

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

AND

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

AND

IN THE MATTER OF
THE FUNDS LISTED IN SCHEDULE "A"

(the "Funds")

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, Newfoundland and Labrador (the "Jurisdictions") has received an application (the "Application") from Northwest Mutual Funds Inc., MD Funds Management Inc., MD Private Trust Company and BMO Investments Inc. (collectively the "Managers") and the Funds for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") for relief from the requirement to deliver an annual report, where applicable and comparative annual financial statements of the Funds to certain securityholders of the Funds unless they have requested to receive them;

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, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or in Québec Commission Notice 14-101;

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

- (a) The Funds are either open-ended mutual fund trusts or separate classes of mutual fund corporations governed by the laws of a Jurisdiction.
- (b) Each Manager acts as manager of the Funds set out in Schedule "A" and, in the case of its Funds which are trusts, unless otherwise indicated on Schedule "A", it is the trustee of such Funds.
- (c) The Funds are reporting issuers in each of the Jurisdictions.

- (d) Securities of the Funds are presently offered for sale on a continuous basis in provinces and territories of Canada pursuant to a simplified prospectus.
- (e) Each of the Funds is required to deliver annually, within 140 days of its financial year-end, to each holder of its securities ("Securityholders"), an annual report, where applicable and comparative financial statements in the prescribed form pursuant to the Legislation.
- (f) Each Manager will send to Securityholders who hold securities of the Funds in client name (whether or not the Manager is the dealer) (the "Direct Securityholders") in each year, a notice advising them that they will not receive the annual report, where applicable and annual financial statements of the Funds for the year then ended unless they request same, and providing them with a request form to send back, by fax or prepaid mail, if they wish to receive the annual report and annual financial statements. The notice will advise the Direct Securityholders where the annual report and annual financial statements can be found on the websites listed in Schedule "A" (including on the SEDAR website) and downloaded. Each Manager would send such annual report and financial statements to any Direct Securityholder who requests them in response to such notice or who subsequently requests them.
- (g) Securityholders who hold their securities in the Funds through a nominee will be dealt with pursuant to National Instrument 54-101.
- (h) Securityholders will be able to access annual reports and annual financial statements of the Funds either on the SEDAR website or on the relevant website of the Manager or by calling the Manager's toll-free phone line listed in Schedule "A". Top ten holdings which are updated on a periodic basis as listed in Schedule "A" will also be accessible to Securityholders on each Manager's website or by calling the Manager's toll-free line.
- (i) There would be substantial cost savings if the Funds are not required to print and mail annual reports, where applicable and annual financial statements to those Direct Securityholders who do not want them.
- (j) The Canadian Securities Administrators ("CSA") have published for comment proposed National Instrument 81-106 ("NI 81-106") which, among other things, would permit a Fund not to deliver annual financial statements to those of its Securityholders who do not request them, if the Funds provide each Securityholder with a request form under which the Securityholder may request, at no cost to the Securityholder, to receive the mutual fund's annual financial statements for that financial year.
- (k) NI 81-106 would also require a Fund to have a toll-free telephone number for or accept collect calls from persons or companies that want to receive a copy of, among other things, the annual financial statements of the Fund.

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 are satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

AND WHEREAS the Decision Makers are satisfied that making the Decision will not adversely affect the rule-making process with respect to proposed National Instrument 81-106 and is consistent with National Instrument 54-101;

THE DECISION of the Decision Makers pursuant to the Legislation is that for each Manager:

- (i) the Funds; and
- (ii) mutual funds created subsequent to the date of the application, January 27, 2003, that are offered by way of simplified prospectus and managed by the Manager,

shall not be required to deliver their annual report, where applicable and comparative annual financial statements for the year ended December 31, 2002, or for such other year-end date specified in Schedule "A", to their Direct Securityholders other than those Direct Securityholders who have requested to receive them provided that:

- (a) the Managers shall file on SEDAR, under the annual financial statements category, confirmation of mailing of the request forms that have been sent to the Direct Securityholders as described in clause (f) of the representations within 90 days of mailing the request forms;
- (b) the Managers shall file on SEDAR, under the annual financial statements category, information regarding the number and percentage of requests for annual reports and annual financial statements made by the return of the request forms, on a province-by-province basis within 30 days after the end of each quarterly period beginning from the date of mailing the request forms and ending 12 months from the date of mailing;
- (c) the Managers shall record the number and summary of complaints received from Direct Securityholders about not receiving the annual report and annual financial statements and shall file on SEDAR, under the annual financial statements category, this information within 30 days after the end of each quarterly period beginning from the date of mailing the request forms and ending 12 months from the date of mailing;
- (d) the Managers shall, if possible, measure the number of "hits" on the annual report and annual financial statements of the Funds on the Manager's website and shall file on SEDAR, under the annual financial statements category, this

information within 30 days after the end of each quarterly period beginning from the date of mailing the request forms and ending 12 months from the date of mailing; and

(e) the Managers shall file on SEDAR, under the annual financial statements category, estimates of the cost savings resulting from the granting of this Decision within 90 days of mailing the request forms.

March 4, 2003.

"H. Lorne Morphy"

"Robert L. Shirriff"

SCHEDULE "A" to MRRS DECISION DOCUMENT
LIST OF APPLICANT MANAGERS AND THEIR FUNDS

1. Northwest Mutual Funds Inc.
55 University Avenue
Suite 715
Toronto, Ontario
M5J 2H7

Year End: December 31, 2002
Toll Free: (888) 809-3333
Website: www.northwestfunds.com
Top Ten Holdings: updated bi-monthly

Northwest Money Market Fund
Northwest Balanced Fund
Northwest Growth Fund
Northwest International Fund
Northwest RSP International Fund
Northwest Specialty Equity Fund
Northwest Specialty Resource Fund
Northwest Specialty High Yield Bond Fund

2. MD Funds Management Inc.
1870 Alta Vista Drive
Ottawa, Ontario
K1G 6R7

Year End: December 31, 2002
Toll Free: (800) 267-2332
Website: www.cma.ca
Top Ten Holdings: updated monthly

MD Balanced Fund
MD Bond Fund
MD Bond and Mortgage Fund
MD Dividend Fund
MD Equity Fund
MD Global Bond Fund
MD Global Equity RSP Fund
MD Growth Investments Limited
MD Growth RSP Fund
MD Money Fund
MD Select Fund
MD US Large Cap Growth Fund
MD US Large Cap Growth RSP Fund
MD International Growth Fund
MD International Growth RSP Fund
MD US Large Cap Value Fund
MD US Large Cap Value RSP Fund
MD US Small Cap Growth Fund

3. MD Private Trust Company
1870 Alta Vista Drive
Ottawa, Ontario
K1G 6R7

Year End: December 31, 2002
Toll Free: (800) 267-2332
Website: www.cma.ca
Top Ten Holdings: updated monthly

MDPIM Canadian Equity Pool (formerly MD Canadian Tax Managed Pool)
(Class "A" and "Private Trust Class" units)
MDPIM US Equity Pool (formerly MD US Tax Managed Pool) (Class "A" and
"Private Trust Class" Units)

4. BMO Investments Inc.
77 King Street West
Suite 4200
Toronto, Ontario
M5K 1J5

or

BMO Investissements Inc.
630 R_鮮-L_鵠sque Blvd. W.
1st floor

Montréal, Québec
H3B 1S6

Year End: September 30, 2003
Toll Free: (800) 665-7700 or (888) 636-6376 (in Quebec)
Website: <http://www.bmo.com/mutualfunds> (in English) or
<http://www.bmo.com/fonds> (en français)
Top Ten Holdings: updated monthly

The Funds have a board of independent trustees (independent directors with respect to the corporate funds), as follows:

Peter Greer Beattie, Q.C.
Toronto, Ontario

Carol Mary Lascelles Gault
Calgary, Alberta

Kenneth Whyte McArthur
Toronto, Ontario

Charles William White, Q.C.
St. John's, Newfoundland

Rafe Jamie Plant
Abercorn, Québec

Louise Vaillancourt-Chapillon
Saint-Lambert, Québec

BMO Security Funds
BMO T-Bill Fund
BMO Money Market Fund
BMO AIR MILES Money Market Fund
BMO Premium Money Market Fund

BMO Income Funds
BMO Mortgage Fund
BMO Bond Fund
BMO Monthly Income Fund
BMO Global Bond Fund
BMO International Bond Fund

BMO Growth Funds
BMO Asset Allocation Fund
BMO RSP Global Balanced Fund

BMO Dividend Fund
BMO Equity Index Fund
BMO Equity Fund
BMO RSP U.S. Equity Index Fund
BMO U.S. Growth Fund
BMO U.S. Value Fund
BMO RSP International Index Fund
BMO International Equity Fund
BMO NAFTA Advantage Fund
BMO European Fund
BMO RSP European Fund
BMO Japanese Fund
BMO RSP Japanese Fund

BMO AGGRESSIVE GROWTH FUNDS

BMO Special Equity Fund
BMO U.S. Special Equity Fund
BMO RSP Global Opportunities Fund
BMO RSP Global Financial Services Fund
BMO Resource Fund
BMO Precious Metals Fund
BMO RSP NasdaqIndex Fund
BMO Global Science & Technology Fund
BMO RSP Global Science & Technology Fund
BMO RSP Global Health Sciences Fund
BMO RSP Global Technology Fund
BMO Emerging Markets Fund
BMO Far East Fund
BMO Latin American Fund

BMO U.S. Dollar Funds
BMO U.S. Dollar Money Market Fund
BMO U.S. Dollar Bond Fund
BMO U.S. Dollar Equity Index Fund

BMO Global Tax Advantage Funds [{}](#)
BMO Short-Term Income Class
BMO Global Balanced Class
BMO Global Opportunities Class
BMO Global Financial Services Class
BMO Global Health Sciences Class
BMO Global Technology Class

{ } All funds within this category are part of BMO Global Tax Advantage Funds Inc., a mutual fund corporation

Headnote

Exemption from the requirement to deliver comparative annual financial statements for certain year-end dates to registered securityholders of certain mutual funds.

Statutes Cited

Securities Act (Ontario), R.S.O. 1990 c. S.5, as am., ss. 79 and 80(b)(iii).