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May 3, 2005

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Securities Act s. 123 - Relief from self dealing restrictions in ss. 121 and 122 of the Act - a mutual fund wants relief from s. 121(2)(a) of the Act so that it can make or hold an investment in a person or company which is a substantial security holder of the mutual fund - Securities Act s. 130 - Relief from certain self-dealing restrictions in Part 15 of the Act - A portfolio manager, mutual fund or “responsible person” wants relief from s. 127(1)(a) of the Act so that it can invest in an issuer which has a “responsible person” as an officer or director of the issuer - An independent review committee will review the mutual fund’s purchases, sales, and continued holdings of securities of the issuers, and will determine whether the investments are in the best interests of the investors of the mutual funds

Applicable British Columbia Provisions

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

In the Matter of
the Securities Legislation
of Ontario, British Columbia, Alberta, Saskatchewan, Québec, New Brunswick,
Nova Scotia, and Newfoundland and Labrador (the Jurisdictions)

and

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

and

In the Matter of
CI Mutual Funds Inc. and Assante Asset Management Ltd. (the Managers)

and

BPI American Equity Fund
BPI Global Equity Fund
BPI International Equity Fund
CI American Small Companies Fund
CI American Value Fund
CI Asian Dynasty Fund
CI Canadian Investment Fund

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CI Canadian Small Cap Fund
CI Emerging Markets Fund
CI European Fund
CI Explorer Fund
CI Global Fund
CI Global Small Companies Fund
CI Global Value Fund
CI International Fund
CI International Value Fund
CI Pacific Fund
Harbour Fund
Signature Canadian Resource Fund
Signature Select Canadian Fund
Synergy American Fund
Synergy Extreme Canadian Equity Fund
Synergy Extreme Global Equity Fund
CI Canadian Asset Allocation Fund
CI International Balanced Fund
Harbour Growth & Income Fund
Signature Canadian Balanced Fund
Signature Canadian Income Fund
Signature Income & Growth Fund
Synergy Tactical Asset Allocation Fund
CI Canadian Bond Fund
CI Short-Term Bond Fund
CI Long-Term Bond Fund
CI Global Bond Fund
Signature Corporate Bond Fund
Signature Dividend Fund
Signature High Income Fund
BPI American Equity Sector Fund
BPI Global Equity Sector Fund
BPI International Equity Sector Fund
CI American Managers™ Sector Fund
CI American Small Companies Sector Fund
CI American Value Sector Fund
CI Canadian Investment Sector Fund
CI Emerging Markets Sector Fund
CI European Sector Fund
CI Explorer Sector Fund
CI Global Sector Fund
CI Global Biotechnology Sector Fund
CI Global Consumer Products Sector Fund

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CI Global Energy Sector Fund
CI Global Financial Services Sector Fund
CI Global Health Sciences Sector Fund
CI Global Managers® Sector Fund
CI Global Small Companies Sector Fund
CI Global Science & Technology Sector Fund
CI Global Value Sector Fund
CI International Sector Fund
CI International Value Sector Fund
CI Japanese Sector Fund
CI Pacific Sector Fund
CI Value Trust Sector Fund
Harbour Sector Fund
Harbour Foreign Equity Sector Fund
Signature Canadian Resource Sector Fund
Signature Select Canadian Sector Fund
Synergy American Sector Fund
Synergy Canadian Sector Fund
Synergy Global Sector Fund
Synergy Global Style Management Sector Fund
CI Global Boomernomics® Sector Fund
CI International Balanced Sector Fund
Harbour Foreign Growth & Income Sector Fund
CI Canadian Bond Sector Fund
CI Short-Term Sector Fund
CI Short-Term US\$ Sector Fund
CI Global Bond Sector Fund
Signature Corporate Bond Sector Fund
Signature Dividend Sector Fund
Signature High Income Sector Fund
Signature Income & Growth Sector Fund
Signature Canadian Small Cap Class
Synergy Canadian Class
Synergy Canadian Short-Term Income Class
Synergy Canadian Style Management Class
Synergy Canadian Value Class
Clarica Premier Mortgage Fund
Clarica Premier Bond Fund
Clarica Summit Growth and Income Fund
Clarica Canadian Equity Fund
Clarica Canadian Blue Chip Fund
Clarica Canadian Diversified Fund
Clarica Summit Canadian Equity Fund

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Clarica Summit Dividend Growth Fund
Clarica Summit Foreign Equity Fund
Clarica Premier International Fund
Clarica Alpine Growth Equity Fund
Clarica Canadian Small/Mid Cap Fund
Clarica US Small Cap Fund
(the “Current CI Funds”)

Assante Canadian Fixed Income Pool
Assante Global Fixed Income Pool
Assante RSP Global Fixed Income Pool
Assante Canadian Equity Value Pool
Assante Canadian Equity Diversified Pool
Assante Canadian Equity Growth Pool
Assante Canadian Equity Small Cap Pool
Assante US Equity Value Pool
Assante US Equity Diversified Pool
Assante RSP US Equity Diversified Pool
Assante US Equity Growth Pool
Assante International Equity Value Pool
Assante International Equity Diversified Pool
Assante RSP International Equity Diversified Pool
Assante International Equity Growth Pool
Assante Real Estate Investment Pool
(the “Current Assante Funds” and, together with the Current CI Funds, the
“Current Funds”)

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 Managers in respect of the Current Funds together with such other mutual funds of which the Managers hereafter become manager (individually a “Fund” and collectively the “Funds”), for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that:

- (a) 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; and

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- (b) the provision prohibiting the portfolio manager from causing any investment portfolio managed by it to invest in any issuer in which a “responsible person” is an officer or director;

shall not apply to investments made by the Funds in securities (the “CIX Securities”) of CI Fund Management Inc. (“CIX”) (the “Requested Relief”).

Under the Mutual Reliance Review System for Exemptive Relief Applications

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) 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 Managers:

1. CI Mutual Funds Inc. is a corporation subsisting under the laws of Ontario and is the manager of each Current CI Fund. The registered office of CI Mutual Funds Inc. is located in Toronto, Ontario.
2. Assante Asset Management Ltd. is a corporation subsisting under the laws of Manitoba and is the manager of each Current Assante Fund. The registered office of Assante Asset Management Ltd. is located in Winnipeg, Manitoba.
3. Each Fund is or will be a mutual fund subject to the requirements of National Instrument 81-102 and is or will be a reporting issuer under the Legislation. None of the Current Funds are in default under the Legislation.
4. Each Manager is a wholly-owned subsidiary of CIX. CIX is a corporation incorporated under the laws of Ontario. CIX is a reporting issuer under the securities legislation in all the provinces of Canada and the CIX Securities are listed and posted for trading on the Toronto Stock Exchange.
5. CIX is a “substantial security holder” of each Manager because it owns, directly or indirectly, all of the outstanding shares of each Manager. The Legislation prohibits a mutual fund from knowingly making an investment in a company which is a substantial security holder of the mutual fund, its management company or distribution company (a “Related Company”).

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6. The definition of “responsible person” in the Legislation includes every partner, director or officer of each Manager who participates in the formulation of, or has access prior to the implementation of, investment decisions made on behalf of a client. The Legislation prohibits a portfolio manager from causing any investment portfolio managed by it to invest in any issuer in which a responsible person is an officer or director. Certain directors and/or senior officers of the Managers also are directors and/or senior officers of CIX. While these individuals do not assist in formulating, nor have any influence over, investment decisions made for the Funds, these individuals may be considered to have access to investment decisions prior to their implementation.
7. Each Manager believes that it would be in the best interests of investors of the Funds to be permitted to invest in CIX Securities, in keeping with the investment objectives of the Funds, up to the limit allowed by applicable Legislation.
8. Each Manager has established an independent review committee (the “IRC”), comprised entirely of individuals who are wholly independent of the Manager and CIX, to oversee the holdings, purchases or sales of CIX Securities for the Funds.
9. The IRC shall review the holdings, purchases or sales of CIX Securities to ensure that they have been made free from any influence by CIX and without taking into account any consideration relevant to CIX.
10. The IRC will take into consideration the best interests of securityholders of the Funds and no other factors.
11. For greater certainty, a member of the IRC will be considered to have met his or her responsibility to act in the best interests of a Fund if the member makes his or her recommendations with a view to what is fair and reasonable for the Fund’s unitholders without regard to the interests of the Manager of the Fund or any entity related to the Manager.
12. Compensation to be paid to members of the IRC will be paid by the Funds. Members of the IRC currently are paid a fixed amount per annum in consideration for the services they provide as members of the IRC and as members of the board of governors or as independent directors of the Funds and other mutual funds managed by the Managers or their affiliates. Such compensation generally is allocated to such mutual funds *pro rata* based upon the relative net asset values of all such mutual funds.

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Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make this decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that:

1. Each Manager has appointed an IRC to review the Funds' purchases, sales and continued holdings of CIX Securities.
2. The IRC has at least three members, each of whom is independent. A member of the IRC is not independent if the member has a direct or indirect material relationship with the Managers, the Funds, or an entity related to the Managers. A material relationship is any relationship that a reasonable person would consider might interfere with the exercise of the member's independent judgement regarding conflicts of interest facing the Managers.
3. The IRC has a written mandate describing its duties and standard of care which, as a minimum, sets out the conditions of this Decision.
4. The members of the IRC exercise their powers and discharge their duties honestly, in good faith and in the best interests of the Funds and, in doing so, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.
5. None of the Funds relieves the members of the IRC from liability for loss that arises out of a failure to satisfy the standard of care set out in paragraph 4 above.
6. None of the Funds indemnifies the members of the IRC against legal fees, judgments and amounts paid in settlement as a result of a breach of the standard of care set out in paragraph 4 above.
7. None of the Funds incurs the cost of any portion of liability insurance that insures a member of the IRC for a liability for loss that arises out of a failure to satisfy the standard of care set out in paragraph 4 above.
8. The cost of any indemnification or insurance coverage paid for by the Managers, any portfolio advisor of the Funds, or any associate or affiliate of the Managers or the portfolio advisors of the Funds to indemnify or insure the members of the IRC in respect of a loss that arises out of a failure to satisfy

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the standard of care set out in paragraph 4 above is not paid either directly or indirectly by the Funds.

9. Prior to effecting a purchase under this Decision, the Managers have in place written policies and procedures to ensure that there is compliance with the conditions of this Decision.
10. The IRC reviews the Funds' purchases, sales and continued holdings of CIX Securities on a regular basis, but not less frequently than once every calendar quarter.
11. The IRC forms the opinion, after reasonable inquiry, that the decisions made on behalf of each Fund by a Manager or the Fund's portfolio advisor to purchase, sell or continue to hold CIX Securities were and continue to be in the best interests of the Fund without regard to the interests of the Managers or any entity related to the Managers, and:
 - (i) represent the business judgment of the Managers or the Fund's portfolio advisor, uninfluenced by considerations other than the best interests of the Fund;
 - (ii) have been made free from any influence by CIX and without taking into account any consideration relevant to CIX; and
 - (iii) do not exceed the limitations of the applicable legislation.
12. The determination made by the IRC under paragraph 11 above is included in detailed written minutes provided to the Managers not less frequently than every calendar quarter.
13. In respect of the relevant Fund, within 30 days after the end of each month in which the Managers or the portfolio adviser to the Funds purchases or sells CIX Securities on behalf of one or more Funds, the Managers will file on SEDAR
 - (a) reports disclosing:
 - (i) the name of each Fund that purchased or sold CIX Securities during the month;
 - (ii) the date of each purchase;
 - (iii) the volume weighted average price paid or received for the CIX Securities by each Fund; and
 - (iv) whether a purchase, sale or equity position was determined by the IRC to not comply with paragraph 11 above and, if so, why the purchase, sale or equity position was completed, continued or not

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liquidated notwithstanding the IRC's determination. Such report will be filed for each Fund and the report will show the trades of all Funds;

- (b) a certificate of the Managers or the Funds' portfolio advisers certifying that:
 - (i) the trades represented the business judgment of the Managers or the portfolio advisor of the Fund uninfluenced by considerations other than the best interests of the Fund and were, in fact, in the best interests of the Fund;
 - (ii) the trades were made free from any influence by CIX or any affiliate or associate thereof, other than the Managers, and without taking any consideration relevant to CIX or any associate or affiliate thereof; and
 - (iii) the trades were not part of a series of transactions aiming to support or otherwise influence the price of the CIX Securities or related to another form of misconduct; and

- (c) a certificate by each IRC member certifying that after reasonable inquiry the member formed the opinion that the policies and procedures referred to in paragraph 9 above are adequate and effective to ensure compliance with this Decision and that the decision made on behalf of each Fund by the Managers or its portfolio adviser to purchase CIX Securities and the purchase by the Fund:
 - (i) was made in compliance with the conditions of this Decision;
 - (ii) represented the business judgment of the Managers or the Fund's portfolio advisers uninfluenced by considerations other than the best interests of the Fund; and
 - (iii) was, in fact, in the best interests of the Fund.

14. The IRC advises the Decision Makers in writing of:

- (i) any determination by it at any time that the condition set out in paragraph 11 has not been satisfied with respect to any purchase, sale or holding of CIX Securities;
- (ii) any determination by it at any time 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

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- (iv) any action taken, or proposed to be taken, by the Managers or a portfolio advisor of the Funds in response to the determinations referred to above.
15. The existence, purpose, duties and obligations of the IRC, the names of its members, whether and how they are compensated by the Funds, and the fact that they meet the requirements of the condition set out in paragraph 2 are disclosed:
- (i) in a press release issued, and a material change report filed, prior to reliance on this decision;
 - (ii) in item 12 of Part A of the simplified prospectus of the Funds; and
 - (iii) on the Manager's internet website.
16. 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.

Robert L. Shirriff

Susan Wolburgh Jenah