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DECISION DOCUMENT

May 11, 2012

**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 the proposed Mergers involving
IG FI International Equity Fund and
IG FI International Equity Class
(the "Terminating Funds")
AND**

**IG Templeton International Equity Fund and
IG Templeton International Equity Class
(the "Continuing Funds" and collectively with
the Terminating Funds referred to as the "Funds")**

and

**In the Matter of
I.G. Investment Management, Ltd.
(referred to as the "Investors Group" and
collectively with the Funds referred to the "Filers")**

DECISION

BACKGROUND

The securities regulatory authority or regulator in each of the Jurisdictions (the "Decision Maker") has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the "Legislation") for approval under paragraph 5.5(1)(b) of National Instrument 81-102 Mutual Funds ("NI 81-102") of the Merger of each Terminating Fund into its corresponding Continuing Fund (as further described below).

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 Filers have provided notice that section 4.7(1) of Multi-Lateral Instrument 11-102 Passport System (MI 11-102) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Nunavut and the North West Territories; and
- (c) the decision is the decision of the Principal Regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

INTERPRETATION

Defined terms contained in National Instrument 14-101 – *Definitions* and MI 11-102 have the same meaning if used in this decision, unless they are otherwise defined below:

- IG FI International Equity Fund and IG Templeton International Equity Fund are herein collectively referred to as the “Unit Trust Funds”; and
- IG FI International Equity Class and IG Templeton International Equity Class are herein collectively referred to as the “Corporate Class Funds”.

REPRESENTATIONS

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

THE FILERS

1. Investors Group is a corporation continued under the laws of Ontario. It is the trustee and manager of the Unit Trust Funds and is the manager of the Corporate Class Funds. It is registered as a portfolio manager in Manitoba, Ontario, and Quebec and as an investment fund manager in Manitoba. It is also registered as an advisor under the Commodity Futures Act in Manitoba. The head office of Investors Group is in Winnipeg, Manitoba and, accordingly, Manitoba is the principal regulator. Investors Group is not in default of any of the requirements of securities legislation of any of the provinces and territories in Canada.
2. Investors Group Corporate Class Inc. (the “Corporation”) is the issuer of the Corporate Class Funds.
3. All of the Funds are open-end mutual funds either continued under a Master Declaration of Trust under the laws of Manitoba, in the case of the Unit Trust Funds, or governed by the Canada Business Corporations Act (the “CBCA”) in the case of the Corporate Class Funds.
4. All of the Funds are reporting issuers under the Legislation in each Jurisdiction and are not on the list of defaulting reporting issuers maintained under the Legislation in each Jurisdiction, and are not in default of any of the requirements of securities legislation of any of the provinces and territories of Canada. The securities of the Funds are qualified for distribution in each of the Jurisdictions pursuant to separate simplified prospectuses and annual information forms for the Unit Trust Funds and Corporate Class Funds, respectively, each dated June 30, 2011, as amended (referred to collectively as the “Prospectuses”).
5. Other than circumstances in which the securities regulatory authority of a Jurisdiction has expressly exempted the Funds, the Funds follow the standard investment restrictions and practices established under the Legislation of the Jurisdictions.
6. Each Unit Trust Fund issues three series of units to retail purchasers. Each Corporate Class Fund issues two series of shares to retail purchasers. A Fund Facts document as prescribed by Form 81-101F3 (the “Fund Facts”) has been filed for all of the retail series of units and shares issued by the Unit Trust Funds and the Corporate Class Funds, respectively, together with their Prospectuses as described above.
7. The net asset values of each series of the Funds are calculated on a daily basis on each day that Investors Group is open for business.

THE PROPOSED MERGERS

8. Investors Group proposes that each Terminating Fund be merged into a corresponding Continuing Fund (each a “Merger” and collectively the “Mergers”) as follows:

Terminating Fund		Continuing Fund
IG FI International Equity Fund	<i>to merge into</i>	IG Templeton International Equity Fund
IG FI International Equity Class	<i>to merge into</i>	IG Templeton International Equity Class

9. The Mergers will increase operational efficiency by elimination of the duplication in time, effort and costs associated with the audit, board review and other compliance requirements arising from having multiple mandates.

10. It is anticipated that securityholders of the Terminating Funds will benefit from the potential for more stable and improved future performance of their investments after the Mergers due to the larger net asset size of the Continuing Funds after the Mergers which allow the portfolio advisor to better manage their assets through greater diversification.
11. Amendments to the Prospectuses and Fund Facts of each retail series of each Terminating Fund and for the Continuing Corporate Class Fund were filed on SEDAR on April 27, 2012, and a News Release and material change report were filed on SEDAR on April 25, 2012 with respect to the Mergers, as required by the Legislation of the Jurisdictions.
12. Subject to obtaining all approvals for the Mergers, the Terminating Funds will merge into the Continuing Funds on or about the close of business on June 22, 2012, and the Continuing Funds will continue as publicly offered open-end mutual funds.
13. The Terminating Funds will be wound up as soon as reasonably possible following the Mergers.
14. Securityholders of the Terminating Funds will receive Units or Shares of the equivalent series of the corresponding Continuing Fund in an amount equal to the fair market value of their Units or Shares in the Terminating Fund.
15. A Securityholder's Units or Shares in a Continuing Fund after the Mergers will be subject to the same deferred sales charge schedule (if any), as applied to their investment in the Terminating Fund.
16. Securityholders of the Terminating Funds will continue to have the right to redeem securities of the Terminating Funds for cash at any time up to the close of business on the business day immediately before the effective date of the Mergers.
17. No sales charges will be payable in connection with the acquisition by the Continuing Funds of the investment portfolios of the Terminating Funds.
18. Investors Group will pay for all costs associated with the meetings, including legal, proxy solicitation, printing, and mailing expenses, as well as any brokerage transaction fees associated with any Merger related trades and regulatory fees.
19. Investors Group proposes to effect the Merger of the Unit Trust Funds on a taxable basis to preserve the relatively significant tax losses of the Continuing Fund.
20. Investors Group believes the Mergers are in the best interest of the Funds.

MERGER APPROVALS

21. Meetings of the securityholders of the Terminating Funds are being convened on or about June 18, 2012, to approve the Mergers. A Meeting of the securityholders of IG Templeton International Equity Class (the "Continuing Corporate Class Fund") is also being convened as required by the provisions of the CBCA to approve changes to the Corporation's articles of incorporation in order to facilitate the Merger with its corresponding Terminating Fund. A notice of meeting, a management information circular and a proxy in connection with the meetings of securityholders of the Terminating Funds and the Continuing Corporate Class Fund (collectively, the "Meeting Materials"), will be mailed to securityholders of the Terminating Funds and the Continuing Corporate Class Fund, commencing on or after May 4, 2012, and will be filed via SEDAR.
22. Investors Group has determined that the Mergers will not be a material change to the Continuing Funds because they will not entail a change in the business, operations or affairs of the Continuing Funds that would be considered important by a reasonable investor in determining whether to purchase or continue to hold securities of the Continuing Funds. The Meeting of the Continuing Corporate Class Fund is to approve an amendment to the articles of incorporation of the Corporation to facilitate its Merger pursuant to the CBCA and is not being convened because it is a material change for that Continuing Fund.
23. The tax implications of the Mergers, as well as the material differences between each Terminating Fund and the corresponding Continuing Fund, will be described in the Meeting Materials so securityholders of

the Terminating Funds will be fully informed when considering whether to approve the Merger of their Fund at the meeting of their Fund. Accordingly, implicit in the approval by securityholders of the Mergers is the acceptance by the securityholders of the Terminating Funds of the proposed tax treatment and their adoption of the investment objective, strategy and fee structure of the corresponding Continuing Fund.

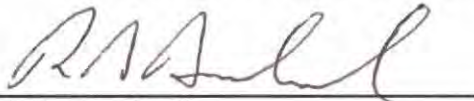
24. Although the investment portfolios held by the Continuing Funds and their corresponding Terminating Funds may be similar, their fundamental investment objectives and/or strategies are not substantially the same in all cases.
25. The fee structures of the Terminating Funds are the same as the fee structures of the Continuing Funds except that in both instances the annual management fees of the Continuing Funds will be lower than that of the Terminating Funds.
26. The portfolio securities and other assets of the Terminating Funds to be acquired by the Continuing Funds arising from the Mergers are currently (or will be) acceptable prior to the effective date of the Mergers to the Portfolio Advisor of the Continuing Funds. The Merger of the Corporate Class Fund will entail the liquidation of the portfolio assets of the Terminating Corporate Class Fund (being the units of an underlying fund into which it invests) because the corresponding Continuing Fund does not follow a "fund-of-fund" investment strategy and, instead, invests directly in the equities markets to achieve its investment objective.
27. Investors Group will send the most recent Fund Facts of the Continuing Funds to securityholders of the Terminating Funds as permitted under paragraph 5.6(1)(f)(ii) of NI 81-102. In addition, the management information circular sent to securityholders of the Terminating Funds and the Continuing Corporate Class Fund fully describing the Mergers will prominently disclose that securityholders can obtain the most recent Prospectuses, audited annual and un-audited interim financial statements of the Continuing Funds by accessing the same at the Investors Group website or the SEDAR website, or requesting the same from Investors Group by toll-free number, or by contacting their servicing advisor at Investors Group or an affiliate of Investors Group ("Investors Group Consultant"), all as described in the Management Information Circular.
28. Approval of the Mergers is required because the Mergers do not satisfy one or more of the criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102 in the following ways:
 - (a) contrary to section 5.6(1)(a)(ii), in the Merger of the Corporate Class Funds a reasonable person may not consider the Continuing Fund as having substantially similar fundamental investment objectives as the Terminating Fund; and
 - (b) contrary to section 5.6(1)(b), the Merger of the Unit Trust Funds will not occur on a tax-deferred basis as a "qualifying exchange" within the meaning of section 132.2 of the Income Tax Act (Canada) ("ITA") or a tax-deferred transaction under sub-section 85(1), 85.1(1), 86(1) or 87(1) of the ITA.
29. Except as noted above, the Mergers will otherwise comply with all of the other criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102.
30. Investors Group has referred the Mergers to the Independent Review Committee of the Funds (the "IRC") for its review. The IRC has been established as required by NI 81-107 – *Fund Governance* ("NI 81-107") and consists of individuals who are not in any way related to the Investors Group or its affiliates. The IRC reviews and makes recommendations on conflicts of interest matters for the purposes described in NI 81-107 including fund mergers (if necessary). After due consideration, the IRC has concluded that the Mergers achieve a fair and reasonable result for each of the Funds.

DECISION

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

The Decision of the Decision Makers under the Legislation is that the Exemption sought is granted, provided that:

1. (a) the management information circular sent to securityholders in connection with the Mergers provides sufficient information about the Mergers to permit securityholders to make an informed decision about the Mergers;
- (b) the management information circular sent to securityholders in connection with the Mergers prominently discloses that securityholders can obtain the most recent prospectuses, interim and annual financial statements (if applicable) of the Continuing Funds by accessing the SEDAR website at www.sedar.com, by accessing the Investors Group website, by calling Investors Group's toll-free telephone number, or by contacting an Investors Group Consultant;
- (c) the Continuing Funds and the Terminating Funds with respect to the Mergers have an unqualified audit report in respect of their last completed financial period; and
- (d) the Meeting Materials sent to securityholders of the Terminating Funds in respect of the Mergers include the applicable Fund Facts of the Continuing Funds.



R. B. Bouchard
Director and Chief Administration Officer
The Manitoba Securities Commission

