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Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted to mutual funds from the requirement to deliver annual financial statements to direct security holders who indicate they do not want to receive copies, subject to certain conditions

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 91

Securities Rules, B.C. Reg. 194/97, s. 149

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

AND

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

AND

IN THE MATTER OF CI MUTUAL FUNDS INC.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, and Newfoundland and Labrador (the “Jurisdictions”) has received an application (the “Application”) from CI Mutual Funds Inc. (the “Manager”) for a decision (the “Decision”) pursuant to the securities legislation of the Jurisdictions (the “Legislation”) for relief from the requirement to send comparative annual financial statements to the securityholders of the mutual funds listed in Schedule “A” and the mutual funds hereinafter established and/or managed by the Manager (the “Funds”) unless the securityholders have requested to receive them;

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 Québec Commission Notice 14-101;

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AND WHEREAS it has been represented by the Manager to the Decision Makers that:

- (a) The Manager is a corporation subsisting under the laws of the Province of Ontario and is registered under the Legislation as an adviser in the categories of investment counsel and portfolio manager. The Manager is the manager of the Funds.
- (b) Each Fund is a reporting issuer or the equivalent thereof in each Jurisdiction and is not in default of any requirements of Legislation. Securities of the existing Funds are offered for sale pursuant to a simplified prospectus on a continuous basis in each Jurisdiction.
- (c) Each of the Funds is required to deliver annually, within 140 days of its financial year-end, to each holder of its securities ("Securityholders"), comparative financial statements in the prescribed form pursuant to the Legislation.
- (d) The Manager proposes to send to Securityholders who hold securities of the Funds in client name (the "Direct Securityholders"), together with their year end account statement, a notice advising them that they will not receive the annual financial statements of the Funds for the year then ended unless they request same, and providing them with a request form to send back, by fax or prepaid mail, if they wish to receive the annual financial statements. The notice will advise the Direct Securityholders that the annual financial statements of the Funds may be found on the websites referred to in clause (f) and downloaded. The Manager would send such financial statements to any Direct Securityholder who requests them in response to such notice or who subsequently requests them by request on a toll-free number or email.
- (e) Securityholders who hold their securities in the Funds through a nominee will be dealt with pursuant to National Instrument 54-101.
- (f) Securityholders will be able to access annual financial statements of the Funds either on the SEDAR website or on the Manager's website: www.cifunds.com As disclosed in the simplified prospectuses of the funds, the top ten holdings will also be accessible via a toll-free phone line and the Manager's website, which are updated monthly.

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- (g) There would be substantial cost savings if the Funds are not required to print and mail annual financial statements to those Direct Securityholders who do not want them.
- (h) The Canadian Securities Administrators have published for comment proposed National Instrument 81-106 which, among other things, would permit mutual funds not to deliver annual financial statements to those of its securityholders who do not request them, if the Funds provide each securityholder with a request form under which the securityholder may request, at no cost to the securityholder, to receive the mutual fund's annual financial statements for that financial year.
- (i) Proposed National Instrument 81-106 would also require a mutual fund to have a toll-free telephone number for, or accept collect calls from, persons or companies that want to receive a copy of, among other things, the annual financial statements of the mutual fund.

AND WHEREAS under the System, this MRRS Decision Document evidences the Decision of each Decision Maker;

AND WHEREAS each Decision Maker is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

AND WHEREAS the Decision Makers are satisfied that making the Decision will not adversely affect the rule-making process with respect to proposed National Instrument 81-106 and is consistent with National Instrument 54-101:

THE DECISION of the Decision Makers pursuant to the Legislation is that the Funds shall not be required to deliver their comparative annual financial statements for the year ending December 31, 2002 to their Direct Securityholders other than those Direct Securityholders who have requested to receive them provided that:

- (a) the Manager shall file on Sedar, under the annual financial statements category, confirmation of mailing of the request forms that have been sent to the Direct Securityholders as described in clause (d) of the representations within 90 days of mailing the request forms;
- (b) the Manager shall file on Sedar, under the annual financial statements category, information regarding the number and percentage of requests for annual financial statements made by the return of the request forms, on a province-by-province basis within 30 days after the end of each

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quarterly period beginning from the time of mailing the request forms and ending 12 months from the time of mailing;

- (c) the Manager shall record the number and a summary of complaints received from Direct Securityholders about not receiving the annual financial statements and shall file on Sedar, under the annual financial statements category, this information within 30 days after the end of each quarterly period beginning from the time of mailing the request forms and ending 12 months from the time of mailing;
- (d) the Manager shall, if possible, measure the number of “hits” on the annual financial statements of the Funds on the www.cifunds.com website and shall file on Sedar, under the annual financial statements category, this information within 30 days after the end of each quarterly period beginning from the time of mailing the request forms and ending 12 months from the time of mailing; and
- (e) the Manager shall file on Sedar, under the annual financial statements category, estimates of the cost savings resulting from the granting of this Decision within 90 days of mailing the request forms.

DATED December 23, 2002.

Mary Theresa McLeod

Harold P. Hands

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Schedule "A"

BPI American Equity Fund
BPI American Equity RSP Fund
BPI American Equity Sector Fund
BPI Global Equity Fund
BPI Global Equity RSP Fund
BPI Global Equity Sector Fund
BPI International Equity Fund
BPI International Equity RSP Fund
BPI International Equity Sector Fund
CI American Growth Fund
CI American Growth RSP Fund
CI American Managers™ Sector Fund
CI American Managers™ RSP Fund
CI American Small Companies Fund
CI American Small Companies RSP Fund
CI American Small Companies Sector Fund
CI American Value Fund
CI American Value Sector Fund
CI American Value RSP Fund
CI Asian Dynasty Fund
CI Canadian Equity Fund
CI Canadian Investment Fund
CI Canadian Small Cap Fund
CI Canadian Stock Fund
CI Emerging Markets Fund
CI Emerging Markets RSP Fund
CI Emerging Markets Sector Fund
CI European Fund
CI European RSP Fund
CI European Sector Fund
CI European Growth Fund
CI European Growth RSP Fund
CI Explorer Fund
CI Explorer Sector Fund
CI Global Biotechnology Sector Fund
CI Global Consumer Products Sector Fund
CI Global Consumer Products RSP Fund
CI Global Energy Sector Fund
CI Global Energy RSP Fund
CI Global Financial Services Sector Fund
CI Global Financial Services RSP Fund
CI Global Fund

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CI Global RSP Fund
CI Global Sector Fund
CI Global Health Sciences Sector Fund
CI Global Health Sciences RSP Fund
CI Global Managers™ Sector Fund
CI Global Managers™ RSP Fund
CI Global Small Companies Fund
CI Global Small Companies RSP Fund
CI Global Small Companies Sector Fund
CI Global Technology Sector Fund
CI Global Technology RSP Fund
CI Global Telecommunications Sector Fund
CI Global Telecommunications RSP Fund
CI Global Value Fund
CI Global Value RSP Fund
CI Global Value Sector Fund
CI International Fund
CI International RSP Fund
CI International Sector Fund
CI International Value Fund
CI International Value RSP Fund
CI International Value Sector Fund
CI Japanese Sector Fund
CI Japanese RSP Fund
CI Pacific Fund
CI Pacific RSP Fund
CI Pacific Sector Fund
CI TACTONICS Fund
CI TACTONICS RSP Fund
CI World Equity Fund
CI Value Trust Sector Fund
CI Value Trust RSP Fund
CI Canadian Asset Allocation Fund
CI Diversified Fund
CI Global Boomernomics Sector Fund
CI Global Boomernomics RSP Fund
CI International Balanced Fund
CI International Balanced RSP Fund
CI International Balanced Sector Fund
CI Canadian Bond Fund
CI Canadian Bond Sector Fund
CI Dividend Fund
CI Global Bond Fund

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CI Global Bond RSP Fund
CI Global Bond Sector Fund
CI International Bond RSP Fund
CI Short-Term Bond Fund
CI Mid-Term Bond Fund
CI Long-Term Bond Fund
CI Money Market Fund
CI US Money Market Fund
CI Short-Term Sector Fund
CI Short-Term US\$ Sector Fund

Harbour Fund
Harbour Sector Fund
Harbour Foreign Equity Sector Fund
Harbour Foreign Equity RSP Fund
Harbour Growth & Income Fund

Landmark American Fund
Landmark American RSP Fund
Landmark American Sector Fund
Landmark Canadian Fund
Landmark Canadian Sector Fund
Landmark Global Sector Fund
Landmark Global RSP Fund

Signature Canadian Resource Fund
Signature Canadian Resource Sector Fund
Signature Select Canadian Fund
Signature Select Canadian Sector Fund
Signature Canadian Balanced Fund
Signature Canadian Income Fund
Signature Dividend Fund
Signature Dividend Sector Fund
Signature Dividend Income Fund
Signature High Income Fund
Signature High Income Sector Fund

CI Canadian Income Portfolio
CI Canadian Conservative Portfolio
CI Canadian Balanced Portfolio
CI Canadian Growth Portfolio
CI Canadian Maximum Growth Portfolio
CI Global Conservative Portfolio

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CI Global Conservative RSP Portfolio
CI Global Balanced Portfolio
CI Global Balanced RSP Portfolio
CI Global Growth Portfolio
CI Global Growth RSP Portfolio
CI Global Maximum Growth Portfolio
CI Global Maximum Growth RSP Portfolio

Insight Canadian Value Pool
Insight Canadian Growth Pool
Insight Canadian Dividend Growth Pool
Insight Canadian Small Cap Pool
Insight U.S. Value Pool
Insight U.S. Growth Pool
Insight International Value Pool
Insight International Growth Pool
Insight Global Equity Pool
Insight Global Equity RSP Pool
Insight Global Small Cap Pool
Insight Canadian High Yield Income Pool
Insight Canadian Fixed Income Pool
Insight Global Fixed Income Pool
Insight Money Market Pool

Clarica Money Market Fund
Clarica Bond Index Fund
Clarica Conservative Balanced Fund
Clarica High Yield Bond Fund
Clarica Balanced Fund
Clarica Canadian Equity Index Fund
Clarica Canadian Large Cap Value Fund
Clarica RSP U.S. Equity Index Fund
Clarica Global Large Cap Value Fund
Clarica RSP International Index Fund
Clarica RSP European Index Fund
Clarica RSP Japanese Index Fund
Clarica Global Science & Technology Fund
Clarica RSP U.S. Technology Index Fund
Clarica Short Term Bond Fund
Clarica Premier Mortgage Fund
Clarica Income Fund
Clarica Premier Bond Fund
Clarica Summit Growth and Income Fund

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Clarica Global Bond Fund
Clarica Canadian Growth Equity Fund
Clarica Growth Fund
Clarica Canadian Blue Chip Fund
Clarica Canadian Diversified Fund
Clarica Summit Canadian Equity Fund
Clarica Summit Dividend Growth Fund
Clarica Premier American Fund
Clarica Summit Foreign Equity Fund
Clarica US Growth Equity Fund
Clarica Premier International Fund
Clarica Alpine Growth Equity Fund
Clarica Canadian Small/Mid Cap Fund
Clarica US Small Cap Fund
Clarica European Equity Fund
Clarica Alpine Asian Fund
Clarica Asia and Pacific Rim Equity Fund
Clarica Premier Emerging Markets Fund
Clarica Alpine Canadian Resources Fund
Clarica Bond Fund
Clarica Diversifund 40
Clarica Equifund
Clarica Amerifund