



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

PO Box 55, Suite 800
20 Queen Street West
Toronto ON M5H 3S8

CP 55, Bureau 800
20 rue Queen ouest
Toronto ON M5H 3S8

VIA SEDAR

May 30, 2002

Blake, Cassels & Graydon LLP

Attention: Neil Kothari

Dear Sirs/Mesdames:

**Re: AEGON Fund Management Inc. (the "Manager") and imaxx TOP Portfolios
MRRS Exemptive Relief Application pursuant to section 19.1 of National Instrument 81-
102 Mutual Funds ("NI 81-102")
- SEDAR #425234; Application No. 161/02**

By letter dated March 1, 2002 and supplemented by letters dated March 22, April 24, May 8 and May 21, 2002 (collectively the "Application"), you applied to the regulator or the securities regulatory authority in each of the provinces of Canada (collectively, the "Decision Makers") on behalf of the Manager and on behalf of imaxx TOP Conservative Portfolio, imaxx TOP Balanced Portfolio, imaxx TOP RSP Balanced Portfolio, imaxx TOP Growth Portfolio, imaxx TOP RSP Growth Portfolio, imaxx TOP Aggressive Growth Portfolio and other mutual funds to be managed by the Manager after the date of this letter having as their investment objective to invest all or substantially all of their assets in other mutual funds (collectively, the "Top Funds" or the "Portfolios", individually, a "Top Fund" or a "Portfolio"), for exemptive relief from the restrictions in subsections 2.1(1), 2.2(1)(a)(i) and (ii), and clause 2.5(1)(a) of NI 81-102 to permit a fund-on-fund structure whereby the Top Funds each invest all of their assets in a portfolio of selected third party mutual funds and such other mutual funds managed by the Manager after the date of this letter (collectively, the "Underlying Funds, individually, an "Underlying Fund").

The Application states that each Top Fund will invest fixed percentages (the "Fixed Percentages") of its assets (exclusive of cash and cash equivalents), as specified in the simplified prospectus of the Top Funds, in the securities of the Underlying Funds, subject to a variation of 2.5 percent above or below the Fixed Percentages (the "Permitted Ranges") to account for market fluctuations.

The securities of the Top Funds and of the Underlying Funds are or will be qualified for sale in the jurisdiction of each Decision Maker under a (final) simplified prospectus and annual information form filed with and accepted by each Decision Maker.

This letter confirms that, based on the information and representations contained in the Application, and for the purposes described in the Application, the Decision Makers hereby exempt each of the Top Funds from the following requirements of NI 81-102:

- (i) subsection 2.1(1), to permit a Top Fund to invest more than 10 percent of its net assets in securities of an Underlying Fund;
- (ii) subsection 2.2(1)(a)(i) and (ii), to permit a Top Fund to purchase securities of an Underlying Fund, even if, as a result of such purchase, the Top Fund would hold securities representing more than 10 percent of the voting or equity securities of the Underlying Fund;
- (iii) clause 2.5(1)(a), to permit a Top Fund to purchase securities of one or more Underlying Funds, even if such purchase exceeds the prescribed 10 percent aggregate limit.

This letter further confirms that you have withdrawn your request for relief from subsection 2.2(2) and clause 5.5(1)(d) of NI 81-102 to allow a Top Fund to suspend redemptions for the whole or any part of a period during which one or more of its respective Underlying Funds have suspended redemptions.

The Decision Makers grant the exemptions to permit each of the Top Funds to purchase securities of the Underlying Funds, subject to the following conditions:

1. the 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 matters in section 2.5 of NI 81-102;
2. the Decision shall only apply if, at the time a Top Fund makes or holds an investment in its Underlying Funds, the following conditions are satisfied:
 - (a) the securities of both the Portfolios and the Underlying Funds are being offered for sale in the jurisdiction of the Decision Maker pursuant to a simplified prospectus and annual information form which have been filed with and accepted by the Decision Maker;
 - (b) the investment by a Portfolio in the Underlying Funds is compatible with the fundamental investment objective of the Portfolio ;
 - (c) the Prospectus discloses the intent of the Portfolios to invest in securities of the Underlying Funds, the names of the Underlying Funds, the Fixed Percentages and the Permitted Percentages within which such Fixed Percentages may vary;
 - (d) the investment objective of the Portfolio discloses that the Portfolio invests in securities of other mutual funds;

- (e) the Underlying Funds are not mutual funds whose investment objective includes investing directly or indirectly in other mutual funds;
- (f) the Portfolio invests its assets (exclusive of cash and cash equivalents) in the Underlying Funds in accordance with the Fixed Percentages disclosed in the simplified prospectus of the Portfolio;
- (g) the Portfolio's holding of securities in the Underlying Funds does not deviate from the Permitted Ranges;
- (h) any deviation from the Fixed Percentages is caused by market fluctuations only;
- (i) if an investment by a Portfolio in any of the Underlying Funds has deviated from the Permitted Ranges as a result of market fluctuations, the Portfolio's investment portfolio is re-balanced to comply with the Fixed Percentages on the next day on which the net asset value was calculated following the deviation ;
- (j) if the Fixed Percentages and the Underlying Funds which are disclosed in the Prospectus have been changed, either the Prospectus has been amended in accordance with securities legislation to reflect this significant change, or a new simplified prospectus has been filed to reflect the change, and the securityholders of the Portfolio have been given at least 60 days' notice of the change;
- (k) there are compatible dates for the calculation of the net asset value of the Portfolios and the Underlying Funds for the purpose of the issue and redemption of the securities of such mutual funds;
- (l) no sales charges are payable by the Portfolio in relation to its purchases of securities of the Underlying Funds;
- (m) no redemption fees or other charges will be charged by an Underlying Fund in respect of the redemption by the Portfolio of securities of the Underlying Fund owned by the Portfolio;
- (n) no fees or charges of any sort are paid by the Portfolio and the Underlying Funds by their respective managers or principal distributors, or by any affiliate or associate of any of the foregoing entities, to anyone in respect of a Portfolio's purchase, holding or redemption of the securities of the Underlying Funds;
- (o) the arrangements between or in respect of the Portfolio and the Underlying Funds are such as to avoid the duplication of management fees;
- (p) any notice provided to security holders of an Underlying Fund as required by applicable laws or the constating documents of that Underlying Fund has been delivered by the Portfolio to its security holders;
- (q) all of the disclosure and notice material prepared in connection with a meeting of security holders of the Underlying Funds and received by the Portfolio has been

provided to its security holders, the security holders have been permitted to direct a representative of the Portfolio to vote its holdings in the Underlying Fund in accordance with their direction, and the representative of the Portfolio has not voted its holdings in the Underlying Fund except to the extent the security holders of the Portfolio have directed;

- (r) in addition to receiving the annual and, upon request, the semi-annual financial statements of the Portfolio, security holders of a Portfolio have received appropriate summary disclosure in respect of the Portfolio's holdings of securities of the Underlying Funds in the financial statements of the Portfolio; and
- (s) to the extent that the Portfolio and the Underlying Funds do not use a combined simplified prospectus and annual information form containing disclosure about the Portfolio and the Underlying Funds, copies of the simplified prospectus and annual information form of the Underlying Funds have been provided upon request and without charge to security holders of the Portfolio and the right to receive these documents is disclosed in the Prospectus of the Portfolio.

Yours truly,

"Paul A. Dempsey"

Paul A. Dempsey
Manager, Investment Funds
Capital Markets