

Decision Document

May 3, 2013

**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 Mergers of
Investors Japanese Equity Fund
Investors Japanese Equity Class
Investors European Dividend Growth Fund
Investors Summa Global SRI Fund
Investors Summa Global SRI Class
Investors Mergers & Acquisitions Fund
Investors Mergers & Acquisitions Class
IG Mackenzie Universal Global Growth Class
Investors Real Return Bond Fund
(the "Terminating Funds")
into**

**Investors Pan Asian Growth Fund
Investors Pan Asian Growth Class
Investors European Equity Fund
Investors Global Fund
Investors Global Class
Investors North American Equity Fund
Investors North American Equity Class
IG Mackenzie Ivy Foreign Equity Class
Investors Canadian Bond Fund
(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 Mergers of the Terminating Funds into the applicable Continuing Funds (as defined below in paragraph number 6).

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:

- Investors Japanese Equity Fund, Investors Pan Asian Growth Fund, Investors European Dividend Growth Fund, Investors European Equity Fund, Investors Summa Global SRI Fund, Investors Global Fund, Investors Mergers & Acquisitions Fund, Investors North American Equity Fund, Investors Real Return Bond Fund and Investors Canadian Bond Fund are herein collectively referred to as the "Unit Trust Funds";
- Investors Japanese Equity Class, Investors Pan Asian Growth Class, Investors Summa Global SRI Class, Investors Global Class, Investors Mergers & Acquisitions Class, Investors North American Equity Class, IG Mackenzie Universal Global Growth Class and IG Mackenzie Ivy Foreign 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:

1. Investors Group is a corporation continued under the laws of Canada. It is the trustee and manager of the Unit Trust Funds and is the manager of the Corporate Class Funds. I.G. Investment Management, Ltd. 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 established or 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 the 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 their own separate simplified prospectuses and annual information forms for the Unit Trust Funds and Corporate

Class Funds, respectively, each dated June 30, 2012, as may be amended (referred to collectively as the "Prospectuses").

5. Each Unit Trust Fund issues five series of units to retail purchasers. Each Corporate Class Fund issues four 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 in paragraph number 4.
6. 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	<i>to merge into</i>	Continuing Fund
Investors Japanese Equity Fund	<i>to merge into</i>	Investors Pan Asian Growth Fund
Investors Japanese Equity Class	<i>to merge into</i>	Investors Pan Asian Growth Class
Investors European Dividend Growth Fund	<i>to merge into</i>	Investors European Equity Fund
Investors Summa Global SRI Fund	<i>to merge into</i>	Investors Global Fund
Investors Summa Global SRI Class	<i>to merge into</i>	Investors Global Class
Investors Mergers & Acquisitions Fund	<i>to merge into</i>	Investors North American Equity Fund
Investors Mergers & Acquisitions Class	<i>to merge into</i>	Investors North American Equity Class
IG Mackenzie Universal Global Growth Class	<i>to merge into</i>	IG Mackenzie Ivy Foreign Equity Class
Investors Real Return Bond Fund	<i>to merge into</i>	Investors Canadian Bond Fund

7. Meetings of the securityholders of the Terminating Funds are being convened on or about June 10, 2013, to approve the Mergers. A Meeting of the securityholders of Investors Pan Asian Growth Class, Investors Global Class, Investors North American Equity Class and IG Mackenzie Ivy Foreign Equity Class (the "Continuing Corporate Class Funds") 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 their Mergers with their corresponding Terminating Funds. 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 Funds (collectively, the "Meeting Materials"), will be mailed to securityholders of the Terminating Funds and the Continuing Corporate Class Funds, commencing on or about May 10, 2013, and will be filed via SEDAR.
8. 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 Funds is to approve an amendment to the articles of incorporation of the Corporation to facilitate their Mergers pursuant to the CBCA and is not being convened because it is a material change for those Continuing Funds.

9. 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. More specifically, the Merger of the Investors European Dividend Growth Fund into the Investors European Equity Fund will occur on a taxable basis, because if that transaction were to occur on a tax-deferred basis, any unused tax losses of the Investors European Equity Fund would expire immediately after completion of the Proposed Merger. Had this Proposed Merger occurred on April 12, 2013 on a tax-deferred basis, the Investors European Equity Fund would have had tax losses that would expire unused after completion of the Proposed Merger of approximately \$291 million (being almost 41% of its net asset size). By having this Proposed Merger occur on a taxable basis, however, the tax losses of the Investors European Equity Fund are preserved. This means there is a lower likelihood that the Investors European Equity Fund may make a capital gains or income distribution in the future. This advantage will benefit the securityholders of the Investors European Dividend Growth Fund who will become securityholders of the Investors European Equity Fund upon completion of the Merger.
10. To summarize, with respect to this Proposed Merger and the other Proposed Mergers, 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 each corresponding Continuing Fund.
11. Amendments to the Prospectuses and Fund Facts of each retail series of each Terminating Fund, and a material change report, have been (or will be) filed on SEDAR with respect to the Mergers as required by the Legislation of the Jurisdictions.
12. The Terminating Funds will merge into the Continuing Funds on or about the close of business on June 14, 2013, 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. No sales charges will be payable in connection with the acquisition by the Continuing Funds of the investment portfolios of the Terminating Funds.
15. 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.
16. 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.
17. 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.
18. Although the Continuing Funds and the corresponding Terminating Funds have somewhat similar investment mandates, their fundamental investment objectives and /or strategies differ.
19. Some of the portfolio securities and other assets of the Terminating Funds may in some instances be unacceptable to the portfolio advisor of the Continuing Funds for reasons related to diversification, investment selection and asset allocation, and may therefore have to be liquidated or rationalized to a greater or lesser extent prior to some or all Mergers.

20. 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 referred to in paragraph 19, and regulatory fees.
21. The fee structures of the Terminating Funds is generally the same as the fee structures of the Continuing Funds, and in some instances the annual management fee and administration fees of the Continuing Funds are lower than that of the Terminating Funds.
22. Investors Group will send the most recent Fund Facts of the appropriate series 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, securityholders of the Terminating Funds and the Continuing Corporate Class Funds will be sent a management information circular fully describing the Mergers, which prominently discloses that the most recent Prospectuses, audited annual and un-audited interim financial statements of the Continuing Funds (if available) can be obtained 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.
23. Approval of the Mergers is required because one or more of the Mergers does not satisfy all 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), a reasonable person may not consider the Continuing Funds as having substantially similar fundamental investment objectives as the Terminating Funds; and
 - (b) contrary to section 5.6(1)(b), the Merger of Investors European Dividend Growth Fund into Investors European Equity Fund will not occur on a tax-deferred basis as a "qualifying exchange" within the meaning of section 132.2 of the Federal Income Tax Act ("ITA") or a tax-deferred transaction under sub-section 85(1), 85.1(1), 86(1) or 87(1) of the ITA.
24. 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.
25. 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.
26. It is anticipated that securityholders of the Terminating Funds will benefit from less volatile and improved performance of their investments after the Mergers due to the broader investment mandate and larger asset size of the Continuing Funds which allow the portfolio advisors to better manage their assets through greater diversification, investment selection and asset allocation.
27. 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 merger achieves 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.



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