

April 4, 2022

IN THE MATTER OF
THE SECURITIES LEGISLATION OF MANITOBA AND ONTARIO
and

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS IN MULTIPLE
JURISDICTIONS
and

IN THE MATTER OF
I.G. INVESTMENT MANAGEMENT, LTD.
(Filer)

DECISION

I. BACKGROUND

The securities regulatory authority in each of Ontario and Manitoba (the **Decision Makers**) have received an application (the **Application**) from the Filer on behalf of the iProfile Canadian Equity Private Pool (the **Fund**), certain mutual funds offered by the Filer, and any additional mutual funds established in the future of which the Filer is the manager (collectively, the **Top Funds**) for a decision under the securities legislation of Ontario and Manitoba (the **Legislation**) for relief from subsection 2.2(1) (the **Control Restriction**) of National Instrument 81-102 *Investment Funds* (**NI 81-102**), (the **Requested Relief**).

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

- (a) the Manitoba Securities Commission has been selected as the principal regulator for the Filer.
- (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 Territory and Nunavut (together with Ontario and Manitoba, the **Jurisdictions**); and
- (c) the decision is the decision of the Principal Regulators and evidences the decision of the securities regulatory authority or regulator in Ontario.

II. 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.

III. REPRESENTATIONS

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

Filer

1. The Filer is a corporation continued under the laws of Ontario. It is the trustee, portfolio advisor and manager of certain Top Funds, including the Fund. The Filer's head office is 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.
3. The Filer and the Top Funds of which it is the investment fund manager are not in default of any of the requirements of securities legislation in any of the Jurisdictions.

The Top Funds

4. Each Top Fund is, or once established will be, a mutual fund subject to NI 81-102.
5. Each Top Fund has, or will have, the Filer as its trustee, portfolio adviser, and manager, as applicable.
6. Each Top Fund distributes, or will distribute, its securities under prospectus prepared in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure (NI 81-101)* (each, a **Prospectus**).
7. Each Top Fund is, or will be a reporting issuer in each of the Jurisdictions and is not or will not be in default of any of the requirements of securities legislation in any of the Jurisdictions.
8. Each Top Fund is, or will be, permitted by NI 81-102 to invest up to 10% of its net assets in illiquid assets, which includes Northleaf Funds (as defined below). The simplified prospectus of each Top Fund discloses or will disclose in its investment strategies that the Top Fund may invest up to 10% of its net assets directly or indirectly in illiquid assets, measured at the time of investment, including in Northleaf Funds.
9. The investment objective of the Fund is to provide long-term capital growth by investing primarily in Canadian equities. To achieve its investment objective, the Fund's investments are allocated in a fixed percentage to specific mandates, which include a Canadian large cap value mandate, a Canadian core equity mandate, and a Canadian large cap growth mandate. On November 29, 2021, the Fund's investment strategy was updated to also include an allocation to a portfolio of privately-held companies.
10. The Fund will achieve this exposure to private companies, at least in part, through an investment in Northleaf Growth Fund (NGF), a closed end pooled fund managed by Northleaf that is not an investment fund. The Fund made an investment in NGF within the confines of the Control Restriction in December 2021. The Fund is

seeking to make additional investments in NGF but cannot do so without violating the Control Restriction.

11. Each Top Fund is, or will be, subject to National Instrument 81-107 *Independent Review Committee for Investment Funds (NI 81-107)* and the Filer has established, or will, establish an independent review committee (**IRC**) to review conflict of interest matters pertaining to the Top Funds as required by NI 81-107.
12. The Fund's IRC has reviewed the investment by the Fund in NGF pursuant to subsection 5.1 of NI 81-107 and the IRC has provided a positive recommendation in respect of the investment by the Fund.
13. But for the Control Restriction, the Fund would not need exemptive relief to invest its desired investment amount in NGF, as the Fund's total investment will not exceed 10% of the net asset value (**NAV**) of the Fund nor will the total investment cause the Fund to hold more than 10% of its NAV in illiquid assets.

Northleaf and the Northleaf Funds

14. Each of the Northleaf Funds is managed by Northleaf Capital Partners (Canada) Ltd. or an affiliate (collectively **Northleaf**).
15. Northleaf is a global private markets investment firm with more than US\$19 billion in private equity, private credit and infrastructure commitments under management on behalf of more than 200 institutional and family office investors, as of the date hereof. Northleaf is led by an experienced group of professionals, who collectively have significant experience in structuring, investing and managing global private markets investments and in evaluating, negotiating, structuring and executing complex financial transactions.
16. On October 28, 2020 affiliates of the Filer, Mackenzie Financial Corporation and Great-West Lifeco Inc. (**Lifeco**), entered into a strategic relationship with Northleaf whereby Mackenzie and Lifeco jointly acquired a 49.9% non-controlling voting interest and 70% economic interest in Northleaf.
17. NGF is a closed-end pooled fund managed by Northleaf that seeks to provide investors with access to investments in privately held growth-stage companies in Canada and the United States. NGF consists of a series of one or more investment vehicles created to meet the legal, tax, regulatory or other investment requirements of specific types of investors (both taxable and non-taxable) which together comprise the fund. "NGF" refers collectively to such investment vehicles. NGF's portfolio of investments will be comprised of a mix of (i) direct investments in portfolio companies (ii) investments in portfolio companies via third-party managed co-investment vehicles and (iii) secondary investments. (each a **Portfolio Investment** and collectively the **Portfolio Investments**). A "direct investment" is an investment made directly in the securities of a private company, generally alongside other investment partners. A "secondary investment" generally involves purchasing securities in an existing private company or private equity fund from an

existing securityholder through a private purchase and sale transaction between the existing securityholder and the buyer. NGF will seek to mitigate risk by building a portfolio that is diversified by business maturity, industry sector, and investment syndicate partner. According to its governing documents, the maximum amount NGF may invest in a single Portfolio Investment is 15% of the aggregate capital commitments to NGF.

18. Northleaf seeks to be an active investor engaged with the management of Portfolio Investments in which NGF invests to maintain an active ongoing governance role for the duration of NGF's investment. This includes Northleaf holding significant minority portions of the outstanding equity securities of NGF's Portfolio Investments with commensurate legal rights and/or having representation, as a voting member or observer, on the board of directors (or similar) of NGF's Portfolio Investments.
19. In addition to NGF, Northleaf currently offers, or in the future may offer, (i) other private markets funds that are actively involved in the management of the issuers in which they invest, and (ii) private credit funds that originate loans in the private credit market (collectively, together with NGF, the **Northleaf Funds**).
20. The Northleaf Funds are not, or will not be, subject to NI 81-102, and have not and will not prepare a simplified prospectus or annual information form in accordance with NI 81-101 or a long form prospectus in accordance with National Instrument 41-101 *General Prospectus Requirements (NI 41-101)*.
21. The Northleaf Funds are not, and will not be, reporting issuers in any of the Jurisdictions or listed on any recognized stock exchange.
22. None of the Northleaf Funds is, or will be, an "investment fund" pursuant to the securities legislation of the Jurisdictions.
23. The Northleaf Funds are, or will be, sold only to investors who qualify to invest in the Northleaf Funds pursuant to an exemption from the prospectus requirement under applicable Canadian securities laws.
24. The Northleaf Funds are not in default of the securities legislation of any of the Jurisdictions.
25. The Northleaf Funds are, or will be, primarily held by accredited investors who are not affiliated with the Filer or Northleaf.
26. There is no established, publicly available secondary market for interests in Northleaf Funds nor are there generally any redemption rights applicable to investors in Northleaf Funds. As such, investors in a Northleaf Fund cannot readily dispose of their interests in a Northleaf Fund and any interest that a Top Fund holds in a Northleaf Fund is or will be considered an "illiquid asset" under NI 81-102.
27. Each Northleaf Fund is, or will be, valued quarterly by Northleaf. On an annual basis the financial statements of each Northleaf Fund, are, or will be, audited by Northleaf's external auditors, being an internationally recognized independent account and audit firm (typically Ernst & Young LLP or PricewaterhouseCoopers

LLP (Canada), as part of their annual independent audit. The applicable audit firm also audits the controls and processes in place to ensure Portfolio Investments are accurately valued in accordance with Northleaf's valuation policy.

Reasons for the Requested Relief

28. Absent the Requested Relief, a Top Fund, including the Fund, would be prohibited by subsection 2.2(1)(a) of NI 81-102 from investing in NGF or any other Northleaf Fund beyond the confines of the Control Restriction. Due to the expected size disparity between the Top Funds and the Northleaf Funds, with the Top Funds expected to be significantly larger than the Northleaf Funds, it is possible that a relatively small investment, on a percentage of NAV basis, by a relatively larger Top Fund in a Northleaf Fund could result in such Top Fund holding securities representing more than 10 per cent of (i) the votes attaching to the outstanding voting securities of the Northleaf Fund or (ii) the outstanding equity securities of the Northleaf Fund, contrary to the restrictions in paragraph 2.2(1)(a) NI 81-102.
29. While the securities of the Northleaf Funds that the Top Funds would hold are technically considered voting and/or equity securities, a Top Fund will not invest in any Northleaf Fund for the purpose of exercising control over, or management of, the Northleaf Fund. The securities of each Northleaf Fund that would be held by the Top Funds do not, and will not, provide a Top Fund with any right to (i) appoint directors or observers to any board of the applicable Northleaf Fund or its manager, (ii) restrict management of any Northleaf Fund or be involved in the decision-making with respect to the investments made by the applicable Northleaf Fund or (iii) restrict the transfer of securities of the applicable Northleaf Fund by other investors in the Northleaf Fund. The voting rights associated with the securities of the Northleaf Funds that would be held by the Top Funds do not, and will not, provide a Top Fund with any right to approve, or otherwise participate in the decision-making process associated with the investments made by the Northleaf Funds.
30. The Top Funds will not have any look-through rights with respect to the individual portfolio investments held by any of the Northleaf Funds. Further, the Top Funds will not have any rights to, or responsibility for, administering any of the portfolio investments held by any of the Northleaf Funds.
31. Each of the existing Northleaf Funds have, and all future Northleaf Funds are expected to have, diversification requirements which limit the indirect exposure of the Top Funds to any single underlying portfolio company.
32. The Filer believes that a meaningful allocation to private markets investments will provide the Top Funds' investors with unique diversification opportunities and represents an appropriate investment tool for the Top Funds that has not been widely available in the past. Private equity, private infrastructure and private credit investments have historically performed well in down markets; the Filer believes that permitting a Top Fund to increase its allocation to such strategies, subsets of

alternative investments, offers the potential to improve a Top Fund's risk adjusted returns.

33. The Filer believes that an optimal way to access private equity, private infrastructure and private credit is through investments in the Northleaf Funds. Investing in the Northleaf Funds will provide the Top Funds with access to investments in these strategies that the Top Funds would not otherwise have exposure to through portfolios diversified across different strategies, industry sectors and geographies constructed by Northleaf's experienced investment professionals.
34. Investments in the Northleaf Funds are considered illiquid investments under NI 81-102 and therefore are not permitted to exceed 10% of the NAV of a Top Fund. Investments by a Top Fund in Northleaf Funds are, or will be, included as part of the calculation for the purposes of the illiquid asset restriction in section 2.4 of NI 81-102 for the Top Fund. Furthermore, the Filer has its own liquidity policy and manages, or will manage, Top Funds' liquidity prudently under this policy.
35. The Filer believes that an optimal aggregate allocation to NGF would be approximately 1% of the Fund's net assets, or approximately C\$60 million. Absent the Requested Relief, the Fund cannot achieve this allocation to NGF.
36. Investments by a Top Fund in the Northleaf Funds do not qualify for the exemption in subsection 2.2(1.1)(a) of NI 81-102 as the Northleaf Funds are not, or will not be, "investment funds".
37. The Filer believes that granting the Requested Relief is in the best interests of the Top Funds as it would provide the Top Funds with more flexibility to increase their allocation to the private markets.

IV. 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. No Top Fund is actively participating or will actively participate in the business or operations of any Northleaf Fund.
2. Each Top Fund is or will be treated as an arm's-length investor in each Northleaf Fund in which it invests, on the same terms as all other third-party investors.
3. A Top Fund does not or will not hold more than 20% of the outstanding equity or voting securities of any Northleaf Fund.
4. Investments in the Northleaf Funds are considered illiquid investments under NI 81-102 and therefore are not permitted to exceed, in aggregate, 10% of the net asset value of the Fund.
5. In respect of an investment by a Top Fund in a Northleaf Fund, no sales or redemption fees are, or will be paid as part of the investment in the Northleaf Fund.

6. In respect of an investment by a Top Fund in a Northleaf Fund, no management fees or incentive fees are, or will be payable by the Top Fund that, to a reasonable person, would duplicate a fee payable by a Northleaf Fund for the same service.
7. Where applicable, a Top Fund's investment in a Northleaf Fund is or will be disclosed to investors in the Top Fund's quarterly portfolio holding reports, financial statements and/or fund facts documents.
8. The manager of each of the Top Funds complies with section 5.1 of NI 81-107 and the manager and the IRC of the Top Funds will comply with section 5.4 of NI 81-107 for any possible standing instructions concerning an investment by a Top Fund in a Northleaf Fund.
9. The prospectus of the Top Fund discloses or will disclose in the next renewal or amendment as applicable the fact that the Top Fund is invested in the Northleaf Funds, and that Mackenzie holds a significant ownership interest in Northleaf.



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