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Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief granted from certain of the mutual fund self-dealing prohibitions to permit mutual funds to make purchases and sales of securities of Canadian Imperial Bank of Commerce, parent company to the managers of the mutual funds provided that a fund governance mechanism is used

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 121(2)(a), 121(2)(c), 123, 127(1)(a) and 130

**IN THE MATTER OF THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, ONTARIO,
QUÉBEC, 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
CANADIAN IMPERIAL BANK OF COMMERCE (“CIBC”)
CIBC ASSET MANAGEMENT INC. (FORMERLY TALVEST FUND
MANAGEMENT INC.) (“CIBC AM”)
TAL GLOBAL ASSET MANAGEMENT INC. (“TAL”)
TAL PRIVATE MANAGEMENT LTD. (“TAL PRIVATE”)
AND THE FUNDS LISTED ON SCHEDULE “A”
(THE “CURRENT FUNDS”)**

MRRS DECISION DOCUMENT

WHEREAS CIBC, CIBC AM, TAL and TAL Private have made an application to the local securities regulatory authority or regulator (the “Decision Maker”) in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (the “Jurisdictions”) for a decision (the “Decision”) pursuant to the securities legislation of the Jurisdictions (the “Legislation”) that the following provisions do not apply so as to prevent the Current Funds together with such other funds as may be advised by CIBC or an affiliate of CIBC from time to time (individually a “Fund” and collectively the “Funds”) from investing in, or continuing to hold an investment in, securities of CIBC:

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- (a) in respect of the Funds, other than the Pools, as hereinafter defined (the “Public Funds”), the provision prohibiting a mutual fund from knowingly making or holding an investment in any person or company who is a substantial security holder of the mutual fund, its management company or distribution company;
- (b) in respect of the Public Funds, the provision prohibiting a mutual fund from knowingly making or holding an investment in an issuer in which a substantial security holder of the mutual fund, its management company or its distribution company has a significant interest;
- (c) the provision prohibiting a portfolio manager or, in British Columbia, a mutual fund, from investing in any issuer in which a responsible person is an officer or director unless the specific fact is disclosed to the client and the written consent of the client to the investment is obtained before the investment (the provisions of (a), (b) and (c) being collectively the “Investment Restrictions”);
- (d) in respect of the Funds listed on Schedule “A” as TAL Pools (together with such other funds as may be established and advised by CIBC or an affiliate of CIBC from time to time, the securities of which are sold on a private placement basis, the “Pools”), the provision in the Legislation of Ontario, Québec and Alberta prohibiting a mutual fund from knowingly making or holding an investment in any person or company who is a substantial security holder of the mutual fund, its management company or distribution company; and
- (e) in respect of the Pools, the provision in the Legislation of Ontario, Québec and Alberta, prohibiting a mutual fund from knowingly making or holding an investment in an issuer in which a substantial security holder of the mutual fund, its management company or its distribution company has a significant interest (the provisions of (c), (d) and (e) being collectively the “Pools’ Investment Restrictions”).

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, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or in Québec Commission Notice 14-101;

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AND WHEREAS it has been represented by CIBC, CIBC AM, TAL and TAL Private to the Decision Makers that:

1. The Funds are or will be open-ended mutual fund trusts established, or mutual fund corporations incorporated, under the laws of the Province of Ontario or of Canada.
2. CIBC AM, a wholly owned subsidiary of CIBC, is currently the manager and portfolio adviser of each of the Current Funds listed on Schedule "A" as CM Funds. CIBC Securities Inc., ("CIBCSI") a wholly owned subsidiary of CIBC, is currently the principal distributor of the Current Funds listed on Schedule "A" as CM Funds. CIBC AM is currently the manager, portfolio adviser and principal distributor of the Current Funds listed on Schedule "A" as Talvest Funds. For each of the Funds listed on Schedule "A" as TAL Pools, either TAL or TAL Private, a wholly-owned subsidiary of CIBC, is currently the manager and portfolio adviser. For each of the Current Funds listed on Schedule "A" as CIBC Funds:
 - (i) CIBC is currently the manager;
 - (ii) TAL is currently the portfolio adviser; and
 - (iii) CIBCSI is currently the principal distributor.
3. The securities of the Public Funds are or will be offered for sale in all of the provinces and territories of Canada. Each of the Public Funds is or will be a reporting issuer under the Legislation and each Current Fund is not on a list of defaulting issuers maintained under the Legislation.
4. The securities of the Pools are distributed pursuant to prospectus exemptions. Securities of the Pools are only available to clients in accounts which are discretionary and are managed by an affiliate of CIBC. Upon opening a discretionary account, the consent of the client is obtained to invest in securities of CIBC. Investments made by the Pools are passive and are not made to exercise control over or management of the issuer.
5. Directors and officers of CIBC AM, TAL, TAL Private or such other affiliate of CIBC who is the portfolio adviser to a Fund (each a "Related Adviser") may also be directors or officers of CIBC but do not and will not participate in the formulation of, or have access prior to implementation to, investment decisions made on behalf of the Funds.

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6. The Related Advisers believe that it would be in the best interests of investors of the Funds to be permitted to invest in securities of CIBC, in keeping with the investment objectives of the Funds, though only up to the limit allowed by applicable Legislation.
7. The managers of the Funds will appoint an independent review committee (the “Independent Committee”), comprised entirely of individuals who are wholly independent of CIBC, to oversee the holdings, purchases or sales of securities of CIBC for the Funds.
8. The Independent Committee shall review the holdings, purchases or sales of securities of CIBC to ensure that they have been made free from any influence by CIBC and without taking into account any consideration relevant to CIBC.
9. In reviewing the Funds’ purchases, sales and continued holdings of securities of CIBC, the Independent Committee will take into consideration the best interests of unitholders of the Funds and no other factors.
10. Compensation to be paid to members of the Independent Committee will be paid on a per meeting plus expenses basis and will be allocated among the Funds in a manner that is considered by the Independent Committee to be fair and reasonable to the Funds.
11. Within thirty days of the end of each month in which one or more of the Funds purchases or sells securities of CIBC, a report shall be filed on SEDAR (or in respect of the Pools, the internet website) contemplated by paragraph (l) below disclosing the name of each Fund that purchased or sold securities of CIBC during the month, the number or amount of CIBC securities purchased or sold by each Fund and the volume weighted average price paid or received for the CIBC securities by each Fund.

AND WHEREAS pursuant to 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 Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that:

1. the Public Funds and the Related Advisers are exempt, as the case may be, from the Investment Restrictions so as to enable the Funds to invest, or continue to hold an investment in securities of CIBC;

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2. the Pools and the Related Advisers are exempt, as the case may be, from the Pools' Investment Restrictions so as to enable the Pools to invest, or continue to hold an investment in securities of CIBC; and
3. this Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule of that Decision Maker dealing with mutual fund governance in a manner that conflicts with or makes inapplicable any provision of this Decision

provided that:

- (a) the managers of the Funds have appointed the Independent Committee to review the Funds' purchases, sales and continued holdings of securities of CIBC;
- (b) the Independent Committee has at least three members, none of whom is an employee, director, officer or associate of (i) CIBC, (ii) the Related Advisers; or (iii) any associate or affiliate of CIBC or the Related Advisers;
- (c) the Independent Committee has a written mandate describing its duties and standard of care which, at a minimum, sets out the conditions of this Decision;
- (d) the members of the Independent Committee exercise their powers and discharge their duties honestly, in good faith and in the best interests of investors in the Funds and, in doing so, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances;
- (e) none of the Funds relieves the members of the Independent Committee from liability for loss that arises out of a failure to satisfy the standard of care set out in paragraph (d);
- (f) none of the Funds indemnifies the members of the Independent Committee against legal fees, judgments and amounts paid in settlement as a result of a breach of the standard of care set out in paragraph (d);
- (g) none of the Funds incurs the cost of any portion of liability insurance that insures a member of the Independent Committee for a liability for loss that arises out of a failure to satisfy the standard of care set out in paragraph (d);

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- (h) the cost of any indemnification or insurance coverage paid for by a manager of the Funds, or any associate or affiliate of a manager of the Funds to indemnify or insure the members of the Independent Committee in respect of a loss that arises out of a failure to satisfy the standard of care set out in paragraph (d) is not paid either directly or indirectly by the Funds;
- (i) the Independent Committee reviews the Funds' purchases, sales and continued holdings of securities of CIBC on a regular basis, but not less frequently than every three months;
- (j) the Independent Committee forms the opinion, at any time, after reasonable inquiry, that the decisions made on behalf of each Fund by the Related Advisers or the Fund's portfolio sub-adviser to purchase, sell or continue to hold securities of CIBC were and continue to be in the best interests of the Fund, and to:
 - (i) represent the business judgement of the Related Adviser or the Fund's portfolio sub-adviser, uninfluenced by considerations other than the best interests of the Fund;
 - (ii) have been made free from any influence by CIBC and without taking into account any consideration relevant to CIBC; and
 - (iii) not exceed the limitations of the applicable legislation.
- (k) the determination made by the Independent Committee pursuant to paragraph (j) is included in detailed written minutes provided to the manager of the relevant Fund not less frequently than every three months;
- (l) the reports required to be filed pursuant to the Legislation with respect to every purchase and sale of securities of CIBC are filed on SEDAR in respect of the relevant mutual fund or, in respect of the Pools, the internet website maintained in respect of the Pools;
- (m) the Independent Committee advises the Decision Makers in writing of:
 - (i) any determination by it that the condition set out in paragraph (j) has not been satisfied with respect to any purchase, sale or holding of securities of CIBC;

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- (ii) any determination by it that any other condition of this Decision has not been satisfied;
 - (iii) any action it has taken or proposes to take following the determinations referred to above; and
 - (iv) any action taken, or proposed to be taken, by the Related Adviser or a portfolio sub-adviser of the Funds in response to the determinations referred to above; and
- (n) the existence, purpose, duties and obligations of the Independent Committee, the names of its members, whether and how they are compensated by the Funds, the relationship between parties related to the Fund and CIBC (including percentage of ownership) and the fact that the Independent Committee meets the requirements of the condition set out in paragraph (b) are disclosed in respect of the Pools, in a statement sent to clients and on the internet website maintained in respect of the Pools, and in respect of the Public Funds:
- (i) in a press release issued, and a material change report filed, prior to reliance on the Decision;
 - (ii) in item 12 of Part A of the simplified prospectus of the Public Funds; and
 - (iii) on CIBC's internet website.

DATED February 6, 2003

Robert W. Korthals
Kerry D. Adams

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Schedule “A”

CIBC Funds

Mutual Fund Group	Issuers
CIBC Mutual Funds	CIBC Balanced Fund CIBC Canadian Bond Fund CIBC Canadian Emerging Companies Fund CIBC Canadian Real Estate Fund CIBC Canadian Resources Fund CIBC Canadian Small Companies Fund CIBC Capital Appreciation Fund CIBC Core Canadian Equity Fund CIBC Dividend Fund CIBC Energy Fund CIBC Financial Companies Fund CIBC Global Equity Fund CIBC Global Technology Fund CIBC High Yield Cash Fund CIBC Money Market Fund CIBC Monthly Income Fund CIBC Mortgage Fund CIBC North American Demographics Fund CIBC Precious Metals Fund CIBC U.S. Dollar Money Market Fund CIBC U.S. Small Companies Fund Canadian Imperial Equity Fund
Imperial Pools	Imperial Canadian Bond Pool Imperial Canadian Equity Pool Imperial Money Market Pool Imperial Short-Term Bond Pool Imperial U.S. Equity Pool

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CM Funds

Mutual Fund Group	Issuers
Frontiers Pools	Frontiers Canadian Equity Pool Frontiers Canadian Fixed Income Pool Frontiers Canadian Short Term Income Pool Frontiers U.S. Equity Pool
Renaissance Mutual Funds	Renaissance Select Canadian Balanced Fund Renaissance Canadian Balanced Value Fund Renaissance Canadian Bond Fund Renaissance Canadian Core Value Fund Renaissance Canadian Growth Fund Renaissance High Yield Bond Fund Renaissance Canadian Income Trust Fund Renaissance Canadian Money Market Fund Renaissance Canadian Small Cap Fund Renaissance Canadian T-Bill Fund Renaissance Global Growth Fund Renaissance Global Sectors Fund Renaissance Global Technology Fund Renaissance Select Global Value Fund Renaissance Tactical Allocation Fund Renaissance U.S. Basic Value Fund Renaissance U.S. Fundamental Growth Fund Renaissance U.S. Money Market Fund

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Talvest Funds

Talvest Canadian Equity Leaders Fund
Talvest Millennium Next Generation Fund
Talvest Bond Fund
Talvest Millennium High Income Fund
Talvest Income Fund
Talvest Dividend Fund
Talvest High Yield Bond Fund
Talvest Money Market Fund
Talvest CDN Asset Allocation Fund
Talvest Global Science & Technology Fund
Talvest Global RSP Fund
Talvest Global Asset Allocation RSP Fund
Talvest CDN Equity Growth Fund
Talvest Small Cap CDN Equity Fund
Talvest Value Line U.S. Equity Fund
Talvest Global Resource Fund
Talvest Global Equity Fund
Talvest Global Small Cap Fund
Talvest Global Health Care Fund

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TAL Pools

TAL Global Pooled Funds	Balanced Fund Canadian Equity Fund Canadian Equity Growth Fund Cdn Equity S&P/TSE Capped Fund High Yield Fund Short Term Fund Canadian Equity Value Fund Corporate Bond Fund
TAL Private Pooled Funds	Balanced Income Fund Balanced Fund Global Registered Balanced Fund Global Balanced Growth Fund Short-Term Fund Short-Term Bond Fund Dividend Income Fund Canadian Equity Fund
Centaur Pooled Funds	Balanced Fund Canadian Equity Fund Bond Fund Money Market Fund