

October 14, 2015

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

AND IN THE MATTER OF
I.G. INVESTMENT MANAGEMENT, LTD.

(the “**Filer**”)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the “**Decision Maker**”) has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the “**Legislation**”) for an exemption (the “**Requested Relief**”) from the prohibition in subsections 13.5(2)(b)(ii) and (iii) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) which prohibits a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase or sell a security from or to the investment portfolio of an associate of a responsible person or an investment fund for which a responsible person acts as an adviser (the “**Trading Prohibition**”) to permit a Fund (as defined below) to purchase or sell a security from or to another fund (as defined below (each, an “**Inter-Fund Trade**”), with such Inter-Fund Trades to be executed at the last sale price, as defined in the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada, prior to the execution of the trade (the “**Last Sale Price**”), in lieu of the closing sale price (the “**Closing Sale Price**”) contemplated by the definition of “current market price of the security” referred to in subparagraph 6.1(1)(a)(i) of National Instrument 81-107 – *Independent Review Committee for Investment Funds* (“**NI 81-107**”), on that trading day, where the securities involved in the Inter-Fund Trade are exchange-traded securities (which term shall include Canadian and foreign-exchange securities) (“**Exchange-Traded Securities**”).

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; and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (“**MI 11-102**”) is also intended to be relied upon by the Filer in all of the other provinces and territories of Canada (the “**Other Jurisdictions**”) in respect of the Requested Relief; and

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

“**Fund**” means an existing or future mutual fund that is a reporting issuer, subject to National Instrument 81-102 *Investment Funds* (“**NI 81-102**”), and of which the Filer or an affiliate of the Filer acts or may in the future act as the manager and/or portfolio adviser.

Representations

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

The Filer

1. The Filer is a corporation continued under the laws of the Province of Ontario, with its head office located in Winnipeg, Manitoba.
2. The Filer is registered as a portfolio manager and an investment fund manager in Manitoba, Ontario and Quebec, and as an investment fund manager in Newfoundland and Labrador. It is also registered as an advisor under the *Commodity Futures Act* in Manitoba.
3. The Filer, or an affiliate of the Filer, is, or will be, the manager and/or adviser of the Funds. In its capacity as an adviser of the Funds, the Filer or an affiliate of the Filer is or will be a “responsible person” as defined in Section 13.5(1) of NI 31-103.

The Funds

4. Each of the Funds is, or will be, established under the laws of Canada or a province or territory of Canada as an open-ended mutual fund trust or class of shares of a mutual fund corporation that is subject to the requirements of NI 81-102.
5. The securities of each of the Funds are, or will be, qualified for distribution in Manitoba and in one or more of the Other Jurisdictions pursuant to a simplified prospectus and annual information form. The existing Funds are currently qualified for distribution in all of the provinces and territories of Canada.
6. Each of the Funds is, or will be, a reporting issuer in Manitoba and in one or more of the Other Jurisdictions.
7. Neither the Filer nor the Funds are in default of the securities legislation of Manitoba and the Other Jurisdictions.

Independent Review Committee

8. The existing Funds have, and the future Funds will have, an independent review committee (“IRC”) in accordance with the requirements of NI 81-107.
9. The IRC of a Fund is, or will be, composed by the Filer, or its affiliate, as manager of the Fund, in accordance with section 3.7 of NI 81-107, and the IRC complies, or will comply, with the standard of care set out in section 3.9 of NI 81-107.
10. The Inter-Fund Trades involving the Funds will be referred to the IRC under subsection 5.2(1) of NI 81-107 and the Filer and the IRC will comply with section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with the Inter-Fund Trade. The IRC will not approve an Inter-Fund Trade involving a Fund unless it has made the determination set out in subsection 5.2(2) of NI 81-107.

Inter-Fund Trades

11. The Filer, or an affiliate of the Filer, wishes to be able to cause Inter-Fund Trades of portfolio securities between one Fund and another Fund to occur at the Last Sale Price.
12. Subsection 6.1(4) of NI 81-107 provides an exemption from the Trading Prohibition, provided that the Inter-Fund Trade occurs at the Closing Sale Price.
13. The Filer, or an affiliate of the Filer, cannot rely on the exemption from the Trading Prohibition available in subsection 6.1(4) of NI 81-107 unless the Inter-Fund Trades occur at the “current market price of the security” which, in the case of Exchange-Traded Securities, includes the Closing Sale Price but not the Last Sale Price.
14. At the time of an Inter-Fund Trade, the Filer, or an affiliate of a Filer, will have policies and procedures in place to enable the Funds to engage in Inter-Fund Trades.
15. The Filer, or an affiliate of the Filer, will comply with the following procedures when entering into Inter-Fund Trades:
 - (a) The portfolio manager of the Fund will deliver the trade instructions in respect of a purchase or a sale of a security by a Fund (“**Fund A**”) to a trader on the trading desk of the Filer;
 - (b) The portfolio manager of the Fund will deliver the trade instructions in respect of a sale or purchase of a security by a Fund (“**Fund B**”) to a trader on the trading desk of the Filer;
 - (c) Upon the receipt of the trade instructions and the required approval, the Inter-Fund Trade between Fund A and Fund B will be executed in accordance with the requirements of paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107, provided that, for Exchange-Traded Securities, the Inter-Fund Trade may be executed at the Last Sale Price of the security prior to the execution of the trade, in lieu of the Closing Price;
 - (d) The trader on the trading desk will be required to execute all Inter-Fund Trades on a timely basis; and

- (e) The trader on the trading desk will advise the portfolio manager(s) of Fund A and Fund B of the price at which the Inter-Fund Trade occurred.
- 16. Each Inter-Fund Trade will be consistent with the investment objectives of the relevant Funds.
- 17. The Filer has determined that it would be in the best interest of the Funds if an Inter-Fund Trade is made at the Last Sale Price, because this will result in the Inter-Fund trade being done at the price which is close to the market price of the security at the time the decision to make the Inter-Fund Trade is made.
- 18. If the IRC of a Fund becomes aware of an instance where the Filer did not comply with the terms of this decision or a condition imposed by the Legislation or the IRC in its approval, the IRC will, as soon as practicable, notify in writing the principal regulator of the Fund.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Makers to make the decision. The decision of the Decision Makers under the Legislation is that the Requested Relief is granted, provided that:

- (a) the Inter-Fund Trade is consistent with the investment objectives of each Fund;
- (b) the Filer, or an affiliate of the Filer, as manager of a Fund, refers the Inter-Fund Trade to the IRC in the manner contemplated by section 5.1 of NI 81-107, and the Filer, or an affiliate of the Filer, and the IRC of the Fund comply with section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with the Inter-Fund Trade.
- (c) the IRC of each Fund has approved the Inter-Fund Trade in accordance with the terms of subsection 5.2(2) of NI 81-107; and
- (d) the Inter-Fund Trade complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107, except that, for purposes of paragraph (e) of subsection 6.1(2) of NI 81-107 in respect of Exchange-Traded Securities, the current market price of the securities may be the Last Sale Price.



Director