

THE SECURITIES ACT ) Order No. 4095  
 )  
SECTION 20(1) ) April 2, 2003

THE MANITOBA CIVIL SERVICE SUPERANNUATION BOARD

WHEREAS:

(A) The Manitoba Civil Service Superannuation Board ("CSSB") has made application to The Manitoba Securities Commission (the "Commission") for an Order pursuant to subsection 20(1) of *The Securities Act* R.S.M. 1988, c. S50 (the "Act") exempting Marathon Asset Management Ltd. ("Marathon London") from the registration requirements in section 6 of the Act on a temporary basis to permit it to act as investment counsel/international advisor to the CSSB pending its registration with the Commission.

(B) CSSB has represented to the Commission that:

1. The CSSB has retained the services of Marathon London to manage its international equity portfolios.
2. Marathon London is currently registered in Ontario and Alberta as an international advisor.
3. Marathon London has submitted an application to become registered in Manitoba as investment counsel-international advisor.

(C) The Commission 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 subsection 20(1), Marathon London is exempt from the requirements of section 6 of the Act provided that:

- (a) Marathon London only act as advisor to CSSB;
- (b) Marathon London comply with the terms and conditions contained in Appendix "A" to this Order;

**2. THAT** this Order will expire upon the earlier of Marathon London becoming registered with The Manitoba Securities Commission or May 30, 2003.

BY ORDER OF THE COMMISSION

APPENDIX "A"

In carrying out its activities as an Investment Counsel (International Adviser), Marathon London is restricted to the activities of Investment Counsel to the Manitoba Civil Service Superannuation Board and is subject to the following conditions:

1. This registration is restricted to acting as an adviser in Manitoba.
2. Marathon London shall hold securities, funds and other assets of its client in Manitoba as follows:
  - (a) by the client; or
  - (b) by a custodian or sub-custodian:
    - (i) that meets the guidelines prescribed for acting as a sub-custodian of the portfolio securities of a mutual fund in Part 6 Custodianship of Portfolio Assets of National Instrument 81-102 Mutual Funds.
    - (ii) that is subject to the agreement announced by the Bank for International Settlements (BIS) on July 1, 1988 concerning international convergence of capital measurement and capital standards; and
    - (iii) where such securities, funds and other assets are held by a custodian or sub-custodian that is Marathon London or an affiliate of Marathon London (either being referred to in this clause 2(b)(iii) as the "Marathon London"), that holds such securities, funds and other assets in compliance with the following requirements:
      - (1) Securities that are held by Marathon London for a client pursuant to a written safekeeping agreement and that are unencumbered shall be kept apart from all other securities and be identified as being held in safekeeping for a client in Marathon London's security position record, client's ledger and statement of account.
      - (2) Securities held under subsection (1) may be released only on the instruction from the client and not solely because the client has become indebted to Marathon London.

(3) Securities held by Marathon London for a client that are unencumbered and that are either fully paid or are excess margin securities but that are not held pursuant to a written safekeeping agreement shall be,

a) segregated and identified as being held in trust for the client; and

b) described as being held in segregation on Marathon London's security position record, client's ledger and statement of account.

(4) Segregated securities may be used by Marathon London, by sale or loan, whenever a client becomes indebted to Marathon London but only to the extent reasonably necessary to cover the indebtedness.

(5) Bulk segregation of securities described in subsection (3) is permissible.

(6) Client's free credit balances, where satisfactory arrangements concerning bonding or insurance have not been made and approved by the Commission, shall be deposited in a client's trust account and properly identified forthwith upon their receipt by Marathon London.

(7) Subscriptions or prepayments held pending investment by mutual fund dealers, securities advisers or investment counsel shall be segregated in a trust account and not commingled with the assets of the dealer, adviser or counsel.

(8) The client's securities may be deposited with or delivered to The Canadian Depository for Securities Limited or the Depository Trust Company or with any other depository or clearing agency that is duly authorized to operate a book-based system in its jurisdiction of incorporation or organization or to operate a transnational book-based system.

10. Marathon London irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of Manitoba and any administrative proceedings in Manitoba, in any matters arising out of or related to its activities in Manitoba.

11. Marathon London will inform the Director forthwith upon:

(a) becoming aware that it is subject of an investigation or disciplinary action by any financial services or securities regulatory authority or self-regulatory authority; or

(b) ceasing to meet the financial requirements imposed under this Order.

12. Marathon London is subject to all of the requirements of section 15(3) of The Securities Act, except notification of change in information that is not required by the Director.

13. Marathon London must at all times maintain registration in its home jurisdiction in the category of an Adviser or in a category permitting similar activities to those of an Adviser.

14. Where Marathon London is registered as an Adviser or in a similar capacity of registration in any other jurisdiction in Canada, it must at all times maintain strict compliance with all conditions and restrictions imposed under such registration.