



4. FTIML is a company organized under the laws of England and Wales with its principal place of business located in London, United Kingdom. FTIML is registered with the Financial Conduct Authority in the United Kingdom (the **FCA**) and as an investment adviser with the SEC. In addition, FTIML is an exempt firm with the CFTC. FTIML's permitted activities pursuant to its registration with the FCA include, inter alia, providing discretionary investment management services to its professional clients (as defined under FCA rules).
5. Each Sub-Adviser is registered in a category of registration, or operates under an exemption from registration, under the commodity futures or other applicable legislation of its principal jurisdiction 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, each Sub-Adviser is authorized and permitted to carry on the Sub-Advisory Services (as defined below).
6. Each Sub-Adviser engages in the business of an adviser in respect of Contracts in its principal jurisdiction.
7. None of the Principal Adviser or a Sub-Adviser is in default of securities legislation, commodity futures legislation or derivatives legislation in any jurisdiction of Canada.
8. Each Sub-Adviser is in compliance in all material respects with the securities laws, commodity futures laws and derivatives laws in each jurisdiction in which its head office or principal place of business is located.
9. None of the Sub-Advisers is registered in any capacity under the CFA or the MSA.
10. None of the Sub-Advisers is a resident of any province or territory of Canada.
11. The Sub-Advisers and the Principal Adviser are affiliates, as defined in the MSA.
12. The Principal Adviser provides, or may provide, discretionary and/or non-discretionary portfolio management services in Manitoba to (i) investment funds, the securities of which are qualified by prospectus for distribution to the public in Manitoba and the other provinces and territories of Canada (**Retail Funds**); (ii) pooled funds, the securities of which are sold on a private placement basis in Manitoba and certain other provinces and territories of Canada pursuant to prospectus exemptions contained in National Instrument 45-106 *Prospectus Exemptions* (**Pooled Funds**); (iii) managed accounts of clients who have entered into investment management agreements with the Principal Adviser (**Managed Accounts**); and (iv) Retail Funds, Pooled Funds and Managed Accounts that may be established in the future in respect of which the Principal Adviser engages one or more of the Sub-Advisers to provide portfolio advisory services (the **Future Clients**) (each of the Retail Funds, Pooled Funds, Managed Accounts and Future Clients being referred to individually as a **Client** and collectively as the **Clients**).

13. Each Client may, as a part of its investment program, seek to invest in Contracts for which the Principal Adviser provides advice as a registered commodities adviser in Manitoba.
14. In connection with the Principal Adviser acting as an adviser to a Client in respect of the purchase or sale of Contracts, the Principal Adviser may retain one or more of the Sub-Advisers pursuant to a written agreement made between the Principal Adviser and the relevant Sub-Adviser (each, a **Sub-Advisory Agreement**) to act as sub-adviser to the Principal Adviser in respect of Contracts by exercising discretionary and/or non-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, which may include discretionary and/or non-discretionary authority to buy or sell Contracts for the Client (the **Sub-Advisory Services**).
15. By providing the Sub-Advisory Services, each Sub-Adviser will be engaging in, or holding itself out as engaging in, the business of advising others in respect of Contracts and, in the absence of being granted the requested relief, would be required to register as an adviser under the CFA.
16. There is presently no rule or regulation under the CFA that provides an exemption from the CFA Registration Requirement that is similar to the sub-adviser registration exemption in section 8.26.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103) (such exemption, the **International Sub-Adviser Exemption**).
17. Each Sub-Adviser will only provide the Sub-Advisory Services as long as the Principal Adviser is, and remains, registered under the CFA as a commodities adviser.
18. The relationship among the Principal Adviser, each Sub-Adviser and any Client is or will be consistent with the requirements of the International Sub-Adviser Exemption which requires that:
  - (a) the obligations and duties of the relevant Sub-Adviser will be set out in a written agreement with the Principal Adviser;
  - (b) the Principal Adviser will enter into a written contract with each Client, agreeing to be responsible for any loss that arises out of the failure of the applicable Sub-Adviser to:
    - (i) exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Principal Adviser and the Client; or
    - (ii) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances (together with (b)(i), the **Assumed Obligations**); and

- (c) the Principal Adviser cannot be relieved by the Client from its responsibility for any loss that arises out of the failure of the relevant Sub-Adviser to meet the Assumed Obligations.
19. The written agreement between the Principal Adviser and each Sub-Adviser will set out the obligations and duties of each party in connection with the Sub-Advisory Services and permit the Principal Adviser to exercise the degree of supervision and control it is required to exercise over the applicable Sub-Adviser in respect of the Sub-Advisory Services.
20. The Principal Adviser will deliver to the Clients all applicable reports and statements under applicable securities, commodity futures and derivatives legislation.
21. The prospectus or similar offering document of each Retail Fund or Pooled Fund filed after the date of the granting of the Requested Relief for which the Principal Adviser engages a Sub-Adviser to provide the Sub-Advisory Services will be updated to include the following disclosure (the **Required Disclosure**):
- (a) a statement that the Principal Adviser is responsible for any loss that arises out of the failure of the relevant Sub-Adviser to meet the Assumed Obligations; and
- (b) a statement that there may be difficulty in enforcing any legal rights against the relevant Sub-Adviser or its Representatives advising the relevant Retail Fund or Pooled Fund, because the relevant Sub-Adviser is resident outside of Canada and all or substantially all of its assets are situated outside of Canada.
22. In circumstances where a Client (including a Retail Fund or Pooled Fund) for which the Principal Adviser engages a Sub-Adviser to provide the Sub-Advisory Services does not prepare a prospectus or similar offering document for delivery to prospective purchasers, all investors of the Client who are Manitoba residents will receive the Required Disclosure in writing.
23. Each Client that is a Managed Account Client for which the Principal Adviser engages a Sub-Adviser to provide the Sub-Advisory Services will receive the Required Disclosure in writing prior to the purchasing of any Contracts for such Client.
- (C) Based on the foregoing, the Commission is of the opinion that it would not be prejudicial to the public interest for the Commission to grant the Relief Sought.

**IT IS ORDERED:**

1. **THAT**, under subsection 66(1) of the CFA, each Sub-Adviser and its respective Representatives are hereby exempt from the requirement to register as advisers under subsection 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 jurisdiction outside of Canada;
  - (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 each Client, 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 each Client that is a Retail Fund or Pooled Fund and for which the Principal Adviser engages a Sub-Adviser to provide the Sub-Advisory Services will include the Required Disclosure;
  - (i) prior to purchasing any securities of a Client that is a Retail Fund or a Pooled Fund directly from the Principal Adviser, each investor in any of these Retail Funds or Pooled Funds has received the Required Disclosure in writing (which may be in the form of a prospectus or similar offering document); and
  - (j) each Client that is a Managed Account for which the Principal Adviser engages a Sub-Adviser to provide the Sub-Advisory Services has received the Required Disclosure in writing prior to the purchasing of any Contracts for such Client; and
2. **THAT** that this Order will terminate on the earliest:
- (a) six months after the expiry of any transition period as may be provided by law, after the effective date of the repeal of the CFA;
  - (b) six months, or such other transition period as may be provided by law, after the coming into force of any amendment to Manitoba commodity futures law or Manitoba securities law that affects the ability of a 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.

3. THAT the fee for this Order is \$650.

**BY ORDER OF THE COMMISSION**

A handwritten signature in black ink, appearing to read "Cliff", is written over a horizontal line.

Director