

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

THE MULTI ASSET MULTI STYLE MULTI MANAGER POOLS:

GLOBAL EQUITY RSP POOL
US EQUITY POOL
OVERSEAS EQUITY POOL
EMERGING MARKETS EQUITY POOL

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application (the "Application") from Frank Russell Canada Limited ("FRC"), and the 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") for an decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the following provisions of the Legislation (the "Applicable Requirements") shall not apply in respect of certain investments to be made by the Top Fund in the Underlying Funds:

- a. the restrictions contained in the Legislation prohibiting a mutual fund from knowingly making or 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 securityholder; and
- b. the requirements contained in the Legislation requiring a management company to file a report or in British Columbia, a mutual fund manager, relating to a 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.

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief

Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS it has been represented by FRC to the Decision Makers that:

- a. FRC is a corporation established under the laws of Ontario. FRC is the manager and promoter of the Top Fund and the Underlying Funds.
- b. The Top Fund and the Underlying Funds are open-ended investment trusts established under the laws of the Province of Ontario. The Top Fund and the Underlying Funds are reporting issuers (or equivalent) under the Legislation and are not in default of any requirement of the Legislation or the rules and regulations made thereunder (the "Regulations"). Retail class and institutional class units of the Top Fund and the existing Underlying Funds are qualified for distribution pursuant to a simplified prospectus and annual information form dated February 3, 2000.
- c. To achieve its investment objective, the Top Fund will invest in the Underlying Funds an aggregate amount that shall not exceed 22.5% (the "Permitted Aggregate Investment") of the assets of the Top Fund, subject to a variation to account for market fluctuations as described in paragraph d.
- d. To achieve its investment objective, the Top Fund invests a fixed percentage of the net assets of the Top Fund in securities of each Underlying Fund (the "Fixed Percentages"), subject to a variation of 2.5% above or below the Fixed Percentages (the "Permitted Ranges") to account for market fluctuations.
- e. The prospectus for the Top Fund will disclose the investment objectives, investment strategies, risks and restrictions of the Top Fund and the Underlying Funds, the Fixed Percentages, the Permitted Ranges and the Permitted Aggregate Investment.
- f. Except to the extent evidenced by this Decision and specific approvals granted by the Decision Makers pursuant to National Instrument 81-102 Mutual Funds ("NI 81-102"), the investments by the Top Fund in the Underlying Funds have been structured to comply with the investment restrictions of the Legislation and NI 81-102.
- g. In the absence of this Decision, pursuant to the Legislation, the Top Fund is prohibited from knowingly making or 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 securityholder. As a result, in the absence of this Decision the Top Fund would be required to divest itself of any investments referred to in clause c. hereof.
- h. In the absence of this Decision, the Legislation requires FRC to file a report on every purchase or sale of securities of the Underlying Funds by the Top Fund.

AND WHEREAS under the System, this MRRS Decision Document evidences the Decision of each Decision Maker;

AND WHEREAS each of the Decision Makers 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 pursuant to the Legislation is that the Applicable Requirements shall not apply so as to prevent the Top Fund from making and holding an investment in securities of the Underlying Funds.

PROVIDED THAT IN RESPECT OF any investment by the Top Fund in securities of the Underlying Funds:

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 makes or holds an investment in its 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 have 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;
- j) 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;
- k) no sales charges are payable by the Top Fund in relation to its purchases of securities of the Underlying Funds;
- l) 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;
- m) 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;
- n) the arrangements between or in respect of the Top Fund and the Underlying Funds are such as to avoid the duplication of management fees;
- o) any notice provided to securityholders of an Underlying Fund as required by applicable laws or the constituting 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;
- p) 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;

- q) 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

- r) 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.

DATED this 22nd day of December, 2000

Howard I. Wetston

J.A. Geller

Headnote:

Relief from conflicts provisions to permit fund-on-fund structure.

Statutes Cited:

Securities Act, R.S.O. 1990, c. S5, as amended, ss. 111 and 117.