

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

AND

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

AND

IN THE MATTER OF C.I. MUTUAL FUNDS INC.

MRRS DECISION DOCUMENT

1. WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Nova Scotia, Prince Edward Island, New Brunswick, Newfoundland, Yukon, Northwest Territories and Nunavut (the "Jurisdictions") has received an application from C.I. Mutual Funds Inc. (the "Filer") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that:

1.1 certain trades in units ("Units") of pooled fund trust (the "Funds") established or to be established by the Filer are not subject to the registration and prospectus requirements of the Legislation (the Registration and Prospectus Requirements"); and

1.2 trades in Units are not subject to the requirements of the Legislation relating to the filing of forms and the payment of fees within 10 days of each trade;

2. AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Alberta Securities Commission is designated by the Filer as the principal regulator for this application;

3. AND WHEREAS the Filer has represented to the Decision Makers that:

3.1 the Filer is registered under the Securities Act (Ontario) as an advisor in the categories of investment counsel and portfolio manager;

3.2 the Funds have been or will be established pursuant to declarations of trust for which the Filer acts or will act as the trustee and manager;

3.3 each Fund will be a "mutual fund" as defined in the Legislation;

3.4. none of the Funds currently intends to become a reporting issuer as such term is defined in the Legislation and the Units of the Funds will not be listed on any stock exchange;

3.5 each Fund will be divided into Units which will evidence each unitholder's (the "Unitholders") undivided pro rata. interest in the Fund;

3.6 Units will be distributed to persons in the Jurisdictions in reliance on the exemption for distributions (the "Private Placement Exemption") where the purchaser purchases as principal if the aggregate acquisition cost is not less than a prescribed amount (the "Prescribed Amount");

3.7 the minimum initial investment in a Fund by a resident of any Jurisdiction will be the Prescribed Amount in that Jurisdiction;

3.8 following such initial investment, it is proposed that Unitholders be able to purchase additional Units ("Subscribed Units") of a Fund in increments of less than the Prescribed Amount, provided that at the time of such subsequent acquisition the investor holds Units of the Fund with an aggregate acquisition cost or aggregate net asset value of at least the Prescribed Amount;

3.9 each Fund proposes to distribute additional Units ("Reinvested Units") by way of automatic reinvestment of distributions to unitholders of such Fund;

4. AND WHEREAS under the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

5. 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;

6. The Decision of the Decision Makers pursuant to the Legislation is that trades in Subscribed Units of a Fund to a Unitholder of that Fund are not subject to the Registration and Prospectus Requirements of the Legislation provided that:

6.1 the initial investment in Units of that Fund was pursuant to the Private Placement Exemption;

6.2 at the time of the purchase of such Subscribed Units, the Unitholder then owns Units of that Fund having an aggregate acquisition cost or an aggregate net asset value of not less than the Prescribed Amount; and

6.3 at the time of the acquisition of such Additional Units, the Filer is registered under the Securities Act (Ontario) as an adviser in the categories of investment counsel and portfolio manager.

7. The Decision of the Decision Makers pursuant to the Legislation that trades in Reinvested Units are not subject to the Registration and Prospectus Requirements of the Legislation provided that no sales charges are applicable to such trades;

8. The Decision of the Decision Makers (except Manitoba) pursuant to the Legislation is that reports of trades in Subscribed Shares shall not be required to be filed and fees in respect thereof shall not be required to be paid provided that:

8.1 within thirty days after the financial year end of the Funds, each Fund files a report in accordance with Legislation in respect of trades in Units of that Fund during such financial year; and

8.2 within thirty days after the financial year end of the Funds, each Fund pays the fee prescribed by the Legislation to the Decision Makers of the applicable Jurisdictions.

DATED at Calgary, Alberta this 22nd day of December, 1999.

"original signed by"
Glenda A. Campbell, Acting Chair

"original signed by"
John W. Cranston, Member

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief from registration and prospectus requirements in connection with trades by pooled funds of additional units to existing unitholders - trades in units of the funds not subject to section 108 of the Act provided Form 20 filed and fees paid annually.

Applicable Alberta Statutory Provisions

Securities Act, S.A., 1981, c.S-6.1, as amended, s. 54, 81, 185 and Rules 66(b) and 122(c)