



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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VIA SEDAR

December 5, 2000

Torys

Attention: Dawn V. Scott

Dear Sirs/Mesdames:

Re: Altamira Investment Services Inc. ("Altamira") Altamira RSP Global 20 Fund, Altamira RSP Health Sciences Fund, Altamira RSP Global Telecommunications Fund, Altamira RSP Biotechnology Fund, Altamira RSP Global Diversified Fund

**MRRS Application for Exemptive Relief under National Instrument 81-102 Mutual Funds ("NI 81-102")
SEDAR No. 308515; Application #1211/00**

By letter dated October 31, 2000 (the "Application"), you applied to the regulator or securities regulatory authority (the "Decision Maker") in each of the provinces and territories of Canada, on behalf of Altamira, Altamira RSP Global 20 Fund, Altamira RSP Health Sciences Fund, Altamira RSP Global Telecommunications Fund, Altamira RSP Biotechnology Fund, Altamira RSP Global Diversified Fund and other mutual funds managed by Altamira after the date of this decision having an investment objective or strategy that is linked to the returns or portfolio of specified Altamira mutual funds (an "Underlying Fund") while remaining 100% eligible for registered tax plans (collectively referred to as the "RSP Funds"), for exemptions from the following provisions of NI 81-102:

- subsection 2.1(1),
- subsection 2.2(1),
- clause 2.5(1)(a), and
- clause 2.8(1)(d).

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 exemptions from the following requirements of NI 81-102:

- (a) subsection 2.1(1) - to permit an RSP Fund to obtain exposure, through the use of forward contracts and other specified derivatives, to a specified Underlying Fund beyond the prescribed limits, as determined under subsections 2.1(3) and (4);

- (b) subsections 2.1(1) and 2.2(1) and clause 2.5(1)(a) - to permit an RSP Fund to invest directly in securities of its Underlying Fund beyond the prescribed limits and up to the maximum amount (the "Permitted Limit") that can be invested in foreign property under the Income Tax Act (Canada) for registered tax savings plans (the "Permitted RSP Fund Investment"); and
- (c) clause 2.8(1)(d) - to permit an RSP Fund, in respect of each exposure under forward contracts or other specified derivatives, to have a shortfall in its cash cover position for a period not to exceed one business day.

The Decision Makers grant the exemptions to permit an RSP Fund to gain exposure to its Underlying Fund through the use of forward contracts and other specified derivatives, subject to the following conditions:

- (a) there is no duplication of fees or sales charges to the RSP Fund's securityholders as a result of gaining exposure to its Underlying Fund through forward contracts and other specified derivatives;
- (b) where the RSP Fund and the Underlying Fund are qualified for sale under different disclosure documents, the securityholders of the RSP Fund receive the prospectus and annual information form and financial statements of the Underlying Fund if they ask for these documents in connection with their acquisition of securities of the RSP Fund; the availability of these documents must be disclosed in the simplified prospectus and annual information form (the "Prospectus") of the RSP Fund;
- (c) securityholders of the RSP Fund will receive all other continuous disclosure relating to the Underlying Fund, including notice of securityholder meetings; and
- (d) the Prospectus of the RSP Fund contains full disclosure of:
 - (i) the investment objectives and strategies of the Underlying Fund, and
 - (ii) the fact that securityholders of the RSP Fund have no voting rights in respect of any changes, whether fundamental or otherwise, that may be proposed to the Underlying Fund.

The Decision Makers grant the exemptions to permit an RSP Fund to invest directly in securities of its Underlying Fund, 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 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;
- d) each RSP Fund will not invest in an Underlying Fund whose investment objective includes investing directly or indirectly in other mutual funds;
- e) the Prospectus discloses the intent of the RSP Fund to invest in units of the Underlying Fund;
- f) the RSP Fund may change the Permitted RSP Fund Investments if it changes its fundamental investment objective in accordance with the Legislation;
- g) no sales charges are payable by the RSP Fund in relation to its purchases of units of the Underlying Fund;
- h) 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;
- i) 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);
- j) 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;
- k) the arrangements between or in respect of the RSP Fund and the Underlying Fund are such as to avoid the duplication of management fees;
- l) 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;
- m) 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;

- n) 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
- o) 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.

Yours truly,

Paul A. Dempsey

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