

Montreal, November 3, 2000

VIA SEDAR

Borden Ladner Gervais LLP

Attention: Brian D. Behrman

Re : Talvest Cdn. Multi Management Fund (the "Top Fund") Exemption Application, pursuant to sections 2.1(1), 2.2(1), 2.5(1)(a), 5.5(1)(d) and 10.6(1) under National Instrument 81-102 ("NI 81-102"), SEDAR project # 304966

Dear Madams/Sirs:

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of the provinces or Territory of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland, Northwest Territories, Yukon, Nunavut and Québec (the "Jurisdictions") has received an application by letter dated October 17, 2000 (the "Application") filed on SEDAR, the Top Fund applied under the system for exemptive relief from the sections mention above. A preliminary simplified prospectus and Annual Information Form has been filed for the Fund and has been reviewed under SEDAR Project No 288043.

This letter confirms that, based on the information and representations contained in the Application, and for purposes described in the Application, approval is granted for waivers of the following sections for the specified purposes:

With respect to the investment by the Top Fund in certain Underlying Funds (defined below):

- (1) sections 2.1(1), 2.2(1) and 2.5(1)(a) of NI 81-102 to exceed the permitted holdings of securities of an issuer by a mutual fund by permitting the Top Fund to invest in Talvest Cdn. Equity Growth Fund, Talvest Cdn. Equity Leaders Fund, Talvest Small Cap Cdn. Equity Fund and Talvest Millennium Next Generation Fund (the "Underlying Funds") to greater than 10% of the net asset value of the Top Fund under section 2.1(1) and to hold more than 10% of the outstanding units of any Underlying Fund under section 2.2(1);
- (2) sections 5.5(1)(d) and 10.6(1) of NI 81-102 to permit the Top Fund to suspend the right of unitholders to redeem units of the Top Fund whenever the right to redeem units of the Underlying Funds is suspended in accordance with sections 5.5(1)(d) and 10.6(1) of NI 81-102.

The requested relief is granted to permit the Top Fund to invest directly in units of the Underlying Funds subject to the following conditions:

- (a) the Top Fund and Underlying Funds are under common management and the securities of the Underlying Funds are offered for sale in the Jurisdictions, pursuant to a prospectus which has been filed with and accepted by the Jurisdictions;
- (b) the Top Fund invests its net assets (exclusive of cash and cash equivalents) in units of the Underlying Funds to a fixed percentage of its assets that is disclosed in the prospectus provided that any deviations above or below the fixed percentages of greater than 2.5 percentage points to account for market fluctuations will be adjusted on the next valuation date;
- (c) there will be no change in the Underlying Funds without first obtaining the approval of securityholders of the Top Fund and the fixed percentages will not be varied without first filing an amendment to the prospectus of the Top Fund and, in either event, providing 60 days notice to securityholders of the Top Fund;
- (d) the investment by the Top Fund in the Underlying Funds is compatible with the fundamental investment objectives of the Top Fund;
- (e) the prospectus of the Top Fund discloses the investment objectives of the Top Fund and the Underlying Funds, the fixed percentages of the net assets of the Top Fund invested in securities of each of the Underlying Funds and the permitted ranges within which such fixed percentages may vary;
- (f) no sales charges are payable by the Top Fund in relation to its purchases of units of the Underlying Funds;
- (g) 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 units of such mutual funds;
- (h) no redemption fees or other charges are charged by the Underlying Funds in respect of the redemption by the Fund of units of the Underlying Funds owned by the Fund;
- (i) the arrangements between the Top Fund and the Underlying Funds are such as to avoid the duplication of management fees;
- (j) no fees and charges of any sort are paid by the Top Fund or by the Underlying Funds or by the manager or principal distributor of the Top Fund or Underlying Funds or by any affiliate or associate of any of the foregoing entities to anyone in respect of the Top Fund's investment in, or redemption of, the units of Underlying Funds;

- (k) in the event of the provision of any notice to securityholders of the Underlying Funds as required by the constituting documents of the Underlying Funds or by the laws applicable to the Underlying Funds, such notice will also be delivered to the securityholders of the Top Fund. In the event that a securityholders' meeting is called for one of the Underlying Funds, all of the disclosure and notice material prepared in connection with such meeting will be provided to the securityholders of the Top Fund and all voting rights attaching to the securities of the Underlying Funds which are directly owned by the Top Fund will be passed through to the securityholders of the Top Fund and such securityholders will be entitled to direct a representative of the Top Fund to vote the Top Fund's holding in that Underlying Fund in accordance with their direction. The representatives of the Top Fund will not be permitted to vote the Top Fund's holdings in the effected Underlying Fund except to the extent the securityholders of the Top Fund so direct;
- (l) in addition to receiving the annual and, upon request, the semi-annual financial statements of the Top Fund, the securityholders of the Top Fund will receive the annual and, upon request, the semi-annual financial statements of the Underlying Funds in either a combined report, containing both the Top Fund and Underlying Funds' financial statements, or in a separate report containing the Underlying Funds' financial statements;
- (m) to the extent that the Top Fund and the Underlying Funds do not use a combined simplified prospectus and annual information form and financial statements containing disclosure about the Top Fund and the Underlying Funds, copies of the simplified prospectus and annual and semi-annual financial statements relating to the Underlying Funds may be obtained upon request by a securityholder of the Top Fund; and
- (n) the Underlying Funds are not invested, directly or indirectly, in other mutual funds and the Top Fund will not invest in any mutual fund whose investment objective includes investing, directly or indirectly, in other mutual funds.

In accordance with the system the above relief is hereby granted on behalf of the Jurisdictions. The relief provided herein is subject to compliance with all applicable provisions of NI 81-102 and with the above conditions.

Guy Lemoine

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