

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Trades by mutual funds of additional units to existing unitholders who hold units having an aggregate acquisition cost or aggregate net asset value of at least \$150,000 exempted from sections 25 & 53 of the Act.

Trades by mutual funds exempt from requirement to file a report of such trades within the days of the trade provided that reports are filed and fees paid yearly.

Applicable Ontario Statutes

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 25, 53, 74(1), 72(3), 147.

Applicable Ontario Rules

Rule 45-501 - *Exempt Distributions* (1998) 21 O.S.C.B. 6548

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA,
ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, NEW BRUNSWICK, NOVA
SCOTIA, NEWFOUNDLAND, PRINCE EDWARD ISLAND, THE NORTHWEST
TERRITORIES AND THE NUNAVUT TERRITORY

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

AND IN THE MATTER OF PHILLIPS, HAGER & NORTH INVESTMENT MANAGEMENT
LTD.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the **ADecision Maker**) in each of the Provinces and Territories of Canada other than the Province of Quebec and the Yukon Territory (the **AJurisdictions**) has received an application from Phillips, Hager & North Investment Management Ltd. (**APH&N**) for a decision under the securities legislation of the Jurisdictions (the **ALegislation**) that:

1. Certain trades in Subscribed Units and Reinvested Units (as defined below) of the Funds (as defined below) to existing holders of units (**AUnits**) in the Funds are not subject to the prospectus requirements contained in the Legislation, other than the Legislation of the Provinces of British Columbia, Alberta, Saskatchewan, Nova Scotia, the Northwest Territories and the Nunavut Territory, (the **AProspectus Requirements**) and the dealer registration requirements contained in the Legislation, other than the Legislation of the Provinces of British Columbia, Alberta, Saskatchewan, Nova Scotia, the Northwest Territories and the Nunavut Territory, (the **ARegistration Requirements**); and
2. Trades in Units, including Subscribed Units and Reinvested Units, are not subject to certain of the reporting requirements of the applicable Legislation, subject to certain conditions;

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

AND WHEREAS PH&N has represented to the Decision Makers that:

1. PH&N is the manager, principal portfolio advisor, principal distributor and promoter of the Phillips, Hager & North Balanced Pension Trust, Phillips, Hager & North Canadian Equity Pension Trust, Phillips, Hager & North Euro-Pacific Equity Trust, Phillips, Hager

& North High Grade Corporate Bond Fund, Phillips, Hager & North High Yield Bond Fund, Phillips, Hager & North Investment Grade Corporate Bond Trust, Phillips, Hager & North Long Bond Pension Trust, Phillips, Hager & North Small Float Fund, Phillips, Hager & North U.S. Pooled Pension Fund, Phillips, Hager & North Unicorn Fund and Phillips, Hager & North Institutional S.T.I.F. and will be the manager, principal portfolio advisor, principal distributor and promoter of additional unit investment trusts which may be established from time to time (collectively, the AFunds@).

2. PH&N is registered under the Legislation as an adviser in the categories of investment counsel and portfolio manager or its equivalent category. In addition, PH&N is registered under the Legislation as a dealer in the category of mutual fund dealer or its equivalent under the Legislation in Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Newfoundland, Prince Edward Island, the Yukon Territory and the Northwest Territories, and has applied for similar registration in Nova Scotia and the Nunavut Territory.
3. Each of the Funds is or will be established as a trust pursuant to a separate trust indenture or other trust document (ATrust Document@).
4. Each of the Funds is or will be a Amutual fund@ within the meaning of the Legislation.
5. None of the Funds is or currently intends to become a Areporting issuer@(or equivalent) as defined in the Legislation.
6. Each of the Funds is or will be authorized to issue an unlimited number of non-transferrable Units which are redeemable at the option of the holder for an amount equal to the net asset value of the Units as determined in accordance with the terms of the Trust Document.
7. Units of the Funds are or will be offered pursuant to the exemptions from Prospectus Requirements and the Registration Requirements contained in the Legislation which exempt from such requirements the purchase of securities with an acquisition price of not less than a minimum prescribed amount (the APrescribed Amount@, and such purchase being an ?Initial Investment@) or pursuant to other exemptions from the Registration Requirements and the Prospectus Requirements.
8. Following an Initial Investment, it is proposed that Unitholders be able to purchase additional Units (ASubscribed Units@) of a Fund in increments of less than the Prescribed Amount, provided that at the time of such subsequent acquisition the investor holds Units of that Fund with an aggregate acquisition cost or aggregate net asset value of at least the Prescribed Amount.
9. Each Fund proposes to distribute additional Units (AReinvested Units@) by way of automatic reinvestment of distributions to Unitholders of such Fund.

10. Subscribed Units and Reinvested Units will be offered for sale to existing Unitholders at their net asset value per Unit as determined in accordance with the terms of each Fund's Trust Document.
11. The Legislation of certain of the Jurisdictions does not provide for exemptions from the Prospectus Requirements and the Registration Requirements in respect of the issuance of Reinvested Units to Unitholders pursuant to reinvestment as contemplated in paragraph 9 or the issuance of Subscribed Units to Unitholders pursuant to an additional investment as contemplated in paragraph 8.
12. The Funds are subject to the reporting requirements under certain of the Legislation pursuant to which they must file a report of an Initial Investment and any subsequent trade in Units within 10 days of such trade (the AReport Filing Requirements@).

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

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

THE DECISION of the Decision Makers under the Legislation is that:

1. the Prospectus Requirements and the Registration Requirements do not apply to the purchase of Reinvested Units or Subscribed Units (together, AAdditional Units@) provided that:
 - (a) this Decision, as it relates to the jurisdiction of a Decision Maker, shall terminate 90 days after the publication in final form of any legislation or rule of that Decision Maker regarding trades in securities of exempt funds;
 - (b) at the time of the acquisition of Subscribed Units, the Unitholder who made the Initial Investment in the Fund of at least the Prescribed Amount then owns Units of that Fund having an aggregate purchase price or net asset value of not less than the Prescribed Amount;
 - (c) no sales charge is payable with respect to the purchase of Reinvested Units; and
 - (d) at the time of the acquisitions of Additional Units, PH&N or any party assisting PH&N in selling the Units, where required under the applicable Legislation, is registered under the applicable Legislation as an adviser in the appropriate

category and such registration is in good standing.

2. except in the Province of Manitoba, the Report Filing Requirements under the applicable Legislation do not apply to trades in Units, including Additional Units, of the Funds, provided that within 30 days after each financial year end of the Funds:
 - (a) PH&N files a report of trade in accordance with the form requirements prescribed by the respective Decision Maker in respect of trades in Units, including Additional Units, of the Funds during such financial year; and
 - (b) PH&N remits the applicable fee on behalf of the Funds.

DATED this 19th day of December, 2000.

Howard I. Wetston
Howard I. Wetston

A.J.A. Geller
J.A. Geller