

November 4, 2014

**In the Matter of
the Securities Legislation of
Manitoba and Ontario (the Jurisdictions)**

and

**In the Matter of
the Process for Exemptive Relief
Applications in Multiple Jurisdictions**

and

**In the Matter of
I.G. Investment Management, Ltd.**

Decision

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from I.G. Investment Management, Ltd. (the **Filer**) on behalf of existing mutual funds and future mutual funds of which the Filer is or becomes the investment fund manager (or of which an affiliate of the Filer becomes the investment fund manager) and to which National Instrument 81-102 *Investment Funds* (**NI 81-102**) applies (each a **Fund** and collectively, the **Funds**) for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for an exemption from the requirements set out in sections 15.3(4)(c) and 15.3(4)(f) of NI 81-102, which provide that a sales communication must not refer to a performance rating or ranking of a mutual fund or asset allocation service unless:

- (i) the rating or ranking is provided for each period for which standard performance data is required to be given, except the period since the inception of the mutual fund
- (ii) the rating or ranking is to the same calendar month end that is:
 - (a) not more than 45 days before the date of the appearance or use of the advertisement in which it is included, and
 - (b) not more than three months before the date of first publication of any other sales communication in which it is included (together, the **Exemption Sought**), to permit the Lipper Awards and Lipper Leader ratings to be referenced in sales communications relating to the Funds.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- (a) The Manitoba Securities Commission is the principal regulator for this application,

- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in each of the other provinces and territories of Canada,
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 81-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is the investment fund manager of the Funds and is registered as an investment fund manager in one or more of the jurisdictions of Canada. The head office of the Filer is located in Manitoba.
2. Each of the Funds is, or will be, an open-ended mutual fund established under the laws of Canada or a jurisdiction of Canada. The securities of each of the Funds are, or will be, qualified for distribution pursuant to a prospectus that has been, or will be, prepared and filed in accordance with the securities legislation of each applicable jurisdiction of Canada. Each of the Funds is, or will be, a reporting issuer in one or more of the jurisdictions of Canada. Each of the Funds is or will be subject to NI 81-102, including Part 15 of NI 81-102, which governs sales communications.
3. The Filer and the Funds are not in default of the securities legislation in any of the jurisdictions of Canada.
4. The Filer wishes to include in sales communications of the Funds references to Lipper Leader ratings and Lipper Awards (where such Funds have been awarded a Lipper Award.)
5. Lipper, Inc. (**Lipper**) is a company that is not a member of the organization of the Funds. Lipper is part of the Thomson Reuters group of companies, and is a global leader in supplying mutual fund information, analytical tools, and commentary. Lipper's fund data and analysis, fund awards designations and ratings information provide valuable insight to advisors, media and individual investors.
6. One of Lipper's programs is the Lipper awards program. This program highlights funds that have excelled in delivering consistently strong risk-adjusted performance relative to peers and also recognizes fund families with high average scores for all funds within a particular asset class or overall. Currently the Lipper awards take place in approximately 13 countries.
7. In Canada, the Lipper Awards include the Lipper Fund Awards and Lipper ETF Awards (which will be awarded for the first time in Canada in 2014). For the Lipper Fund Awards, Lipper designates award-winning funds in most individual fund classifications for three, five and ten year periods. For the Lipper ETF Awards, Lipper will designate

award-winning funds in a number of individual fund classifications for the three year period, and it is expected that awards for the five and ten year periods will be given in the future.

8. The categories for fund classification used by Lipper for the Lipper Awards in respect of Canadian funds are those maintained by the Canadian Investment Funds Standards Committee (CIFSC) (or a successor to the CIFSC), a Canadian organization that is independent of Lipper. Only those CIFSC groups of ten or more unique funds will claim a Lipper Fund Award, and only those CIFSC groups of five or more unique ETFs (each of whom have a minimum of three years of performance history) will claim a Lipper ETF Award.
9. The Lipper Awards are based on a proprietary rating methodology prepared by Lipper, the Lipper Leader Rating System. The Lipper Leader Rating System is a toolkit that uses investor-centred criteria to deliver a simple, clear description of a fund's success in meeting certain goals, such as preserving capital, lowering expenses or building wealth. Lipper Ratings provide an instant measure of a fund's success against a specific set of key metrics, and can be useful to investors in identifying funds that meet particular characteristics.
10. In Canada, the Lipper Leader Rating System includes Lipper Leader ratings for Consistent Return (reflecting funds' historical risk-adjusted returns relative to funds in the same classification), for Total Return (reflecting funds' historical total return performance relative to funds in the same classification) and for Preservation (reflecting funds' historical loss avoidance relative to other funds in the same classification). In each case, the categories for fund classification used by Lipper for the Lipper Leader ratings are those maintained by CIFSC (or a successor to the CIFSC). Lipper Leader ratings are measured monthly over 36, 60 and 120 month periods, and an overall rating is also measured, which is an un-weighted average of the previous three periods. The highest 20% of funds in each category are named Lipper Leaders for that particular rating and receive a score of 5, the next 20% receive a score of 4, the middle 20% are scored 3, the next 20% are scored 2 and the lowest 20% are scored 1.
11. The Lipper Awards, awarded annually in Canada, are based on the Lipper Ratings for Consistent Return measure, which, as generally described above, is a risk-adjusted mutual fund return performance measure used by Lipper that takes into account both short- and long-term risk-adjusted performance relative to fund classification, together with a measure of a fund's consistency. In respect of the Lipper Awards for Canada, the Lipper Ratings for Consistent Return are measured over the 36, 60 and 120 month periods ending at the end of July of each year. As noted above, the highest 20% of funds in each classification are named Lipper Leaders for Consistent Return, and the highest Lipper Leader for Consistent Return in each applicable fund classification over these periods (currently, in the case of the Lipper ETF Awards, over the 36 month period only) wins a Lipper Award.
12. When a Fund is awarded a Lipper Award, it may make reference to the award in sales communications subject to the terms of a license agreement with Lipper.
13. The Lipper Leader ratings are performance ratings or rankings under NI 81-102 and Lipper Awards for Funds may be considered to be performance ratings or rankings given that the awards are based on the Lipper Leader ratings as described above. Therefore,

references to Lipper Leader ratings and Lipper Awards in sales communications relating to the Funds need to meet the applicable requirements in Part 15 of NI 81-102.

14. Section 15.3(4)(c) of NI 81-102 imposes a "matching" requirement for performance ratings or rankings that are included in sales communications for funds. If a performance rating or ranking is referred to in a sales communication, the performance rating or ranking must be provided for, or "match", each period for which standard performance data is required to be given for the fund except the period since the inception of the fund (i.e., for one, three, five and ten year periods, as applicable).
15. In Canada and elsewhere, Lipper Leader ratings are calculated only for 36, 60 and 120 month periods and are not calculated for a one year period. This means that a sales communication referencing a Lipper Leader rating cannot comply with the "matching" requirement contained in section 15.3(4)(c) of NI 81-102 because a rating is not available for the one year period. Relief from section 15.3(4)(c) of NI 81-102 is therefore required in order for Funds to reference Lipper Leader ratings in sales communications.
16. In addition, a sales communication referencing the overall Lipper Leader ratings and the Lipper Awards, which are based on the Lipper Leader ratings, must disclose the corresponding Lipper Leader rating for each period for which standard performance data is required to be given. As noted above, because a rating for the one year period is not available for the Lipper Leader ratings, sales communications referencing the overall Lipper Leader ratings or Lipper Awards also cannot comply with the matching requirement contained in section 15.3(4)(c) of NI 81-102.
17. The exemption in section 15.3(4.1) of NI 81-102 for references to overall ratings or rankings of funds cannot be relied upon to reference the overall Lipper Leader ratings or Lipper Awards in sales communications for the Funds because section 15.3(4.1) is available only if a sales communication "otherwise complies" with the requirements of section 15.3(4). As noted above, sales communications referencing the overall Lipper Leader ratings or Lipper Awards cannot comply with the matching requirement in section 15.3(4) because the underlying Lipper Leader ratings are not available for the one year period, rendering the exemption in section 15.3(4.1) unavailable. Relief from section 15.3(4)(c) is therefore required in order for Funds to reference overall Lipper Leader ratings and the Lipper Awards in sales communications.
18. Section 15.3(4)(f) of NI 81-102 imposes certain restrictions on disclosure in sales communications. The section provides that in order for a rating or ranking such as a Lipper Award to be used in an advertisement, the advertisement must be published within 45 days of the calendar month end to which the rating or ranking applies. Further, in order for the rating or ranking to be used in any other sales communication, the rating or ranking must be published within three months of the calendar month end to which the rating or ranking applies.
19. Because the evaluation of funds for the Lipper Awards will be based on data aggregated until the end of July in any given year and the results will be published in November of that year, by the time a Fund receives an award in November, section 15.3(4)(f) of NI 81-102 will prohibit it from publishing news of the award altogether.
20. The Exemption Sought is required in order for Lipper Leader ratings and Lipper Awards to be referenced in sales communications relating to the Funds.

21. The Filer submits that the Lipper Awards provide an important tool for investors, as they provide investors with context when evaluating investment choices. The Filer submits that the nature of the Lipper Leader ratings and Lipper Awards alleviates any concern that references to the ratings and awards may be misleading and therefore contrary to section 15.2(1)(a) of NI 81-102. The Lipper Leader Rating System underlying the Lipper Leader ratings and Lipper Awards ensures an objective, transparent and quantitative measure of performance that is based on the expertise of Lipper in fund analysis.

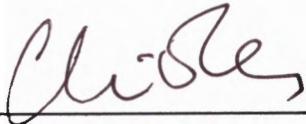
Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted to permit the Lipper Awards and Lipper Leader ratings to be referenced in sales communications relating to a Fund provided that:

1. the sales communication that refers to the Lipper Award and Lipper Leader ratings complies with Part 15 of NI 81-102 other than as set out herein and contains the following disclosure in at least 10 point type:
 - (a) the name of the category for which the Fund has received the award or rating;
 - (b) the number of mutual funds in the category for the applicable period;
 - (c) the name of the ranking entity, i.e., Lipper;
 - (d) the length of period and the ending date, or, the first day of the period and the ending date on which the Lipper Award or Lipper Leader rating is based;
 - (e) a statement that Lipper Leader ratings are subject to change every month;
 - (f) in the case of a Lipper Award, a brief overview of the Lipper Awards;
 - (g) in the case of a Lipper Leader rating (other than Lipper Leader ratings referenced in connection with a Lipper Award), a brief overview of the Lipper Leader rating;
 - (h) where Lipper Awards are referenced, the corresponding Lipper Leader rating that the Lipper Award is derived from is presented for each period for which standard performance data is required other than the one year and since inception periods;
 - (i) where a Lipper Leader rating is referenced, the Lipper Leader ratings are presented for each period for which standard performance data is required other than the one year and since inception periods;
 - (j) disclosure of the meaning of the Lipper Leader ratings from 1 to 5 (e.g., ranking of 5 indicates a fund is in the top 20% of its category);
 - (k) reference to Lipper's website (www.lipperweb.com) for greater detail on the Lipper Awards and Lipper Leader ratings;

2. the Lipper Awards being referenced must not have been awarded more than 365 days before the date of the sales communication; and
3. the Lipper Awards and Lipper Leader ratings being referenced are calculated based on comparisons of performance of investment funds within a specified category established by the CIFSC (or a successor to the CIFSC).

A handwritten signature in cursive script, appearing to read "Chris Besko", is positioned above a horizontal line. The signature is written in dark ink on a light-colored background.

Chris Besko
Acting Director
Manitoba Securities Commission