

THE SECURITIES ACT

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Order No. 3700

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Section 20

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September 17, 2002

STATE STREET GLOBAL SECURITIES  
LENDING CANADIAN FUND A

WHEREAS:

(A) State Street Trust Company Canada (the "Trustee"), trustee of the State Street Global Securities Lending Canadian Fund A and certain other funds to be established (the "Funds") applied to The Manitoba Securities Commission (the "Commission") for an order under subsection 20(1) of The Securities Act, R.S.M. 1988, c. S50 (the "Act") that the Funds be exempted from the requirements that:

(a) a prospectus must be filed in respect of a purchase of additional securities or the reinvestment of distributions in additional securities of a Fund unless the minimum aggregate acquisition cost to qualify for the Private Placement Exemption, as defined below, is met (the "Prospectus Requirement") (section 37 of the *Securities Act* (Manitoba) (the "Act")), and

(b) a report of an exempt trade must be filed with the Commission within 10 days after each exempt trade (the "Reporting Requirement") (section 7 of the regulations to the Act).

(B) The Trustee has represented to the Commission that:

1. The Trustee is a federally-regulated trust company having its head office in Toronto, Ontario and will act as trustee of the Funds;

2. Portfolio management services for the Funds will be provided by State Street Global Advisors, Ltd. ("SSGA"), an affiliate of the Trustee. SSGA is a corporation incorporated under the laws of Canada having its head office in Montreal, Quebec and is registered as an adviser in the categories of investment counsel and portfolio manager and as a dealer in the category of limited market dealer (conditional) under the *Securities Act* (Ontario) and as a broker-dealer and investment counsel under the Act;

3. Each Fund will be a unit trust governed by the laws of the Province of Ontario;

4. Trades of units of a Fund to investors resident in Manitoba will be made in reliance on the exemption (the "Private Placement Exemption") for trades which have a minimum aggregate acquisition cost of not less than \$97,000 (the "Minimum Cost").

5. All investors in the Funds will be Canadian entities that engage in securities lending using State Street Bank and Trust Company ("State Street Bank"), a bank existing under the laws of The Commonwealth of Massachusetts, or an affiliate of State Street Bank, as securities lending agent and will generally be pension funds, endowment funds, investment funds whose securities are sold on a prospectus-exempt basis ("pooled funds"), non-redeemable investment funds or other similar vehicles (the "Investors"). Securities lending arrangements for the Investors, when lending against cash collateral, will be such that each will receive cash collateral (the "Cash Collateral"), generally equal to 102% or 105% (as applicable) of the value of the securities loaned, marked to market on a daily basis, in respect of the securities which are loaned to third parties under these arrangements. The Investors will be permitted under these arrangements to invest the Cash Collateral that they receive, and the return that the Investors receive in consideration for their securities lending activities will generally be based on the return that the Investors are able to achieve by so investing the Cash Collateral;

6. The Funds are being established as investment vehicles for the Cash Collateral of Investors, thereby providing Investors with the benefits associated with a collective investment vehicle;

7. Securities loaned by an Investor will be marked to market each business day, and adjustments made to the Cash Collateral as appropriate. In addition, most securities lending transactions are of a short term nature, and typically provide the borrower with the right to return, and the lender the right to demand the return of, the securities borrowed at any time. As a result, the Funds will likely be subject to daily subscriptions and redemptions by each Investor in the Funds;

8. The units of the Funds are non-transferable and may only be redeemed by an Investor;

9. As part of the subscription agreement an Investor will confirm they are purchasing as principal and not with a view to resale.

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

IT IS ORDERED:

**1. THAT**, pursuant to subsection 20(1) of the Act the Funds are exempt from the Prospectus Requirement and Reporting Requirement provided that:

(a) in respect of the issuance of additional securities subscribed for by a unitholder of such Fund:

(i) at the time of the acquisition of such securities, the holder had already acquired securities of the Fund having an aggregate

acquisition cost or an aggregate net asset value of not less than the Minimum Cost, and

(ii) at the time of the acquisition of such securities, SSGA is a registrant under the *Securities Act* (Ontario); and

(b) in respect of the issuance of additional securities resulting from the automatic reinvestment of distributions:

(i) no sales commission or other charge in respect of such issuance of reinvested units is payable, and

(ii) each unitholder who receives reinvested units has received, not more than 12 months before such issuance, a statement describing (A) the details of any deferred or contingent sales charge or redemption fee that is payable at the time of the redemption of units, (B) any right that the unitholder has to make an election to receive cash instead of units on the payment of the net income or net realized capital gains distributed by the Fund, (C) instructions on how the right referred to in subclause (B), if any, can be exercised, and (D) the fact that no prospectus is available for the Fund as units are offered pursuant to prospectus exemptions only;

(c) within 30 days after the financial year end of the Fund, the Fund files a report substantially in the form of Form 8 to the *Securities Regulation* to the Act of all exempt trades in securities of the Fund during the financial year for which a specified report is otherwise required under the Act; and

(d) within 30 days after the financial year end of the Fund, the Fund pays any fees in respect of exempt trades for which fees are otherwise required under the Act.

**2. THAT** the fee for this order is \$1,000.00.

BY ORDER OF THE COMMISSION

Deputy Director – Legal