

Headnote:

Relief from requirements that the Funds not knowingly hold an investment in the securities of any person or company who is a substantial security holder of the manager of the Funds.

Statutes Cited:

Securities Act, R.S.O. 1990, c. S5, as amended, ss. 111(3), 113.

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

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

**AND
IN THE MATTER OF
GLOBAL STRATEGY FINANCIAL INC.,
GLOBAL STRATEGY FUNDS AND
GS SELECT FUNDS**

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from AGF Management Limited ("AGF") and from Global Strategy Financial Inc. ("GSFI"), as manager of each of the mutual funds listed in Schedules A and B attached hereto (the "Funds"), for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation requiring that the Funds not knowingly hold an investment in the securities of any person or company who is a substantial security holder of the manager of the Funds (the "Requirements") shall not apply in respect of certain investments held by certain of the Funds in securities of AGF.

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

AND WHEREAS AGF and GSFI have represented to the Decision Makers that:

1. GSFI is a wholly-owned subsidiary of Global Strategy Holdings Inc. ("GSHI").
2. AGF is a publicly-held corporation, whose Class B Non-Voting Shares (the "AGF Class B Shares") are listed on The Toronto Stock Exchange. As at October 31, 2000, there were 78,513,002 AGF Class B Shares issued and outstanding.
3. GSFI is the manager, principal distributor and trustee of the mutual funds listed on Schedule A (the "Global Strategy Funds"). Portfolio management services for the Global Strategy Funds are provided by GSFI and independent portfolio advisers

retained by GSFI. GSFI monitors the performance of the portfolio advisers and may, from time to time, terminate a portfolio management arrangement and select one or more new portfolio adviser(s) for a Global Strategy Fund.

4. GSFI is also the manager of the mutual funds listed on Schedule B (the "GS Select Funds"). The trustee of the GS Select Funds is Investors Group Trust Co. Ltd. and the principal distributors of the GS Select Funds are Investors Group Financial Services Inc. and Les Services Investors Limitée. Portfolio management services for the GS Select Funds are provided by GSFI, Rothschild Asset Management Limited, Rothschild Asset Management Inc. and Five Continents Financial Limited. GSFI monitors the performance of the portfolio advisers and may, from time to time, terminate a portfolio management arrangement and select one or more new portfolio adviser(s) (with the consent of the trustee) for a GS Select Fund.
5. The units of the Global Strategy Funds and the GS Select Funds are offered by prospectus in each of the provinces and territories of Canada.
6. AGF entered into an agreement dated August 29, 2000 with, among others, GSHI (the "Agreement"). Pursuant to the Agreement, AGF will, directly or indirectly, acquire all of the outstanding shares of GSHI, resulting in a change of control of GSHI and, indirectly, of GSFI.
7. Upon consummation of the transactions contemplated by the Agreement (the "Closing"), AGF will become a substantial security holder of GSFI under the Legislation.
8. As at October 31, 2000 certain of the Global Strategy Funds and the GS Select Funds held securities of AGF as follows:
 - (a) Global Strategy Growth & Income Fund holds 14,400 AGF Class B Shares, representing approximately 1.57% of such Fund's assets;
 - (b) Global Strategy Canadian Companies Fund holds 101,600 AGF Class B Shares, representing approximately 2.28% of such Fund's assets;
 - (c) Global Strategy Canada Growth Fund holds 102,200 AGF Class B Shares, representing approximately 1.26% of such Fund's assets;
 - (d) Global Strategy Income Plus Fund holds 8,400 AGF Class B Shares, representing approximately 0.02% of such Fund's assets;
 - (e) GS Canadian Balanced Fund holds 4,600 AGF Class B Shares, representing approximately 0.02% of such Fund's assets; and
 - (f) GS Canadian Equity Fund holds 95,600 AGF Class B Shares, representing

approximately 1.23% of such Fund's assets.

9. The aggregate of all the Funds' assets invested in shares of AGF represents approximately 0.42% of all issued AGF Class B Shares.
10. The Funds have not made any investment in securities of AGF following the execution of the Agreement and will not make any such purchases in the future unless the Agreement is terminated and the transactions contemplated by the Agreement are not consummated.
11. At the time the securities of AGF were purchased, AGF was not affiliated with the Funds or GSFI, and each investment by the Funds in the AGF securities represented the business judgement of professional portfolio advisers uninfluenced by considerations other than the best interests of the unitholders of the Funds.
12. In the absence of the Decision evidenced by this Decision Document, the Funds would be required to divest of securities of AGF not later than the date of Closing.

AND WHEREAS under the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the **Decision**);

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

The Decision of the Decision Makers under the Legislation is that the Requirements shall not apply to the holding of investments in securities of AGF by the Funds provided that

1. The Funds divest all or a portion of their holdings of such securities as quickly as is commercially reasonable, so that no later than 90 days after the date of Closing the Funds do not hold any securities of AGF.

DATED at Toronto, Ontario this November 17th, 2000.

Howard I. Wetston

Theresa McLeod

SCHEDULE A
GLOBAL STRATEGY FUNDS

Global Strategy Bond Fund
Global Strategy Canada Growth Fund
Global Strategy Canadian Companies Fund
Global Strategy Canadian Opportunities Fund
Global Strategy Canadian Small Cap Fund
Global Strategy Europe Plus Fund
Global Strategy Europe Plus RSP Fund
Global Strategy Gold Plus Fund
Global Strategy Growth & Income Fund
Global Strategy Income Plus Fund
Global Strategy Japan Plus RSP Fund
Global Strategy Money Market Fund
Global Strategy U.S. Equity Fund
Global Strategy World Balanced Fund
Global Strategy World Balanced RSP Fund
Global Strategy World Bond Fund
Global Strategy World Bond RSP Fund
Global Strategy World Companies Fund
Global Strategy World Companies RSP Fund
Global Strategy World Equity Fund
Global Strategy World Equity RSP Fund
Global Strategy World Opportunities Fund

SCHEDULE B
GS SELECT FUNDS

GS American Equity Fund
GS Canadian Balanced Fund
GS Canadian Equity Fund
GS International Bond Fund
GS International Equity Fund