

3. The Filers are affiliates; for this purpose, an “affiliate” means any entity that is controlled by BlackRock, Inc. or other ultimate parent company of the Principal Adviser, as the case may be, and a company is “controlled” by another person or company or by two or more companies if (a) voting securities of the first-mentioned company carrying more than 50% of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the other person, company or companies; and (b) the votes carried by the securities are entitled, if exercised, to elect a majority of the board of directors of the first-mentioned company.
4. The Sub-Adviser is registered in the United States with the Commodity Futures Trading Commission as a commodity trading adviser. The Sub-Adviser is registered in a category of registration, or operates under an exemption from registration, under the commodities futures or other applicable legislation of the United States, that permits it to carry on the activities in that jurisdiction that registration as an adviser under the CFA would permit it to carry on in Manitoba. As such, it is authorized and permitted to carry on the Sub-Advisory Services.
5. The Sub-Adviser engages in the business of an adviser in respect of Contracts in the United States.
6. The Sub-Adviser is not registered in any capacity under the CFA or the MSA. The Sub-Adviser acts in reliance on the exemption from the requirement to register as an adviser under the MSA available to it pursuant to section 8.26.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (the **International Sub-Adviser Exemption**).
7. The Principal Adviser and the Sub-Adviser are not in default of securities legislation, commodity futures legislation or derivatives legislation in any jurisdiction of Canada.
8. The Principal Adviser provides or intends to provide investment advice and/or discretionary portfolio management services to: (i) investment funds domiciled in Manitoba, the securities of which are qualified by prospectus for distribution to the public in Manitoba and/or certain other provinces and territories of Canada (**Investment Funds**); (ii) pooled funds domiciled in Manitoba, the securities of which are sold on a private placement basis in Manitoba and/or certain other provinces and territories of Canada pursuant to prospectus exemptions contained in National Instrument 45-106 *Prospectus Exemptions* (**Pooled Funds**); and (iii) clients resident in Manitoba who have entered into investment management agreements with the Principal Adviser to establish managed accounts (the **Managed Accounts**, and together with the Investment Funds and the Pooled Funds, the **Clients** and each a **Client**). Certain Clients may, as part of their investment programs, invest in Contracts.
9. In connection with the Principal Adviser acting as an adviser to Clients in respect of the purchase and sale of securities and Contracts, the Principal Adviser, pursuant to a written agreement made between the Principal Adviser and the Sub-Adviser, has retained the Sub-Adviser to act as a sub-adviser to

the Principal Adviser in respect of securities and Contracts in which the Sub-Adviser has experience and expertise by exercising discretionary authority on behalf of the Principal Adviser, in respect of all or a portion of the assets of the investment portfolio of the respective Client, including discretionary authority to buy or sell Contracts for the Client (the **Sub-Advisory Services**).

10. The Principal Adviser does not trade Contracts on behalf of the Clients, rather, such trades are performed through futures commission merchants, dealers and/or brokers which are members of the exchanges on which they trade, or otherwise registered or licensed to trade in Contracts in the jurisdictions where such exchanges are located.
11. The only registered commodity futures exchange under the CFA is ICE Futures Canada, Inc. (**ICE**).
12. The Principal Adviser does not trade, and has no intention of trading, on ICE with respect to Contracts and therefore does not intend to become a member of ICE.
13. The Principal Adviser does not currently advise Clients with respect to Contracts traded on ICE. In the event that the Principal Adviser advises Clients with respect to Contracts traded on ICE in the future, such Contracts will be traded in ICE on behalf of the Clients by members of ICE.
14. Section 24(2) of the CFA prohibits a person or company from engaging in or holding himself, herself or itself out as engaging in, or being held out by a registrant as engaging in, the business of rendering advice as to trading in Contracts, unless the person or company is registered under the CFA as an adviser or as a Representative of an adviser (the **Adviser Registration Requirement**).
15. By providing the Sub-Advisory Services, the Sub-Adviser and its Representatives will be engaging in, or holding itself, himself or herself out as engaging in, the business of advising others in respect of rendering advice as to trading in Contracts and, in the absence of being granted the requested relief, would be subject to the Adviser Registration Requirement.
16. There is no rule or regulation under the CFA that provides an exemption from the Adviser Registration Requirement that is similar to the International Sub-Adviser Exemption from the adviser registration requirement in paragraph 6(1)(b) of the MSA.
17. The relationship among the Principal Adviser, the Sub-Adviser and any Client is consistent with the requirements of the International Sub-Adviser Exemption.
18. The Sub-Adviser will only provide the Sub-Advisory Services as long as the Principal Adviser is, and remains, registered under the CFA as an adviser.
19. As would be required under the International Sub-Adviser Exemption:

- (a) the obligations and duties of the Sub-Adviser are set out in a written agreement with the Principal Adviser; and
 - (b) the Principal Adviser enters into a written agreement with each Client, agreeing to be responsible for any loss that arises out of the failure of the Sub-Adviser:
 - (i) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Principal Adviser and each Client, or
 - (ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances (together with (i), the **Assumed Obligations**).
20. The written agreement between the Principal Adviser and the Sub-Adviser sets out the obligations and duties of each party in connection with the Sub-Advisory Services and permits the Principal Adviser to exercise the degree of supervision and control it is required to exercise over the Sub-Adviser in respect of the Sub-Advisory Services.
21. The Principal Adviser will deliver to the Clients all required reports and statements under applicable securities, commodity futures and derivatives legislation.
22. The Principal Adviser and Sub-Adviser have policies and procedures in place to ensure that the Adviser is informed promptly of all communications between the Sub-Adviser and the Clients.
23. The prospectus or other offering document for each Client that is an Investment Fund or a Pooled Fund will include a statement that the Principal Adviser is responsible for any loss that arises out of the failure of the Sub-Adviser to meet the Assumed Obligations.
24. Prior to purchasing any contracts of one or more of the Clients that are Investments Funds or Pooled Funds directly from the Principal Adviser or entering into an investment management agreement with the Principal Adviser for a Managed Account, all investors of these Clients or the Client itself, as applicable, will receive written disclosure that the Principal Adviser is responsible for any loss that arises out of the failure of the Sub-Adviser to meet the Assumed Obligations.
25. The Principal Adviser and the Sub-Adviser obtained substantially similar relief under Section 80 of the *Commodity Futures Act* (Ontario) (the **Ontario CFA**) from the adviser registration requirement in subsection 22(1)(b) of the Ontario CFA pursuant to an order of the Ontario Securities Commission dated June 15, 2015 (the **Ontario CFA Registration Relief**).

26. Section 3.17 of the Rule provides that an adviser registrant under the CFA must be a member of a registered commodity futures exchange.
27. The only registered commodity futures exchange under the CFA is ICE.
28. The Principal Adviser does not trade, and has no intention of trading on ICE with respect to Contracts and therefore does not intend to become a member of ICE.

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


IT IS ORDERED:

1. **THAT**, under Section 66(1) of the CFA, the Sub-Adviser and its Representatives are hereby exempt from the requirement to register as advisers under Section 24(2) of the CFA, provided that:
 - (a) the Principal Adviser is registered under the CFA as an adviser;
 - (b) the Sub-Adviser's head office or principal place of business is in a foreign jurisdiction;
 - (c) the Sub-Adviser is registered in a category of registration, or operates under an exemption from registration, under the commodities futures or other applicable legislation of the foreign jurisdiction in which its head office or principal place of business is located, that permits it to carry on the activities in that jurisdiction that registration as an adviser under the CFA would permit it to carry on in Manitoba;
 - (d) the Sub-Adviser is not registered under securities legislation or commodity futures legislation in any jurisdiction of Canada;
 - (e) the Sub-Adviser engages in the business of an adviser in respect of Contracts in the foreign jurisdiction in which its head office or principal place of business is located;
 - (f) the obligations and duties of the Sub-Adviser are set out in a written agreement with the Principal Adviser;
 - (g) the Principal Adviser has entered into a written agreement with the Clients, agreeing to be responsible for any loss that arises out of any failure of the Sub-Adviser to meet the Assumed Obligations;
 - (h) the prospectus or similar offering document for each Client that is an Investment Fund or a Pooled Fund and for which the Principal Adviser engages the Sub-Adviser to provide the Sub-Advisory Services will include a statement that the Principal Adviser is responsible for any loss

that arises out of the failure of the Sub-Adviser to meet the Assumed Obligations.

- (i) prior to purchasing any Contracts of one or more of the Clients that are Investments Funds or Pooled Funds directly from the Principal Adviser or entering into an investment management agreement with the Principal Adviser for a Managed Account, all investors of these Clients or the Client itself, as applicable will receive written disclosure that the Principal Adviser is responsible for any loss that arises out of the failure of the Sub-Adviser to meet the Assumed Obligations.
2. **THAT**, under Section 66(1) of the CFA, the Principal Adviser be exempt from the requirement of section 3.17 of the Rule to be a member of a commodity futures exchange registered under the CFA, provided that the Principal Adviser immediately notifies the Commission if it becomes a member of ICE, or intends to directly effect trades of commodity futures contracts or commodity futures options on the ICE or on another commodity futures exchange registered under the CFA.
3. **THAT** Section 1 of this Order will terminate on the earlier of:
- (a) six months, or such other transition period as provided by operation of law, after the effective date of the repeal of the CFA;
 - (b) six months, or such other transition period as provided by operation of law, after the coming into force of any amendment to Manitoba commodity futures law or Manitoba securities law (as defined in the Securities Act (Manitoba) that affects the ability of the Sub-Adviser to act as a sub-adviser to the Principal Adviser in respect of the Sub-Advisory Services; and
 - (c) five years after the date of this Order.
4. **THAT** the fee for this Order is \$650.

BY ORDER OF THE COMMISSION



Director