

THE SECURITIES ACT

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Order No. 6027

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Section 20(1)

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November 18, 2009

PIER 21 ASSET MANAGEMENT INC.

WHEREAS:

(A) Pier 21 Asset Management Inc. ("Pier 21") has applied to The Manitoba Securities Commission (the "Commission") on behalf of Carnegie Asset Management Fondsmæglerselskab A/S ("Carnegie"), **Polunin Capital Partners Limited** ("Polunin"), **ValueInvest Asset Management S.A. and any other** foreign portfolio managers that may be engaged by Pier 21 from time to time (each, a "Sub-Adviser" and, collectively, the "Sub-Advisers") for an order (the "Order") pursuant to Section 20(1) of *The Securities Act*, R.S.M. 1988c. S50 (the "Act") that the Sub-Advisers be exempt from the requirement to be registered as advisers under s. 6(1) of the Act (the "Registration Requirement") in order to allow the Sub-Advisers to provide general portfolio management services to clients and future clients of Pier 21 that are resident in Manitoba.

(B) Pier 21 has represented to the Commission that:

1. Pier 21 is a corporation organized under the laws of Canada with its principal office and place of business located in Montréal, Québec;
2. Pier 21 is currently registered as a portfolio manager in the Provinces of Manitoba, British Columbia, Alberta, Saskatchewan, Ontario, Québec, New Brunswick and Nova Scotia, and as a limited market dealer in the Province of Ontario;
3. Pier 21 may enter into separate agreements with the Worker's Compensation Board of Manitoba (the "WCB") and/or other potential Manitoba clients that are sophisticated investors that fall within the definition of "accredited investors" (as such term is defined in National Instrument 45-106 *Prospectus and Registration Exemptions*)(the "Potential Manitoba Clients"), whereby Pier 21 will be engaged to provide investment management services to the WCB and/or the other Potential Manitoba Clients, as the case may be;
4. The WCB and/or the other Potential Manitoba Clients, as the case may be, are expected to authorize Pier 21 to engage the Sub-Advisers to provide portfolio advisory services regarding the WCB's and/or the other Potential Manitoba Clients' investment assets, as the case may be;
5. Each Sub-Adviser will be registered or otherwise qualified under applicable laws in the foreign jurisdiction in which its head office is located to provide investment counselling and portfolio management services in respect of securities

and, if applicable, exchange-traded derivatives. The Sub-Advisers will not be residents of Canada;

6. Pier 21 will retain a Sub-Adviser who has the personnel and expertise to manage the assets of a Client in a manner that is consistent with the investment objectives and strategies of the Client;

7. Carnegie:

(a) is an independent investment manager;

(b) has its principal office and place of business located at Dampfaergevej 26, DK-2100, Copenhagen, Denmark;

(c) was organized under the Danish Financial Business Act (§ 14, cf. §9 (1), cf. (2)) on March 10, 1997; and

(d) is regulated under the supervision of the Danish Financial Supervisory Authority (the "Danish FSA") and is currently registered in Denmark as a Danish Investment Company in the Danish FSA with registration number 1180. Additionally, the Sub-Adviser has the registration number 78420510 in the Danish Commerce and Companies Agency;

8. Polunin:

(a) is an investment manager;

(b) has its principal office and place of business located at 146 Buckingham Palace Road, London, SW1W 9TR, United Kingdom; and

(c) is authorized and regulated in the United Kingdom by the Financial Services Authority (the "FSA") and is currently registered by the FSA as an investment manager with registration number 197479;

9. ValueInvest:

(a) is an investment manager;

(b) has its principal office and place of business located at 134 route d'Arlon L-8008, Strassen, Luxembourg; and

(c) is regulated by the Luxembourg supervisory authority, the Commission de Surveillance du Secteur Financier (the "CSSF")

and is currently registered with the Luxembourg District Court under the number B 62.793 under the status of PFS (professional of the financial sector);

10. In retaining the Sub-Advisers, the obligations and duties of the Sub-Advisers with respect to the respective services they will provide in respect of the WCB's and/or the other Potential Manitoba Client's accounts, as the case may be, will be set out in a written agreement with Pier 21;

11. Pier 21 will contractually agree with the WCB and/or the other Potential Manitoba Clients, as the case may be, to be responsible for any loss that arises out of the failure of the Sub-Advisers:

(a) to exercise the powers and discharge the duties of their respective offices honestly, in good faith and in the best interests of Pier 21, the WCB and/or the other Potential Manitoba Clients, as the case may be; or

(b) to exercise the degree of care, diligence and skill that a reasonable prudent person would exercise in the circumstances;

(the "Assumed Liabilities")

and such agreements do and shall provide that Pier 21 will not be relieved by the WCB and/or the other Potential Manitoba Clients, as the case may be, from its responsibility for the Assumed Liabilities;

12. Each of the WCB and/or the other Potential Manitoba Clients, as the case may be, are "accredited investors" as defined in National Instrument 45-106 *Prospectus and Registration Exemptions*;

13. Pier 21 has or will advise each of the WCB and/or the other Potential Manitoba Clients, as the case may be, that:

(a) the Sub-Advisers are not registered as advisers under the Act;

(b) the Sub-Advisers may not have the same proficiency requirements as other persons registered under the Act; and

(c) each of the WCB and/or the other Potential Manitoba Clients, as the case may be, may not have the same protection that it would otherwise have if the Sub-Advisers were registered as advisers under the Act;

14. None of the Sub-Advisers:

- (a) maintain an office or sales force in Manitoba;
- (b) have any clients resident in Manitoba, other than the WCB, and, as the case may be, the other Potential Manitoba Clients; or
- (c) intend to actively solicit other clients in Manitoba.

15. In providing portfolio management services to Pier 21 for the benefit of the WCB and/or the other Potential Manitoba Clients, the Sub-Advisers would be considered to be acting as advisers under the Act and without this order would be required to be registered, or otherwise exempt from registration, as advisers under the Act.

16. The Sub-Advisers do not have direct contact with the WCB and/or the other Potential Manitoba Clients, as the case may be, unless a representative of Pier 21, duly registered to provide investment counselling and portfolio management services for securities in the jurisdiction where the WCB and/or the other Potential Manitoba Clients, as the case may be, are resident, is present at all times, either in person or by telephone.

17. There are no statutory exemptions from the adviser registration requirement that the Sub-Advisers can rely on to provide securities advice for the benefit of the WCB and/or the other Potential Manitoba Clients.

IT IS ORDERED:

1. **THAT** the Commission is satisfied that the decision meets the test set out in the Legislation for the Commission to make the decision.

2. **THAT** the decision of the Commission under the Legislation is that the exemption sought is granted provided that:

- a) the obligations and duties of the Sub-Advisers are set out in written agreements with Pier 21;
- b) Pier 21 contractually agrees with the WCB and/or the other Potential Manitoba Clients, as the case may be, to be responsible for the Assumed Liabilities;
- c) Pier 21 cannot be, and at no time is, relieved by the WCB and/or the other Potential Manitoba Clients, as the case may be, from its responsibility for the Assumed Liabilities;
- d) each Sub-Adviser that is not resident in Canada is and continues to be licensed or otherwise legally permitted to provide investment advice and portfolio management services under the applicable laws of the jurisdiction in which it resides; and
- e) the Sub-Advisers do not have direct contact with the WCB and/or the other Potential Manitoba Clients, as the case may be, unless a representative of Pier 21, duly registered to

provide investment counselling and portfolio management services for securities in the jurisdiction where the WCB and/or the other Potential Manitoba Clients, as the case may be, are resident, is present at all times, either in person or by telephone.

f) each Sub-Adviser, if resident in a jurisdiction of Canada, is registered as an adviser in such jurisdiction;

g) Pier 21 maintains its good standing under the Legislation.

3. **THAT** the fee for this Order is \$750.00.

BY ORDER OF THE COMMISSION

Deputy Director - Legal