

2005 BCSECCOM 41

December 23, 2004

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Securities Act, s. 48, 76 Corp Acquisitions & Reorgs - Exemption from registration and prospectus requirements for a distribution in connection with a corporate acquisition or reorganization - Trades in connection with a reorganization that is not a statutory procedure or is not accompanied by an information circular and is not approved by the shareholders - The issuer will convert the securities held by certain securityholders to a new class of securities; the rights under the new securities are at least equal to the previous securities; information about the reorganization will be provided to securityholders before it takes place; the changes will have no adverse tax consequences for investors

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 34(1)(a), 48, 61 and 76

In the Matter of
the Securities Legislation
of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick,
Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest
Territories, Yukon and Nunavut

and

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

and

In the Matter of Fidelity Investments Canada Limited (“Fidelity”)

MRRS Decision Document

WHEREAS the securities regulatory authority (the “Decision Maker”) in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon Territory and Nunavut Territory (the “Jurisdictions”) has received an application from Fidelity as manager of the mutual funds listed in Schedule “A” hereto (the “Funds”) for a decision by each Decision Maker (collectively, the “Decision”) under the securities legislation of the Jurisdictions (the “Legislation”) that the following provisions of the Legislation (the “Applicable Legislation”) shall not apply to the Funds or Fidelity in respect of the automatic conversion of securities of the Funds sold prior to January 10, 2005 on

2005 BCSECCOM 41

a deferred sales charge (“DSC”) basis to securities sold on an initial sales charge (“ISC”) basis:

1. the restrictions contained in the Legislation that prohibit a company from trading in a security unless it is registered as a dealer; and
2. the restrictions contained in the Legislation that prohibit a trade in a security unless a preliminary prospectus and a prospectus have been filed and a receipt therefore obtained.

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 Fidelity has represented to the Decision Makers that:

- 1) Fidelity is a corporation amalgamated under the laws of the Province of Ontario and having its head office in Toronto, Ontario.
- 2) Fidelity is the trustee, manager and principal distributor of those Funds which were established as mutual fund trusts (the “Trust Funds”) and the manager and principal distributor of those Funds that are classes of shares of Fidelity Capital Structure Corp. (the “Corporate Funds”).
- 3) Fidelity is registered as a mutual funds dealer (or the equivalent) and as an advisor in the categories of investment counsel and portfolio manager (or the equivalent) in each of the Jurisdictions. Fidelity is also registered as a commodity trading manager under the Commodity Futures Act (*Ontario*).
- 4) The Funds are qualified for distribution in all of the Provinces and Territories of Canada pursuant to simplified prospectuses and annual information forms dated May 28, 2004 and October 18, 2004 as amended and restated on December 3, 2004.
- 5) The Funds are reporting issuers in each of the Provinces and Territories of Canada where such status exists and are not in default of any requirements of the securities act or regulations in each of the Provinces and Territories of Canada.
- 6) The Trust Funds offer Series A, F and O securities and, in respect of some of the Trust Funds, also Series T securities. The Corporate Funds only offer Series A and Series F securities.

2005 BCSECCOM 41

- 7) The Series A and Series T securities of the Funds are offered on a DSC and ISC basis. Under the ISC purchase option investors pay a commission to their dealer at the time they purchase securities, while under the DSC purchase option no commission is paid by the investor at the time of purchase, but investors are required to pay a redemption fee if they redeem their securities within 6 years from the date of purchase.
- 8) Commencing January 10, 2005 (the "Implementation Date"), Fidelity is making changes ("Changes") to the Funds. The Changes include:
 - (a) a reduction in the management fees and operating expenses charged on securities sold on an ISC basis (which will be lower than those charged on securities sold on a DSC basis), and
 - (b) the redesignation of DSC securities to ISC securities after investors have held them for a period of 7 years so that investors in the DSC securities will also receive the benefit of the lower fees and expenses of the ISC securities.
- 9) For purposes of implementing the Changes, effective from the Implementation Date:
 - (a) new Series B and Series S securities will be available for purchase and will be sold only on an ISC basis;
 - (b) existing Series A and Series T securities, sold on an ISC basis, will be redesignated as Series B and Series S securities, respectively;
 - (c) Series A and Series T securities will only be available for purchase on a DSC basis, other than for Series A securities issued to members of employer specified group savings plans; and
 - (d) the attributes of the Series A and Series T securities purchased prior to the Implementation Date will be changed by making them automatically convertible to Series B and Series S securities, respectively, of the same Funds once investors have held their investments for a period of 7 years. These conversions are referred to as "Automatic Conversions".
- 10) Notice of the Changes were contained in a Press Release and Material Change Report issued and filed by Fidelity on November 24, 2004 and details will be included with the December 31, 2004 Fidelity client account statements. Fidelity is consulting with dealers about the Changes in

2005 BCSECCOM 41

anticipation of the Implementation Date and they will be in a position to advise investors of the Changes. The Changes are also reflected in the amended and restated simplified prospectuses and annual information forms of the Funds dated December 3, 2004.

- 11) There will be no increase in charges to investors who continue to hold Series A and Series T securities that were purchased on a DSC basis as a result of the Changes.
- 12) Implementation of the Changes will have no adverse tax consequences on investors.
- 13) In the absence of this Decision, the Automatic Conversions are not capable of being implemented without compliance with the Applicable Legislation.

AND WHEREAS pursuant to the system this MRRS decision document evidences the Decision of each Decision Maker;

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

AND WHEREAS the Decision Makers are of the opinion that it would not be prejudicial to the public interest to make the Decision;

THE DECISION of the Decision Makers pursuant to the Legislation is that the Funds and Fidelity are exempt from the registration and prospectus requirements set out in the Applicable Legislation in connection with the Automatic Conversions.

Paul Moore
Vice Chair

David Knight
Commissioner

ONTARIO SECURITIES COMMISSION

2005 BCSECCOM 41

Schedule A

FIDELITY FUNDS

Trust Funds:

Fidelity Canadian Disciplined Equity[®] Fund
Fidelity Canadian Growth Company Fund
Fidelity Canadian Large Cap Fund
Fidelity Canadian Opportunities Fund
Fidelity True North[®] Fund
Fidelity American Disciplined Equity[®] Fund
Fidelity RSP American Disciplined Equity[®] Fund
Fidelity American Opportunities Fund
Fidelity RSP American Opportunities Fund
Fidelity American Value Fund
Fidelity Growth America Fund
Fidelity RSP Growth America Fund
Fidelity Small Cap America Fund
Fidelity RSP Small Cap America Fund
Fidelity Emerging Markets Fund
Fidelity Europe Fund
Fidelity RSP Europe Fund
Fidelity Far East Fund
Fidelity RSP Far East Fund
Fidelity Global Disciplined Equity[®] Fund
Fidelity RSP Global Disciplined Equity[®] Fund
Fidelity Global Opportunities Fund
Fidelity RSP Global Opportunities Fund
Fidelity International Portfolio Fund
Fidelity RSP International Portfolio Fund
Fidelity Japan Fund
Fidelity RSP Japan Fund
Fidelity Latin America Fund
Fidelity NorthStar[®] Fund
Fidelity RSP NorthStar[®] Fund
Fidelity Overseas Fund
Fidelity RSP Overseas Fund
Fidelity Focus Consumer Industries Fund
Fidelity Focus Financial Services Fund
Fidelity RSP Focus Financial Services Fund
Fidelity Focus Health Care Fund

2005 BCSECCOM 41

Fidelity RSP Focus Health Care Fund
Fidelity Focus Natural Resources Fund
Fidelity Focus Technology Fund
Fidelity RSP Focus Technology Fund
Fidelity Focus Telecommunications Fund
Fidelity RSP Focus Telecommunications Fund
Fidelity Canadian Asset Allocation Fund
Fidelity Canadian Balanced Fund
Fidelity Diversified Income & Growth Fund
Fidelity Global Asset Allocation Fund
Fidelity RSP Global Asset Allocation Fund
Fidelity Canadian Bond Fund
Fidelity Canadian Short Term Bond Fund
Fidelity Canadian Money Market Fund
Fidelity American High Yield Fund
Fidelity U.S. Money Market Fund

Corporate Funds:

Fidelity Canadian Disciplined Equity® Class
Fidelity Canadian Growth Company Class
Fidelity Canadian Opportunities Class
Fidelity True North® Class
Fidelity American Disciplined Equity® Class
Fidelity American Opportunities Class
Fidelity Growth America Class
Fidelity Small Cap America Class
Fidelity Europe Class
Fidelity Far East Class
Fidelity Global Disciplined Equity® Class
Fidelity International Portfolio Class
Fidelity Japan Class
Fidelity NorthStar® Class
Fidelity Focus Consumer Industries Class
Fidelity Focus Financial Services Class
Fidelity Focus Health Care Class
Fidelity Focus Natural Resources Class
Fidelity Focus Technology Class
Fidelity Focus Telecommunications Class
Fidelity Canadian Balanced Class
Fidelity Canadian Short Term Income Class