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Headnote

Mutual Reliance Review System for Exemptive Relief Applications – variation of relief from prospectus requirement for closed-ended investment trusts that are “mutual funds” for the sale of units repurchased from existing unit holders under a market purchase program

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, s 171

**IN THE MATTER OF SECURITIES LEGISLATION OF BRITISH
COLUMBIA, ALBERTA, SASKATCHEWAN, ONTARIO, NOVA SCOTIA,
NEW BRUNSWICK, PRINCE EDWARD ISLAND, NEWFOUNDLAND
AND LABRADOR AND YUKON**

AND

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

AND

**IN THE MATTER OF COMPASS *INCOME FUND*, MAXIN *INCOME
FUND*, INDEXPLUS *INCOME FUND* AND INDEXPLUS 2 *INCOME FUND***

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador and Yukon (the “Jurisdictions”) has received an application from COMPASS *Income Fund* (“COMPASS”), MAXIN *Income Fund* (“MAXIN”), INDEXPLUS *Income Fund* (“INDEXPLUS”) and INDEXPLUS 2 *Income Fund* (“INDEXPLUS 2”) (collectively, the “Trusts”), for a decision pursuant to the securities legislation of the Jurisdictions (the “Legislation”) varying the respective MRRS Decision Documents that were issued on October 20, 2003 to COMPASS (the “COMPASS Decision”), on July 2, 2003 to MAXIN (the “MAXIN Decision”), on November 13, 2003 to INDEXPLUS (the “INDEXPLUS Decision”) and on December 23, 2003 to INDEXPLUS 2 (the “INDEXPLUS 2 Decision”) (collectively, the “Original Decisions”);

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

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AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions;

AND WHEREAS each of the Trusts has represented, as applicable, to the Decision Makers that:

1. COMPASS, MAXIN, INDEXPLUS and INDEXPLUS 2 are unincorporated closed-end investment trusts established under the laws of the Province of Ontario on March 27, 2002, March 28, 2003, July 29, 2003 and October 30, 2003 respectively.
2. COMPASS, MAXIN, INDEXPLUS and INDEXPLUS 2 became reporting issuers or the equivalent thereof in the Jurisdictions on March 28, 2002, March 28, 2003, July 30, 2003 and October 31, 2003 upon obtaining receipt for their respective (final) prospectuses. As of the date hereof, COMPASS, MAXIN, INDEXPLUS and INDEXPLUS 2 are not in default of any requirements under the Legislation.
3. Middlefield COMPASS Management Limited, Middlefield MAXIN Management Limited, Middlefield INDEXPLUS Management Limited, and Middlefield INDEXPLUS 2 Management Limited, which were incorporated pursuant to the *Business Corporations Act* (Ontario), are the manager and the trustee of COMPASS, MAXIN, INDEXPLUS, and INDEXPLUS 2, respectively.
4. The units of COMPASS, MAXIN, INDEXPLUS and INDEXPLUS 2 (the "Units") are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the trading symbol "CMZ.UN", "MXZ.UN", "IDX.UN" and "IDT.UN", respectively.
5. In order to enhance liquidity and to provide market support for the Units, each of the Trusts is, subject to compliance with any applicable regulatory requirements, obligated to purchase (the "Mandatory Purchase Program") any of its Units offered in the market on a business day at the then prevailing market price if the price at which Units are then offered for sale is less than 95% of the its net asset value per Unit determined as at the close of business in Toronto, Ontario on the immediately preceding business day, provided that the maximum number of Units that each of COMPASS, MAXIN and INDEXPLUS shall purchase in any three month period will be 2.50% of the number of Units outstanding at the beginning of each such three month period and the maximum number of Units that INDEXPLUS 2 shall purchase in any three month period will be 1.25% of the number of Units outstanding at the

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beginning of each such three month period. In addition, each Trust is not required to purchase Units pursuant to its Mandatory Purchase Program in certain circumstances as described in its Original Decision.

6. In addition, each of the Trusts, subject to applicable regulatory requirements and limitations, has the right, but not the obligation, exercisable in its sole discretion, at any time, to purchase its outstanding Units in the market at prevailing market prices (the “Discretionary Purchase Program”). Such discretionary purchases may be made through the facilities and under the rules of any exchange or market on which its Units are listed (including the TSX) or as otherwise permitted by applicable securities laws.
7. The holders of Units of each Trust have the ability to require such Trust to redeem its Units once per year for a price equal to the net asset value of the Trust divided by the number of Units of the Trust then outstanding as of the redemption date, as described in the Original Decision of each Trust (the “Redemption Program”).
8. The Original Decisions provide an exemption to the Trusts from the prospectus requirement of the Legislation to sell Units of the Trusts that were repurchased or redeemed (“Repurchased Units”) under the Mandatory Purchase Program, the Discretionary Purchase Program and the Redemption Program.
9. COMPASS, MAXIN, INDEXPLUS and INDEXPLUS 2 represented in their respective Original Decisions that Repurchased Units which the respective Trust does not sell within 10 months of the purchase or redemption of such Repurchased Units will be cancelled by the Trust.
10. As markets can be volatile in the short-term, a longer period of 16 months (with 4 months holding restriction), is necessary to allow the Trusts to mitigate the impact of short-term market volatility in selling the repurchased units.

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

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 pursuant to the Legislation is that the Original Decisions are hereby varied as follows:

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- (a) Paragraph 16 of the COMPASS Decision is deleted and replaced with the following:

“Repurchased Units which the Trust does not sell within 16 months of the purchase of such Repurchased Units will be cancelled by the Trust.”

- (b) Paragraph 15 of the MAXIN Decision is deleted and replaced with the following:

“Repurchased Units which the Trust does not sell within 16 months of the purchase of such Repurchased Units will be cancelled by the Trust.”

- (c) Paragraph 15 of the INDEXPLUS Decision is deleted and replaced with the following:

“Repurchased Units which the Trust does not sell within 16 months of the purchase of such Repurchased Units will be cancelled by the Trust.”

- (d) Paragraph 15 of the INDEXPLUS 2 Decision is deleted and replaced with the following:

“Repurchased Units which the Trust does not sell within 16 months of the purchase of such Repurchased Units will be cancelled by the Trust.”

Dated August 16, 2004

Suresh Thakrar

Paul K. Bates