

IN THE MATTER OF
THE SECURITIES ACT, 1988. R.S.S., 1988 C. s-42.2

AND

IN THE MATTER OF
GOLDMAN, SACHS & CO. AND GREYSTONE MANAGED INVESTMENTS INC.

(Section 83)
Ruling

WHEREAS an application has been received by the Saskatchewan Securities Commission (the "Commission") from Goldman Sachs & Co. ("Goldman") for a ruling pursuant to clause 83(1)(a) of *The Securities Act, 1988*, S.S. 1988, c. S-42.2 (the "Act") that the provisions of section 27 of the Act shall not apply to the Goldman when acting as an investment sub-adviser to Greystone Managed Investments Inc. ("Greystone") in respect of any pooled funds managed by Greystone;

AND WHEREAS the Commission has assigned to the Director the power to make exemption orders and rulings under the provisions of the Act;

AND WHEREAS it has been represented to the Director that:

1. Goldman is a limited partnership governed by the laws of New York, and a registered investment adviser with the United States of America Securities and Exchange Commission. Goldman is registered as a foreign adviser in the categories of investment counsel and portfolio manager (or its equivalent) under the securities legislation of British Columbia, Alberta, Ontario and Prince Edward Island and also holds registration as a dealer in the category of international dealer in Ontario. The chief executive office and principal place of business of Goldman is 85 Broad Street, New York, New York, 10004;
2. Goldman Sachs Asset Management ("GSAM") is a unit of the Investment Management Division of Goldman. GSAM provides global investment services in active and structured equities, fixed income, currency, cash management, and innovative direct and fund-of-funds strategies in alternative asset classes such as hedge funds and private equity. As of December 31, 2001, GSAM's assets under management totaled over \$305.8 billion;
3. Greystone is a corporation subsisting under the laws of Canada and engages primarily in the business of portfolio management and investment counseling, including the management and administration of pooled mutual funds and other collective investment vehicles. Greystone was founded in 1988 and is among Canada's largest independent investment counselors in terms of assets under management, with more than \$13 billion of assets under management;

4. Greystone is registered as an investment counsel and portfolio manager (or its equivalent) under the securities legislation of the Province of Saskatchewan as well as the securities legislation of each of the other provinces of Canada, other than Prince Edward Island (where registration as an adviser is not required) and Québec. The chief executive office and principal place of business of Greystone are located at 300 Park Centre, 1250 Blackfoot Drive, Regina, Saskatchewan S4S 7G4. Greystone also has branch offices in the provinces of Alberta and Manitoba;
5. In order to service certain of its present and future institutional and private clients, Greystone has established certain pooled fund trusts pursuant to declarations of trust for which Greystone acts as manager and an independent third party trust company acts as trustee. Greystone may also establish other pooled fund trusts from time to time for which it also will act as manager. All such pooled fund trusts that have been or may be established by Greystone are herein collectively referred to as the “Funds”;
6. Each Fund is or will be a pooled investment trust in which each participant has or will have an undivided pro rata interest to be evidenced by units (the “Units”) in the Fund. Holders of Units are or will be entitled to redeem such Units at their net asset value within a specified period after demand as set out in the declaration of trust of each Fund. Accordingly, each Fund is or will be a “mutual fund” as defined in the Act. The offices of the Funds are or will be at the same address as that of Greystone;
7. None of the Funds is a reporting issuer in any jurisdiction in Canada, nor is it intended that any of the Funds will become reporting issuers in Canada. Units of the Funds are distributed to investors in Saskatchewan and elsewhere in reliance on exemptions from the registration and prospectus requirements of the Act and the securities legislation in each of the other relevant jurisdictions;
8. The Funds enable Greystone to pool client funds to take advantage of declining scales in brokerage commissions, to allow greater diversity of investments than would otherwise be the case with individually managed accounts and to facilitate the allocation of investment opportunities among clients;
9. By investing in the Funds, Greystone’s clients benefit from access to Greystone’s expertise as an investment counsel and portfolio manager and, if an Investment Subadvisory Agreement is executed between Goldman and Greystone, Greystone’s clients will benefit, through their relationship with Greystone, from access to Goldman’s expertise relating to international securities markets, which would not otherwise be available in Canada from Canadian advisers. The Funds will also provide Greystone’s clients with a cost-effective manner in which to diversify their respective portfolios;
10. Each of the Funds are fully managed by Greystone, which, following execution of the Investment Subadvisory Agreement, will delegate the investment-making function for certain of the Funds having international investment mandates to Goldman as its international sub-adviser. Greystone shall remain primarily liable to the Funds for the investment activities of Goldman, and will retain ultimate authority for monitoring the investment activities and performance of Goldman and, in exceptional circumstances, to provide specific instructions to or otherwise restrict Goldman in respect of its investment advisory services provided to the Funds;

11. All assets of the Funds will be held by the custodian of the Funds and not by Greystone or Goldman; and
12. Goldman will provide advice only to Greystone and the Funds pursuant to the Investment Subadvisory Agreement, and Goldman will not provide investment advice directly to any other resident of Saskatchewan except in accordance with the Act. Goldman will only meet with persons or companies resident in Saskatchewan pursuant to its arrangement with Greystone in the presence of a registered representative of Greystone or in locations outside of Canada where such meetings do not involve the provision by Goldman of specific advice to such persons or companies relating to a trade in securities, except to the extent that the same relate exclusively to the portfolio of the Funds or the performance and outlook thereof;

AND WHEREAS the Director is of the opinion that it would not be prejudicial to the public interest to make the Ruling;

IT IS HEREBY RULED pursuant to clause 83(1)(a) of the Act that the provisions of section 27 of the Act shall not apply to Goldman when acting as an investment sub-adviser to Greystone in respect of the Funds provided that:

1. Greystone is registered under the Act as an investment counsel and portfolio manager, or is otherwise not required to be registered under the Act as an investment counsel and portfolio manager;
2. The obligations and duties of Goldman are set out in a written agreement with Greystone;
3. Greystone contractually agrees with the Funds to be and remain responsible for any loss that arises out of the failure of Goldman:
 - a. to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of Greystone and the Funds; or
 - b. to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances; and
4. Greystone is not relieved of the responsibility described in paragraph 3 above.

DATED April 2, 2002.

“Barbara Shourounis”

Barbara Shourounis
Director