2007 BCSECCOM 681

September 4, 2007

Headnote
Mutual Reliance Review System for Exemptive Relief Applications – Exemption from National Instrument 81-107 *Independent Review Committee for Investment Funds* - A special purpose passive investment vehicle created to finance the payment of deferred services charges for certain mutual funds in exchange for fees from another entity requires relief from NI 81-107 - The issuer does not invest in securities and is a closed-end issuer; it was created to finance the payment of deferred service charges by various mutual funds in exchange for fees from the manager of the funds and its activities are limited to collecting fees; it does not conduct the activities of a typical investment fund; it does not have any conflicts of interest matters addressed by NI 81-107

Applicable British Columbia Provisions
National Instrument 81-107, s. 7.1

In the Matter of
the Securities Legislation of
British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador, the Northwest Territories, Nunavut and Yukon
(the "Jurisdictions")

and

In the Matter of
the Mutual Reliance Review System for Exemptive Relief Applications

and

In the Matter of
Advantage-Value Limited Partnership 1994, Advantage-Value Limited Partnership 1996, Fidelity Partnership 1995, Fidelity Partnership 1996, Infinity 1997 Limited Partnership, O'Donnell 1996 Limited Partnership, O'Donnell 1997 Limited Partnership, Navigator Partners Limited Partnership No. 1, Navigator Partners Limited Partnership No. 2 and Mackenzie Master Limited Partnership
(the "LPs")

and

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Advantage-Value General Partner Limited, Fidelity Capital Funding Canada Limited, Infinity GP Inc., OIMC 1996 GP Inc., OIMC 1997 GP Inc., Navigator GP No. 1 Inc., Navigator GP No. 2 Inc. and Mackenzie Financial Services Inc. (the "GPs")

MRRS Decision Document

Background
The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the LPs and the GPs for a decision under the securities legislation of the Jurisdictions (the "Legislation") exempting the LPs and the GPs from National Instrument 81-107 ("NI 81-107") except for section 2.1 (the "Requested Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

1. the Ontario Securities Commission is the principal regulator for this application; and

2. this MRRS decision document evidences the decision of each Decision Maker.

Interpretation
Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations
This decision is based on the following facts represented by the LPs and the GPs:

1. Each LP was formed under the *Limited Partnerships Act* (Ontario) other than Navigator Partners Limited Partnership No. 1 and Navigator Partners Limited Partnership No. 2 which were formed under *The Partnerships Act* (Manitoba). Each LP is a reporting issuer in one or more of the Jurisdictions.

2. Each LP is a "non-redeemable investment fund" as that term is defined in National Instrument 81-106 – Investment Fund Continuous Disclosure. The units of Fidelity Partnership 1996 and Mackenzie Master Limited Partnership are listed on the Toronto Stock Exchange.

3. Except with respect to Mackenzie Financial Services Inc. ("MFSI"), the GP of Mackenzie Master Limited Partnership, the business of each GP is limited to the management of the business of the LPs for which it is the general partner and its constating documents prohibits it from carrying on any other business. MFSI is a wholly-owned subsidiary of Mackenzie Financial Corporation, the

manager of the Mackenzie family of mutual funds, and all of its marketing activities are carried out through MFSI.

4. Each LP is a passive, single purpose vehicle, formed (or in the case of Mackenzie Master Limited Partnership, whose predecessors were formed) for the purpose of arranging for, and paying the selling commission related to, the distribution to investors of units or shares (collectively, "securities") of mutual funds managed by a fund manager (collectively, the "Funds") which are acquired by investors on a deferred sales charge basis.

5. In return for their services, each LP receives from the fund manager a monthly distribution fee and any deferred sales charges payable by an investor on the redemption of distributed securities ("Distributed Securities"). Distributed Securities are securities for which a LP paid the selling commission, securities issued on subsequent transfers, and deferred charge securities issued on the reinvestment of distributions or dividends on, or proceeds of redemptions of, such securities. The redemption fee schedules in respect of which investors were required to pay deferred sales charges if they redeemed their investments only applied for a certain number of years and these periods have all since expired.

6. The entitlement to the distribution fees and deferred sales charges continue for each LP until the earlier of:

   (a) such time as there are no longer any Distributed Securities outstanding; and

   (b) the LP is dissolved pursuant to the terms of its partnership agreement.

7. During each year, and in the case of Advantage-Value Limited Partnership 1994, Advantage-Value Limited Partnership 1996, Infinity 1997 Limited Partnership, Navigator Partners Limited Partnership No. 1 and Navigator Partners Limited Partnership No. 2, during each quarter, each LP distributes to its limited partners (the "Limited Partners") an amount equal to the aggregate of the distribution fees, deferred sales charges and investment income earned by the LP during the year and the amount of any reserves retained at the end of the previous year, less the expenses.

8. The fees to which each GP is entitled, and the obligation of each LP to pay its operating expenses, is provided for in the respective partnership agreements of each LP. These obligations cannot change without the approval of the respective limited partners of each LP. The fees to which each LP is entitled, and the obligation to pay operating expenses, is as follows:

(a) for Advantage-Value Limited Partnership 1994 and Advantage-Value Limited Partnership 1996, the GP is entitled to 0.01% of the net income or loss of each LP and reimbursement of certain expenses and fees including a management fee which equals 15% of the amounts reimbursed. For these LPs there is also a cap on the operating expenses that can be charged by the GP to each LP. In the case of Advantage-Value Limited Partnership 1994 the limit was $40,000 for 1994 and escalating thereafter at a rate not exceeding 3% per annum. For Advantage-Value Limited Partnership 1996, the initial cap was $26,000 for 1996 and escalating thereafter at a rate not exceeding 3% per annum;

(b) for Fidelity Partnership 1995 and Fidelity Partnership 1996, the GP is entitled to 0.01% of the net income or loss for tax purposes of each LP. The GP is also entitled to quarterly distributions of 0.01% of the amount by which all distributions, redemption fees and interest income earned by each LP in the quarter exceed its operating expenses and any reserves established by the GP in the quarter;

(c) for Infinity 1997 Limited Partnership, O'Donnell 1996 Limited Partnership, O'Donnell 1997 Limited Partnership, Navigator Partners Limited Partnership No. 1 and Navigator Partners Limited Partnership No. 2, the respective GPs of each LP each receive 0.01% of the annual income or loss of the distributable cash of each LP plus the operating expenses. They each also receive an administrative charge equal to 15% of the total expenses of each LP; and

(d) for Mackenzie Master Limited Partnership, the GP is entitled to 1.01% of the net income of the LP. In addition, MFSI incurs operating expenses on behalf of Mackenzie Master Limited Partnership which are then reimbursed to it together with an administrative charge equal to 15% of the amounts reimbursed.

9. The management fees and expenses for each LP for the twelve months ending December 31, 2006 were as follows:

Advantage-Value Limited Partnership 1994	$ 56,900
Advantage-Value Limited Partnership 1996	$ 40,200
Fidelity Partnership 1995	$ 56,992
Fidelity Partnership 1996	$ 96,291
Infinity 1997 Limited Partnership	$ 68,088
O'Donnell 1996 Limited Partnership	$ 66,733
O'Donnell 1997 Limited Partnership	$ 54,389

Navigator Partners Limited Partnership No.1	$ 8,947
Navigator Partners Limited Partnership No.2	$ 8,903
Mackenzie Master Limited Partnership	$267,777 (Reimbursement)

10. As noted above, the LPs only receive the monthly distribution fees in respect of Distributed Securities which have not been redeemed. As a number of years have elapsed since the LPs were first created, the number of Distributed Securities have declined and will continue to decline with a corresponding reduction in the distribution fee revenue. As the income of each LP declines, any expenses of the LP increase as a percentage of that income.

11. Holders of Distributed Securities may redeem their Distributed Securities at any time. Holders of Distributed Securities also may switch their Distributed Securities generally into any mutual fund within the same family of mutual funds.

12. Each LP is expected to terminate on the following dates:

Advantage-Value Limited Partnership 1994	January 9, 2010
Advantage-Value Limited Partnership 1996	November 29, 2011
Fidelity Partnership 1995	March 31, 2008
Fidelity Partnership 1996	March 31, 2012
Infinity 1997 Limited Partnership	December 31, 2015
O'Donnell 1996 Limited Partnership	December 31, 2014
O'Donnell 1997 Limited Partnership	December 31, 2014
Navigator Partners Limited Partnership No.1	December 31, 2010
Navigator Partners Limited Partnership No.2	December 31, 2011
Mackenzie Master Limited Partnership	December 31, 2094

13. The limited partners of each LP currently receive, and will continue to receive, semi-annual financial statements and audited annual financial statements of the LP.

14. The assets of each LP generally consist of cash or cash equivalents and accounts receivable. In some instances a LP's assets may include investments in securities of a money market mutual fund. The LPs do not have a portfolio of equity securities.

15. The LPs and the GPs do not currently have any conflict of interest matters as envisaged under NI 81-107.

16. Only Fidelity Partnership 1995, Fidelity Partnership 1996 and Mackenzie Master Limited Partnership are reporting issuers in Quebec.

Decision

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 the Requested Relief is granted for so long as:

1. The LPs and the GPs do not have any conflict of interest matters under NI 81-107; and

2. The LPs' sole ongoing activity is to receive Distribution Fees.

Leslie Byberg
Manager, Investment Funds Branch
Ontario Securities Commission