

THE COMMODITY FUTURES ACT)
)
Section 66(1))

Order No. 6893

March 19, 2014

RUSSELL IMPLEMENTATION SERVICES INC., RUSSELL INVESTMENT MANAGEMENT COMPANY and RUSSELL INVESTMENTS CANADA LIMITED

WHEREAS:

(A) Russell Implementation Services Inc., Russell Investment Management Company (the Filers) and Russell Investments Canada Limited (RICL) have applied (the Application) to the Manitoba Securities Commission (MSC) for an order pursuant to section 66(1) of the *Commodity Futures Act* (Manitoba)(the CFA) exempting the Filers, for a period of five years, from the requirement (the Registration Requirement) under section 24(2) of the CFA to be registered as an adviser in connection with each Filer acting as an adviser to RICL with respect to trades in commodity futures contracts and related products traded on commodity futures exchanges for the benefit of RICL's portfolio managed clients resident in Manitoba (Clients);

(B) The Filers and RICL have represented to the MSC that:

- (1) On June 17, 2009, the MSC made a decision (the Recent Decision) granting to the Filers an exemption for a period of three (3) years pursuant to section 66(1) of the CFA from the Registration Requirement in connection with each Filer acting as an adviser to RICL with respect to trades in commodity futures contracts and related products traded on commodity futures exchanges for the benefit of Clients;
- (2) Russell Implementation Services Inc. (RIS) is a corporation organized under the laws of the State of Washington, United States with its principal place of business located in Seattle, Washington, United States. RIS is registered with the United States Securities and Exchange Commission (SEC) as an investment adviser and a broker-dealer and is exempted pursuant to the provisions of the Commodity Exchange Act (United States) from registration with the U.S. Commodity Futures Trading Commission (the CFTC). RIS is not resident in Canada and is not currently registered, and has no current intention to become registered, under any securities legislation or commodity futures legislation in Canada.
- (3) Russell Investment Management Company (RIMCo) is a corporation organized under the laws of the State of Washington, United States with its principal place of business located in Seattle, Washington, United States. RIMCo is

registered with the SEC as an investment adviser and is registered with the CFTC. RIMCo is not resident in Canada and is not currently registered, and has no current intention of becoming registered, under any securities legislation or commodity futures legislation in Canada.

- (4) RICL is a corporation incorporated under the laws of Canada with its head office located in Toronto, Ontario. RICL is registered as an investment fund manager, portfolio manager, mutual fund dealer and exempt market dealer under the Securities Act (Ontario) and as a commodity trading manager under the Commodity Futures Act (Ontario). RICL also is registered as an investment fund manager, exempt market dealer, and portfolio manager under the Securities Act (Manitoba) and as an adviser under the CFA.
- (5) Each Filer and RICL is directly or indirectly wholly-owned by Frank Russell Company.
- (6) RICL may, in the future, act as an adviser to Clients and, as such, may advise Clients to invest in futures and options on futures traded on Canadian or other organized exchanges outside of Canada and in other derivative instruments traded over-the-counter (the Advisory Services).
- (7) RICL may, in the future, retain each Filer as a sub-adviser to provide advice to RICL in connection with Advisory Services to Clients.
- (8) The discretionary investment accounts of Clients for which each Filer will be retained will be accounts for "accredited investors" as defined in National Instrument 45-106 – Prospectus and Registration Exemptions.
- (9) In performing the Advisory Services, each Filer and RICL will comply with the requirements of section 7.3 of Ontario Securities Commission Rule 35-502 – Non-Resident Advisers and, accordingly:
 - (a) the obligations and duties of the Filers will be set out in written agreements with RICL;
 - (b) RICL will contractually agree with its Clients on whose behalf investment advice is or portfolio management services are provided by a Filer to be responsible for any loss that arises out of the failure of the Filer:
 - (i) to exercise the powers and discharge the duties of

its office honestly, in good faith and in the best interest of RICL and each Client for whose benefit the advice is or portfolio management services are provided; or

- (ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances; and
 - (c) RICL will not be relieved by Clients from its responsibility for loss under paragraph (b) above.
- (10) RICL will be responsible for providing all Client reports and statements required under the CFA. All direct contact with Clients will be by RICL and its directors, officers or employees, although representatives of the Filers may participate in such communications from time to time.
 - (11) Each Filer, in providing the Advisory Services to RICL and, indirectly, to Clients, may be considered to be acting as an adviser under the CFA and, in the absence of the exemption requested, will be subject to the Registration Requirement.
 - (12) Each Filer cannot rely on any adviser registration exemptions in the CFA to provide the Advisory Services to Clients.

(C) Based on the foregoing, the MSC is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

IT IS ORDERED:

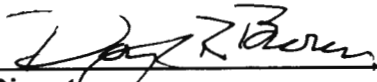
1. **THAT**, pursuant to section 66(1) of the CFA, for a period of five years, the Registration Requirement shall not apply to each Filer with respect to its activities in providing the Advisory Services for the benefit of RICL and Clients provided that:

- (a) the obligations and duties of the Filers are set out in written agreements with RICL;
- (b) RICL contractually agrees with Clients on whose behalf investment advice is or portfolio management services are provided by a Filer to be responsible for any loss that arises out of the failure of the Filer:
 - (i) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of RICL and each Client for whose benefit the advice is or portfolio management services are to be provided, or

- (ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances;
- (c) the Filer is not registered under any securities legislation or commodity futures legislation in Canada;
- (d) RICL is registered as an adviser under the CFA;
- (e) RICL is not relieved by Clients from its responsibility for loss under paragraph (b) above; and
- (f) the Filer is not resident in Canada, but is licensed or otherwise legally qualified to provide the Advisory Services by the applicable regulator in the jurisdiction in which each resides.

2. THAT the fee for this order is \$650.

BY ORDER OF THE COMMISSION



Director