

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
ONTARIO, 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
BRANDES INVESTMENT PARTNERS & CO.**

AND

**BRANDES RSP INTERNATIONAL EQUITY FUND,
BRANDES RSP GLOBAL EQUITY FUND
AND BRANDES RSP U.S. EQUITY FUND**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland and Labrador (the “Jurisdictions”) has received an application from Brandes Investment Partners & Co. (“Brandes” or the “Manager”), as manager of the Brandes RSP International Equity Fund, Brandes RSP Global Equity Fund and Brandes RSP U.S. Equity Fund (collectively, the “New RSP Funds”) and other mutual funds managed by the Manager after the date of this Decision (defined herein) having an investment objective that is linked to the returns of another specified Brandes mutual fund while remaining 100% eligible for registered plans (together with the “New RSP Funds”, the “RSP Funds”) for a decision by each Decision Maker (collectively, the “Decision”) pursuant to the securities legislation of the Jurisdictions (the “Legislation”) that the following provisions of the Legislation (the “Applicable Requirements”) shall not apply to the RSP Funds or the Manager, as the case may be, in respect of certain investments to be made by the RSP Funds in a Corresponding Fund (as hereinafter defined) from time to time:

1. the restrictions contained in the Legislation prohibiting a mutual fund from knowingly making or holding 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

2. the requirements contained in the Legislation requiring the management company, or in British Columbia, a mutual fund manager, to file a report relating to a purchase or sale of securities between the mutual fund and any related person or company, or any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, the mutual fund is a joint participant with one or more of its related persons or companies.

AND WHEREAS under 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 the Manager has represented to the Decision Makers that:

1. The Manager is a corporation incorporated under the laws of the province of Nova Scotia. The Manager is or will be the manager of the RSP Funds and of the Corresponding Funds (collectively, the “Funds”).
2. Each of the RSP Funds is or will be an open-end mutual fund trust established under the laws of Ontario and each of the Corresponding Funds is, or will be, an open-end mutual fund trusts established under the laws of a province of Canada. Securities of the Funds are or will be qualified for distribution under a simplified prospectus and annual information form filed in each of the Jurisdictions.
3. Each of the Funds is or will be a reporting issuer and not in default of any requirements of the Legislation.
4. The Manager is the manager of Brandes International Equity Fund, Brandes Global Equity Fund and Brandes U.S. Equity Fund (the “Existing Corresponding Funds”). The Manager may in the future be the manager of other mutual funds in which the RSP Funds will invest their assets (the “Future Corresponding Funds” and collectively with the Existing Corresponding Fund, the “Corresponding Funds”).
5. The simplified prospectus of the RSP Funds will disclose the investment objectives, investment strategies, risks and restrictions of the RSP Funds and the Corresponding Funds. The investment objective of each RSP Fund will disclose the name of the Corresponding Fund.

6. Each of the RSP Funds intends to become a registered investment under the *Income Tax Act* (Canada) (the “Tax Act”) such that its units will be “qualified investments” for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and similar plans (“Registered Plans”) and will not constitute “foreign property” in a Registered Plan. The investment objective of an RSP Fund will primarily be achieved through the implementation of a derivative strategy that provides a return linked to the returns of a specified Corresponding Fund. The RSP Fund will also invest a portion of its assets directly in securities of the Corresponding Fund. This direct investment will at all times be below the maximum foreign property limit for Registered Plans (the “Permitted Limit”).
7. The investment objective of each Corresponding Fund is or will be achieved through investment primarily in foreign securities.
8. The amount of direct investment by each RSP Fund in its Corresponding Fund will be adjusted from time to time so that, except for the transitional cash (i.e. cash from purchases not yet invested or cash held to satisfy redemptions), the aggregate of the derivative exposure to, and direct investment in, the Corresponding Fund will equal approximately 100% of the assets of the RSP Fund.
9. Except to the extent evidenced by this Decision and specific approvals granted by the Decision Makers pursuant to National Instrument 81-102 (“NI 81-102”), the investments by the RSP Funds in the Corresponding Funds have been structured to comply with the investment restrictions of the Legislation and NI 81-102.
10. In the absence of this Decision, each RSP Fund is prohibited from knowingly making or holding an investment in a Corresponding Fund in which the RSP Fund alone or together with one or more related mutual funds is a substantial securityholder.
11. In the absence of this Decision, Brandes is required to file a report on every purchase or sale of securities of the Corresponding Funds by each of the RSP Funds.
12. The investments by the RSP Funds in securities of the Corresponding Funds represents the business judgment of “responsible persons” (as defined in the Legislation), uninfluenced by considerations other than the best interests of the RSP Funds.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker;

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 under the Legislation is that the Applicable Requirements shall not apply so as to prevent the RSP Funds from making or holding an investment in securities of the Corresponding Funds, or so as to require the Manager to file a report relating to the purchase or sale of such securities;

PROVIDED THAT IN RESPECT OF the investments by the RSP Funds in securities of the Corresponding Funds:

1. 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 subsection 2.5 of NI 81-102.
2. the Decision shall only apply if, at the time a RSP Fund makes or holds an investment in a Corresponding Fund, the following conditions are satisfied:
 - (a) the securities of both the RSP Fund and the Corresponding Fund are being offered for sale in the jurisdiction of the Decision Maker pursuant to a simplified prospectus and annual information form which has been filed with and accepted by the Decision Maker;
 - (b) the investment by the RSP Fund in the Corresponding Fund is compatible with the fundamental investment objectives of the RSP Fund;
 - (c) the investment objective of the RSP Fund discloses that the RSP Fund invests directly and indirectly (through derivative exposure) in the Corresponding Fund, the name of the Corresponding Fund and that the RSP Fund is fully eligible for registered plans;
 - (d) the Corresponding Fund is not a mutual fund whose investment objective includes investing directly or indirectly in other mutual funds;
 - (e) the RSP Fund restricts its direct investment in the Corresponding Fund to a percentage of its assets that is within the Permitted Limit;
 - (f) there are compatible dates for the calculation of the net asset value of the RSP Fund and the Corresponding Fund for the purpose of the issue and redemption of the securities of such mutual funds;
 - (g) no sales charges are payable by the RSP Fund in relation to its purchases of securities of the Corresponding Fund;

- (h) no redemption fees or other charges are charged by the Corresponding Fund in respect of the redemption by the RSP Fund of securities of the Corresponding Fund owned by the RSP Fund;
- (i) no fees and charges of any sort are paid by the RSP Fund and the Corresponding Fund, by their respective managers or principal distributors, or by any affiliate or associate of any of the foregoing entities to anyone in respect of the RSP Fund's purchase, holding or redemption of the securities of the Corresponding Fund;
- (j) the arrangements between or in respect of the RSP Fund and the Corresponding Fund are such as to avoid the duplication of management fees;
- (k) any notice provided to securityholders of the Corresponding Fund, as required by applicable laws or the constating documents of the Corresponding Fund, has been delivered by the RSP Fund to its securityholders;
- (l) all of the disclosure and notice material prepared in connection with a meeting of securityholders of the Corresponding Fund and received by the RSP Fund has been provided to its securityholders, the securityholders have been permitted to direct a representative of the RSP Fund to vote its holdings in the Corresponding Fund in accordance with their direction, and the representative of the RSP Fund has not voted its holdings in the Corresponding Fund except to the extent the securityholders of the RSP Fund have directed;
- (m) in addition to receiving the annual and, upon request, the semi-annual financial statements, of the RSP Fund, securityholders of the RSP Fund have received the annual and, upon request, the semi-annual financial statements, of the Corresponding Fund in either a combined report, containing financial statements of the RSP Fund and Corresponding Fund, or in a separate report containing the financial statements of the Corresponding Fund; and
- (n) to the extent that the RSP Fund and the Corresponding Fund do not use a combined simplified prospectus and annual information form containing disclosure about the RSP Fund and the Corresponding Fund, copies of the simplified prospectus and annual information form of the Corresponding Fund have been provided upon request to securityholders of the RSP Fund and the right to receive these documents is disclosed in the simplified prospectus of the RSP Fund.

Dated October 17, 2002

Theresa McLeod

Theresa M. McLeod

R. L. Shirriff

Robert L. Shirriff

Headnote:

Investment by RSP clone funds in units of its corresponding funds exempted from the requirements of clause 111(2)(b), 111(3), 117(1)(a) and 117(1)(d) subject to specified conditions.

Statutes Cited:

Securities Act (Ontario), R.S.O. 1990 c.S.5., as am., 111(2)(b), 111(3), 117(1)(a) and 117(1)(d)