



Ontario
Securities
Commission

Commission Des
valeurs mobilières
de l'Ontario

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VIA SEDAR

December 22, 2000

Borden Ladner Gervais LLP

Attention: Victor R. Peter

Dear Sirs/Mesdames:

**Re: -Frank Russell Canada Limited - Multi Asset Multi Style Multi Manager Pools, Global Equity RSP Pool (the "Top Fund") and US Equity Pool, Overseas Equity Pool and Emerging Markets Equity Pool (the "Underlying Funds")
-MRRS Exemptive Relief Applications under National Instrument 81-102, Application No. 728/00, SEDAR Project No. 281353**

By letter dated July 6, 2000 (the "Application"), you applied to the regulator or the securities regulatory authority in each of the provinces and territories of Canada (the "Decision Makers") on behalf of Frank Russell Canada Limited ("FRC"), the Top Fund and the Underlying Funds, for exemptive relief under NI 81-102 to permit a fund-on-fund structure whereby the Top Fund invests an aggregate amount not to exceed 22.5% of the assets of the Top Fund in the Underlying Funds (the "Permitted Aggregate Investment").

A simplified prospectus and annual information form has been filed for the Top Fund and the Underlying Funds and is currently being reviewed under SEDAR Project No. 287335.

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 grant approval for relief from the following sections:

- (a) 2.1(1) and 2.5(1)(a) to permit the Top Fund to invest fixed percentages of its net assets in securities of the applicable Underlying Funds (the "Fixed Percentages"), subject to a variation of 2.5% above or below the Fixed Percentages (the "Permitted Ranges") to account for market fluctuations.

The Decision Makers grant the exemptions to permit the Top Fund to purchase securities of the Underlying Funds, 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 matters in section 2.5 of National Instrument 81-102.

2. the Decision shall only apply if, at the time the Top Fund purchases securities of the Underlying Funds, the following conditions are satisfied:
- a) the securities of both the Top Fund and the Underlying Funds are being offered for sale in the jurisdiction of the Decision Maker pursuant to a simplified prospectus and annual information form which has been filed with and accepted by the Decision Maker;
 - b) the investment by the Top Fund in the Underlying Funds is compatible with the fundamental investment objectives of the Top Fund;
 - c) the simplified prospectus discloses the intent of the Top Fund to invest in securities of the Underlying Funds, the names of the Underlying Funds, the Fixed Percentages and the Permitted Ranges within which such Fixed Percentages may vary, and the Permitted Aggregate Investment;
 - d) the Underlying Funds are not mutual funds whose investment objective includes investing directly or indirectly in other mutual funds;
 - e) the Top Fund invests its assets (exclusive of cash and cash equivalents) in the Underlying Funds in accordance with the Permitted Aggregate Investment and the Fixed Percentages disclosed in the simplified prospectus;
 - f) the Top Fund's holding of securities in the Underlying Funds does not deviate from the Permitted Ranges;
 - g) any deviation from the Fixed Percentages is caused by market fluctuations only;
 - h) if an investment by the Top Fund in any of the Underlying Funds has deviated from the Permitted Ranges as a result of market fluctuations, the Top Fund's investment portfolio was re-balanced to comply with the Fixed Percentages on the next day on which the net asset value was calculated following the deviation;
 - i) if the Fixed Percentages and the Underlying Funds which are disclosed in the prospectus have been changed, either the simplified prospectus has been amended or a new simplified prospectus filed to reflect the change, and the securityholders of the Top Fund have been given at least 60 days' notice of the change;
 - h) there are compatible dates for the calculation of the net asset value of the Top Fund and the Underlying Funds for the purpose of the issue and redemption of the securities of such mutual funds;
 - i) no sales charges are payable by the Top Fund in relation to its purchases of securities of the Underlying Funds;

- j) no redemption fees or other charges are charged by an Underlying Fund in respect of the redemption by the Top Fund of securities of the Underlying Fund owned by the Top Fund;
- k) no fees or charges of any sort are paid by the Top Fund and the Underlying Funds, by their respective managers or principal distributors, or by any affiliate or associate of any of the foregoing entities, to anyone in respect of the Top Fund's purchase, holding or redemption of the securities of the Underlying Funds;
- l) the arrangements between or in respect of the Top Fund and the Underlying Funds are such as to avoid the duplication of management fees;
- m) any notice provided to securityholders of an Underlying Fund as required by applicable laws or the constating documents of that Underlying Fund, has been delivered by the Top Fund to its securityholders along with all voting rights attached to the securities of the Underlying Fund which are directly owned by the Top Fund;
- n) all of the disclosure and notice material prepared in connection with a meeting of securityholders of the Underlying Funds and received by the Top Fund has been provided to its securityholders, the securityholders have been permitted to direct a representative of the Top Fund to vote its holdings in the Underlying Fund in accordance with their direction, and the representative of the Top Fund has not voted its holdings in the Underlying Funds except to the extent the securityholders of the Top Fund have directed;
- o) in addition to receiving the annual and, upon request, the semi-annual financial statements, of the Top Fund, securityholders of the Top Fund have received the annual and, upon request, the semi-annual financial statements of the Underlying Funds in either a combined report, containing financial statements of the Top Fund and the Underlying Funds, or in a separate report containing the financial statements of the Underlying Funds; and
- p) to the extent that the Top Fund and the Underlying Funds do not use a combined simplified prospectus and annual information form containing disclosure about the Top Fund and the Underlying Funds, copies of the simplified prospectus and annual information form of the Underlying Funds have been provided upon request to securityholders of the Top Fund and this right is disclosed in the prospectus of the Top Fund.

Yours truly,

"Paul A. Dempsey"
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