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**VIA SEDAR ONLY**

January 3, 2002

Cassels Brock & Blackwell LLP  
Barristers & Solicitors  
Scotia Plaza, Suite 2100  
40 King St. West  
Toronto, Ontario M5H 3C2

**Attention: Peter Dunne**

Dear Sirs/Mesdames:

**Re: Canadian Anaesthetists' Mutual Accumulating Fund Limited (the "Corporation" or "CAMAF") - MRRS Application under National Instrument 81-102 ("NI 81-102") - Sedar Proj. No. 407735; App. No. 1302/01**

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By letter dated December 4, 2001 and supplemented by a subsequent letter dated December 18, 2001 (together, the "Application"), you applied on behalf of the Corporation to the securities regulatory authority or regulator in each Province and Territory of Canada other than Prince Edward Island (collectively, the "Decision Makers") for prior approval, pursuant to clause 5.5(1)(a) of NI 81-102, of the proposed change of manager of the Corporation.

From our review of the Application and its attachments, we understand the relevant facts and representations to be as follows:

1. CAMAF is an open-ended mutual investment fund incorporated under the laws of Canada by letters patent dated September 13, 1957. CAMAF was continued under the Business Corporations Act (Canada) on February 28, 1980. CAMAF offers its Class A shares to the public pursuant to a simplified prospectus and annual information form each dated January 12, 2001 (together, the "Current Prospectus").
2. The business and affairs of CAMAF are currently managed by its officers and its board of directors. CAMAF is registered under the securities legislation of applicable jurisdictions as a "securities issuer". CAMAF has engaged Laketon Investment Management Ltd. to manage its investment portfolio.

3. The board of directors of CAMAF seeks to outsource the management and administrative functions of the Corporation to a public mutual fund management company as part of its general objective of revitalizing the Corporation and increasing shareholder value.
4. CAMAF proposes to transfer its management function to Stone & Co. Limited (“Stone & Co.”), a mutual fund management company, pursuant to a letter of intent dated November 5, 2001 and a management agreement dated as of November 21, 2001.
5. Stone & Co. was incorporated under the laws of Ontario on August 17, 1994. Stone & Co. was formed as the management company for the group of mutual funds known as the Stone & Co. Flagship Funds.
6. Richard G. Stone is the principal shareholder of Stone & Co. Mr. Stone has over 20 years’ experience in the Canadian investment industry, including being the President and Chief Executive Officer of Stone & Co. since its inception in 1994. The Stone & Co. Flagship Funds offer their units to the public pursuant to a simplified prospectus and annual information form each dated July 12, 2001.
7. A management information circular dated November 23, 2001, which described the proposed change of manager in connection with a shareholders’ meeting scheduled on December 18, 2001 to consider and vote on it, was sent to the Corporation’s shareholders.
8. At the meeting referred to in paragraph 7, the shareholders voted in favour of the change of manager by a majority of approximately 97.50% of the votes cast at the meeting. Approximately 30.7% of the issued and outstanding shares were represented at the meeting, either personally or by proxy.
9. Upon regulatory approval and implementation of the change of manager, the role of CAMAF’s board of directors will be limited to basic corporate functions and safeguarding the interests of the Corporation and its shareholders.
10. Pursuant to clause 5.5(1)(a) of National Instrument 81-102, the transfer of management functions from the officers and board of directors of CAMAF to an external management company unaffiliated with the Corporation constitutes a “change of manager” that requires prior regulatory approval.
11. Immediately after the requested regulatory approval is granted, the Corporation will issue a news release and material change report and file an amendment to its Current Prospectus, pursuant to section 5.10 of NI 81-102, so that prospective investors in the Corporation are aware of the change in the manager of the Corporation.

**Decision**

This letter confirms that, based on the information provided in the Application and the facts and representations above, the Decision Makers hereby grant approval to the change of manager of the Corporation to Stone & Co., subject to compliance with all applicable provisions of NI 81-102.

Yours truly,

Paul A. Dempsey

Paul A. Dempsey

Manager, Investment Funds

Capital Markets Branch

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