

**IN THE MATTER OF THE SECURITIES LEGISLATION OF ALBERTA,
SASKATCHEWAN, ONTARIO, QUEBEC 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 CORE CANADIAN EQUITY FUND, ACTIVE FIXED INCOME
FUND AND DIVERSIFIED FUND OF CANADA B SHORT TERM FUND
MRRS DECISION DOCUMENT**

WHEREAS the Canadian securities regulatory authority or regulator (the ADecision Maker@) in each of the provinces of Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia, and Newfoundland and Labrador (the AJurisdictions@) has received an application from the Core Canadian Equity Fund, the Active Fixed Income Fund and the Diversified Fund of Canada B Short Term Fund (collectively, the AFunds@) for a decision pursuant to the securities legislation of the Jurisdictions (the ALegislation@) that each of the Funds be deemed to cease to be a reporting issuer;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the ASystem@), the Ontario Securities Commission (the ACommission@) is the principal regulator for this application;

AND WHEREAS each of the Funds has represented to the Decision Maker that:

- 1. Each of the Funds is a mutual fund formed under the laws of Ontario and has been a reporting issuer in the Jurisdictions since January 30, 1987.**
- 2. The Funds are not in default of any of the requirements of the Legislation**

- 3. The Fixed Income Fund and Canadian Equity Fund each has a current simplified prospectus and annual information form dated August 29, 2001, pursuant to which these Funds may distribute securities to the public. These Funds have ceased all efforts to distribute their securities to the public pursuant to such prospectus since the last sale of securities by the Funds under that prospectus on September 30, 2001. The Short Term Fund has not distributed units pursuant to a prospectus since its last prospectus lapsed on August 29, 2001.**
- 4. The Fixed Income Fund has 23 securityholders, consisting of 22 pension funds and one not-for-profit corporation. All of the securityholders are accredited investors within the meaning of OSC Rule 45-501 (Accredited Investors®). Of the 23 securityholders, 16 securityholders are resident in Ontario, one securityholder is resident in British Columbia, one securityholder is resident in Nova Scotia and five securityholders are resident in Quebec .**
- 5. The Canadian Equity Fund also has 23 securityholders, consisting of 22 pension funds and one not-for-profit corporation. All of the securityholders are Accredited Investors. Of the 23 securityholders, 15 securityholders are resident in Ontario, one securityholder is resident in British Columbia, one securityholder is resident in Alberta, one securityholder is resident in Nova Scotia and five securityholders are resident in Quebec.**
- 6. The Short Term Fund has two securityholders, each of which is a pension fund resident in Ontario.**
- 7. Each of the Funds has obtained the consent of a significant majority of its securityholders to seek to cease to be a reporting issuer in any jurisdiction in Canada.**
- 8. Securityholders of the Funds will continue to be entitled to receive audited annual financial statements under the Funds= trust agreement notwithstanding the Funds ceasing to be reporting issuers.**
- 9. The Funds do not have any debt obligations outstanding and have never issued any debt securities.**

10. No securities of the Funds are listed or posted for trading on any stock exchange.

11. The Funds do not intend to seek public financing by way of an offering of securities pursuant to their current prospectuses. The Funds intend to make any future financings on a prospectus-exempt basis.

AND WHEREAS pursuant to the System, this MRRS Decision Document evidences the decision of the Decision Maker (the *Decision*);

AND WHEREAS the 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 Maker pursuant to the Legislation is that each of the Funds shall be deemed to have ceased to be a reporting issuer for the purposes of the Act.

DATED at Toronto, Ontario July 3, 2002.

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Headnote

Section 83 of the Securities Act - Issuers deemed to have ceased to be reporting issuers

under the Act. Issuers had twenty-three or less accredited investors as securityholders and they consented to the application.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 1(1) and 83.