

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO AND QUEBEC

AND

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

AND

IN THE MATTER OF

R American RSP Fund
R European RSP Fund
R Asian RSP Fund
R World Leaders RSP Fund
R Life & Health RSP Fund
R Techno-Media RSP Fund

DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec (the "Jurisdictions") has received an application from BLC-Edmond de Rothschild Asset Management Inc. ("BLC-Rothschild"), as manager of the R American RSP Fund, the R European RSP Fund, the R Asian RSP Fund, the R World Leaders RSP Fund, the R Life & Health RSP Fund and the R Techno-Media RSP Fund (collectively, the "RSP Funds") and the R American Fund, the R European Fund, the R Asian Fund, the R World Leaders Fund, the R Life & Health Fund and the R Techno-Media Fund (collectively, the "Underlying Funds" and, together with the RSP Funds, the "Funds") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the following requirements and restrictions contained in the Legislation (the "Requirements") shall not apply in respect of certain investments to be made by the RSP Funds in the corresponding Underlying Funds:

1. the requirements contained in the Legislation for each RSP Fund and BLC-Rothschild (as manager) to issue a news release and file a report where the aggregate holdings by the RSP Fund of securities of its Underlying Fund exceed ten percent of the outstanding securities of its Underlying Fund and the prohibition to acquire or offer to acquire securities of its Underlying Fund pending the expiry of one business day from the date the report is filed;

2. the requirements contained in the Legislation for BLC-Rothschild to file a report relating to the purchase or sale of securities between an RSP Fund and any related person or company, or transaction in which, by arrangement other than an arrangement relating to insider trading and portfolio securities, an RSP Fund is a joint participant with one or more of its related persons or companies;

3. the prohibition contained in the Legislation for the RSP Funds to knowingly make or hold an investment in a person or company in which the RSP Fund, alone or together with one or more related funds, is a substantial securityholder; and

4. the prohibition contained in the Legislation for the RSP Funds to knowingly make or hold an investment in an issuer in which any company who is a substantial securityholder of the RSP Fund's management company, has a significant interest.

AND WHEREAS for the purpose of this Decision, reference to an Underlying Fund in relation to a particular RSP Fund shall mean the Underlying Fund bearing the same name, save for the addition of the acronym "RSP";

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 BLC-Rothschild has represented to the Decision Makers that:

1. BLC-Rothschild is a corporation incorporated under the laws of Canada. BLC-Rothschild will be the manager and promoter of each RSP Fund and each Underlying Fund. BLC-Rothschild's head office is located in Montreal, Qu^ébec.

2. The Underlying Funds and the RSP Funds are open-end mutual fund trusts established under the laws of Ontario and will be qualified for distribution in all Jurisdictions under a simplified prospectus and annual information form (collectively, the "Prospectus").

3. Each Underlying Fund and each RSP Fund will be a reporting issuer under the securities laws of each of the Jurisdictions.

4. The Prospectus will contain disclosure with respect to the investment objective, investment practices and restrictions of each Fund. The investment objective of each RSP Fund is to achieve long term growth that is linked to the return of its Underlying Fund by investing in money market instruments, such as Bankers' Acceptances and Treasury Bills, and other securities, cash and bank deposits and by using forward contracts or other permitted derivatives based on the portfolio securities of its Underlying Fund or the units of its Underlying Fund. As part of its investment practice, each RSP Fund intends to invest in units of its Underlying Fund. All purchases of the Underlying Funds will be made through BLC-Rothschild.

5. Each RSP Fund will make investments such that its units will be "qualified investments" for registered retirement savings plans, registered retirement income funds and deferred profit sharing plans (collectively, the "Registered Plans") under the *Income Tax Act* (Canada) (the "Tax Act") and will not constitute foreign property to a Registered Plan, based on the Funds' counsel's opinion.

6. The direct investment by an RSP Fund in units of its Underlying Fund (the "Permitted RSP Fund Investment") will be in an amount not to exceed the amount prescribed from time to time as the maximum permitted amount which may be invested in foreign property under the Tax Act, without the imposition of tax under Part XI of the Tax Act (the "Foreign Property Maximum").

7. Except to the extent evidenced by this Decision and specific approvals granted under separate application by the Canadian securities administrators pursuant to National Policy No. 39, the investments by an RSP Fund in its Underlying Fund have been structured to comply with the investment restrictions of the Legislation and National Policy No. 39.

8. In the absence of this Decision, as soon as the aggregate holdings by an RSP Fund of securities of its Underlying Fund exceed 10% of the outstanding securities of the RSP Fund, BLC-Rothschild and possibly the RSP Fund, would be required to comply with the reporting and other requirements of the Legislation.

9. In the absence of this Decision, the Legislation would prohibit an RSP Fund from (a) knowingly making an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial securityholder; and (b) knowingly holding an investment referred to in subsection (a) above. As a result, in the absence of this Decision, an RSP Fund would be required to divest itself of any investments referred to in subsection (a) above.

10. In the absence of this Decision, the Legislation would prohibit an RSP Fund from (a) knowingly making an investment in an issuer in which any company who is a substantial security holder of the RSP Funds' management company, has a significant interest; and (b) knowingly holding an investment referred to in subsection (a) above. As a result, in the absence of this Decision, an RSP Fund would be required to divest itself of any investments referred to in subsection (a) above.

11. In the absence of this Decision, the Legislation would require BLC-Rothschild to file a report of every purchase or sale of units of an Underlying Fund by an RSP Fund.

12. Investments in and redemptions of securities of an Underlying Fund by an RSP Fund will represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of the RSP Fund.

AND WHEREAS, pursuant to the System, this 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:

THE DECISION of the Decision Makers pursuant to the Legislation is that the Requirements shall not apply to the purchase and sale by each RSP Fund of units of its Underlying Fund provided:

That the Decision shall apply only to purchases and sales by the RSP Funds of units of the Underlying Funds made in compliance with the following conditions:

1. The RSP Funds and the Underlying Funds are under common management and the units of the Underlying Funds are offered for sale in the jurisdiction of the Decision Maker pursuant to a prospectus which has been filed with and accepted by the Decision Maker.
2. Each RSP Fund restricts the aggregate amount of its direct investment in units of its Underlying Fund to a percentage of its assets that is within the Foreign Property Maximum.
3. The investment by an RSP Fund in units of its Underlying Fund is compatible with the fundamental investment objectives of the RSP Fund.
4. The Prospectus discloses the intent of each RSP Fund to invest in units of its Underlying Fund.
5. Each RSP Fund may change the Permitted RSP Fund Investments if it changes its fundamental investment objective in accordance with the Legislation.
6. The arrangements between or in respect of the Funds are such as to avoid the duplication of management fees.
7. No sales charges are payable by an RSP Fund in relation to the purchase of units of its Underlying Fund.
8. No redemption fees or other charges are charged by an Underlying Fund in respect of the redemption by an RSP Fund of units of the Underlying Fund owned by it.
9. No fees or charges of any sort are paid by the RSP Funds or by the Underlying Funds or by the manager or principal distributor of the RSP Funds or the Underlying Funds or by an affiliate or associate of any of the foregoing entities to anyone in respect of the RSP Funds' investment in, or redemption of, the units of the Underlying Funds.

10. In the event of the provision of any notice to unitholders of an Underlying Fund, as required by the constating documents of an Underlying Fund or by the laws applicable to an Underlying Fund, such notice will also be delivered to the unitholders of the applicable RSP Fund. All voting rights attached to the units of an Underlying Fund which are owned by an RSP Fund will be passed through to the unitholders of that RSP Fund. In the event that a unitholders' meeting is called for an Underlying Fund, all of the disclosure and notice material prepared in connection with such meeting will be provided to each unitholder of the applicable RSP Fund and each unitholder will be entitled to direct a representative of the RSP Fund to vote that unitholder's proportion of the RSP Fund's holding in its Underlying Fund in accordance with their direction. The representative of the RSP Fund will not be permitted to vote the RSP Fund's holdings in its Underlying Fund, except to the extent the unitholders of the RSP Fund so direct.

11. There are compatible dates for the calculation of the net asset value of an RSP Fund and its Underlying Fund for the purpose of the issue and redemption of the securities of such Funds.

12. To the extent that the RSP Funds and the Underlying Funds do not use a combined report containing both the RSP Funds and the Underlying Funds financial statements, in addition to receiving the annual and, upon request, the semi-annual financial statements of the RSP Funds, the unitholders of an RSP Fund will receive the annual and, upon request, the semi-annual financial statements of the applicable Underlying Fund.

13. To the extent that the RSP Funds and the Underlying Funds do not use a combined simplified prospectus and annual information form containing disclosure about the RSP Funds and the Underlying Funds, copies of the simplified prospectus and annual information form relating to an Underlying Fund may be obtained upon request by a unitholder of the applicable RSP Fund,

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 of that Decision maker dealing with matters in clause 2.04(4)(b) of National Policy No. 39.

DATED at Toronto, Ontario this "11th day, January, 2000.