trades, provided that within 30 days after each financial year end of the Funds:

- (a) the Applicant files with the applicable Decision Maker a report in respect of all trades in Units and Additional Units during that financial year, in the form prescribed by the Applicable Legislation; and
- (b) the Applicant remits the fee prescribed by the Legislation to the Decision Makers of the applicable Jurisdiction.

DATED at Toronto this "31<sup>st</sup>" day of October, 2000.

#### Headnote

MRRS - trades by mutual funds of additional shares to existing shareholders holding shares of such fund having an aggregate acquisition cost or net asset value of not less than \$150,000 exempted from prospectus requirement - trades in units of mutual funds exempt from requirements to file a report of such trades within ten days of the trade provided that reports filed and fees paid yearly.

#### Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 25, 53, 72(3), 74(1)