

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO, QUEBEC, NEW BRUNSWICK,
NOVA SCOTIA, PRINCE EDWARD ISLAND, NEWFOUNDLAND AND LABRADOR,
YUKON TERRITORY AND NUNAVUT**

AND

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

AND

**IN THE MATTER OF
CI ASIAN DYNASTY FUND
(the "Fund")**

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon Territory and Nunavut (the "Jurisdictions") has received an application (the "Application") from CI Mutual Funds Inc. ("CI") in its capacity as manager of the Fund for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the time periods pertaining to the distribution of units of the Fund pursuant to its simplified prospectus and annual information form dated August 24, 2001 (collectively, the "Current Prospectus") shall not apply to the Fund until such time as a final receipt is obtained for a new prospectus of the Fund provided that the pro forma simplified prospectus of the Fund was filed by September 18, 2002;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for the Application;

AND WHEREAS CI has represented to the Decision Makers that:

1. CI is the manager of the Fund, which is a reporting issuer as defined in the Legislation.
2. On July 25, 2002, C.I. Fund Management Inc., the parent company of CI, acquired Spectrum Investment Management Limited and Clarica Diversico Ltd. which at that time were the managers of approximately 88 mutual funds (including the Fund). The acquisition resulted in approximately 201 mutual funds, in aggregate, under CI's management. The lapse date of the simplified prospectuses and annual information forms under which most CI mutual funds distributed their securities was July 31, 2002 and renewal filings for such prospectuses were near completion. In anticipation of the need for additional time to reorganize the mutual fund's under CI's management and

complete all renewal prospectus filings, an application was filed on July 19, 2002 to extend the lapse dates of such prospectuses and the Current Prospectus.

3. The Fund distributed its units in each province and territory of Canada pursuant to the Current Prospectus. The lapse date of the Current Prospectus under the Legislation was August 24, 2002.
4. On August 23, 2002, an MRRS Decision Document (the "First Extension") was issued by the Decision Makers which extended the time periods provided in the Legislation as they applied to the distribution of units of the Fund and of other mutual funds under CI's management as follows:
 - (a) in the case of certain mutual funds then expected to terminate on or about October 15, 2002 (the "Terminating Funds"), to permit the continued distribution of units of the Terminating Funds to their existing unitholders until October 15, 2002 (subject to certain conditions) (the "Extension for Terminating Funds"); and
 - (b) in the case of certain other mutual funds then expected not to terminate (the "Continuing Funds"), to the time periods that would be applicable if the lapse date for the distribution of units under their prospectus was August 29, 2002, provided that a pro forma simplified prospectus in respect of the Continuing Funds was filed by August 19, 2002 (the "Extension for Continuing Funds").
5. A combined preliminary and pro forma simplified prospectus and a combined preliminary and pro forma annual information form (collectively, the "Continuing Funds Pro Forma Prospectus") were filed on behalf of the Continuing Funds on August 12, 2002 and August 14, 2002.
6. At the time the Continuing Funds Pro Forma Prospectus was filed, the Fund was expected to be a Terminating Fund and therefore was not included in the Continuing Funds Pro Forma Prospectus.
7. On or about August 20, 2002, CI determined that the Fund should not terminate and wished to continue the distribution of units of the Fund as a Continuing Fund. The Continuing Funds Pro Forma Prospectus was refiled on August 23, 2002 to include the Fund and the (final) simplified prospectus and annual information form (collectively, the "Final Prospectus") of the Continuing Funds (including the Fund) was filed on August 29, 2002.
8. The Fund did not fulfill the condition of the Extension for Continuing Funds that the Fund's pro forma prospectus be filed by August 19, 2002 and therefore the Fund cannot rely on the Extension for Continuing Funds.

9. The Fund may not be entitled to continue to rely on the Extension for Terminating Funds for the units it distributes during the period (the "Interim Period") commencing on August 25, 2002 and ending on the date a receipt is issued for the Final Prospectus. The Application for this Decision was filed on August 30, 2002.
10. Except for the Extension for Terminating Funds, the Fund would have been included in the Continuing Funds Pro Forma Prospectus or would have ceased the distribution of its units on the lapse date of the Current Prospectus. The Fund has since ceased the distribution of its units.
11. There have been no material changes in the affairs of the Fund since the filing of the Current Prospectus other than those for which amendments have been filed. Accordingly, the Current Prospectus and the amendments thereto represent current information regarding the Fund.

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision"):

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Makers with the Jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that the Fund is exempt from the time limits provided by the Legislation for the filing of the renewal prospectus until such time as a final receipt is obtained for the Final Prospectus, provided that:

- (a) the final simplified prospectus of the Fund was filed by September 18, 2002;
- (b) all unitholders of record of the Fund in the Jurisdictions who purchase units of the Fund during the Interim Period ("Affected Unitholders") are provided with the right (the "Cancellation Right") to cancel such trades within 20 business days of receipt of a statement (the "Statement") describing the Cancellation Right and to receive, upon the exercise of the Cancellation Right, the purchase price paid on the acquisition of such units and all fees and expenses incurred in effecting such purchase (the net asset value per unit on the date of such a purchase by an Affected Unitholder is hereinafter defined as the "Purchase Price per Unit");
- (c) the Fund mails the Statement, a copy of this Decision, and a copy of the Final Prospectus to Affected Unitholders no later than October 3, 2002; and

- (d) if the net asset value per unit of the Fund on the date that an Affected Unitholder exercises the Cancellation Right is less than the Purchase Price per Unit, CI shall reimburse the Fund for the difference between the Purchase Price per Unit and the net asset value per unit on the date on which such Affected Unitholder exercises the Cancellation Right.

DATED September 18, 2002.

“Howard I. Wetston”

Howard I. Wetston

“Paul M. Moore”

Paul M. Moore

Headnote:

Mutual Reliance Review System for Exemptive Relief Applications - Exemption from the requirements of section 62(2) provided in exceptional circumstances. Cancellation rights granted to new investors who purchased after the lapse date.

Statutes Cited

Securities Act, R.S.O., 1990 c. S5, as amended, ss.62(1), 62(1.1) 62(2) and 147