



)
)
)
)

Order No. 7666

October 17, 2024

**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.
(IGIM)**

DECISION

I. BACKGROUND

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application (the **Application**) from IGIM on behalf of iProfile International Equity Private Pool (the **Initial Top Fund**) and any additional existing mutual funds or those mutual funds established in the future of which IGIM is the manager (the **Additional Top Funds** and together with the **Initial Top Funds**, the **Top Funds** and individually a **Top Fund**) for relief from:

1. Paragraph 2.5(2)(a) of NI 81-102, to permit each Top Fund that is a mutual fund to invest in securities of Rockefeller Capital Management IG PE Fund (the **Underlying Rockefeller Fund**), which will be a non-redeemable investment fund that is not subject to NI 81-102; and
2. Paragraph 2.5(2)(c) of NI 81-102, to permit each Top Fund that is a mutual fund to invest in securities of the Underlying Rockefeller Fund, which will not be a reporting issuer in any jurisdiction.
(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) IGIM 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, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon Territory and Nunavut (together with the Jurisdictions, the **Canadian Jurisdictions**); and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

II. INTERPRETATION

Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

III. REPRESENTATIONS

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

IGIM

- 1. IGIM is a corporation continued under the laws of Ontario. It is the trustee, portfolio advisor and manager of the Top Fund. IGIM's head office 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.
- 3. IGIM is not in default of the securities legislation in any of the Jurisdictions.

The Top Fund

- 4. The Top Funds are, or will be, mutual funds subject to NI 81-102, organized and governed by the laws of a jurisdiction of Canada.
- 5. Each Top Fund distributes, or will distribute, its securities pursuant to a simplified prospectus and Fund Facts prepared in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure (NI 81-101)*.
- 6. Securities of each Top Fund are, or will be, qualified for distribution in the Jurisdictions.
- 7. The Top Funds are, or will be, reporting issuers in the provinces and territories

of Canada in which their securities are distributed.

8. The simplified prospectus of each Top Fund discloses, or will disclose, in its description of the Top Fund's investment strategies that the Top Fund may invest up to 10% of its assets directly or indirectly in a diversified portfolio of privately held companies. This limit is consistent with the classification of the Underlying Rockefeller Fund as illiquid assets for purposes of NI 81-102.
9. Each Top Fund is, or will be, subject to National Instrument 81-107 – Independent Review Committee for Investment Funds (**NI 81-107**) and IGIM has established an independent review committee (**IRC**) to review conflict of interest matters pertaining to the Top Funds as required by NI 81-107.

Rockefeller Capital Management and the Underlying Rockefeller Fund

10. Rockefeller Capital Management LP (together with its affiliates, **RCM**) is a leading independent, privately-owned financial services firm offering global private wealth management, asset management and strategic advisory services to ultra-high-net-worth individuals and families, institutions, and corporations. RCM, which is headquartered in New York City, provides these services on a discretionary, non-discretionary or consulting basis for domestic and non-U.S. clients. The firm is responsible for in excess of \$142 billion in client assets, as of June 30, 2024. RCM and its predecessor entities have advised clients on their private asset investment portfolios for decades with diversified commingled fund-of-fund vehicles dating back to 2003 as well as through a range of customized portfolio solutions.
11. On April 3, 2023 IGM Financial Inc. (**IGM**), the parent company of IGIM, purchased an approximately 20.5% equity interest in RCM.
12. The Underlying Rockefeller Fund will be a non-redeemable investment fund and it will seek to provide each Top Fund with access to private equity assets primarily focused in Europe and Asia consisting of a combination of mid-market and growth-oriented primary investments, secondary investments, evergreen private market strategies as well as private company direct and co-investments (each a **Portfolio Investment** and collectively the **Portfolio Investments**). A “primary investment” is an investment in non-redeemable securities of a private equity fund issued directly by the issuer fund, whereas a “secondary investment” generally involves purchasing securities in an existing private equity fund from an existing securityholder through a private purchase and sale transaction between the existing securityholder and the buyer. A “direct investment” is an investment made directly in the securities of a private company, generally alongside other investment partners. The Underlying Rockefeller Fund will seek to earn a long-term rate of return in excess of returns generally available through conventional investments in public equity markets and with lower volatility of returns than public markets. The Underlying Rockefeller Fund's strategy is Europe and Asia-focused in scope and in making primary and secondary investments for the Underlying Rockefeller Fund, RCM intends to focus on making investments in or alongside a core group of private equity managers with well-established franchises, strong, long-term track records and demonstrated

access to privileged deal flow.

13. The Underlying Rockefeller Fund will fall within the definition of “investment fund” under the Securities Act (Manitoba) (the **Act**) as it will invest in a portfolio of securities and will not invest for the purpose of exercising or seeking to exercise control over issuers. While certain investments in the portfolio of the Underlying Rockefeller Fund, particularly direct and co-invest investments, may include “control” characteristics including the right to appoint voting or observer members to an issuer’s board of directors (or similar), the majority of the exposure to private assets in the fund will be achieved through investments in other private funds rather than direct holdings in portfolio companies. Further, direct or co-investments made by the Underlying Rockefeller Fund will be minority investments in issuers which do not include “control” characteristics, meaning RCM and its affiliates will own a minority of the investment and have minority representation on any related governing boards.
14. The Underlying Rockefeller Fund will be managed by RCM. Rockefeller & Co. LLC, an operating subsidiary of RCM, is registered as an international adviser in British Columbia, Manitoba, Ontario and Quebec, and an international investment fund manager in Ontario and Quebec. Rockefeller Financial LLC is registered as an international dealer and advisor in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec and Saskatchewan.
15. The Underlying Rockefeller Fund will not be subject to NI 81-102, 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 NI 41-101.
16. The Underlying Rockefeller Fund will not be a reporting issuer in any of the Jurisdictions or listed on any recognized stock exchange.
17. The Top Funds will be the sole investors of the Underlying Rockefeller Fund.
18. The Top Funds qualify to invest in the Underlying Rockefeller Fund pursuant to an exemption from the prospectus requirement under applicable Canadian securities laws.
19. RCM is not in default of the securities legislation of any of the Jurisdictions.
20. There will be no established, publicly available secondary market for interests in the Underlying Rockefeller Fund nor will there generally be any redemption rights applicable to the Top Funds as investors of the Underlying Rockefeller Fund. As such, the Top Funds will not be able to readily dispose of their interest in the Underlying Rockefeller Fund and any interest that a Top Fund holds in an Underlying Rockefeller Fund will be considered an “illiquid asset” under NI 81-102.
21. As the Underlying Rockefeller Fund will be a closed-end, non-redeemable investment fund, and there are no redemption rights, the Top Funds neither subscribe nor redeem based on the net asset value (**NAV**) of the Underlying Rockefeller Fund.

22. The Underlying Rockefeller Fund will invest in third-party private equity funds and may invest in direct private investments in partnership with third-party fund managers with whom RCM has an investment relationship. The Underlying Rockefeller Fund may also invest directly in private companies without a third-party sponsor vehicle. In such cases, RCM will engage a third-party valuation agent on a semi-annual basis to assess the current fair market value of the positions based on audited financial information, latest fundraising activities, the company's capitalization, and comparable company valuation metrics. With respect to co-investments, RCM generally reviews and adopts the co-investment partner's valuation as set forth in the quarterly Partners Capital Account Statement (**PCAP**) and requires co-investment partner to provide audited financial statements for the co-investment vehicle annually. The Underlying Rockefeller Fund will be valued quarterly by RCM. In preparing the quarterly valuations of the Underlying Rockefeller Fund, RCM considers the quarterly valuations that it receives in respect of each Portfolio Investment from the applicable fund manager in respect of the Underlying Rockefeller Fund's proportionate share of the Portfolio Investment. For valuation purposes, the Underlying Rockefeller Fund's Portfolio Investments are reported at fair value based on financial statements and other relevant information as supplied by the relevant fund manager at each year end. Additionally, as part of the due diligence onboarding process, RCM reviews and evaluates the valuation process of each fund manager that constitutes a Portfolio Investment. Fund manager valuations remain subject to adjustment in the event that RCM concludes that the valuation provided by the relevant fund manager does not accurately reflect the fair value of the Portfolio Investment. In such situations, RCM may consider adjustments to reported net asset value or other sources of fair value, such as trading comparables (including orderly secondary transactions), transaction multiples or prior financing rounds.
23. On an annual basis, the financial statements of the Underlying Rockefeller Fund will be audited by RCM's external auditors for its private equity funds, currently Deloitte & Touche LLP (**Deloitte**). Deloitte's audit also considers if controls and processes are in place to ensure Portfolio Investments are valued in accordance with RCM's valuation policy.
24. RCM's private equity valuation policy is consistent with U.S. Generally Accepted Accounting Principles.

General

25. Absent the Requested Relief, a Top Fund would be prohibited by sections 2.5(2)(a) and 2.5(2)(c) of NI 81-102 from purchasing or holding securities of the Underlying Rockefeller Fund because the Underlying Rockefeller Fund (i) is not subject to NI 81-102 and (ii) is not a reporting issuer in the Jurisdictions.
26. IGIM believes that a meaningful allocation to private equity investments provides Top Funds' investors with differentiated diversification opportunities and represents an appropriate investment tool for the Top Funds that has not been widely available in the past. Private equity investments have historically performed well in down markets; IGIM believes that permitting the Top Funds to

invest in private equity, a subset of alternative investments, offers the potential to improve the Top Funds' risk-adjusted returns.

27. An investment in the Underlying Rockefeller Fund by a Top Fund is an efficient and cost-effective way for the Top Fund to implement a private equity investment strategy. IGIM believes it is in the best interests of the Top Funds to make use of RCM's experience and expertise as a private equity investor to achieve a Top Fund's desired exposure to a diversified portfolio of private companies. An investment in the Underlying Rockefeller Fund will provide a Top Fund with exposure to top-tier private equity funds and assets the Top Fund would not be able access directly. Without established relationships and internal private equity expertise, which RCM possesses but IGIM does not, it is extremely difficult to invest with leading global private equity managers, due to capped fund sizes and limited access to the funds. As an asset class, there has historically been a much larger dispersion of returns across private equity managers than there is for public equity managers. Accessing the top performing funds in private equity has historically made a material difference to returns. For this reason, there is significant competition to access the strongest performers and many are closed to new investors. RCM's longstanding relationships with and access to strong performing European and Asian private equity funds provides a distinct advantage that would be very difficult for IGIM to generate directly.
28. Further, RCM provides an active and purposeful approach to private equity portfolio construction, risk management and diversification that IGIM does not have the expertise to replicate. RCM engages in extensive due diligence of each investment opportunity to ensure that the investment meets the expected risk/return profile for the Underlying Rockefeller Fund participating in the investment. In summary, investing in the Underlying Rockefeller Fund will provide the Top Funds with access to investments in hard to access private equity funds and assets that the Top Funds would not otherwise have exposure to through portfolios of private equity investments diversified across different strategies, industry sectors and geographies constructed by RCM's experienced private equity professionals.
29. We note that the private equity funds that the Underlying Rockefeller Fund will invest in may be considered "investment funds" under securities laws. Notwithstanding the foregoing, the Top Funds will ensure compliance with section 2.5(2)(b) of NI 81-102.
30. RCM's focus on secondaries, co-investments, and direct investments will also be beneficial to the Top Funds. The secondaries market has grown considerably over the past decade but can generally only be accessed effectively by firms that have extensive relationships with private equity managers and other investors in private equity funds. These relationships provide Rockefeller with significant "deal flow". These interests can take many forms, including interests in one or more private equity funds sold as a portfolio and "single asset" vehicles where, as the name indicates, a sole company or asset is purchased in the secondary market indirectly through a managed vehicle structure. Since IGIM does not possess the applicable expertise internally, these opportunities cannot be accessed by the Top Funds except through a longstanding private equity investor like RCM.

31. The reason for this proposed “fund-of-one” structure is that RCM does not currently offer a pooled fund focused on European and Asian private equity that fits with a Top Fund’s investment objectives and strategies. Furthermore, this “fund-of-one” structure will ensure that RCM can efficiently provide portfolio monitoring, treasury, accounting, and other reporting tasks that a Top Fund is not set up to undertake. RCM has proven success in structuring, investing and managing more than US\$ 5 billion across private equity and venture capital/growth mandates on behalf of its clients, including a proprietary diversified private equity fund-of-fund with a greater than 20-year track record.
32. The Top Funds being the sole investors of an underlying fund is permissible under section 2.5 of NI 81-102 and therefore, but for the lack of applicability of section 2.5(2)(a) of NI 81-102 and 2.5(2)(c) 81-102 to the Underlying Rockefeller Fund, no additional relief would be necessary to organize the funds in this manner.
33. Investments in the Underlying Rockefeller Fund are considered illiquid investments under NI 81-102 and therefore are not permitted to exceed 10% of the NAV of a Top Fund. The investments in the Underlying Rockefeller Fund are 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. NI 81-102 allows holdings in illiquid investments so long as the aggregate exposure to illiquid investments is within the thresholds of the rule. IGIM has its own liquidity policy and manages the Top Funds’ liquidity prudently under the policy.
34. As with any other illiquid investment, the portfolio managers of a Top Fund will carefully monitor the portfolio holdings and the liquidity needs of the Top Fund. Further, while the Top Funds may go up to 10% in illiquid assets in accordance with NI 81-102, IGIM intends to keep the percentage of a Top Fund that is invested in illiquid assets at a moderately lower percentage to allow for fluctuations in the size of the Top Fund in order to manage compliance with the 10% restriction.
35. IGIM expects that the main source of liquidity for a Top Fund’s interest in the Underlying Rockefeller Fund would be for the Top Fund to turn to the secondary market where a Top Fund could seek out other institutional investors who, subject to RCM’s approval, could purchase a Top Fund’s interest in the Underlying Rockefeller Fund in a secondary transaction.
36. The decision to permit a Top Fund to invest in the Underlying Rockefeller Fund represents IGIM’s business judgment and is not influenced by factors other than the best interests of the Top Fund.
37. Aside from the sections covered by the Requested Relief, a Top Fund will comply with section 2.5 of NI 81-102 with respect to the investment in the Underlying Rockefeller Fund.

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 will actively participate in the business or operations of the Underlying Rockefeller Fund.
2. In respect of an investment by a Top Fund in the Underlying Rockefeller Fund, no sales or redemption fees will be paid as part of the investment in the Underlying Rockefeller Fund.
3. In respect of an investment by a Top Fund in the Underlying Rockefeller Fund, no management fees or incentive fees will be payable by the Top Fund that, to a reasonable person, would duplicate a fee payable by the Underlying Rockefeller Fund for the same service.
4. Where applicable, a Top Fund's investment in the Underlying Rockefeller Fund, will be disclosed to investors in such Top Fund's quarterly portfolio holding reports, financial statements and fund facts.
5. The prospectus of each Top Fund will disclose in the next renewal or amendment the fact that the Top Fund is invested in the Underlying Rockefeller Fund, which is managed by RCM and that IGM, an affiliate of IGIM holds a significant ownership interest in RCM.
6. 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 the Underlying Rockefeller Fund.

"Chris Besko"

Chris Besko
Manitoba Securities Commission