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Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Investment for specified purpose by mutual funds in securities of another mutual fund that is under common management exempted from certain self-dealing requirements subject to certain specified conditions

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 121(2)(c), 123, 126(a) and 130

**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 ELLIOTT & PAGE LIMITED (“EPL”)
AND**

IN THE MATTER OF

**ELLIOTT & PAGE ACTIVE BOND FUND
ELLIOTT & PAGE MONTHLY HIGH INCOME FUND
ELLIOTT & PAGE BALANCED FUND
ELLIOTT & PAGE GROWTH & INCOME FUND
ELLIOTT & PAGE VALUE EQUITY FUND
ELLIOTT & PAGE CANADIAN EQUITY FUND
ELLIOTT & PAGE GENERATION WAVE FUND
ELLIOTT & PAGE BLUE CHIP FUND
ELLIOTT & PAGE SECTOR ROTATION FUND
ELLIOTT & PAGE GROWTH OPPORTUNITIES FUND
ELLIOTT & PAGE AMERICAN GROWTH FUND
ELLIOTT & PAGE U.S. MID-CAP FUND
ELLIOTT & PAGE INTERNATIONAL EQUITY FUND
ELLIOTT & PAGE TOTAL EQUITY FUND
ELLIOTT & PAGE GLOBAL MULTISTYLE FUND
ELLIOTT & PAGE GLOBAL SECTOR FUND
ELLIOTT & PAGE ASIAN GROWTH FUND
ELLIOTT & PAGE RSP AMERICAN GROWTH FUND**

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**ELLIOTT & PAGE RSP U.S. MID-CAP FUND AND
ELLIOTT & PAGE RSP TOTAL EQUITY FUND
E&P MANULIFE BALANCED ASSET ALLOCATION PORTFOLIO
E&P MANULIFE MAXIMUM GROWTH ASSET ALLOCATION
PORTFOLIO
E&P MANULIFE TAX-MANAGED GROWTH PORTFOLIO
(collectively, the “Existing Funds”)**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of Ontario, Alberta, British Columbia, Saskatchewan, Nova Scotia and Newfoundland and Labrador (the “Jurisdictions”) has received an application from EPL for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the following provisions of the Legislation (the “Applicable Requirements”) do not apply so as to prevent the Existing Funds and other mutual funds managed by EPL (individually, a “Future Fund” and together with the Existing Funds, the “Funds”) from investing in, or continuing to hold an investment in, securities of the Money Fund (as hereinafter defined):

- (a) the restrictions contained in the Legislation prohibiting a mutual fund from knowingly making or holding an investment in an issuer in which any person or company who is a substantial security holder of the mutual fund, its management company or its distribution company has, a significant interest; and
- (b) the restrictions contained in the Legislation requiring a management company or, in British Columbia, a mutual fund manager, to file a report of every transaction of purchase or sale of securities between the mutual fund and any related person or company.

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;

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

AND WHEREAS EPL has represented to the Decision Makers that:

1. EPL is a corporation incorporated under the laws of Ontario with its registered office located in Toronto, Ontario. In 1982, EPL was acquired

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by North American Life Assurance Company, which is now The Manufacturers Life Insurance Company (“MLIC”). Manulife Financial Corporation (“Manulife”) holds all of the outstanding shares of MLIC and therefore, EPL is an indirect wholly-owned subsidiary of Manulife.

2. Since its inception, EPL has been registered as an adviser in the categories of investment counsel and portfolio manager under the Legislation. By way of an amendment to its registration in 1984, EPL also obtained registration as a mutual fund dealer under the Legislation.
3. EPL is or will be the manager, trustee, primary portfolio adviser, principal distributor, promoter and the registrar and transfer agent, as the case may be, of the Funds and the Elliott & Page Money Fund (the “Money Fund”). The Money Fund is a money market mutual fund within the meaning of section 1.1 of National Instrument 81-102 – Mutual Funds (“NI 81-102”).
4. Advisor Class, Class F, Class I and Class D units of the Funds and the Money Fund, as the case may be, are or will be qualified for distribution under a simplified prospectus and annual information form in all provinces and territories of Canada (such documents when filed in final form hereinafter referred to together as “Prospectus”). The Funds and the Money Fund are or will be reporting issuers and the Existing Funds and the Money Fund are not in default of any requirements of the Legislation.
5. Manulife may, from time to time, directly or indirectly through segregated funds sponsored by it, hold beneficially more than 10% of the outstanding units of the Money Fund or more than 20% of the aggregate outstanding units of a Fund. Such holdings would represent Manulife’s indirect investment in Class G units of the Money Fund or a Fund through the segregated funds sponsored by it. The Class G units are not qualified by a prospectus for sale to the public and were created solely for the purposes of investment by the segregated funds and other institutional assets managed by Manulife.
6. Although a number of directors and officers of EPL are also officers and directors of Manulife, these individuals do not participate in the formulation of, or generally have access prior to implementation to, the day to day investment decisions made on behalf of the Funds.
7. Each of the Funds has or may have available, from time to time, a cash balance that, for various reasons, is not invested in securities (the “Cash”). Currently, Cash is deposited in bank savings accounts bearing interest at a nominal rate until such time as the portfolio manager of a Fund decides to invest the Cash in securities.

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8. The Existing Funds, other than the E&P Manulife Balanced Asset Allocation Portfolio and the E&P Manulife Maximum Growth Asset Allocation Portfolio have not made any investment in units of the Money Fund.
9. Pending investment in securities, EPL believes that investing the Cash in units of the Money Fund would generate for a Fund a higher rate of return than would be generated through bank deposits.
10. Units of the Money Fund will be purchased by a Fund at the net asset value of the Money Fund on the day the units are purchased.
11. The investment by each Fund in the Money Fund is and will be compatible with the fundamental investment objectives of each Fund, and such investments will only be up to the limits prescribed by Part 2 of NI 81-102. EPL will monitor the investments by the Funds in the Money Fund to ensure that the concentration restrictions prescribed by Part 2 of NI 81-102 are not contravened.
12. The arrangements between or in respect of a Fund and the Money Fund will be such as to avoid any duplication of management fees. No sales charges will be payable by a Fund in relation to its purchase of units of the Money Fund. No redemption fees or other charges will be charged by the Money Fund in respect of the redemption by a Fund of units of the Money Fund.
13. No fees or charges of any sort will be payable by the Funds or the Money Fund, by their respective managers or principal distributors, or by any affiliate or associate of any of the foregoing entities, to anyone in respect of a Fund's purchase, holding or redemption of units of the Money Fund.
14. The investments by the Funds in the Money Fund will represent the business judgement of "responsible persons" (as such term is defined in the Legislation) uninfluenced by considerations other than the best interests of the Funds.
15. In the absence of this Decision, each Fund is prohibited from knowingly making or holding an investment in units of the Money Fund.
16. In the absence of this Decision, EPL is required to file a report on every purchase or sale of units of the Money Fund.

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

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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 under the Legislation is that the Applicable Requirements shall not apply so as to prevent a Fund from making or holding an investment in units of the Money Fund or require EPL to file a report relating to the purchase or sale of such units;

PROVIDED that the 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 the Decision Maker with the matters in section 2.5 of NI 81-102.

DATED February 4th, 2003

Paul M. Moore

Kerry D. Adams