

December 14, 2016

In The Matter of
The Securities Act, 1988

and

In The Matter of
Greystone Managed Investments Inc.

and

Greystone Capital Management Inc.

Decision

Background

The Financial and Consumer Affairs Authority of Saskatchewan (the Authority) has received an application from Greystone Managed Investments Inc. (Greystone) and Greystone Capital Management Inc. (Capital, and, together with Greystone, the Filers) for a decision under section 83 of *The Securities Act, 1988* (the Act) requesting that the order granted by the Authority pursuant to section 83(1)(a) of the Act dated May 23, 2000 which provided that the provisions of sections 27 and 58 of the Act shall not apply to the trade in units of certain investment funds managed by Greystone to certain employees, officers and directors of Greystone resident in Saskatchewan (the Original Ruling) be revoked and replaced by this decision such that the provisions of sections 27 and 58 of the Act shall not apply to trades in units of the investment funds set out in Appendix A and all investment funds established by Greystone from time to time (collectively the Funds) by the Filers and the Funds to:

- i) current and future employees, officers and directors of the Filers resident in Saskatchewan (each a Greystone Participant and collectively referred to as the Greystone Participants);
- ii) holding companies wholly-owned by a Greystone Participant and/or his or her spouse where the investment decision to purchase the units of the Funds is made by the Greystone Participant;
- iii) an RRSP, RRIF, self-directed RESP or TFSA (each as defined in section 1.1 of National Instrument 45-106 *Prospectus and Registration Exemptions* (NI 45-106)) of a Greystone Participant and/or his or her spouse, where the investment decision to purchase the units of the Funds is made by the Greystone Participant; and

- iv) trusts, the beneficiaries of which are a Greystone Participant, spouse of the Greystone Participant and/or children of the Greystone Participant, where the investment decision to purchase the units of the Funds is made by the Greystone Participant; ((ii), (iii) and (iv) are collectively referred to as the Related Participants))

(the Requested Relief).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* have the same meaning in this decision, unless they are defined in this decision.

Representations

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

1. Greystone is a wholly-owned subsidiary of Capital, a corporation incorporated under the laws of Saskatchewan. Approximately 71% of the issued and outstanding shares of Capital are owned by a group of 142 employees of Capital.
2. Greystone was founded in 1988 and is one of Canada's top independent portfolio managers, with approximately \$32 billion of assets under management as at September 30, 2016.
3. Greystone is registered as a portfolio manager, exempt market dealer, and investment fund manager under the Act. Capital is registered as a portfolio manager under the Act.
4. Each of the Funds is or will be an open-ended mutual fund established as a trust under the laws of Saskatchewan or Ontario by separate declaration of trust, as a Canadian based limited partnership or as a mutual fund corporation incorporated under the laws of Canada or a jurisdiction of Canada.
5. None of the Funds is or will be a reporting issuer in any jurisdiction of Canada.
6. The units of the Funds are or will be offered and sold to clients of Greystone and to Greystone as portfolio manager for accounts fully managed by it, under certain exemptions set out in NI 45-106.
7. As part of the ongoing compensation program of the Filers, the Filers wish to offer and sell units of the Funds to all Greystone Participants and Related Participants. Pursuant to arrangements in place with each of the Funds, the Filers have agreed that they will not charge any fees to the Greystone Participants, Related Participants or the Funds in respect of units of the Funds held by the Greystone Participants and the Related Participants. In addition, other than reimbursement for certain out of pocket expenses incurred in connection with the administration of the Funds, no fees are payable by the Greystone Participants or the Related Participants to the Funds.

8. At present, there are approximately 108 Greystone Participants resident in Saskatchewan who are full-time employees of Greystone and/or Capital. All such Greystone Participants and their Related Participants are and will be provided equal opportunity to participate in the Funds on the no-fee basis described above.
9. The issue and sale of securities by an issuer to its employees, officers and directors or to the employees, officers and directors of a related entity, as defined under NI 45-106, is typically exempt from the prospectus requirement under the securities laws of Saskatchewan pursuant to the prospectus exemption (the Employee, Executive Officer, Director and Consultant Exemption) in section 2.24 of NI 45-106. However, this exemption is not available for trades in units of the Funds to some Greystone Participants and Related Participants since the Greystone Participants and Related Participants are technically not employees, officers or directors of the Funds (i.e., the issuer) and some may not be employees, officers or directors of a related entity of the Funds, as defined under NI 45-106.
10. Trades in securities by an issuer to its employees, officers and directors or to the employees, officers and directors of a related entity, as defined under section 2.22 of NI 45-106, are typically exempt from the dealer registration requirement under the securities laws in Saskatchewan pursuant to the dealer registration exemption (the Plan Administrator Exemption) in section 8.16 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103) if the trades are made pursuant to a plan of the issuer (i.e., the Funds). However, this exemption is not available for trades in units of the Funds to some Greystone Participants and Related Participants since the Greystone Participants and Related Participants are technically not employees, officers or directors of the Funds (i.e., the issuer) and some may not be employees, officers or directors of a related entity of the Funds, as defined under NI 31-103.
11. The Greystone Participants have knowledge of or access to, detailed information relating to the Funds, the units of the Funds and the management of the assets of the Funds by Greystone, by virtue of their positions with Greystone or Capital, as applicable, and the Funds, and the availability of personal contact with investment personnel registered as advisers in Saskatchewan, all of whom are directly involved in the management of the Funds.
12. All Greystone Participants are given free access to Greystone's research capabilities and are provided with the opportunity to speak on a regular basis to, and consult with, the Funds' portfolio managers and other Greystone Participants who are registered as advisers in Saskatchewan concerning the Funds' investment portfolios and the advisability of, and risks involved in, purchasing units of the Funds. Greystone Participants will be advised by Greystone's Chief Compliance Officer that information and advice is available to Greystone Participants. Greystone's Chief Compliance Officer

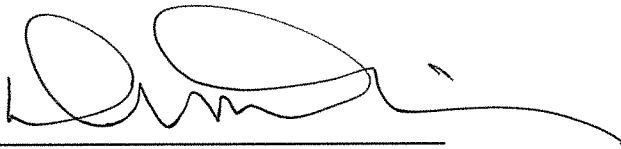
will retain oversight responsibility for ensuring Greystone Participants' questions and concerns are addressed appropriately.

13. Greystone Participants and Related Participants purchasing units of the Funds will be provided with a copy of any confidential offering memorandum or other disclosure document prepared by the Funds.
14. Greystone Participants who are no longer employees, officers or directors of Greystone or Capital and their Related Participants, as well as former employees, officers and directors of Greystone or Capital resident in Saskatchewan who hold units of the Funds as of the date of this decision, (collectively, the Former Participants), as well as (i) holding companies wholly-owned by a Former Participant and/or his or her spouse where the investment decision to purchase the units of the Funds was made by the Former Participant, (ii) an RRSP, RRIF, self-directed RESP or TFSA (each as defined in section 1.1 of NI 45-106) of a Former Participant and/or his or her spouse, where the investment decision to purchase the units of the Funds was made by the Former Participant, and (iii) trusts, the beneficiaries of which are a Former Participant, spouse of the Former Participant and/or children of the Former Participant, where the investment decision to purchase the units of the Funds was made by the Former Participant, may continue to hold their units of the Funds provided that no new purchases of units of the Funds are made unless the purchaser otherwise qualifies for an exemption from the prospectus requirement. Reinvested distributions on units of the Funds already held will continue to be permitted pursuant to the exemption related to reinvestments of distributions provided for in NI 45-106.
15. Capital manages the Greystone Participants' pension fund which would include, from time to time, units of certain of the Funds.
16. Participation in these trades by Greystone Participants provides Greystone Participants and Related Participants access to no-fee investment management services of and the opportunity to participate in the business of Greystone and Capital.
17. The Filers have provided the Authority with an undertaking that they will not rely on section 4.7(1) of Multilateral Instrument 11-102 *Passport System* in order to obtain the Requested Relief in any other Canadian jurisdiction.

Decision

1. The Director is satisfied that it would not be prejudicial to the public interest to make the decision.
2. The decision of the Director is that the Requested Relief is granted, provided that:

- a) Greystone Participants and Related Participants purchasing units of the Funds will be provided with a copy of any confidential offering memorandum or any other disclosure document prepared by the Funds;
- b) The Filers file with the Authority within 30 days of the end of each calendar year a report of trades made under this decision outlining the names, addresses, telephone numbers and purchases of such purchasers, which report of trades will be prepared using Form 45-106F1 *Report of Exempt Distribution* and may be filed in paper format with the Authority or by SEDAR filings at the sole discretion of the Filers; and
- c) The first trade in units of Funds acquired pursuant to this decision shall be subject to the same resale restrictions set out in National Instrument 45-102 *Resale of Securities* that would apply if the units were acquired under section 2.24 of NI 45-106.



Dean Murrison
Director, Securities Division

Appendix A

Funds

Greystone Canadian Fixed Income Fund
Greystone Global Equity Fund
Greystone Balanced Fund
Greystone Alternative Balanced Fund
Greystone Canadian Equity Fund
Greystone US Equity Fund
Greystone Canadian Equity Income and Growth Fund
Greystone Money Market Fund
Greystone US Income and Growth Fund
Greystone Canadian Equity Small Cap Fund
Greystone Mortgage Fund
Greystone Long Bond Fund
Greystone High Yield Bond Fund
Greystone International Equity Fund
Greystone Real Return Bond Fund
Greystone International Income and Growth Fund
Greystone Three Year Target Duration Fund
Greystone Eight Year Target Duration Fund
Greystone Fifteen Year Target Duration Fund
Greystone Twenty Plus Year Target Duration Fund
Greystone Global Income and Growth Fund
Greystone Corporate Bond Fund
Greystone Infrastructure Fund
Greystone China Income and Growth Fund
Greystone Real Estate LP Fund
Greystone Bond Plus Fund
Greystone Short Bond Fund
Greystone Short Bond Plus Fund
Greystone 2020 Target Date Fund
Greystone 2025 Target Date Fund
Greystone 2030 Target Date Fund
Greystone 2035 Target Date Fund
Greystone 2040 Target Date Fund
Greystone 2045 Target Date Fund
Greystone 2050 Target Date Fund
Greystone 2055 Target Date Fund
Greystone Retirement Fund