



July 28, 2017

**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 CANADIAN BALANCED FUND
INVESTORS CORE CANADIAN EQUITY FUND
IG TEMPLETON INTERNATIONAL EQUITY FUND
INVESTORS INTERNATIONAL EQUITY FUND
INVESTORS GREATER CHINA FUND
ALTO CONSERVATIVE PORTFOLIO
ALTO MODERATE CONSERVATIVE PORTFOLIO
ALTO MODERATE PORTFOLIO
ALTO MODERATE AGGRESSIVE PORTFOLIO
ALTO MODERATE AGGRESSIVE CANADA FOCUS PORTFOLIO
ALTO AGGRESSIVE PORTFOLIO
ALTO AGGRESSIVE CANADA FOCUS PORTFOLIO
ALLEGRO MODERATE AGGRESSIVE CANADA FOCUS PORTFOLIO
ALLEGRO AGGRESSIVE CANADA FOCUS PORTFOLIO
(the “Merging Funds”)**

**IN THE MATTER OF
I.G. INVESTMENT MANAGEMENT, LTD.
(referred to as “IGIM” and collectively with the Merging Funds as 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 *Investment Funds* (“NI 81-102”) of the mergers (the “Mergers”) of the Merging Funds into the applicable Continuing Funds as defined below (the “Approval Sought”).

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 subsection 4.7(1) of Multilateral 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

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless they are otherwise defined. The following terms have the following meanings:

- The Merging Funds and the Continuing Funds (as defined below) managed by IGIM are herein collectively referred to as the “**Funds**”;
- Investors Canadian Balanced Fund, Investors Core Canadian Equity Fund, IG Templeton International Equity Fund, Investors International Equity Fund, Investors Greater China Fund, Investors Mutual of Canada, IG Franklin Bissett Canadian Equity Fund, IG Mackenzie Ivy European Fund and Investors Pan Asian Equity Fund are herein collectively referred to as the “**IG Funds**”;
- Alto Conservative Portfolio, Alto Moderate Conservative Portfolio, Alto Moderate Portfolio, Alto Moderate Aggressive Portfolio, Alto Moderate Aggressive Canada Focus Portfolio, Alto Aggressive Portfolio and Alto Aggressive Canada Focus Portfolio are herein collectively referred to as the “**Alto Portfolio Funds**”;
- Allegro Income Portfolio, Allegro Income Balanced Portfolio, Allegro Balanced Portfolio, Allegro Balanced Growth Portfolio, Allegro Moderate Aggressive Canada Focus Portfolio, Allegro Growth Portfolio and Allegro Aggressive Canada Focus Portfolio are herein collectively referred to as the “**Allegro Portfolio Funds**”;
- Investors Mutual of Canada, IG Franklin Bissett Canadian Equity Fund, IG Mackenzie Ivy European Fund, Investors Pan Asian Equity Fund, Allegro Income Portfolio, Allegro Income Balanced Portfolio, Allegro Balanced Portfolio, Allegro Balanced Growth Portfolio and Allegro Growth Portfolio are herein collectively referred to as the “**Continuing Funds**”.

Representations

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

The Filers

1. IGIM is a corporation continued under the laws of Ontario. It is the trustee and manager of the IG Funds, Alto Portfolio Funds and Allegro Portfolio Funds. The head office of IGIM is in Winnipeg, Manitoba.
2. IGIM 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. IGIM is not in default of any of the requirements of securities legislation of any of the provinces and territories of Canada.

The Funds

4. All of the Funds are open-end mutual funds established or continued under a Master Declaration of Trust under the laws of Manitoba.
5. Securities of the Funds are qualified for distribution in each province and territory of Canada pursuant to a simplified prospectus (**SP**), annual information form (**AIF**) and fund facts (**Fund Facts**) prepared in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure* dated June 30, 2017 (the "**Prospectus**").
6. The net asset values of each series of the Funds are calculated on a daily basis on each day that IGIM is open for business.
7. None of the Funds are in default of any of the requirements of securities legislation of any province or territory in Canada.

The Mergers

8. IGIM proposes that each Merging Fund be merged into a corresponding Continuing Fund as follows:

IG Fund Mergers

Merging Fund		Continuing Fund
Investors Canadian Balanced Fund	<i>to merge into</i>	Investors Mutual of Canada
Investors Core Canadian Equity Fund	<i>to merge into</i>	IG Franklin Bissett Canadian Equity Fund
IG Templeton International Equity Fund	<i>to merge into</i>	IG Mackenzie Ivy European Fund
Investors International Equity Fund	<i>to merge into</i>	IG Mackenzie Ivy European Fund
Investors Greater China Fund	<i>to merge into</i>	Investors Pan Asian Equity Fund

“Alto Portfolio Fund Mergers”

Merging Fund		Continuing Fund
Alto Conservative Portfolio	<i>to merge into</i>	Allegro Income Portfolio
Alto Moderate Conservative Portfolio	<i>to merge into</i>	Allegro Income Balanced Portfolio
Alto Moderate Portfolio	<i>to merge into</i>	Allegro Balanced Portfolio
Alto Moderate Aggressive Portfolio	<i>to merge into</i>	Allegro Balanced Growth Portfolio
Alto Moderate Aggressive Canada Focus Portfolio	<i>to merge into</i>	Allegro Balanced Growth Portfolio
Alto Aggressive Portfolio	<i>to merge into</i>	Allegro Growth Portfolio
Alto Aggressive Canada Focus Portfolio	<i>to merge into</i>	Allegro Growth Portfolio

“Allegro Canada Focus Portfolio Fund Mergers”

Merging Fund		Continuing Fund
Allegro Moderate Aggressive Canada Focus Portfolio	<i>to merge into</i>	Allegro Balanced Growth Portfolio
Allegro Aggressive Canada Focus Portfolio	<i>to merge into</i>	Allegro Growth Portfolio

9. Approval of the Mergers is required because the Mergers do not satisfy all of the criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102. More specifically, contrary to subparagraph 5.6(1)(a)(ii), a reasonable person might consider that the investment objectives and/or the fundamental investment strategies of the Continuing Funds and the Merging Funds are not substantially similar.
10. The Mergers will be conducted on a tax-deferred basis so securityholders of the Merging Funds will not realize any capital gain or loss as a result of the Mergers.
11. Except as set out in paragraph 9, the Mergers will comply with all of the other criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102.
12. Subject to obtaining all necessary approvals, the Merging Funds will merge into the Continuing Funds on or about the close of business on September 8, 2017 (the “**Effective Date**”), and the Continuing Funds will continue as publicly offered open-end mutual funds, whereas the Merging Funds will be wound up as soon as reasonably possible.
13. Securityholders of the Merging Funds will continue to have the right to redeem securities of the Merging Funds for cash at any time up to the close of business on the Effective Date.

14. The fee structure of each Continuing Fund is the same as the fee structure of its corresponding Merging Fund and, on the Effective Date, the fees payable by the Continuing Funds will be the same as, or lower than, the fees payable by their corresponding Merging Funds. Accordingly, there will be no increase in fees payable by securityholders of the Merging Funds as a result of the Mergers.
15. IGIM will pay for all costs associated with the securityholder meetings to vote on the Mergers, including legal, proxy solicitation, printing, and mailing expenses, as well as any brokerage transaction fees associated with any Merger related trades and regulatory fees.
16. IGIM has determined that the Mergers will not be a material change to the Continuing Funds.
17. IGIM intends to proceed with any Merger that obtains securityholder and regulatory approval, even if other Mergers fail to obtain securityholder and/or regulatory approval.
18. If implemented, IGIM intends to effect the Mergers as follows:
 - Step 1: Prior to the Mergers, the Merging Funds and the Continuing Funds will determine the amount of income and net capital gains each has realized during the taxation year up to the date of the Mergers. These Funds will then distribute sufficient income and net capital gains to their securityholders to ensure that the Funds will not pay any taxes.
 - Step 2: Each Merging Fund will transfer or sell all of its net assets (being its investment portfolio, other assets including cash, and liabilities) to its corresponding Continuing Fund in exchange for units of equivalent value in the Continuing Fund, as determined on the date of the Merger.
 - Step 3: Following Step 2, each Merging Fund will immediately thereafter redeem its own units at their net asset value per unit. Securityholders of the Merging Fund will receive units of the equivalent series of the corresponding Continuing Fund in an amount equal to the fair market value of their units in the Merging Fund. After this step, securityholders of each Merging Fund will become securityholders of its corresponding Continuing Fund.
 - Step 4: Within 60 days after the Mergers, the Merging Funds each will be wound-up.

Securityholder Meetings

19. Securityholder meetings for the Merging Funds are being convened on or about August 31, 2017 to approve the Mergers. This will give the securityholders the opportunity to approve the Mergers as required by paragraph 5.1(1)(f) of NI 81-102.
20. A notice of meeting in the form of a “Notice and Access” document (the **Notice Document**) along with a form of proxy and the Fund Facts document(s) for the series of the Continuing Fund into which the investment of a securityholder of a Merging Fund will be merged as a result of the Merger of their Fund will be mailed to securityholders of the Merging Funds beginning on or about July 24, 2017 in compliance with the “Notice and Access” requirements pursuant to an exemption granted to IGIM on behalf of the Funds dated November 29, 2016 (the “**2016 Exemption**”).

21. A management information circular (the **Circular**) will be made available to securityholders and posted on both the SEDAR website and on the website of the Filers in compliance with the 2016 Exemption. The Circular will, among other things, describe the tax implications of the Mergers, as well as the material differences between each Merging Fund and the corresponding Continuing Fund for all the Mergers, so securityholders of the Merging Funds will have sufficient information to permit them to make an informed decision of whether or not to approve each Merger at the meetings of their Funds.
22. The Notice Document will disclose that the Circular and audited annual financial statements of the Continuing Funds can be obtained by accessing them at the website of IGIM and its related companies or the SEDAR website, or requesting paper copies of each by calling a toll-free telephone number as well as any other disclosure requirements mandated by the 2016 Exemption.
23. A news release was issued on June 15, 2017 announcing the proposed Mergers and amendments to the Prospectus and Fund Facts of each retail series of each Merging Fund, and a material change report was filed on SEDAR on June 15, 2017 with respect to the Mergers as required by the Legislation of the Jurisdictions.

IRC Review

24. As required by National Instrument 81-107 *Independent Review Committee for Investment Funds*, IGIM has referred the Mergers to the Funds' Independent Review Committee (the "IRC") for its review. On June 14, 2017, the IRC concluded that the Mergers if implemented would achieve a fair and reasonable result for the Funds.

Reasons for the Mergers

25. The Mergers are being proposed to simplify and streamline IGIM's product offering by merging Funds whose investment objectives have a large amount of overlap. It is expected that the elimination of similar fund offerings across product lines will result in a product line-up that is easier for investors to understand.
26. The Mergers are also being proposed because it is anticipated that the larger asset size of the Continuing Funds may provide the potential for efficiencies in the management of the investment portfolios of the securityholders, which may include lower portfolio transaction costs in some instances.
27. In conjunction with the Mergers, IGIM has called a meeting of the securityholders of the Allegro Portfolio Funds, except for the Allegro Moderate Aggressive Canada Focus Portfolio and the Allegro Aggressive Canada Focus Portfolio, to approve a change of their investment objectives and fundamental investment strategies that will provide these continuing funds with a more flexible asset allocation approach that should, if approved by their securityholders, enhance their ability to respond to market conditions and opportunities. It is anticipated that this change, if approved by their securityholders, will benefit the Merging Funds involved in the Alto Portfolio Fund Mergers and the Allegro Canada Focus Portfolio Fund Mergers.

28. Overall, it is anticipated by IGIM that these changes will enhance the potential for improved long-term performance 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 Approval Sought is granted provided the securityholders of each Merging Fund approve the Merger.



Chris Besko
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The Manitoba Securities Commission