

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
BRITISH COLUMBIA, 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**

**ELLIOTT & PAGE LIMITED (“EPL”)**

**ELLIOTT & PAGE ACTIVE BOND FUND  
ELLIOTT & PAGE MONEY FUND  
ELLIOTT & PAGE MONTHLY HIGH INCOME FUND  
ELLIOTT & PAGE BALANCED FUND  
ELLIOTT & PAGE GROWTH & INCOME FUND  
ELLIOTT & PAGE VALUE EQUITY FUND  
ELLIOTT & PAGE CANADIAN EQUITY FUND  
ELLIOTT & PAGE GENERATION WAVE FUND  
ELLIOTT & PAGE BLUE CHIP FUND  
ELLIOTT & PAGE SECTOR ROTATION FUND  
ELLIOTT & PAGE GROWTH OPPORTUNITIES FUND  
ELLIOTT & PAGE AMERICAN GROWTH FUND  
ELLIOTT & PAGE U.S. MID-CAP FUND  
ELLIOTT & PAGE INTERNATIONAL EQUITY FUND  
ELLIOTT & PAGE TOTAL EQUITY FUND  
ELLIOTT & PAGE GLOBAL MULTISTYLE FUND  
ELLIOTT & PAGE GLOBAL SECTOR FUND  
ELLIOTT & PAGE ASIAN GROWTH FUND  
ELLIOTT & PAGE RSP AMERICAN GROWTH FUND  
ELLIOTT & PAGE RSP U.S. MID-CAP FUND  
ELLIOTT & PAGE RSP TOTAL EQUITY FUND  
(collectively, the “Trust Funds”)**

**MIX AIM AMERICAN MID-CAP GROWTH CLASS  
MIX AIM CANADIAN FIRST CLASS  
MIX ELLIOTT & PAGE GROWTH OPPORTUNITIES CLASS  
MIX ELLIOTT & PAGE U.S. MID-CAP CLASS  
MIX F.I. CANADIAN DISCIPLINED EQUITY CLASS  
MIX F.I. GROWTH AMERICA CLASS  
MIX F.I. INTERNATIONAL PORTFOLIO CLASS  
MIX SEAMARK TOTAL CANADIAN EQUITY CLASS  
MIX SEAMARK TOTAL GLOBAL EQUITY CLASS  
MIX SEAMARK TOTAL U.S. EQUITY CLASS  
MIX TRIMARK GLOBAL CLASS**

**MIX TRIMARK SELECT CANADIAN CLASS  
MIX SHORT TERM YIELD CLASS  
MIX CANADIAN EQUITY VALUE CLASS  
MIX CANADIAN LARGE CAP CORE CLASS  
MIX CANADIAN LARGE CAP GROWTH CLASS  
MIX CANADIAN LARGE CAP VALUE CLASS  
MIX GLOBAL EQUITY CLASS  
MIX GLOBAL SECTOR CLASS  
MIX GLOBAL VALUE CLASS  
MIX INTERNATIONAL GROWTH CLASS  
MIX INTERNATIONAL VALUE CLASS  
MIX JAPANESE CLASS  
MIX U.S. LARGE CAP CORE CLASS  
MIX U.S. LARGE CAP GROWTH CLASS  
MIX U.S. LARGE CAP VALUE CLASS  
MIX U.S. MID-CAP VALUE CLASS  
(collectively, the Corporate Funds”)**

**ELLIOTT & PAGE POOLED CANADIAN EQUITY FUND  
ELLIOTT & PAGE POOLED U.S. EQUITY FUND  
ELLIOTT & PAGE POOLED BOND FUND  
ELLIOTT & PAGE POOLED BALANCED FUND  
ELLIOTT & PAGE POOLED CORPORATE BOND FUND  
ELLIOTT & PAGE POOLED SHORT-TERM FUND  
(collectively, the “Pooled Funds”)**

## **MRRS DECISION DOCUMENT**

**WHEREAS** the local securities regulatory authority or regulator (the “Decision Maker”) in each of Ontario, Alberta, British Columbia, Saskatchewan, Quebec, Nova Scotia and Newfoundland and Labrador (the “Jurisdictions”) has received an application from Elliott & Page Limited for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the following provisions, where applicable, do not apply so as to prevent the Trust Funds, the Corporate Funds, the Pooled Funds and such other funds as may be managed or advised by Elliott & Page Limited or an affiliate or division thereof (“EPL”) from time to time (collectively with the Trust Funds, the Pooled Funds and the Corporate Funds, the “Funds”) from investing in, or continuing to hold an investment in, securities of the Related Companies (as hereinafter defined):

- (a) the provision prohibiting a mutual fund from knowingly making or holding an investment in any person or company who is a substantial security holder of the mutual fund, its management company or distribution company;
- (b) the provision prohibiting a mutual fund from knowingly making or holding an investment in an issuer in which a substantial security holder of the mutual fund, its management company or its distribution company has a significant interest;  
and

- (c) the provision prohibiting a portfolio manager (or in the case of the *Securities Act* (British Columbia), the mutual fund or responsible person) from knowingly causing any portfolio managed by it to invest in any issuer in which a responsible person or an associate of a responsible person is an officer or director unless the specific fact is disclosed to the client and the written consent of the client to the investment is obtained before the purchase (the provisions of (a), (b) and (c) being collectively, the “Investment Restrictions”);

**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 Quebec Commission Statement 14-101;

**AND WHEREAS** it has been represented by EPL to the Decision Makers that:

1. EPL is a corporation incorporated under the laws of Ontario with its registered office located in Toronto, Ontario. In 1982, EPL was acquired by North American Life Assurance Company, which is now The Manufacturers Life Insurance Company (“MLIC”). Manulife Financial Corporation (“Manulife”) holds all of the outstanding shares of MLIC and therefore, EPL is an indirect wholly-owned subsidiary of Manulife.
2. Since its inception, EPL has been registered as an adviser in the categories of investment counsel and portfolio manager under the *Securities Act* Ontario (the “Act”). By way of an amendment to its registration in 1984, EPL also obtained registration as a mutual fund dealer under the Act.
3. EPL is the manager, trustee and promoter of the Trust Funds and the Pooled Funds and the manager and promoter of the Corporate Funds.
4. Advisor Class, Class F and Class I units of the Trust Funds are offered for sale continuously to the public in each of the provinces and territories of Canada pursuant to a combined simplified prospectus and annual information form dated August 28, 2002. Each of the Trust Funds is a reporting issuer under the Act and is not on the list of defaulting issuers maintained under the Act.
5. Units of the Pooled Funds are sold to institutional investors on an exempt basis.
6. Advisor Series and Series F shares of the Corporate Funds are offered for sale continuously to the public in each of the provinces and territories of Canada pursuant to a combined simplified prospectus and annual information form dated October 29, 2002. Each of the Corporate Funds is a reporting issuer under the Act and is not on the list of defaulting issuers maintained under the Act.
7. EPL is or will be the primary portfolio advisor for each Fund. EPL also hires or will hire sub-advisors to provide investment advice for certain Funds. The individual investment

sub-advisor for each Fund is or will be listed in the prospectus or other offering document offering each Fund.

8. Manulife, the indirect parent company of EPL, is one of the leading life insurance based financial services organizations in Canada. Its wealth management product offerings include individual investment and banking products, annuities, group pension products, segregated funds and mutual funds.
9. SEAMARK Asset Management Ltd. (“SEAMARK”, collectively with Manulife, the “Related Companies”) currently acts as a portfolio sub-advisor to Elliott & Page Growth & Income Fund, Elliott & Page International Equity Fund, Elliott & Page Total Equity Fund, Elliott & Page RSP Total Equity Fund, MIX SEAMARK Total Canadian Equity Class, MIX SEAMARK Total Global Equity Class and MIX SEAMARK Total U.S. Equity Class and may in the future act as a portfolio sub-advisor to other Funds (collectively, the “SEAMARK-Advised Funds”). SEAMARK is an investment counsel and portfolio management firm which is publicly traded and, of which, Manulife holds 35% of the voting securities. SEAMARK provides investment management services to a broad range of clients including institutional clients, retail mutual funds and high net worth private clients. SEAMARK is one of the fastest growing investment management firms in Canada.
10. The Funds have not made any investment in securities of the Related Companies.
11. EPL believes that it would be in the best interests of investors in the SEAMARK-Advised Funds for such Funds to be permitted to invest in securities of Manulife, in keeping with the investment objectives of the SEAMARK-Advised Funds, though only up to the limits allowed by applicable legislation. EPL also believes that it would be in the best interests of investors in the Funds, other than the SEAMARK-Advised Funds, for the Funds to be permitted to invest in securities of the Related Companies, in keeping with the investment objectives of the Funds, though only up to the limits allowed by applicable legislation.
12. Although a number of directors and officers of EPL are also officers and directors of the Related Companies (“Related Officers and Directors”), these individuals do not participate in the formulation of, or generally have access prior to implementation to, the day to day investment decisions made on behalf of the Funds. All officers and directors of a Related Company are non-trading officers of EPL and as such do not provide investment advice. Furthermore, no trading officer of EPL who makes trades on behalf of the Funds is under the direction of an officer or director of a Related Company in respect of investments by the Funds in a Related Company.
13. All Related Officers and Directors who have access to material information in relation to Manulife and SEAMARK that has not been generally disclosed (an “Access Person”) is subject to Manulife’s written policy and the IFIC Code of Ethics which prohibits Access Persons from engaging in any trading in securities of the Related Companies while the trading window is closed or while the Access Person is in possession of undisclosed material information in relation to the Related Companies.

14. EPL will establish a 3-member independent review committee (the “Independent Committee”) to oversee investments by the Funds in securities of the Related Companies. The Independent Committee will be comprised entirely of individuals who are wholly independent of EPL, Manulife, and SEAMARK. No member of the Independent Committee will be an officer or director of EPL, or an associate or employee, of EPL, of any portfolio manager of a Fund, or of any associate or affiliate of EPL or the portfolio managers of the Funds.
15. The duties and obligations of the Independent Committee will include the following:
  - (a) to oversee the holdings, purchases, and sales by the Funds of securities of Related Companies;
  - (b) to examine the investment decisions of each Fund’s portfolio manager to ensure that such decisions are in the best interest of the Fund’s investors;
  - (c) in instances where the portfolio manager of a Fund is determined to not have acted in the best interest of the Fund’s investors, to recommend or require that actions be taken to rectify the situation within a specific time frame; and
  - (d) from time to time, as necessary, to develop guidelines for the portfolio manager of a Fund to follow with respect to investments by the Fund in Related Companies.
16. The Independent Committee shall review the holdings, purchases or sales of securities of the Related Companies to ensure that they have been made free from any influence by a Related Company and without taking into account any consideration relevant to a Related Company.
17. The Independent Committee will take into consideration the best interests of securityholders of the Funds and no other factors.
18. The compensation to be paid to members of the Independent Committee will be paid on a per meeting basis and will be allocated among the Funds in a manner that is considered by the Independent Committee to be fair and reasonable to the Funds.

**AND WHEREAS** under 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 Maker with the jurisdiction to make the Decision has been met;

**THE DECISION** of the Decision Makers under the Legislation is that:

1. the Funds, other than the SEAMARK-Advised Funds, are exempt from the Investment Restrictions so as to enable the Funds, and EPL to cause the Funds, to invest, or continue to hold an investment in, securities of a Related Company;

2. the SEAMARK-Advised Funds are exempt from the Investment Restrictions so as to enable the SEAMARK-Advised Funds, and EPL to cause the SEAMARK-Advised Funds, to invest, or continue to hold an investment in, securities of Manulife; and
3. this 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 mutual fund governance in a manner that conflicts with or makes inapplicable any provision of this Decision;

provided that:

- (a) EPL has appointed the Independent Committee to review the Funds' purchases, sales and continued holdings of securities of a Related Company;
- (b) the Independent Committee has at least three members, none of whom is an associate or employee of (i) EPL, (ii) any portfolio manager of the Funds; or (iii) any associate or affiliate of EPL, Manulife, or the portfolio managers of the Funds;
- (c) the Independent Committee has a written mandate describing its duties and standard of care which, as a minimum, sets out the conditions of this Decision;
- (d) the members of the Independent Committee exercise their powers and discharge their duties honestly, in good faith and in the best interests of investors in the Funds and, in doing so, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances;
- (e) none of the Funds relieves the members of the Independent Committee from liability for loss that arises out of a failure to satisfy the standard of care set out in paragraph (d);
- (f) none of the Funds indemnifies the members of the Independent Committee against legal fees, judgments and amounts paid in settlement as a result of a breach of the standard of care set out in paragraph (d);
- (g) none of the Funds incurs the cost of any portion of liability insurance that insures a member of the Independent Committee for a liability for loss that arises out of a failure to satisfy the standard of care set out in paragraph (d);
- (h) the cost of any indemnification or insurance coverage paid for by EPL, any portfolio manager of the Funds, or any associate or affiliate of EPL or the portfolio managers of the Funds to indemnify or insure the members of the Independent Committee in respect of a loss that arises out of a failure to satisfy the standard of care set out in paragraph (d) is not paid either directly or indirectly by the Funds;

- (i) the Independent Committee reviews the Funds' purchases, sales and continued holdings of securities of a Related Company on a regular basis, but not less frequently than every three months;
- (j) the Independent Committee forms the opinion at any time, after reasonable inquiry, that the decisions made on behalf of each Fund by EPL or the Fund's portfolio manager to purchase, sell or continue to hold securities of a Related Company were and continue to be in the best interests of the Fund, and:
  - (i) represent the business judgement of EPL or the Fund's portfolio manager, uninfluenced by considerations other than the best interests of the Fund;
  - (ii) have been made free from any influence by a Related Company and without taking into account any consideration relevant to a Related Company; and
  - (iii) do not exceed the limitations of the applicable legislation.
- (k) the determination made by the Independent Committee pursuant to paragraph (j) is included in detailed written minutes provided to EPL not less frequently than every three months;
- (l) the reports required to be filed pursuant to the Legislation with respect to every purchase and sale of securities of a Related Company are filed on SEDAR in respect of the relevant Fund;
- (m) the Independent Committee advises the Decision Makers in writing of:
  - (i) any determination by it that the condition set out in paragraph (j) has not been satisfied with respect to any purchase, sale or holding of securities of a Related Company;
  - (ii) any determination by it that any other condition of this Decision has not been satisfied;
  - (iii) any action it has taken or proposes to take following the determinations referred to above; and
  - (iv) any action taken, or proposed to be taken, by EPL or a portfolio manager of the Funds in response to the determinations referred to above; and
- (n) the existence, purpose, duties and obligations of the Independent Committee, the names of its members, whether and how they are compensated by the Funds, and the fact that they meet the requirements of the condition set out in paragraph (b) are disclosed:
  - (i) in a press release issued, and a material change report filed, prior to reliance on the Decision;

- (ii) in item 12 of Part A of the simplified prospectus of the Funds; and
- (iii) on EPL's internet website.

**DATED**, December 19,2002

"Theresa McLeod"  
Theresa McLeod

R. L. Shirriff"  
Robert L. Shirriff



**Headnote:**

Exemptions from the mutual fund self-dealing prohibitions of clauses 111(2)(a), 111(3) and 118(2)(a) of the *Securities Act* (Ontario). Mutual funds allowed to make purchases and sales of the securities of Manulife Financial Corporation and in certain circumstances SEAMARK Asset Management Inc. related companies of the manager and advisors of the mutual funds, and to retain those securities provided that a fund governance mechanism is used to oversee the holdings, purchases or sales of these securities for the mutual funds and to ensure that such holdings, purchases or sales have been made free from any influence by these related companies and without taking into account any consideration relevant to these related companies.

**Statutes Cited:**

*Securities Act* (Ontario), R.S.O. 1990 c.S.5, as am., 111(2)(a), 111(3), and 118(2)(a).