

2003 BCSECCOM 385

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Variation of a prior order to permit investments by additional “top” funds in securities of additional “underlying” funds and to allow for future-oriented relief

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 171

**IN THE MATTER OF THE CANADIAN 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 SEI INVESTMENTS CANADA COMPANY

AND

**CORE BALANCED FUND
BALANCED GROWTH FUND
BALANCED INCOME FUND
BALANCED GROWTH PLUS FUND
DIVERSIFIED EQUITY FUND
GLOBAL EQUITY FUND
CONSERVATIVE INCOME FUND
DIVERSIFIED INCOME FUND
INCOME GROWTH FUND
CONSERVATIVE BALANCED FUND**

DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the “Decision Maker”) in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland and Labrador (the “Jurisdictions”) has received an application (the “Application”) from SEI Investments Canada Company (“SEI”), in its own capacity and on behalf of Core Balanced Fund, Balanced Growth Fund, Balanced Income Fund, Balanced Growth Plus Fund, Diversified Equity Fund and Global Equity Fund (the

2003 BCSECCOM 385

“Original Top Funds”) for a decision (the “Decision”) pursuant to the securities legislation of the Jurisdictions (the “Legislation”) to vary the MRRS Decision Document dated May 16, 2001 styled “In the matter of SEI Investments Canada Company and Core Balanced Fund, Balanced Growth Fund, Balanced Income Fund, Balanced Growth Plus Fund, Diversified Equity Fund, Global Equity Fund” (the “Original Decision Document”) to:

- (i) amend the definition of “Top Fund” and “Top Funds” in the Original Decision Document by adding Conservative Income Fund, Diversified Income Fund, Income Growth Fund, Conservative Balanced Fund (the “New Top Funds”) and other mutual funds managed by SEI after the date hereof that have as their investment objective the investment in another mutual fund or mutual funds managed by SEI; and
- (ii) amend the definition of “Underlying Fund” and “Underlying Funds” in the Original Decision Document by adding Enhanced Global Bond Fund, Money Market Fund, Real Return Bond Fund, Long Duration Bond Fund (the “Additional Underlying Funds”) and other mutual funds established by SEI.

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”), the Ontario Securities Commission is the principal regulator for the Application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 – *Definitions*;

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

1. SEI is a corporation incorporated under and governed by the laws of Nova Scotia and is the manager of each of the Top Funds and Underlying Funds named in the Original Decision Document. Since the date of the Original Decision Document, SEI has established the New Top Funds.
2. The New Top Funds are newly created mutual funds and are to be distributed on a continuous basis in each of the Jurisdictions commencing on the date of a final decision document for their combined simplified prospectus and annual information forms.
3. SEI is also the manager of the Additional Underlying Funds which it wishes to be available for investment by the Original Top Funds and the New Top Funds.

2003 BCSECCOM 385

4. With respect to the Additional Underlying Funds:
 - (a) Enhanced Global Bond Fund and Money Market Fund are currently distributed on a continuous basis in the Jurisdictions pursuant to a combined simplified prospectus and annual information form dated May 17, 2002; and
 - (b) Real Return Bond Fund and Long Duration Bond Fund have been offered for sale on a private placement basis but are to be distributed on a continuous basis in the Jurisdictions commencing on the date of a final decision document for their combined simplified prospectus and annual information form (a decision document dated April 17, 2003 has been issued for their combined preliminary simplified prospectus and annual information form (SEDAR project #529425)).
5. Each of the New Top Funds and the Additional Underlying Funds is an unincorporated open-end mutual fund trust created under the laws of the Province of Ontario by a trust agreement. Each of the New Top Funds and the Additional Underlying Funds is or, at the date of commencement of distribution, will be a reporting issuer under the securities legislation in each of the Jurisdictions and is not, or will not be, on the list of defaulting reporting issuers maintained under such securities legislation.
6. From time to time SEI may establish additional mutual funds which have investment objectives similar to the Original Top Funds and the New Top Funds or which have investment objectives that make them an appropriate investment as the Underlying Funds or the Additional Underlying Funds.
7. The other representations in the Original Decision Document are equally applicable to the New Top Funds, the Additional Underlying Funds and any similar mutual funds established by SEI.

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;

THE DECISION of the Decision Makers pursuant to the Legislation is that the Original Decision Document is amended as of the date of this Decision to:

2003 BCSECCOM 385

- (a) amend the definition of “Top Fund” and “Top Funds” in the Original Decision Document by adding Conservative Income Fund, Diversified Income Fund, Income Growth Fund, Conservative Balanced Fund and other mutual funds managed by SEI after the date hereof that have as their investment objective the investment in another mutual fund or mutual funds managed by SEI;
- (b) amend the definition of “Underlying Fund” and “Underlying Funds” in the Original Decision Document by adding Enhanced Global Bond Fund, Money Market Fund, Real Return Bond Fund, Long Duration Bond Fund and other mutual funds established by SEI; and
- (c) amend the definition of “Prospectus” in the Original Decision Document to include the simplified prospectus and annual information form of each Top Fund.

DATED June 5, 2003

Harold P. Hands

Robert Korthals