

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, MANITOBA, ONTARIO,
NEW BRUNSWICK, NEWFOUNDLAND, NOVA SCOTIA
AND YUKON TERRITORY

AND

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

AND

IN THE MATTER OF
OPTIMA STRATEGY LIMITED PARTNERSHIP I
OPTIMA STRATEGY LIMITED PARTNERSHIP II
AND
OPTIMA STRATEGY LIMITED PARTNERSHIP III

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Manitoba, Ontario, New Brunswick, Newfoundland, Nova Scotia and Yukon Territory (the "Jurisdictions") has received an application filed on behalf of Optima Strategy Limited Partnership I ("OSLP I"), Optima Strategy Limited Partnership II ("OSLP II") and Optima Strategy Limited Partnership III ("OSLP III") (collectively, the "Partnerships"), Optima Strategy Management Inc., the general partner of OSLP I and OSLP III, and Optima Strategy Management II Inc., the general partner of OSLP II, (collectively the "General Partners", and with the Partnerships, the "Filer") for a decision pursuant to the securities legislation of the Jurisdictions that certain trades in connection with a proposed consolidation of OSLP I and OSLP II with OSLP III shall be exempt from the registration and prospectus requirements imposed by the legislation of the Jurisdictions (the "Legislation");

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

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

1. OSLP III was formed under the laws of the Province of Manitoba on December 29, 1995. OSLP II was formed under the laws of the Province of Manitoba on January 3, 1995. OSLP I was formed under the laws of the Province of Manitoba on June 23, 1993.

2. OSLP III has been a reporting issuer or equivalent under the Legislation of each of the Jurisdictions for a period in excess of 12 months, since the filing of a prospectus and obtaining a receipt in the Jurisdictions and is not in default of any requirements under the Legislation.
3. OSLP II has been a reporting issuer or equivalent under the Legislation of British Columbia, Ontario and Nova Scotia for a period in excess of 12 months, since the filing of a prospectus and obtaining a receipt in those provinces and is not in default of any requirements under the Legislation.
4. OSLP I is not a reporting issuer in any of the Jurisdictions. Units of OSLP I were distributed in Ontario, Manitoba and New Brunswick, pursuant to an offering memorandum in reliance on the private placement exemptions in those provinces;
5. Optima Strategy Management Inc., the general partner of OSLP I and OSLP III, is a wholly owned subsidiary of Loring Ward Investment Counsel Ltd.
6. Optima Strategy Management II Inc., the general partner of OSLP II, is a wholly owned subsidiary of Loring Ward Investment Counsel Ltd.
7. The business of each of the Partnerships has been to fund the payment of selling commissions to registered dealers which sell securities of mutual funds on a redemption fee basis during a defined period. In consideration for the payment of such selling commissions, each Partnership receives the following income in respect of the mutual fund securities (the "Distributed Securities") for which it paid the selling commissions: (i) a quarterly distribution fee equal to a percentage of the net asset value of the Distributed Securities; and (ii) the deferred sales charge payable on the redemption of such Distributed Securities.
8. In connection with the consolidation of the Partnerships, Optima Strategy Management II Inc. will amalgamate with Optima Strategy Management Inc. which, as successor by amalgamation, will continue as general partner of OSLP III.
9. The units of the Partnerships are not presently traded on any stock exchange, however an application for listing of the units of OSLP III on a post-consolidated basis (the "Master Units"), has been filed with the Winnipeg Stock Exchange (the "WSE") and conditional listing approval has been granted by the WSE. The units of the Partnerships are not currently eligible for investment by a RRSP, and there is presently no market for such units. Accordingly, trading in the units of the Partnerships has been limited and typically has been confined to family members.
10. In order to remedy these deficiencies, the general partners of the Partnerships propose to place before the limited partners of each Partnership, at a joint special/annual meeting, extraordinary resolutions (the "Resolutions") to, among other things, approve amendments to the respective partnership agreements, which will permit and implement the consolidation of OSLP I, OSLP II into OSLP III, including, with respect to OSLP I and OSLP II, the granting of the Call/Exchange Right to OSLP III. Limited partners will only vote in respect of matters concerning the Partnership in which they hold Units. OSLP III will exercise the Call/Exchange Rights, if granted, resulting in limited partners of the Partnerships receiving Master Units in

OSLP III in exchange for his or her Units. The assets of OSLP I and OSLP II will then be transferred to OSLP III. OSLP I and OSLP II will, ultimately, be dissolved (the "Transaction").

11. OSLP III will retain its status as a reporting issuer or equivalent in the Jurisdictions after completion of the Transaction. Holders of Master Units will have substantially the same legal status, rights and liabilities, on a relative basis, as they had as Limited Partners of their respective Partnership.

12. To effect the Transaction, the Partnerships will comply with all regulatory requirements applicable to OSLP III in the Jurisdictions. In that regard:

(a) an information circular will be provided to the limited partners in respect of the joint special/annual meeting to be held by the Partnerships at which the Resolutions will be considered. The meeting materials will contain prospectus-level disclosure and will include a valuation report prepared by a qualified independent valuer;

(b) the exchange ratio establishing the number of Master Units each limited partner of the Partnerships will ultimately receive as a result of the Transaction will be determined by an independent valuer; and

(c) the General Partners and their respective affiliates will not vote any units which they own in any of the Partnerships at the joint special/annual meeting.

13. To the best of General Partners' knowledge, no person or entity owns more than 10% of the voting securities of any of the Partnerships.

14. If the necessary approvals are obtained and the Transaction completed, OSLP III will offer the following benefits to the limited partners:

(a) Liquidity – OSLP III would be a WSE publicly traded limited partnership with a significantly larger market capitalization than any of the current Partnerships enjoy. The increased liquidity would clearly improve the trading price of the limited partners' investment.

(b) RRSP Tax Advantages – Units of a limited partnership which are listed on a Canadian stock exchange may be acquired by a RRSP as part of the foreign property portion of such RRSP (currently 20%). The listing of the Master Units on the WSE would be very advantageous to the limited partners of the Partnerships who tend to be high income earners who need to shelter income for retirement purposes.

(c) Economies of Scale – The limited partners will benefit from certain economies of scale in the OSLP III, thereby potentially lessening ongoing operating expenses on a per unit basis.

(d) Broader Base – The consolidation of the Partnerships will create a larger (but not necessarily more diverse) pool of distributed securities, which should result in a more stable income stream.

15. In effect, the consolidation of the Partnerships and the exchange of securities between OSLP III and the holders of the securities of the Partnerships is akin to the circumstances contemplated in the exemptions available in regard to corporate amalgamations. If the proposed Transaction involved the securities of corporations, rather than the securities of limited partnerships, the exemptions available under the Legislation in respect of corporate amalgamations could be relied upon. No similar exemptions are available in the Legislation which could be relied upon by the Partnerships in connection with the Transaction.

AND WHEREAS pursuant to the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each Decision Maker is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

1. THE DECISION of the Decision Makers pursuant to the Legislation is that all trades in connection with the Transaction are exempt from the registration and prospectus requirements of the Legislation

2. THE DECISION of the Decision Makers pursuant to the Legislation is that the first trade in the Master Units shall be a distribution or a primary distribution to the public, unless:

(a) at the time of the first trade OSLP III is a reporting issuer or equivalent and has been a reporting issuer or equivalent for twelve months;

(b) OSLP III is not in default of any requirements under the Legislation;

(c) no unusual effort is made to prepare the market or create a demand for the Master Units and no extraordinary commission or other consideration is paid in respect of the trade;

(d) the Master Units being traded do not form all or part of, or are not derived from, the holdings of any person, company or combination of persons or companies holding a sufficient number of Master Units to materially affect control of the Filer.

Dated at Winnipeg, Manitoba this "24th" day of December, 1999

Director – Legal