



VIA SEDAR ONLY

August 27, 2001

Torys
Suite 3000, Maritime Life Tower
Box 270, TD Centre
Toronto, Ontario M5K 1N2

Attention: Paul D. Guthrie

Dear Sirs/Mesdames:

Re: **iUnits MSCI International Equity Index RSP Fund (the "Fund")**
- MRRS Application under National Instrument 81-102 Mutual Funds ("NI 81-102")
- Sedar Project No. 369124; App. No. 649/01

By letter dated June 19, 2001 (the "Application"), you applied on behalf of the Fund to the regulator or securities regulatory authority in each of the provinces and territories of Canada except Quebec (the "Decision Makers") for discretionary relief from certain provisions of NI 81-102.

The units of the Fund will be offered continuously in the jurisdiction of each Decision Maker. For this purpose, a preliminary prospectus dated June 19, 2001 (the "Preliminary Prospectus") was filed under Sedar Project No. 369123 and is currently under review by staff.

We understand from the representations in the Application and from the disclosure in the Preliminary Prospectus that:

1. The Fund is a trust established under the laws of Ontario, with Barclays as the trustee. Barclays' head office is located in Toronto, Ontario.
2. Barclays is registered in all provinces and territories, other than the Yukon Territory, as a portfolio manager and investment counsel (or the equivalent categories of registration) under the securities legislation of such jurisdictions.
3. The investment objective of the Fund is to provide long term growth in capital by replicating, to the extent possible, the performance of the MSCI Provisional EAFE Index (the "Provisional Index") initially. The Fund will ultimately be replicating, to the extent possible, the standard MSCI EAFE Index (the "Standard Index") following the change in the

methodology used by the Standard Index to that used by the Provisional Index (both indices together, the “EAFE Index”).

4. To achieve its investment objective, the Fund will invest primarily in exchange-traded futures contracts based on the stock market indices in countries that are included in the EAFE Index, and in high-quality short-term money market instruments. The Fund will also use forward and futures contracts to match the currency exposure of the EAFE Index and may invest in the underlying securities of the EAFE Index, index participation units, trust units and other similar instruments.
5. The Fund will issue units of beneficial interest (the “Units”), which will confer on investors a proportionate share of economic benefits similar to those that investors could obtain through individual investments in the securities comprising the EAFE Index. The Units of the Fund are not expected to constitute “foreign property” under the *Income Tax Act* (Canada).
6. The Fund filed the Preliminary Prospectus with all provinces and territories of Canada, in order to qualify the distribution of its Units to the public on a continuous basis. Upon issuance of a receipt for the Fund’s (final) prospectus, the Fund will become a “reporting issuer” under the Legislation of each Jurisdiction where such term is applicable.
7. The Units may be purchased directly from the Fund only by one or more registered dealers or brokers who are also members of the Toronto Stock Exchange (the “Exchange”) and who have entered into an underwriting agreement with the Fund (the “Underwriters”). Payment for the purchase price of the Units will be made in cash.
8. On the first day on which the Fund accepts purchase orders from the Underwriters, the price will be \$20.00 per Unit. Thereafter, Units of the Fund will be issued to the Underwriters, pursuant to purchase orders, at the Fund’s net asset value (the “NAV”) per Unit next determined after receipt of the purchase orders.
9. The NAV per Unit of the Fund will be calculated and published daily.
10. The Units of the Fund will be listed and posted for trading on the Exchange. The Fund will be subject to the rules of the Exchange with respect to the declaration of distributions, including with respect to the determination of the record date for distributions.
11. Except as described in paragraph 7 above, the Units may not be purchased directly from the Fund. Investors are generally expected to purchase Units of the Fund through the facilities of the Exchange. However, Units of the Fund will be issued directly to its unitholders (the “Unitholders”) upon the reinvestment of the Fund’s distributions of income or capital gains.

12. Unitholders who wish to dispose of their Units may generally do so by selling such Units on the Exchange. However, a Unitholder may redeem for cash a prescribed number of Units (the "Prescribed Redemption Number") or a number of units greater than the Prescribed Redemption Number, at a redemption price per Unit equal to the NAV per Unit of the Fund on the effective redemption date. A Unitholder may also redeem for cash a number of Units that is less than the Prescribed Redemption Number, at a redemption price per Unit equal to 95% of the closing trading price of the Fund's Units on the Exchange on the effective redemption date.
13. As trustee of the Fund, Barclays will be entitled to receive from the Fund an annual fee (the "Trustee Fee") equal to 0.35% of the NAV of the Fund. Barclays will be responsible for the payment of the expenses of the Fund, except for the Trustee Fee, brokerage commissions and any withholding taxes and income taxes. As it is extremely unlikely that the Fund will incur either income taxes or withholding taxes, the Fund's management expense ratio will effectively be capped at 0.35% of its NAV.

Decision

This letter confirms that, based on the information and representations contained (and for the purposes described) in the Application and the Preliminary Prospectus, the Decision Makers hereby grant exemptions from the following provisions of NI 81-102.

- (a) section 10.3 - to permit the redemption of less than the Prescribed Redemption Number of Units of the Fund at a price equal to 95% of the closing price of the Units on the Exchange;
- (b) section 14.1 - to relieve the Fund from the requirement relating to the record date for the payment of the Fund's distributions, provided that the Fund complies with the applicable requirements of the Exchange;
- (c) section 16.1 - to relieve the Fund from the requirements pertaining to the calculation and disclosure of its management expense ratio; and
- (d) section 17.2(2)(b) - to relieve the Fund from the requirement to set out its management expense ratio in its annual and interim financial statements, provided that the percentage specified in paragraph 13 above is disclosed in the Fund's annual and interim financial statements.

Yours very truly,

Paul A. Dempsey
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Manager, Investment Funds
Capital Markets Branch
Tel. No.: (416) 593-8091
e-mail : pdempsey@osc.gov.on.ca