



December 22, 2000

Stikeman Elliott
5300 Commerce Court West
199 Bay Street
Toronto, Ontario M5L 1B9

Attention: Simon A. Romano

Dear Sirs/Mesdames:

RE: AIC Limited (the "Manager") and AIC Advantage Fund and AIC Advantage Fund II (the "AIC Funds")

MRRS Exemptive Relief Application under National Instrument 81-102 -- Mutual Funds ("NI 81-102") and National Policy 12-201 -- Mutual Reliance Review System for Exemptive Relief Applications ("NP 12-201"), Application No. 1366/00

By letter dated December 7, 2000 (the "Application"), you applied to the regulator or the securities regulatory authority in each of the provinces and territories of Canada except Quebec (the "Decision Makers") on behalf of the Manager and the AIC Funds (collectively, the "Applicants") for an exemption pursuant to section 19.1 of NI 81-102 from the concentration restrictions of subsection 2.1(1) of NI 81-102 (the "Concentration Restrictions"). The Application also requested that the Application and any decision relating to the Application be held in confidence pursuant to section 5.3 of NP 12-201.

The Applicants have made the following representations to the Decision Makers:

1. The AIC Advantage Fund currently has 7.97% of its assets invested in shares ("C.I. Shares") of C.I. Fund Management Inc. ("C.I.") and the AIC Advantage Fund II currently has 6.89% of its assets invested in C.I. Shares. The AIC Advantage Fund currently has 11.97% of its assets invested in shares of Mackenzie Financial Corporation ("Mackenzie Shares") and the AIC Advantage Fund II currently has 10.99% of its assets invested in Mackenzie Shares.
2. C.I. has made a cash and securities exchange offer to purchase all of the Mackenzie Shares by way of a formal take-over bid (the "C.I. Offer"). C.I. has offered C.I. Shares as partial consideration under the C.I. Offer.
3. If the AIC Funds were to accept and receive all shares under the C.I. Offer, it is anticipated that the AIC Advantage Fund would hold approximately 8.7% of the outstanding shares of C.I. representing approximately 21.8% of its assets, assuming a value for the C.I. shares equal to their initial bid price of \$16.62 per share and based on assets under administration as at November 30, 2000. It is anticipated that the AIC Advantage Fund II would hold approximately 9.0% of the outstanding C.I. shares, representing approximately 19.6% of its assets, based on the same assumptions.
4. In the absence of an exemption from the Concentration Restrictions, the AIC Funds would be precluded from accepting the C.I. Offer in consideration of C.I. Shares or a combination of cash and

C.I. Shares.

5. The Applicants are currently in discussions (the “Discussions”) with Mackenzie with a view to having 1450473 Ontario Inc. (“Bidco”), a company related to the Manager, possibly making a take-over bid (the “Bidco Offer”) for the Mackenzie Shares.

This letter confirms that, based on the information contained in the Application and the representations made by the Applicants, and for the purposes described in the Application, the Decision Makers hereby grant the exemption requested, subject to the following conditions:

1. If the AIC Funds accept the C.I. Offer, the AIC Funds are exempt from the Concentration Restrictions solely to enable them to tender to the C.I. Offer and accept C.I. Shares, provided that the Manager will take all necessary steps to ensure that the AIC Funds will divest all or a portion of such C.I. Shares as quickly as it is commercially reasonable, so that, no later than 24 months from the date of acquisition of such C.I. Shares, the AIC Funds do not hold C.I. Shares in excess of the Concentration Restrictions;
2. The Application and this letter (the “Confidential Materials”) will be held in confidence until the occurrence of the earliest of the following:
 - (a) Bidco announces its intention to make the Bidco Offer;
 - (b) the Discussions have to be and are disclosed pursuant to National Policy 40 -- Timely Disclosure or otherwise under the securities legislation in a Decision Maker’s jurisdiction;
 - (c) 24 hours following written notice (the “Notice”) from a Regulator, as defined under National Instrument 14-101 - Definitions, to the Applicants stating his or her intention to no longer hold the Confidential Materials in confidence, unless the Notice is retracted by the Regulator within such 24 hour period; or
 - (d) the Applicants advise the Regulators that there is no longer any need to hold the Confidential Materials in confidence.
3. Following the occurrence of one of the events described above, the Applicants will file a copy of the Application on SEDAR as soon as possible after such event.

The relief provided herein is conditional upon compliance with all other applicable provisions of NI 81-102.

Yours very truly,

“Paul A. Dempsey”

Paul A. Dempsey
Assistant Manager/Senior Legal Counsel
Investment Funds, Capital Markets Branch