

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

AND

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

AND

IN THE MATTER OF
THE BANK OF NOVA SCOTIA

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Makers") in each of Alberta, British Columbia, Manitoba, Newfoundland, Nova Scotia, Ontario and Saskatchewan (the "Jurisdictions") has received an application from The Bank of Nova Scotia ("BNS") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the reporting 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") shall not apply to BNS in respect of investments by BNS in units or securities of Linked Funds (as defined below) where:

- (a) BNS enters into forward or other derivative contracts either directly with Elliott & Page RSP American Growth Fund, Elliott & Page RSP U.S. Mid-Cap Fund or any similar fund with investment objectives that link its performance to that of a specified Linked Fund (as defined below) (each such fund hereinafter referred to as a "RSP Fund" and collectively as the "RSP Funds");
- (b) the respective underlying interest of each forward or other derivative contract is units or securities of Elliott & Page American Growth Fund, Elliott & Page U.S. Mid Cap Fund or any similar fund to which a RSP Fund's investment objective is linked (each such fund, hereinafter referred to as a "Linked Fund" and collectively as the "Linked Funds"); and
- (c) BNS purchases units or securities of a Linked Fund pursuant to a prospectus for which a receipt has been issued in order to hedge its obligations under the corresponding forward or other derivative 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 BNS has represented to the Decision Makers that:

1. BNS is a Canadian chartered bank and has its principal office in the City of Toronto, Ontario.

2. The RSP Funds and the Linked Funds are or will be mutual fund trusts or corporations established under the laws of Canada or a province thereof.

3. Each of the Linked Funds and the RSP Funds are or will be reporting issuers under the securities laws of each of the provinces and territories of Canada. The units or securities of such funds will be qualified for sale pursuant to a simplified prospectus and annual information form.

4. Each RSP Fund will invest in derivative contracts, including forward contracts, that are linked to the returns earned by investors in a related Linked Fund.

5. BNS is proposing to enter into the forward or other derivative contracts with each of the RSP Funds as contemplated by the investment objectives of the RSP Funds which are or will be described in the applicable RSP Funds' simplified prospectus and annual information form and may hedge its obligations under the forward or other derivative contracts by investing an amount equal to its exposure to the net assets of each RSP Fund in units or securities of the related Linked Fund (such hedging activity is hereinafter referred to as the "Hedging Program").

6. It is expected that each of the forward or other derivative contracts will be entered into and settled on a monthly or quarterly basis and will be adjusted daily to reflect net cash received by the applicable RSP Fund in connection with the purchase of units of such RSP Fund, the cost of the forward contract and the expenses paid by such RSP Fund. All payments under the forward or other derivative contracts are to be made only in cash and no RSP Fund will have any entitlement or right to units or securities of the related Linked Fund held by BNS. Each forward or other derivative contract creates economic exposure to the related Linked Fund by delivering to the related RSP Fund a cash payment from BNS substantially equal to the investment return, if any, in such related Linked Fund, less the cost of the forward or other derivative contract and the operating expenses of the RSP Fund. Any investment loss in a Linked Fund results in a cash payment by the related RSP Fund to BNS.

7. The extent of the obligations of BNS to a RSP Fund under such forward or other derivative contracts will determine the size of the hedge that BNS may want in respect of those obligations and, accordingly, the number of units or securities of a Linked Fund that BNS may want to acquire pursuant to the Hedging Program.

8. As the net assets of each RSP Fund increases, it is likely that BNS' investment in the related Linked Fund will reach, and in all likelihood exceed, the disclosure threshold of 10% of a class of securities of a reporting issuer set out in the Legislation, with the result that the Early Warning Requirements and the Moratorium Requirements will be applicable.

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 the Early Warning Requirements and Moratorium Requirements contained in the Legislation shall not apply to BNS in respect of acquisitions by BNS, for the purposes of its Hedging Program, of units or securities of any Linked Fund in order to hedge BNS' obligations under forward or other derivative contracts it has entered into with a RSP Fund provided that BNS complies with and otherwise meets the reporting and filing requirements enumerated in Part 4 and Appendix G, and the conditions for relief set out in Part 5, of proposed National Instrument 62-103 dated September 4, 1998, all of which requirements and conditions are, by reference, incorporated into and made part of this Decision.

PROVIDED that this Decision shall cease to be operative with respect to a Decision Maker 30 days following the entry into force of a rule or policy of that Decision Maker relating to alternative early warning reporting and related matters (the 30th day being the "Lapse Day"), without prejudice to BNS' ability to treat reports made pursuant to this Decision prior to such Lapse Date as having been made under that rule or policy.

DATED at Toronto, Ontario this "22nd" day of "November", 1999.