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Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from certain of the self-dealing restrictions and reporting requirements regarding investments for specified purposes by mutual funds in securities of other mutual funds that are under common management

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 120(2)(a), 121(2)(b), 121(3), 123, 126(a), 126(d), 130(b)

**IN THE MATTER OF THE CANADIAN SECURITIES LEGISLATION OF
ALBERTA, BRITISH COLUMBIA, NEWFOUNDLAND AND
LABRADOR, NOVA SCOTIA, ONTARIO AND SASKATCHEWAN**

AND

**IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

IN THE MATTER OF I.G. INVESTMENT MANAGEMENT, LTD.

AND

**ALTO CONSERVATIVE PORTFOLIO
ALTO MODERATE CONSERVATIVE PORTFOLIO
ALTO MODERATE PORTFOLIO
ALTO MODERATE AGGRESSIVE PORTFOLIO
ALTO MODERATE AGGRESSIVE REGISTERED PORTFOLIO
ALTO AGGRESSIVE PORTFOLIO
ALTO AGGRESSIVE REGISTERED PORTFOLIO**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of Alberta, British Columbia, Newfoundland and Labrador, Nova Scotia, Ontario and Saskatchewan (the “Jurisdictions”) has received an application from I.G. Investment Management, Ltd. (“IGIM”), the manager of the Top Funds (as hereinafter defined), and the Top Funds for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the following provisions of the Legislation (the “Applicable Requirements”) shall not apply to the Top Funds

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or IGIM, as the case may be, in respect of certain investments to be made by a Top Fund in an Underlying Fund (as hereinafter defined):

- A. the restrictions contained in the Legislation prohibiting a mutual fund from knowingly making or holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder; and
- B. the requirements contained in the Legislation requiring a management company, or in British Columbia, the mutual fund manager, to file a report of every transaction of purchase or sale of securities between the mutual fund and any related person or company or any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, the mutual fund is a joint participant with one or more of its related persons or companies.

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions;

AND WHEREAS it has been represented by IGIM to the Decision Makers that:

- 1. IGIM is a corporation incorporated under the laws of Canada and it (or an affiliate of IGIM) will manage the Top Funds and the Underlying Funds. The head office of IGIM is located in Manitoba.
- 2. IGIM proposes to establish a new group of mutual funds initially comprised of Alto Conservative Portfolio, Alto Moderate Conservative Portfolio, Alto Moderate Portfolio, Alto Moderate Aggressive Portfolio, Alto Moderate Aggressive Registered Portfolio, Alto Aggressive Portfolio and Alto Aggressive Registered Portfolio to be known as the Alto Portfolios (collectively the “Existing Top Funds”), which will achieve their investment objectives by investing fixed percentages of their respective assets (other than cash) in specified underlying Investors Group mutual funds (the “Existing Underlying Funds”). IGIM may in the future add other mutual funds with investment objectives that include investing in other mutual funds (the “Future Top Funds” and collectively with the Existing Top Funds, the “Top Funds”) to the Alto Portfolios group of funds.

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3. IGIM may in the future establish other mutual funds (the “Future Underlying Funds” and collectively with the Existing Underlying Funds, the “Underlying Funds”) other than the Existing Underlying Funds.
4. Each of the Top Funds is or will be an open-ended investment trust established under the laws of the Province of Manitoba.
5. Each of the Existing Underlying Funds, other than the Mackenzie Universal U.S. Growth Leaders Fund, is or will be an open-ended investment trust established under the laws of the Province of Manitoba. The Mackenzie Universal U.S. Growth Leaders Fund is an open-ended investment trust established under the laws of the Province of Ontario.
6. Each of the Top Funds and the Underlying Funds is or will be a reporting issuer in each of the provinces and territories of Canada and is not in default of any of the requirements of the Legislation, and if the Top Funds invest in Future Underlying Funds, the Future Underlying Funds will not be in default of any of the requirements of the Legislation at the time of such investment.
7. Securities of the Top Funds and the Underlying Funds are or will be qualified for distribution in all of the provinces and territories of Canada pursuant to a simplified prospectus and annual information form or, in the case of the Investors Real Property Fund, a long form prospectus.
8. In order to achieve the investment objectives of the Top Funds, IGIM, using strategic asset allocation, will invest fixed percentages (the “Fixed Percentages”) of the assets of the Top Funds (other than cash and cash equivalents) in securities of specified Underlying Funds, subject to a variation of 2.5% above or below the Fixed Percentages (the “Permitted Ranges”) to account for market fluctuations. Investments of each Top Fund will be made in accordance with its fundamental investment objectives.
9. The simplified prospectus of a Top Fund will disclose the investment objectives, investment strategies, risks and restrictions of the Top Fund and the applicable Underlying Funds, the Fixed Percentages and the Permitted Ranges.
10. The Fixed Percentages or Underlying Funds disclosed in the simplified prospectus of the Top Fund will not be changed unless the simplified prospectus is amended or a new prospectus is filed and the securityholders of the Top Fund have been given at least 60 days’ notice of the change.

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11. The investments by the Top Funds in the Underlying Funds will be without sales or redemption charges and without duplication of management fees.
12. The Top Funds will not invest in an Underlying Fund with an investment objective which includes investing directly or indirectly in other mutual funds.
13. The investments by the Top Funds in securities of the Underlying Funds will represent the business judgement of responsible persons (as defined by the Legislation), uninfluenced by considerations other than the best interest of the Top Funds.
14. Except to the extent evidenced by this Decision and specific approvals granted by the Decision Makers pursuant to National Instrument 81-102 Mutual Funds ("NI81-102"), the investments by the Top Funds in the Underlying Funds have been or will be structured to comply with the investment restrictions of the Legislation and NI81-102.
15. In the absence of this Decision, pursuant to the Legislation, each Top Fund is prohibited from knowingly making or holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder. As a result, in the absence of this Decision the Top Funds would be required to divest themselves of any such investments.
16. In the absence of this Decision, the Legislation requires IGIM to file a report on every purchase or sale of securities of an Underlying Fund by a Top Fund.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the Applicable Requirements shall not apply so as to prevent a Top Fund from making and holding an investment in securities of the Underlying Funds or require IGIM to file a report relating to the purchase or sale of such securities.

PROVIDED IN EACH CASE THAT:

1. the Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule

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of that Decision Maker dealing with matters in section 2.5 of National Instrument 81-102.

2. the Decision shall only apply if, at the time a Top Fund makes or holds an investment in its specified Underlying Funds, the following conditions are satisfied;
 - (a) the securities of both the Top Fund and the Underlying Funds are being offered for sale in the jurisdiction of the Decision Maker pursuant to a simplified prospectus and annual information form or, in the case of the Investors Real Property Fund, a long form prospectus, which have been filed with and accepted by the Decision Maker;
 - (b) the investment by the Top Fund in the Underlying Funds is compatible with the fundamental investment objectives of the Top Fund;
 - (c) the simplified prospectus discloses the intent of the Top Fund to invest in securities of the Underlying Funds, the names of the Underlying Funds, the Fixed Percentages and the Permitted Ranges within which the Fixed Percentages may vary;
 - (d) if the Top Fund invests in the Investors Real Property Fund, the simplified prospectus of the Top Fund discloses the specific risk factors and restrictions associated with investing in the Investors Real Property Fund;
 - (e) the investment objective of the Top Fund discloses that the Top Fund invests in securities of the Underlying Funds;
 - (f) the Underlying Funds are not mutual funds whose investment objective includes investing directly or indirectly in other mutual funds;
 - (g) the Top Fund invests its assets (exclusive of cash and cash equivalents) in the Underlying Funds in accordance with the Fixed Percentages disclosed in the simplified prospectus;
 - (h) if the Top Fund invests in the Investors Real Property Fund, the Fixed Percentage in the Investors Real Property Fund does not exceed 10% of the net assets of the Top Fund;
 - (i) the Top Fund 's holding of securities in the Underlying Funds does not deviate from the Permitted Ranges;

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- (j) any deviation from the Fixed Percentages is caused by market fluctuations only;
- (k) if an investment by the Top Fund in any of the Underlying Funds has deviated from the Permitted Ranges as a result of market fluctuations, the Top Fund's investment portfolio was re-balanced to comply with the Fixed Percentages on the next day on which the net asset value was calculated following the deviation;
- (l) if the Fixed Percentages and the Underlying Funds which are disclosed in the simplified prospectus have been changed, either the simplified prospectus has been amended or a new simplified prospectus filed to reflect the change, and the securityholders of the Top Fund have been given at least 60 days' notice of the change;
- (m) there are compatible dates for the calculation of the net asset value of the Top Fund and the Underlying Funds for the purpose of the issue and redemption of the securities of such mutual funds, excluding the Investors Real Property Fund;
- (n) no sales charges are payable by the Top Fund in relation to its purchases of securities of the Underlying Funds;
- (o) no redemption fees or other charges are charged by an Underlying Fund in respect of the redemption by the Top Fund of securities of the Underlying Fund owned by the Top Fund;
- (p) no fees or charges of any sort are paid by the Top Fund or the Underlying Funds, by their respective managers or principal distributors, or by any affiliate or associate of any of the foregoing entities, to anyone in respect of the Top Fund's purchase, holding or redemption of the securities of the Underlying Funds;
- (q) the arrangements between or in respect of the Top Fund and the Underlying Funds are such as to avoid the duplication of management fees;
- (r) any notice provided to securityholders of an Underlying Fund as required by applicable laws or the constating documents of that Underlying Fund, has been delivered by the Top Fund to its securityholders;
- (s) all of the disclosure and notice material prepared in connection with a meeting of securityholders of an Underlying Fund and received by the

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Top Fund has been provided to its securityholders, the securityholders have been permitted to direct a representative of the Top Fund to vote its holdings in the Underlying Fund in accordance with their direction, and the representative of the Top Fund has not voted its holdings in the Underlying Fund except to the extent the securityholders of the Top Fund have directed;

- (t) in addition to receiving the annual and, upon request, the semi-annual financial statements of the Top Fund, securityholders of the Top Fund have received appropriate summary disclosure in respect of the Top Fund's holdings of securities of the Underlying Funds in the financial statements of the Top Fund; and
- (u) to the extent that the Top Fund and the Underlying Funds do not use a combined simplified prospectus and annual information form containing disclosure about the Top Fund and the Underlying Funds, copies of the simplified prospectus and annual information form of the Underlying Funds (or, in the case of Investors Real Property Fund, the long form prospectus) have been provided upon request to securityholders of the Top Fund and this right is disclosed in the simplified prospectus of the Top Fund.

DATED September 23, 2003.

Paul M. Moore

Paul K. Bates