



VIA SEDAR

November 4, 2000

Borden Ladner Gervais

Attention: Susan Isaac

Dear Sirs/Mesdames:

**Re: MRRS APPLICATION FOR EXEMPTIVE RELIEF
ING Investment Management Inc.
Application pursuant to section 19.1 of National Instrument 81-102 (NI 81-102)
SEDAR Project # 286641, Application No: 833/00**

By letter dated August 1, 2000 (the "Application"), and communications subsequent thereto, you applied pursuant to section 19.1 of NI 81-102 to the regulator or securities regulatory authority in each province and territory of Canada (the "Decision Makers"), on behalf of ING Investment Management Inc. ("ING"), the manager of ING US Equity RSP Fund, ING Europe Equity RSP Fund, ING Austral-Asia Equity RSP Fund and ING Japan Equity RSP Fund, and other mutual funds managed by ING after the date of this approval having an investment objective or strategy that is linked to the returns or portfolio of another specified ING mutual fund while remaining 100% eligible for registered tax plans (the "RSP Funds"), for exemptions from the following provisions of NI 81-102:

- (1) 2.1(1),
- (2) 2.2(1)(a),
- (3) 2.5(i)(a), and
- (4) 2.8(i)(d)

This letter confirms that, based on the information and representations made in the Application and for the purposes described in the Application, the Decision Makers hereby exempt each of the RSP Funds 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)(a), 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 "Foreign Property Maximum") 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) subsection 2.8(1)(d) - to permit an RSP Fund, in respect of its exposure to its corresponding Underlying Fund under forward contracts or other specified derivatives, to potentially 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 its Underlying Fund up to the foreign property limit for Registered Plans, subject to the following conditions:

1. the Decision evidenced by this MRRS Decision Document (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 subsection 2.5 of NI 81-102; and
2. the Decision shall only apply in respect of investments in, or transactions with, each corresponding Underlying Fund that are made in compliance with the following conditions:

- a. each RSP Fund and its corresponding Underlying Fund are under common management, and the securities of each RSP Fund and corresponding Underlying Fund are offered and will continue to be offered for sale in the Jurisdiction of the Decision Maker pursuant to a simplified prospectus and annual information form that has been filed with and accepted by the Decision Maker;
- b. each RSP Fund restricts its aggregate direct investment in each corresponding Underlying Fund to a percentage of its assets that is within the foreign property limit for registered plans;
- c. the investment by each RSP Fund in its corresponding Underlying Fund is compatible with the fundamental investment objectives of the RSP Fund;
- d. each RSP Fund may change the Permitted RSP Fund Investments if its fundamental investment objective is changed in accordance with NI 81-102;
- e. the simplified prospectus of each RSP Fund will describe the intent of each RSP Fund to invest in the corresponding Underlying Fund;
- f. each RSP Fund will not invest in an Underlying Fund whose investment objective includes investing directly or indirectly in other mutual funds;
- g. no sales charges are payable by an RSP Fund in relation to its purchases of securities of the corresponding Underlying Fund;
- h. each RSP Fund and corresponding Underlying Fund have compatible dates for the calculation of the net asset value of such Funds for the purpose of the issue and redemption of the securities of the RSP Fund and the corresponding Underlying Fund;
- i. no redemption fees or other charges are charged by an Underlying Fund in respect of the redemption by its corresponding RSP Fund of securities of the Underlying Fund owned by the RSP Fund;
- j. the arrangements between or in respect of each RSP Fund and the corresponding Underlying Funds preclude duplication of management fees;
- k. no fees and charges of any sort are paid by each RSP Fund, its corresponding Underlying Funds, the manager or principal distributor of the RSP Funds or the Underlying Fund, or by any affiliate or associate of any of the foregoing entities, to anyone in respect of each RSP Fund's purchase, holding or redemption of the securities of its corresponding Underlying Fund;

- l. in the event of the provision of any notice to securityholders of an Underlying Fund, as required by the constating documents of the Underlying Fund or by applicable laws, such notice will also be delivered to the securityholders of the corresponding RSP Fund; all voting rights attached to the securities of the Underlying Fund which are owned by the corresponding RSP Fund will be passed through to the securityholders of the RSP Fund;
- m. in the event that a meeting of the securityholders of an Underlying Fund is called, all of the disclosure and notice material prepared in connection with such meeting and received by the corresponding RSP Fund will be provided to the securityholders of such RSP Fund; each such securityholder will be entitled to direct a representative of the RSP Fund to cast the votes respecting such RSP Fund securityholder's proportional holding in the Underlying Fund in accordance with their 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 securityholders of the RSP Funds so direct;
- n. in addition to receiving the annual and (upon request) the semi-annual financial statements of the RSP Fund, securityholders of each RSP Fund will receive the annual and (upon request) the semi-annual financial statements of the corresponding Underlying Fund either in a combined report containing the financial statement of both the RSP Fund and the corresponding Underlying Fund, or in a separate report containing the Underlying Funds' financial statements; and
- o. to the extent that each RSP Fund and its corresponding Underlying Fund do not use a combined simplified prospectus, annual information form and financial statements containing disclosure about the RSP Funds and the Underlying Funds, copies of the simplified prospectus, annual information form and financial statements relating to the corresponding Underlying Fund may be obtained upon request by a securityholder of each RSP Fund.

Yours very truly,

"Paul A. Dempsey"

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