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CIRCULAR
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EXPANSION OF THE RANGE OF OPTIONS ELIGIBLE IN DEFERRED INCOME PLANS

The Bourse de Montréal welcomes the decision of Department of Finance Canada to propose the eligibility of put options in Registered Retirement Savings Plans (RRSP). To date, only call options were qualified for an RRSP, limiting the efficient management of risk associated with equity portfolios.

By broadening the definition of “qualified investment”, the Department of Finance Canada expands the range of strategies aimed at protecting and enhancing the performance of equity portfolios held by investors in their RRSP. Most importantly, investors will be able, through the use of put options, to purchase an “insurance policy” to manage the risk associated with their equity investments held in an RRSP.

In addition to RRSPs, the use of put options extends to Registered Retirement Income Funds (RRIFs), Registered Education Savings Plans (RESPs) and Deferred Profit Sharing Plans (DPSPs). The amendments proposed by the Department of Finance Canada will also allow investors to hold Sponsored Options as well as call options and put options on indexes.

The Minister of Finance of Canada made this announcement on February 27, 2004, the Announcement Date. The amendment applies after this Announcement Date.

Further information is available on the Montréal Exchange Website at www.m-x.ca/rssp or on the Department of Finance Canada Website at www.fin.gc.ca.

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