

August 13, 2018

**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.
(the Filer)**

AND

**IN THE MATTER OF
INVESTORS GROUP FINANCIAL SERVICES INC. and
INVESTORS GROUP SECURITIES INC.
(the Dealers and individually a Dealer)**

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer on behalf of the mutual funds that are or will be managed from time to time by the Filer or by a successor of such Filer (the **Funds**) for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Dealers from the fund facts delivery requirement (the **Fund Facts Delivery Requirement**) set out in section 3.2.01 of National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**), where the Fund Facts Delivery Requirement arises in respect of purchases of securities of the Funds made pursuant to the Automatic Rebalancing Service (as defined and described below) that will be offered and administered by the Filer (the **Requested Relief**).

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 British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon and Nunavut; 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

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 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:

The Filer

1. The head office of the Filer is located in Winnipeg, Manitoba.
2. The Filer is registered as an investment fund manager in Manitoba, Ontario, Quebec and Newfoundland and Labrador, as a portfolio manager in Manitoba, Ontario and Quebec and as an adviser under the Commodity Futures Act in Manitoba.
3. The Funds are, or will be, managed by the Filer or by a successor of the Filer.
4. The Filer is not in default of any of the requirements of securities legislation of any of the jurisdictions of Canada.

The Funds

5. Each Fund is, or will be, an open-end mutual fund trust or an open-end mutual fund that is a class of shares of a mutual fund corporation.
6. Each Fund is, or will be, a reporting issuer in some or all of the provinces and territories of Canada and subject to National Instrument 81-102 *Investment Funds*. The securities of each Fund are, or will be, qualified for distribution pursuant to a simplified prospectus (**Prospectus**), fund facts document (**Fund Facts**) and annual information form that have been, or will be, prepared and filed in accordance with NI 81-101.
7. None of the existing Funds are in default of any of the requirements of securities legislation of any of the jurisdictions of Canada.

The Dealers

8. Securities of each Fund are, or will be, distributed through the Dealers, which are affiliated with the Filer.

9. Each Dealer is registered as a dealer in all provinces and territories of Canada. Investors Group Financial Services Inc. is registered as a mutual fund dealer and is a member of the Mutual Fund Dealers Association of Canada. Investors Group Securities Inc. is registered as an investment dealer and is a member of the Investment Industry Regulatory Organization of Canada.
10. Neither of the Dealers are in default of securities legislation in any of the jurisdictions of Canada.

Automatic Rebalancing Service

11. The Filer currently offers a rebalancing service (the **Existing Rebalancing Service**) that allows a Dealer to recommend that the purchaser invests in two or more Funds, using the Existing Rebalancing Service. The purchaser will agree on specific target allocations, frequency of rebalancing and a rebalancing range for each of those Funds, as applicable (**Purchaser Instructions**). In conjunction with agreeing to participate in the Existing Rebalancing Service and invest in the Funds, the applicable Dealer complies with the Fund Facts Delivery Requirement. Under the Existing Rebalancing Service, the Filer rebalances a purchaser's investments in the Funds manually pursuant to the Purchaser Instructions. Prior to each manual rebalancing carried out by the Filer under the Existing Rebalancing Service, the Filer ensures that the Fund Facts Delivery Requirement is adhered to.
12. The Filer intends to automate its Existing Rebalancing Service, such that it will become a systematized and automated rebalancing service (**Automatic Rebalancing Service**). Under the Automatic Rebalancing Service, the Filer will automatically rebalance the holdings in the Funds, from time to time, based on the Purchaser Instructions to ensure that the purchaser's investments in the Funds are allocated in line with the Purchaser Instructions. The Filer will not exercise any discretion in carrying out the Automatic Rebalancing Service and will act only according to the Purchaser Instructions and according to the terms of the Automatic Rebalancing Service. The Automatic Rebalancing Service will be consistent with the Filer's practice with the Existing Rebalancing Service, except the Filer carries out these functions manually for the Existing Rebalancing Service.
13. The Dealers currently provide the Fund Facts for each of the Funds invested in by purchasers under the Existing Rebalancing Service and will continue to provide the Fund Facts for each of the Funds invested in by purchasers under the Automatic Rebalancing Service as required by the Fund Facts Delivery Requirement when the purchaser agrees to use the Automatic Rebalancing Service. The purchaser receives the Fund Facts documents when the Purchaser first invests in the Funds to be rebalanced. Once the Filer's program is automated, the applicable Fund Facts documents will continue to be delivered when the purchaser first invests in the Funds and signs up for the Automatic Rebalancing Service.
14. The Filer will not change, add to or remove any of the Funds invested in under the Automatic Rebalancing Service, other than as permitted under the requirements of

securities legislation of any of the jurisdictions of Canada (in conjunction with a Fund merger, for instance), unless the purchaser provides amended Purchaser Instructions to his or her Dealer, which in turn will be provided to the Filer, and the Dealer provides a Fund Facts for any new Funds in accordance with the Fund Facts Delivery Requirement.

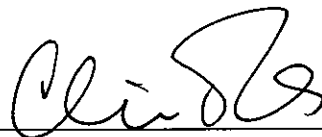
15. As is presently done under the Existing Rebalancing Service, when a purchaser agrees with a Dealer to invest in the Funds using the Automated Rebalancing Service, the Purchaser Instructions will be provided to the applicable Dealer and to the Filer. A purchaser may terminate the Purchaser Instructions, or give amended Purchaser Instructions, at any time to the Dealer.
16. The Filer will describe the Automatic Rebalancing Service in each Fund's Prospectus and the applicable Dealer will send a notice to each applicable purchaser participating in the Existing Rebalancing Service explaining the Automatic Rebalancing Service and the implications regarding delivery of the applicable Fund Facts. This notice will be provided at the time of the Filer's next annual mailing which is generally sent in or about June each year, after the Filer begins to rely on the Requested Relief (**Mailing Date**).
17. Rebalancing under the Existing Rebalancing Service is achieved today by switching investments among the Funds that were selected in accordance with the Purchaser Instructions. Each switch entails a redemption of securities from one Fund or Funds, immediately followed by a purchase of securities of another Fund or Funds. Each purchase of securities of a Fund that is completed as part of the Existing Rebalancing Service and, in the future, the Automatic Rebalancing Service triggers the Fund Facts Delivery Requirement. Because the Existing Rebalancing Service is a manual process carried out by the Filer, it complies with the Fund Facts Delivery Requirement.
18. Once the Filer initiates the Automatic Rebalancing Service, it will not be practical or possible for the Dealers to deliver the Fund Facts upon each purchase of securities of a Fund or Funds completed as part of the Automatic Rebalancing Service. This restriction is because the rebalancing that will be inherent in the Filer's program will be carried out systematically and automatically by the Filer.
19. In the absence of the Requested Relief, the Dealers would be required to deliver the most recently filed Fund Facts in accordance with the Fund Facts Delivery Requirement in advance of the purchases of securities of the Funds that are made upon the automatic rebalancing inherent with the Automatic Rebalancing Service.

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 Requested Relief is granted provided that:

1. for purchasers who establish a rebalancing program under the Automatic Rebalancing Service, a purchase of a Fund made under the Automatic Rebalancing Service is not the first purchase of that Fund;
2. each purchaser, who establishes a rebalancing program under the Automatic Rebalancing Service, receives written information that states,
 - a. subject to condition 4, the purchaser will not receive a Fund Facts after the date of the notice, unless the purchaser specifically requests it,
 - b. the purchaser is entitled to receive upon request, at no cost to the purchaser, the most recently filed Fund Facts by calling a specified toll-free number, or by sending a request by mail or e-mail to a specified address or e-mail address,
 - c. how to access the Fund Facts electronically,
 - d. the purchaser will not have a right of withdrawal under securities legislation for subsequent purchases of a security of any Funds under the Automatic Rebalancing Service, but will continue to have a right of action if there is a misrepresentation in the Prospectus or any document incorporated by reference into the Prospectus, and
 - e. the purchaser may terminate the Automatic Rebalancing Service at any time;
3. each purchaser, who participates in the Existing Rebalancing Service, will be sent a notice that includes information consistent with condition 2 by the applicable Dealer at the time of the next Mailing Date, provided the purchaser is a participant in the Automatic Rebalancing Service at the time the notice is sent out;
4. at least annually while the purchaser subscribes to the Automatic Rebalancing Service, the applicable Dealer notifies the purchaser in writing of how the purchaser can request the most recently filed Fund Facts; and
5. the applicable Dealer delivers or sends the most recently filed Fund Facts to the purchaser if the purchaser requests it.



Chris Besko
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The Manitoba Securities Commission