

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO,
NEW BRUNSWICK, NOVA SCOTIA, PRINCE EDWARD ISLAND,
AND NEWFOUNDLAND AND LABRADOR**

AND

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

AND

**IN THE MATTER OF
INTEGRA CAPITAL LIMITED**

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator (the “Decision Maker”) in each of Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador (the “Jurisdictions”) has received an application for a decision on behalf of the publicly offered mutual funds (the “Funds”) that are, or will be, managed from time to time by Integra Capital Limited (“Integra”), or one of its affiliates, for a decision pursuant to the securities legislation of the Jurisdictions (the “Legislation”) that the requirement in the Legislation to deliver the latest prospectus and any amendment to the prospectus together with the right not to be bound by an agreement of purchase and sale (the “Delivery Requirement”) not apply in respect of a purchase and sale of securities of the Funds pursuant to a pre-authorized investment plan, including employee purchase plans, capital accumulation plans, or any other contract or arrangement for the purchase of a specified amount of securities on a regularly scheduled basis (an “Investment Plan”);

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions;

AND WHEREAS Integra has represented to the Decision Makers (with respect to itself and the Funds that it, or one of its affiliates, manages) that:

- (a) The Funds are, or will be, reporting issuers in one or more of the Jurisdictions. Securities of the Funds are, or will be, offered for sale on a continuous basis.

- (b) Securities of each of the Funds are or will be distributed through broker dealers or mutual fund dealers (“Distributors”) that may or may not be affiliated with Integra.
- (c) Each of the Funds may offer investors the opportunity to invest in a Fund on a regular or periodic basis pursuant to an Investment Plan.
- (d) Under the terms of an Investment Plan, an investor instructs a Distributor to accept additional contributions on a pre-determined frequency and/or periodic basis and to apply such contributions on a scheduled investment date to additional investments in specified Funds (which instructions may be amended from time to time). The investor authorizes a Distributor to debit a specified account or otherwise makes funds available in the amount of the additional contributions. An investor may terminate the instructions at any time.
- (e) An investor who establishes an Investment Plan (a “Participant”) receives a copy of the current simplified prospectus relating to the Funds at the time an Investment Plan is established.
- (f) Pursuant to the Legislation, a Distributor not acting as agent of the purchaser, who receives an order or subscription for a security of a Fund offered in a distribution to which the Delivery Requirement applies, must, unless it has previously done so, send by prepaid mail or deliver to the purchaser the latest prospectus and any amendment to the prospectus filed either before entering into an agreement of purchase and sale resulting from the order or subscription or not later than midnight on the second day, exclusive of Saturdays, Sundays and holidays, after entering into such agreement.
- (g) Pursuant to the Legislation, an agreement referred to in paragraph (f) is not binding on the purchaser if a Distributor receives notice of the intention of the purchaser not to be bound by the agreement of purchase and sale within a specified time period.
- (h) The terms of an Investment Plan are such that an investor can terminate the instructions to the Distributor at any time. Therefore, there is no agreement of purchase and sale until a scheduled investment date arrives and the instructions have not been terminated. At this point the securities are purchased.
- (i) A Distributor not acting as agent for the applicable investor is required pursuant to the Legislation to mail or deliver to all Participants who purchase securities of Funds pursuant to an Investment Plan, the current simplified prospectus of the applicable Funds at the time the investor enters into the Investment Plan and thereafter, any new prospectus or amendment thereto (a “Renewal Prospectus”) filed pursuant to the Legislation.

(j) There is significant cost involved in the annual printing and mailing or delivery of the Renewal Prospectus to Participants. The annual cost of production of a Renewal Prospectus is borne by the applicable Fund. In addition, mailing costs are incurred.

(k) Securityholders of the Funds who are currently Participants would be sent notice (the "Notice") advising them:

(i) of the terms of the relief and that Participants will not receive any Renewal Prospectus of the applicable Funds, unless they request it;

(ii) that they may request the Renewal Prospectus by calling a toll-free phone number, by email or by fax, and Integra will send the Renewal Prospectus to any Participant that requests it. Participants will receive with the Notice a request form (the Request Form") under which the Participant may request, at no cost to the Participant, to receive the Renewal Prospectus;

(iii) that the Renewal Prospectus and any amendments thereto may be found either on the SEDAR website or on the applicable Fund's website;

(iv) that they can subsequently request the current Renewal Prospectus and any amendments thereto by contacting the applicable Distributor and the Notice will provide a toll-free telephone number for this purpose;

(v) that they will not have a right to withdraw (a "Withdrawal Right") from an agreement of purchase and sale in respect of purchases pursuant to an Investment Plan, but that they will have a right (a "Misrepresentation Right") of action for damages or rescission in the event the Renewal Prospectus contains a misrepresentation, whether or not they request the Renewal Prospectus; and

(vi) that they will continue to have the right to terminate the Investment Plan at any time before a scheduled investment date.

(l) Future investors who choose to become Participants and invest in any Funds in respect of which the relief hereby sought applies will be advised:

(i) in the documents they receive in respect of their participation in the Investment Plan or in the simplified prospectus of the Funds (in the section of the prospectus that describes the Investment Plan) of the terms of the relief and that they will not receive a Renewal

Prospectus unless they request it at the time they decide to enrol in the Investment Plan or subsequently request it from the applicable Distributor;

(ii) that a Renewal Prospectus and any amendments thereto may be found either on the SEDAR website or on the Fund's website;

(iii) that they will not have a Withdrawal Right in respect of purchases pursuant to an Investment Plan, other than in respect of the initial purchase and sale, but they will have a Misrepresentation Right, whether or not they request the Renewal Prospectus; and

(iv) that they will have the right to terminate the Investment Plan at any time before a scheduled investment date.

(m) Participants will be advised annually in writing (in an account statement sent by the Distributor or otherwise) how they can request the current Renewal Prospectus and any amendments thereto and that they have a Misrepresentation Right.

AND WHEREAS under the System this MRSS 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 under the Legislation is that the Funds and the Distributors are not required to comply with the Delivery Requirement in respect of purchases and sales of securities of the Funds to Participants who purchase the securities pursuant to an Investment Plan which is in existence on the date of this decision provided that:

(i) Participants who are current securityholders of the Funds are sent the Notice containing the information described in paragraph (k) above, together with the Request Form referred to in paragraph (k) above;

(ii) under the terms of the Investment Plan, a Participant can terminate participation in the Investment Plan at any time;

(iii) Participants are advised annually in writing (in an account statement sent by the Distributor or otherwise) how they can request the current Renewal Prospectus and any amendments thereto and that they have a Misrepresentation Right; and

(iv) the Misrepresentation Right in the Legislation of a Jurisdiction is maintained in respect of a Participant whether or not a Renewal Prospectus is requested or received.

AND THE DECISION of the Decision Makers pursuant to the Legislation is that the Funds and the Distributors are not required after the date of the applicable next Renewal Prospectus to comply with the Delivery Requirement in respect of purchases and sales of securities of the Funds to Participants who purchase the securities pursuant to an Investment Plan which is established after the date of this decision provided that:

(i) Participants are advised, in the simplified prospectus of the applicable Funds or in the documents they receive in respect of their participation in the Investment Plan, of the information described in paragraph (l) above;

(ii) under the terms of the Investment Plan, a Participant can terminate participation in the Investment Plan at any time;

(iii) Participants are advised annually in writing (in an account statement sent by the Distributors or otherwise) how they can request the current Renewal Prospectus and any amendments thereto and that they have a Misrepresentation Right; and

(iv) the Misrepresentation Right in the Legislation of a Jurisdiction is maintained in respect of a Participant whether or not a Renewal Prospectus is requested or received.

THE DECISION, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule dealing with the Delivery Requirement.

DATED July 28, 2004

“original signed by”
“Paul M. Moore”

“original signed by”
“Suresh Thakrar”

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from the requirement to send a prospectus on an annual basis to investors who purchase mutualfund securities on an on-going basis pursuant to a pre-authorized investment plan;

Applicable Alberta Statutory Provisions

Securities Act, R.S.A., 2000, c.S-4, sections 129 and 213