

**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**

**Spectrum American Value Fund  
Spectrum Asset Allocation Fund  
Spectrum American Growth Fund  
Spectrum RRSP American Growth Fund  
Spectrum Asian Dynasty Fund  
Spectrum Canadian Equity Fund  
Spectrum Canadian Growth Fund  
Spectrum Canadian Resource Fund  
Spectrum Canadian Investment Fund  
Spectrum Canadian Small-Mid Cap Fund  
Spectrum Canadian Stock Fund  
Spectrum Canadian Money Market Fund  
Spectrum Diversified Fund  
Spectrum Dividend Fund  
Spectrum Emerging Markets Fund  
Spectrum European Growth Fund  
Spectrum RRSP European Growth Fund  
Spectrum Global Bond Fund  
Spectrum Global Diversified Fund  
Spectrum Global Equity Fund  
Spectrum RRSP World Equity Fund  
Spectrum Global Financial Services Fund  
Spectrum RRSP Global Financial Services Fund  
Spectrum Global Growth Fund  
Spectrum RRSP Global Growth Fund  
Spectrum Global Health Sciences Fund  
Spectrum RRSP Global Health Sciences Fund  
Spectrum Global Telecommunications Fund  
Spectrum RRSP Global Telecommunications Fund**

**Spectrum World Growth Managers Fund**  
**Spectrum RRSP World Growth Managers Fund**  
**Spectrum Long-Term Bond Fund**  
**Spectrum Mid-Term Bond Fund**  
**Spectrum RRSP International Bond Fund**  
**Spectrum Short-Term Bond Fund**  
**Spectrum Optimax USA Fund**  
**Spectrum U.S. Dollar Money Market Fund**  
**Spectrum Canadian Income Portfolio**  
**Spectrum Canadian Balanced Portfolio**  
**Spectrum Canadian Growth Portfolio**  
**Spectrum Global Growth Portfolio**  
**Spectrum Canadian Conservative Portfolio**  
**Spectrum Canadian Maximum Growth Portfolio**  
(collectively, the “**Spectrum Funds**”)

#### **MRRS DECISION DOCUMENT**

**WHEREAS** the Canadian securities regulatory authority or regulator (the “**Decision Maker**”) in each of the provinces and territories of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon Territory and Nunavut (the “**Jurisdictions**”) has received an application (the “**Application**”) from Spectrum Investment Management Limited (“**Spectrum**”), manager of the Spectrum Funds, for a decision pursuant to securities legislation of the Jurisdictions (the “**Legislation**”) that the time limits pertaining to the distribution of securities under the simplified prospectus and annual information form dated August 24, 2001 (collectively, the “**Spectrum Prospectus**”) of the Spectrum Funds be extended :

(a) to permit the continued distribution of units of the Spectrum Asian Dynasty Fund, Spectrum Canadian Resource Fund, Spectrum Canadian Small-Mid Cap Fund, Spectrum Canadian Money Market Fund, Spectrum Emerging Markets Fund,, Spectrum Global Bond Fund, Spectrum Global Diversified Fund, Spectrum RRSP World Equity Fund, Spectrum Global Financial Services Fund, Spectrum RRSP Global Financial Services Fund, Spectrum Global Growth Fund, Spectrum RRSP Global Growth Fund, Spectrum Global Health Sciences Fund, Spectrum RRSP Global Health Sciences Fund, Spectrum Global Telecommunications Fund, Spectrum RRSP Global Telecommunications Fund, Spectrum World Growth Managers Fund, Spectrum RRSP World Growth Managers Fund, , Spectrum Optimax USA Fund, Spectrum U.S. Dollar Money Market Fund, and Spectrum Global Growth Portfolio (collectively the “**Terminating Funds**”) until October 15, 2002, and

(b) in respect of the Spectrum American Value Fund, Spectrum Asset Allocation Fund, Spectrum American Growth Fund, Spectrum RRSP American Growth Fund, Spectrum Canadian Equity Fund, Spectrum Canadian Investment Fund, Spectrum Canadian Stock Fund, Spectrum Canadian Growth Fund, Spectrum Diversified Fund, Spectrum Dividend Fund, Spectrum European Growth Fund, Spectrum RRSP European Growth Fund, Spectrum Global Equity Fund, Spectrum Mid-Term Bond Fund, Spectrum Long-Term Bond Fund, Spectrum RRSP International Bond Fund, Spectrum Short-Term Bond Fund, Spectrum Canadian Income Portfolio, Spectrum Canadian Balanced Portfolio, Spectrum Canadian Growth Portfolio, Spectrum Canadian Conservative Portfolio, and Spectrum Canadian Maximum Growth Portfolio ( collectively, the **“Continuing Spectrum Funds”** ) , to the time limits that would be applicable if the lapse date for the Spectrum Prospectus was August 29, 2002;

**AND WHEREAS** under the Mutual Reliance Review System for Exemptive Relief Applications (the **“System”**) the Ontario Securities Commission is the principal regulator for the Application;

**AND WHEREAS** the Funds have represented to the Decision Makers that:

1. C.I. Fund Management Inc. acquired all of the outstanding shares of Spectrum on July 25, 2002 and thereafter Spectrum amalgamated with its sister company, CI Mutual Funds Inc. (**“CI”**).
2. Each Spectrum Fund is a reporting issuer as defined in the Legislation and is not in default of any of the requirements of such Legislation.
3. Units of the Spectrum Funds are presently offered for sale on a continuous basis in each of the Jurisdictions through the Spectrum Prospectus. The earliest lapse date under the Legislation for the distribution of qualified securities of the Spectrum Funds pursuant to the Spectrum Prospectus is August 24, 2002.
4. There have been no material changes in the affairs of any Spectrum Fund since the filing of the Spectrum Prospectus other than those for which amendments have been filed. Accordingly, the Spectrum Prospectus and the amendments thereto represent current information regarding each Spectrum Fund. The requested extensions will not affect the accuracy of information in the Spectrum Prospectus and therefore will not be prejudicial to the public interest.
5. CI is in the process of revising the renewal prospectus (the **“CI Renewal Prospectus”**) for mutual funds managed by CI (**“CI Funds”**) to include the Continuing Spectrum Funds. CI had required additional time to determine which

Spectrum Funds would be included in the CI Renewal Prospectus and to prepare and file a revised CI Renewal Prospectus for review by the Canadian securities administrators. CI expects to file the final CI Renewal Prospectus on or about August 28, 2002.

6. CI expects that some or all of the Spectrum Funds that are not included in the CI Renewal Prospectus, as well as some CI Funds, will be merged with funds that will be included in the CI Renewal Prospectus. CI has not yet determined which funds will be the subject of mergers. Any such mergers will be effected in accordance with the requirements of National Instrument 81-102 including, without limitation, filing a prospectus amendment in respect of, and obtaining approval from securityholders of, each fund that may be terminated. CI anticipates that any such fund mergers will be completed by October 15, 2002.
7. A renewal prospectus will not be filed in respect to the Spectrum's Terminating Funds. Therefore, units of the Terminating Funds will not be qualified for distribution after August 24, 2002 unless an extension is granted to permit the distribution of units of the Terminating Funds until October 15, 2002.
8. If the relief requested herein is not granted, Spectrum will be required to file by August 24, 2002 a renewal simplified prospectus for the Spectrum Funds, notwithstanding that some of the Spectrum Funds will be included in the CI Renewal Prospectus and that the remaining Spectrum Funds will be terminated approximately seven weeks after a prospectus is filed. The financial costs and time involved in producing, filing and printing a simplified prospectus and an annual information form for the Spectrum Funds would be unduly costly.
9. Many of the Terminating Funds are underlying funds in the fund of fund structures of a number of Spectrum Portfolios ("**Top Funds**"). In order to change the underlying fund in which Top Funds are permitted to invest, and the proportions in which Top Funds may make such investments requires that unitholders be provided with at least 60 days notice of such changes. Consequently, these Terminating Funds will need to continue to be in distribution to meet the notice requirement and to facilitate the continued distribution of the Top Funds.
10. The requested extension will not affect the accuracy of information in the Spectrum Prospectus and therefore will not be prejudicial to the public interest.

**AND WHEREAS** under the System, this MRRS Decision Document evidences the decision of each Decision Makers (collectively, the "**Decision**");

**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 pursuant to the Legislation is that the time periods provided in the Legislation as they apply to a distribution of securities under the Spectrum Prospectus, are hereby extended:

- (a) to permit the continued distribution of units to existing unitholders of the Terminating Funds pursuant to the Spectrum Prospectus until October 15, 2002 provided that prospectus amendments are filed with respect to the pending mergers and termination of such funds; and
- (b) in respect of the Continuing Spectrum Funds, to the time limits that would be applicable if the lapse date for the distribution of securities under the Spectrum Prospectus was August 29, 2002, provided that a pro forma simplified prospectus in respect of such funds is filed by August 19, 2002.

**DATED** August 23, 2002

"Howard I. Wetston"

***Paul M. Moore***"

Howard I. Wetston

Paul M. Moore

**Headnote:**

Mutual Reliance Review System for Exemptive Relief Applications - Extension of mutual fund lapse date for some funds. Continued distribution beyond the lapse date of some funds limited to existing securityholders.

**Statutes Cited**

*Securities Act*, R.S.O., 1990 c. S5, as amended, ss.62(1), 62(1.1) 62(5) and 147