

August 8, 2007

**IN THE MATTER OF THE SECURITIES LEGISLATION OF  
ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO,  
NEW BRUNSWICK, NOVA SCOTIA, PRINCE EDWARD ISLAND,  
NEWFOUNDLAND AND LABRADOR, YUKON TERRITORY,  
NORTHWEST TERRITORIES AND NUNAVUT  
(the Jurisdictions)**

**AND**

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

**AND**

**IN THE MATTER OF  
SENTRY SELECT CAPITAL CORP.  
(the Filer)**

**MRRS DECISION DOCUMENT**

**Background**

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filer on behalf of the publicly offered mutual funds (the **Funds**) that are managed from time to time by the Filer or an affiliate of the Filer for a decision (the **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 (the **Delivery Requirement**) not apply in respect of a purchase and sale of securities of the Funds pursuant to a pre-authorized investment plan (an **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 (the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications (**MRRS**):

- (a) The Ontario Securities Commission is the principal regulator for this application, and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

**Interpretation**

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

## **Representations**

This decision is based on the following facts represented by the Filer:

- (a) The Filer is a corporation incorporated under the laws of the Province of Ontario. The Filer's head office is located in Toronto, Ontario and it is the manager of the Funds.
- (b) The Funds are, or will be, reporting issuers in one or more of the Jurisdictions and in the provinces of British Columbia and Quebec. Securities of the Funds are, or will be, offered for sale on a continuous basis pursuant to a simplified prospectus.
- (c) 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 the Filer.
- (d) 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.
- (e) 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 each scheduled investment date to additional investments in specified Funds. 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, or give amended instructions, at any time.
- (f) An investor who establishes an Investment Plan (a **Participant**) receives a copy of the current simplified prospectus relating to the applicable Funds at the time an Investment Plan is established.
- (g) 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.
- (h) Pursuant to the Legislation, an agreement referred to in paragraph (g) 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 (a **Withdrawal Right**).

(i) As a result of exemptive relief from the Delivery Requirement, Withdrawal Rights will not apply in respect of purchases made by Participants pursuant to an Investment Plan.

(j) 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.

(k) 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.

(l) 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.

(m) 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 the Manager 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 will provide a toll-free telephone number for this purpose;

(v) that they will not have 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.

(n) 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 simplified 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.

(o) 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.

## **Decision**

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 Requested Relief is granted provided that:

(a) 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:

- (i) Participants who are current securityholders of the Funds are sent the Notice and Request Form described in paragraph (m) 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.

(b) after the date of the applicable next Renewal Prospectus, 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:

- (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 (n) 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.

*“James E.A. Turner”*  
*Vice-Chair*  
*Ontario Securities Commission*

*“Harold P. Hands” (Name)*  
*Commissioner (Title)*  
*Ontario Securities Commission*