

**IN THE MATTER OF
THE SECURITIES LEGISLATION
OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
ONTARIO, QUÉBEC, NOVA SCOTIA AND NEWFOUNDLAND**

**AND
IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS
AND
IN THE MATTER OF**

**ALTAMIRA RSP GLOBAL 20 FUND
ALTAMIRA RSP HEALTH SCIENCES FUND
ALTAMIRA RSP GLOBAL TELECOMMUNICATIONS FUND
ALTAMIRA RSP BIOTECHNOLOGY FUND
ALTAMIRA RSP GLOBAL DIVERSIFIED FUND
ALTAMIRA INVESTMENT SERVICES INC.
ALTAMIRA MANAGEMENT LTD.**

DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the **ADecision Maker**) in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland (the **AJurisdictions**) has received an application from Altamira Investment Services Inc. (**AISI**), as manager and trustee of the Altamira RSP Global 20 Fund, Altamira RSP Health Sciences Fund, Altamira RSP Global Telecommunications Fund, Altamira RSP Biotechnology Fund and Altamira RSP Global Diversified Fund (the **AFunds** and together with other mutual funds to be established and managed by AISI from time to time, each having an investment objective or strategy that is linked to the returns or portfolio of another mutual fund managed by AISI while remaining 100% eligible for registered retirement savings plans, registered retirement income funds and deferred profit sharing plans (**ARegistered Plans**) under the *Income Tax Act* (Canada) (the **ATax Act**, the **ARSP Funds**) for a decision by each Decision Maker (collectively, the **ADecision**) under the securities legislation (the **ALegislation**) of the Jurisdictions that the following provisions in the Legislation (the **AApplicable Requirements**) shall not apply to the RSP Funds, AISI, Altamira Management Ltd. (**AAML**) or a portfolio sub-adviser, as the case may be, in respect of certain investments to be made by an RSP Fund in the applicable AISI mutual fund from time to time (the funds in which such investments are to be made being collectively referred to as the **AUnderlying Funds**):

- A. the provisions requiring the management company of a mutual fund to file a report relating to the purchase or sale of securities between the mutual fund and any related person or company, or any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, the mutual fund is a joint participant with one or more of its related persons or companies;
- B. the provisions prohibiting a mutual fund from knowingly making and holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial unitholder; and
- C. the provisions prohibiting a mutual fund from knowingly making an investment in an issuer in which any officer or a director of the mutual fund, its management company or distribution company or an associate of any of them, or any person or company who is a substantial security holder of the mutual fund, its management company or distribution company, has a significant interest.

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the **ASystem@**), the Ontario Securities Commission is the principal regulator for this Application;

AND WHEREAS AISI has represented to the Decision Makers that:

1. AISI is a corporation incorporated under the laws of Canada and its head office is located in Ontario. AISI is or will be the manager, trustee and promoter of the RSP Funds and the Underlying Funds (collectively, the **AFunds@**).
2. **AAML@** is a corporation continued under the laws of Ontario and is or will be the investment manager of the Funds.
3. The Funds are or will be open-end mutual fund trusts established under the laws of Ontario. The units of the Funds are or will be qualified for distribution in all of the provinces and territories of Canada (the **AProspectus Jurisdictions@**) pursuant to simplified prospectus(es) and annual information form(s) (the **AProspectus@**).
4. Each of the Funds is or will be a reporting issuer under the Legislation of each of the Prospectus Jurisdictions (other than those jurisdictions which do not recognize reporting issuers).
5. The applicable Prospectus will contain disclosure with respect to the investment objective, investment practices and restrictions of the Funds.

6. The investment objectives of each RSP Fund is or will be similar to that of the applicable Underlying Fund. Each RSP Fund will seek to achieve its investment objective primarily by investing in:
 - a) forward contracts or other derivatives that are linked to the returns earned by the applicable Underlying Fund;
 - b) cash, bank deposits and/or money market instruments to support their obligations under the forward contracts or other derivatives; and
 - c) units of the applicable Underlying Fund.

All purchases by an RSP Fund of units of the applicable Underlying Fund will be made through AISI (or an affiliate).

1. Each RSP Fund will make investments such that its units will be Aqualified investments@ for Registered Plans.
2. The investment objectives of the Underlying Funds will be achieved through investment primarily in foreign securities.
3. The direct investment by each RSP Fund in its Underlying Fund will be in an amount not to exceed the amount prescribed from time to time as the maximum permitted amount which may be invested in Aforeign property@ under the Tax Act without the imposition of tax under Part XI of the Act (the AForeign Property Maximum@).
4. The direct investment by each RSP Fund in its Underlying Fund will be within the Foreign Property Maximum (the APermitted RSP Fund Investment@). The amount of direct investment by each RSP Fund in its Underlying Fund will be adjusted from time to time so that, except for transitional cash, the aggregate of derivative exposure to, and direct investment in, the Underlying Fund (or its portfolio securities) will equal 100% of the net assets of that RSP Fund.
5. Except to the extent evidenced by this Decision Document and specific approvals granted by the securities regulatory authorities or regulators under National Instrument NI 81-102 (ANI 81-102@), the investment by the RSP Funds in their Underlying Funds have been or will be structured to comply with the investment restrictions of the Legislation and NI 81-102.
6. In the absence of this Decision, each of the RSP Funds is prohibited from knowingly making and holding an investment in the applicable Underlying Fund in which the RSP Fund alone or together with one or more related mutual funds is a substantial unitholder.
7. In the absence of this Decision, any RSP Fund would be prohibited from knowingly making an

investment in any Underlying Fund in which AISI or an associate of AISI has a significant interest.

8. In the absence of this Decision, the Legislation would require AISI to file a report on every purchase or sale of units of an Underlying Fund by an RSP Fund.
9. The investment in, or redemption of, units of an Underlying Fund by an RSP Fund will represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of the RSP Fund.

AND WHEREAS pursuant to the System this Decision Document evidences the Decision of each Decision Maker;

AND WHEREAS each Decision Maker is satisfied that the tests contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision have been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that the Applicable Requirements shall not apply to AISI, the RSP Funds, AML or a portfolio sub-adviser, as the case may be, in respect of investments to be made by the RSP Funds in units of the Underlying Funds provided that:

- (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 the matters in section 2.5 of N1 81-102; and
- (2) the Decision shall apply only to investments in, or transactions with, the applicable Underlying Fund that are made by an RSP Fund in compliance with the following conditions:
 - a) the RSP Fund and the Underlying Fund are under common management and the units of both are offered for sale in the jurisdiction of each Decision Maker pursuant to a prospectus that has been filed with and accepted by the Decision Maker;
 - b) the RSP Fund restricts its aggregate direct investment in units of the Underlying Fund to a percentage of its assets that is within the Foreign Property Maximum;
 - c) the investment by the RSP Fund in units of the Underlying Fund is compatible with the fundamental investment objectives of the RSP Fund;
each RSP Fund will not invest in an Underlying Fund whose investment objective includes investing directly or indirectly in other mutual funds;

- d) the Prospectus discloses the intent of the RSP Fund to invest in units of the Underlying Fund;
- e) the RSP Fund may change the Permitted RSP Fund Investments if it changes its fundamental investment objective in accordance with the Legislation;
- f) no sales charges are payable by the RSP Fund in relation to its purchases of units of the Underlying Fund;
- g) there are compatible dates for the calculation of the net asset value of the RSP Fund and the Underlying Fund for the purpose of the issue and redemption of units of both mutual funds;
- h) no redemption fees or other charges are charged by the Underlying Fund in respect of the redemption by the RSP Fund of units of the Underlying Fund owned by the RSP Fund (other than an early withdrawal fee of 2% which may be payable when an investor in the RSP Fund redeems units purchased and held less than 90 days);
- i) no fees and charges of any sort are paid by the RSP Fund, the Underlying Fund, the manager or principal distributor of the RSP Fund or the Underlying Fund or by any affiliate or associate of any of the foregoing entities to anyone in respect of the RSP Fund's purchase, holding or redemption of the units of the Underlying Fund;
- j) the arrangements between or in respect of the RSP Fund and the Underlying Fund are such as to avoid the duplication of management fees;
- k) in the event of the provision of any notice to unitholders of the Underlying Fund as required by applicable laws or the constating documents of the Underlying Fund, the notice will also be delivered to the unitholders of the RSP Fund; all voting rights attached to the units of the Underlying Fund that are owned by the RSP Fund will be passed through to the unitholders of the RSP Fund;
- l) in the event that a meeting of unitholders of the Underlying Fund is called, all of the disclosure and notice material prepared in connection with such meeting and received by the RSP Fund will be provided to the unitholders of the RSP Fund; and each unitholder will be entitled to direct a representative of the RSP Fund to vote that unitholder's proportion of the RSP Fund's holding in the Underlying Fund in accordance with his or her direction; and the representative of the RSP Fund will not be permitted to vote the RSP Fund's holdings in the Underlying Fund except to the extent the unitholders of the RSP Fund so direct;
- m) in addition to receiving the annual and, upon request, the semi-annual financial statements of the RSP Fund, unitholders of the RSP Fund will receive the annual and upon request, the semi-annual financial statements, of the Underlying Fund in either a combined report,

containing both the RSP Fund=s and the Underlying Fund=s financial statements, or in a separate report containing the Underlying Fund=s financial statements; and

- n) to the extent that the RSP Fund and the Underlying Fund do not use a combined simplified prospectus, annual information form and financial statements containing disclosure about the RSP Fund and the Underlying Fund, copies of the simplified prospectus, annual information form and financial statements relating to the Underlying Fund may be obtained upon request by a unitholder of the RSP Fund.

DATED at Toronto, on the **5th** day of December, 2000.

<u> <i>AHoward I. Wetston@</i> </u>	<u> <i>AStephen N. Adams@</i> </u>
Howard I. Wetston	Stephen N. Adams

Headnote:

Mutual Reliance Review System for Exemptive Relief Applications - Investment by mutual funds in securities of another mutual fund that is under common management for specified purposes excepted from the requirements of section 101, clause 111(2)(b), and subsection 111(3), clauses 117(1)(a) and (d), subject to certain specified conditions.

Statutes Cited:

Securities Act (Ontario), R.S.O., c.S.5, as am. ss. 101, 104(2)(c), 111(2)(b), 111(3), 113, 117(1)(a), 117(1)(d) and 117(2).