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Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from the reporting requirements of a mutual fund manager, relating to purchases or sales of the mutual funds through any related person or company where the related person or company received a fee either from the mutual fund, the other party to the transaction, or both, provided that certain disclosure is made in the statement of portfolio transactions for each mutual fund.

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 126(c) and 130(b)

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA,
SASKATCHEWAN, ONTARIO, NOVA SCOTIA AND NEWFOUNDLAND AND LABRADOR

AND

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

AND

IN THE MATTER OF FRANK RUSSELL CANADA LIMITED

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application (the "Application") from Frank Russell Canada Limited ("FRC") for a decision (the "Decision") pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the provisions of the Legislation requiring a management company, or in British Columbia a mutual fund manager, to file a report, within thirty days after each month end and in respect of each mutual fund to which it provides services, relating to every purchase or sale effected by such mutual fund through any related person or company with respect to which the related person or company received a fee either from the mutual fund or from the other party to the transaction or both (the "Reporting Requirement") not apply to purchases and sales effected by the Funds (as defined below) through Frank Russell Securities, Inc. ("FRS") and each Current Dealer and Other Dealer (as defined below).

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:

1. FRC is a corporation established under the laws of Canada with its head office in Toronto, Ontario. It acts as the manager of the Russell Canadian Fixed Income Fund, Russell Canadian Equity Pool, Russell US Equity Fund and Russell Overseas Equity Pool (such funds, together with such other funds managed by FRC from time to time, being herein referred to as the "Funds").
2. The Funds are open-ended investment trusts established under the laws of the Province of Ontario. Each Fund is a reporting issuer in each of the provinces and territories of Canada where

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units (the "Units") of the Fund are sold pursuant to a prospectus accepted by the decision maker in such jurisdictions.

3. FRS is a Washington corporation and is an affiliate of FRC. It is a member of the National Association of Securities Dealers and is registered as a broker-dealer with the SEC.

4. FRC has entered into distributorship agreements with RBC Dominion Securities Inc., Royal Mutual Funds Inc. and RBC Action Direct, as distributors (the "Current Dealers"). In addition to these distributorship agreements, FRC may enter into distributorship agreements with a limited number of other registered investment dealers (upon entering into such agreement with FRC, such dealer is referred to as an "Other Dealer").

5. The individual portfolio advisors of each of the Funds have discretion to allocate brokerage business in any manner that they believe to be in the Fund's best interests. The purchase or sale of securities effected through FRS, the Current Dealers or an Other Dealer (each a "Related Company") represents the business judgement of responsible persons uninfluenced by considerations other than the best interests of the Funds.

6. In allocating brokerage, consideration is given to commission rates and to research, execution and other services offered.

7. Portfolio transactions of the Funds may be executed by a Related Company, provided such transactions are made on terms and conditions comparable to those offered by unrelated brokers and dealers.

8. In respect of portfolio transactions, the annual information form of the Funds has disclosed and will continue to disclose that:

(a) the individual portfolio advisors of each of the Funds have discretion to allocate brokerage business in any manner that they believe to be in the Fund's best interests;

(b) in allocating brokerage, consideration is given to commission rates and to research, execution and other services offered; and

(c) portfolio transactions may be executed by a Related Company, provided such transactions are made on terms and conditions comparable to those offered by unrelated brokers or dealers.

9. FRC has disclosed and will continue to disclose in the Funds' annual financial statements the amount of brokerage commissions paid by each Fund on trades with Related Companies.

10. In the absence of this Decision, the Legislation requires FRC to file a report on a monthly basis in respect of every purchase or sale of securities effected through a Related Company stating the issuer of the securities purchased or sold, the class or designation of the securities, the amount or number of securities, the consideration, the name of the related company receiving the fee, the name of the person that paid the fee to the related company and the amount of the fee received by the related company.

11. It would be costly and time consuming for FRC to provide the information required by the Legislation on a monthly and segregated basis.

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker;

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AND UPON each of the Decision Makers being 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 Reporting Requirement shall not apply so as to require FRC to file a report on a monthly basis in respect of every purchase and sale of securities by a Fund which is effected through a Related Company and with respect to which a Related Company received a fee either from the Fund or from the other party to the transaction or both,

PROVIDED THAT the Decision shall only apply if the statement of portfolio transactions prepared and filed for each Fund in accordance with the Legislation discloses, in respect of every class or designation of securities of an issuer bought or sold during the period to which the statement of portfolio transactions relates,:

- (a) the name of the Related Company;
- (b) the amount of fees paid to the Related Company; and
- (c) the person or company that paid the fees.

DATED December 31, 2001.

Paul Moore

Robert Korthals