



**British Columbia
Securities Commission**

Corporate Finance
SEDAR Electronic Correspondence

P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver BC V7Y 1L2
Canada
Telephone: (604) 899-6500
Fax: (604) 899-6506
(BC only) 1-800-373-6393

April 19, 2002

File X02-2024-4
Sedar Project 434343

Lapointe Rosenstein
Barristers & Solicitors
Montréal, Québec

Attention: Howard M. Levine

Dear Sirs/Mesdames,

Re: TIP Funds Canada Ltd. - Class A Shares and Class B Shares
Application under Section 19.1 of National Instrument 81-102

By letter dated April 5, 2002 (the "Application"), you applied to the regulator or securities regulatory authority (the "Decision Makers") in British Columbia, Saskatchewan and Yukon Territory (the "Jurisdictions") on behalf of TIP Investment Advisors Ltd. ("TIP"), the manager of the TIP Funds Canada Ltd. (the "Fund") for exemptive relief under Section 19.1 of National Instrument 81-102 Mutual Funds ("NI 81-102") to permit the Fund to invest in derivatives without maintaining the cash cover required by Section 2.8(1)(d) of NI 81-102.

The Class A Shares of the Fund are to be qualified by a simplified prospectus and annual information form (the "Class A Prospectus") and a preliminary simplified prospectus and annual information form has been filed in the Jurisdictions for the Class A Shares under SEDAR Project No.411640. The Class B Shares are to be qualified by a long-form prospectus (the "Class B Prospectus"), and a preliminary prospectus for the Class B Shares has been filed in the Jurisdictions under Sedar Project No. 411663.

The Fund was previously qualified for distribution in Quebec through a simplified prospectus and annual information form in respect of the Class A Shares and a long form prospectus in respect of the Class B shares, both dated March 30, 2001, and exemptive relief from the requirements of Section 2.8(1)(d) in respect of cash cover requirements was granted by the Commission des Valeurs Mobilières du Quebec in connection with the filing of those prospectuses. The purpose of the Application is to seek similar relief in the Jurisdictions to that previously granted in Quebec, in connection with the proposed distribution of shares of the Fund in the Jurisdictions.

The purpose of the Fund is to provide exposure using derivatives to an underlying portfolio based on the MSCI World Index (the "Underlying Portfolio"), as described in the Class A Prospectus and the Class B Prospectus. The Class A shares are issued in Series, with the intent of issuing a new Series each year.

This letter confirms that, based on the information and representations contained in the Application and as set out above, and for purposes described in the Application, the Decision Makers hereby grant exemptions from the requirements of section 2.8(1)(d) of NI 81-102 for the specified purposes:

- (1) In respect of the Class A Shares, to permit the Government of Canada strip bonds held by the Fund, as described in the Class A Prospectus, to be included in calculation of the cash cover; and
- (2) In respect of the Class B Shares, to permit the Fund to achieve a leveraged exposure to the Underlying Portfolio.

The requested relief is granted subject to the following conditions:

(a) In respect of the Class A shares, when the Government of Canada strip bonds are included in the calculation of cash cover, as permitted under (1) above, no leverage will be employed, and as a result no Series of the Class A shares will at any time have more than one times exposure to the Underlying Portfolio.

(b) The Class B shares will be operated as a commodity pool in compliance National Instrument 81-104 Commodity Pools, once this national Instrument becomes effective, and, until such time, in compliance with the most recent draft of this Instrument which has been published.

Yours truly,

Signed

Angela Huxham
Director