



Ontario
Securities
Commission

Commission Des
valeurs mobilières
de l'Ontario

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20 rue Queen ouest
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VIA SEDAR

December 12, 2000

Borden Ladner Gervais LLP

Attention: Karen Koszo

Dear Sirs/Mesdames:

Re: Scotia Securities Inc., Capital U.S. Large Companies Fund, Capital U.S. Small Companies Fund, Capital International Large Companies Fund, Capital Global Discovery Fund and Capital Global Small Companies Fund
- MRRS Application for Exemptive Relief pursuant to section 19.1 of National Instrument 81-102 ("NI 81-102")
- Application #1134/00; SEDAR #304737

By letter dated October 16, 2000 as amended by letters dated October 26, 2000 and November 10, 2000 (together, the "Application"), you applied to the securities regulatory authority (the "Decision Maker") in each of the provinces and territories of Canada, on behalf of Scotia Securities Inc. ("Scotia"), as manager of Capital U.S. Large Companies Fund, Capital U.S. Small Companies Fund, Capital International Large Companies Fund, Capital Global Discovery Fund and Capital Global Small Companies Fund, and other mutual funds (collectively referred to as the "Funds") managed by Scotia after the date of this approval which invest all of their assets (excluding cash and cash equivalents held to meet redemptions and to pay management fees paid at the Fund level) in units of another specified prospectus-qualified mutual fund (collectively, the "Underlying Funds"), for approval under clause 5.5(1)(d) of NI 81-102. Such approval is requested to permit each Fund to suspend the right of its securityholders to redeem securities of the Fund, whenever the right to redeem securities of its corresponding Underlying Fund is suspended in accordance with subsection 10.6(1) and clause 5.5(1)(d) of NI 81-102.

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 grant the approval requested under clause 5.5(1)(d) of NI 81-102.

Yours very truly,

"Howard I. Wetston"

"J.A. Geller"