

THE SECURITIES ACT ) Order No. 4524  
 )  
Section 20(1) ) Date: July 16, 2004

# SETANTA ASSET MANAGEMENT LIMITED

## WHEREAS:

(A) The Great West Life Assurance Company ("GWL") and Setanta Asset Management Limited ("Setanta") have applied to The Manitoba Securities Commission (the "Commission") for an Order pursuant to subsection 20(1) of The Securities Act, R.S.M. 1988, c.S50 (the "Act") granting an exemption from the requirement for Setanta to be registered as an investment counsel under the Act in connection with the proposed activities of Setanta as more particularly described below:

(B) It has been represented to the Commission by GWL that:

1. Setanta is a corporation incorporated under the laws of Ireland. The head office of Setanta is College Park House, 20 Nassau Street, Dublin 2.
2. Setanta is registered as an Investment Services Directive Firm, or "ISD Firm," by the Irish Financial Services Regulatory Authority under the Investment Intermediaries Act, 1995, an Irish statute. An ISD Firm is an investment services firm that is permitted to carry on business throughout the European Union without seeking authorization other than from its home jurisdiction. Setanta was granted its authorization as an ISD Firm from the Irish Financial Services Regulatory Authority on May 31, 1999.
3. Setanta is authorized to manage portfolios of investment instruments or deposits in accordance with mandates given by investors on a discretionary client-by-client basis.
4. Setanta is a wholly-owned subsidiary of Canada Life Irish Holding Company Limited. Canada Life Irish Holding Company Limited is a wholly-owned subsidiary of Canada Life International Holdings Company Limited. Canada Life International Holdings Company Limited is a wholly-owned subsidiary of Canada Life Capital Corporation Inc. Canada Life Capital Corporation Inc. is a wholly-owned subsidiary of The Canada Life Assurance Company ("Canada Life"). Canada Life is a wholly-owned subsidiary of Canada Life Financial Corporation. Canada Life Financial Corporation is a wholly-owned subsidiary of GWL. GWL is a wholly-owned subsidiary of Great West Lifeco Inc.

5. Setanta provides investment advisory services in Ontario to Canada Life, which is an insurance company registered under the Insurance Act (Ontario). Setanta is also going to be providing investment advisory services in Ontario to London Life Investment Management Ltd. ("LLIM"), which is registered in Ontario as an Investment Counsel/Portfolio Manager. Both LLIM and Canada Life are indirect subsidiaries of GWL.

6. Setanta is exempt from registration in Ontario as an advisor pursuant to section 7.1 of Ontario Securities Commission Rule 35-502 ("OSC Rule 35-502"). Section 7.1 of OSC Rule 35-502 provides that the advisor registration requirement in Ontario does not apply to a person or company not ordinarily resident in Ontario, if:

(a) it, and its affiliates or affiliated partnerships that are not ordinarily resident in Ontario, did not act as an adviser during the preceding 12 months for more than five clients in Canada;

(b) it acts as an adviser in Ontario in reliance upon the exemption provided by this section solely for permitted clients, other than a fund;

(c) it does not solicit clients in Ontario;

(d) its acting as an adviser in Ontario for Canadian securities is incidental to its acting as an adviser in Ontario for foreign securities;

(e) before advising an Ontario client, it notifies the Ontario client that it is not registered as an adviser in Ontario; and

(f) all assets of its Ontario clients are held by persons or companies that meet the requirements of paragraph 3.7(1) or are referred to in subsection 3.7(3).

Paragraph 3.7(1) and subsection 3.7(3) of OSC Rule 35-502, which are referred to in paragraph 6(f) above, require that the assets of Ontario clients be held by the Ontario client, by a custodian or sub-custodian that meets the requirements of OSC Rule 35-502, or by a depositary or clearing agency that is authorized to operate a book-based system.

7. A "permitted client," as contemplated in paragraph 6(b) above, under OSC Rule 35-502 includes, among other categories, an insurance company licensed under the Insurance Act (Ontario), a portfolio manager acting as principal for accounts fully managed by it and a broker or investment dealer acting as principal or for accounts fully managed by it.

8. To date, Setanta has provided advisory services pertaining to the management of segregated and pooled funds Canada Life and Setanta anticipates providing such services to LLIM. LLIM is a permitted client under OSC Rule 35-502 because it is registered under the Securities Act (Ontario) as a Portfolio Manager/Investment Counsel. Canada Life is a permitted client under OSC Rule 35-502 because it is an insurance company licensed under the Insurance Act (Ontario).

9. GWL would like to retain Setanta to provide investment counseling services pertaining to the management of certain segregated and pooled funds in Manitoba to GWL or an entity that is a subsidiary of GWL, provided that such entity is:

(i) an insurance company licensed under The Insurance Act (Manitoba);

(ii) a person or company registered as an investment counsel or portfolio manager where it acts as a principal or agent for accounts fully managed by it; or

(iii) a person or company registered as a broker or investment dealer, where it acts as principal for accounts fully managed by it.

GWL and its subsidiary entities referred to in subsections (i), (ii) and (iii) of this paragraph are referred to collectively herein as the "Permitted GWL Related Entities".

10. GWL is an insurance company licensed under The Insurance Act (Manitoba).

11. Section 6(5) of the Act provides that no person or company shall act as an investment counsel unless that person or company is registered as an investment counsel. Section 18 of the Act provides for certain exemptions from the registration requirements set forth in section 6(5), none of which is applicable to Setanta.

12. Setanta has no present intention to become registered under the securities laws of any Canadian jurisdiction.

13. Setanta, which is an indirect wholly-owned subsidiary of GWL, will be providing investment counsel services only to Permitted GWL Related Entities. Setanta will not solicit business as an investment counsel from other persons resident in Manitoba. Accordingly, the only parties that will receive investment counsel services from Setanta are sophisticated entities that are affiliates of Setanta.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

**IT IS HEREBY ORDERED PURSUANT TO SUBSECTION 20(1) OF THE ACT:**

**1. THAT** Setanta is exempt from the registration requirements of section 6(5) of the Act, with respect to the activities of Setanta in the Province of Manitoba, on the condition that:

(a) Setanta shall only provide investment counsel services in Manitoba to Permitted GWL Related Entities;

(b) Setanta shall not solicit clients in Manitoba;

(c) any advice provided to Permitted GWL Related Entities relating to Canadian securities will be incidental to Setanta's advice with respect to international securities;

(d) Setanta shall notify all Permitted GWL Related Entities that it is not registered as an adviser in Manitoba; and

(e) The registration of Setanta within the Irish Financial Services Authority remain in good standing.

**2. THAT** this Order shall expire on the date Setanta obtains registration with a securities regulatory authority in any province or territory in Canada.

**3. THAT** the fee for this order shall be \$750.00.

**BY ORDER OF THE COMMISSION**

**Director – Legal**