

THE COMMODITY FUTURES ACT) **ORDER NO. 5775**
)
Section 66(1)) **DATE: September 22, 2008**

PUTNAM INVESTMENTS INC./INVESTISSEMENTS PUTNAM INC.
(operating as **Putnam Management** in the Province of Manitoba)
and THE PUTNAM ADVISORY COMPANY, LLC

WHEREAS:

A. The Putnam Advisory Company, LLC (the “**Applicant**”) and Putnam Investments Inc. (operating as Putnam Management in the Province of Manitoba - “**Putnam**”) have applied to The Manitoba Securities Commission (the “**Commission**”) for an order pursuant to subsection 66(1) of the *Commodity Futures Act* (Manitoba) (the “**CFA**”) exempting the Applicant and its directors, officers and employees from the adviser registration requirement set forth under subsection 24(2) of the CFA in connection with the Applicant rendering advice as to trading in commodity futures contracts and commodity futures options (“**Contracts**”) for Putnam (the “**Adviser Registration Relief**”).

B. The Applicant and Putnam have represented to the Commission that:

Applicant

1. The Applicant is a limited liability company organized under the laws of the State of Delaware, with its principal place of business located in Boston, Massachusetts, United States.

2. The Applicant is registered with the U.S. Securities and Exchange Commission (the “**SEC**”) as an investment adviser and is exempt from registration under the Commodity Exchange Act (U.S.) (“**CEA**”) as a commodity trading adviser with the U.S. Commodity Futures Trading Commission (the “**CFTC**”).

3. The Applicant is not ordinarily resident in Canada nor is it registered with any Canadian securities regulator.

4. The Applicant currently acts as a sub-adviser to Putnam in Canada pursuant to certain exemptions from provincial adviser registration requirements as follows:

(a) in Ontario, and with respect to securities, in accordance with section 7.3 of Ontario Securities Commission Rule 35-502 *Non-Resident Registrants* (“**OSC Rule 35-502**”);

(b) in Ontario, and with respect to Contracts, in accordance with an order issued by the Ontario Securities Commission (“**OSC**”) exempting the Applicant from the

adviser registration requirement under Ontario's commodity futures legislation (the “**Ontario CFA Order**”); and

(c) in Manitoba, British Columbia, Alberta and Saskatchewan, and with respect to securities, in accordance with an MRRS Decision issued by (among others) the MSC exempting the Applicant from the adviser registration requirement under Manitoba's securities legislation (the “**Manitoba Securities Order**”).

5. The Applicant is an affiliate (as such term is defined in the *Securities Act* (Manitoba)) of Putnam.

Putnam

6. Putnam is a corporation incorporated under the *Business Corporations Act* (Ontario) with its head office in Ontario.

7. Putnam acts as a portfolio manager for a number of investment funds, managed accounts and other institutional clients in Canada and, in connection therewith, holds, in good standing, a number of registrations with various securities regulators as follows:

- adviser (in the category of portfolio manager / investment counsel or its equivalent) under the securities legislation of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia and Prince Edward Island;
- adviser (in the category of commodity trading manager and commodity trading counsel) under the commodity futures legislation of Ontario; and
- dealer (in the category of limited market dealer) under the securities legislation of Ontario.

Rendering Advice on Contracts in Manitoba

8. In conjunction with rendering advice in Manitoba on securities pursuant to its adviser registration with the MSC, Putnam now wishes to advise Manitoba-domiciled clients, including, without limitation, investment funds managed by I.G. Investment Management, Ltd. (collectively, the “**Clients**”), with respect to trading in Contracts.

9. Accordingly, Putnam has filed, or will be filing, an application with the MSC seeking adviser registration under the CFA.

10. In the event that Putnam successfully obtains such adviser registration with the MSC under the CFA, and consistent with the sub-advising arrangements referred to above in paragraph 4, Putnam intends to retain the Applicant under an investment sub-advisory agreement (the “**Agreement**”) whereby Putnam will act as an adviser to Clients in respect of rendering advice on Contracts (in addition to rendering advice on securities) and the Applicant would act as sub-adviser to Putnam (the “**Proposed Advisory Services**”).

11. The Agreement will set out the obligations and duties of Putnam and the Applicant. Further, Putnam will agree under the Agreement to be responsible for any loss that arises out of the failure of the Applicant to:

(a) exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of Putnam and the Client; and

(b) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.

(collectively, the “**Assumed Obligations**”)

12. At no time will Putnam be relieved by Clients from its responsibility for losses contemplated in the preceding paragraph.

13. In instances where a Client is an investment fund, the offering document for such investment fund (if any) will disclose:

(a) that Putnam or any other adviser of the Client registered in Manitoba under the CFA is responsible for the investment advice given or portfolio management services provided by the Applicant; and

(b) that there may be difficulty in enforcing any legal rights against the Applicant because the Applicant is resident outside of Canada and all or a substantial portion of the Applicant’s assets are situated outside of Canada.

C. Based on the foregoing, 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 Section 66(1) of the CFA, the Adviser Registration Relief is granted in connection with the Proposed Advisory Services, provided that:

(a) the obligations and duties of the Applicant are set out in a written agreement with Putnam;

(b) Putnam contractually agrees with each Client that Putnam will be responsible for the Assumed Obligations;

(c) Putnam cannot be, and at no time is, relieved from the Assumed Obligations by the Clients;

(d) the Applicant will be licensed, registered or otherwise legally permitted to provide advice concerning trading in Contracts under the applicable laws of the jurisdiction in which its head office is located;

(e) Putnam is registered under the CFA as an adviser;

(f) if there is any direct contact between a Client and the Applicant in which advice with respect to trading in Contracts is conveyed to the Client, a representative of Putnam, duly registered to provide advice concerning trading in Contracts will be present at all times, either in person or by telephone; and

(g) the Adviser Registration Relief is available to the Applicant so long as it is not registered in any Canadian jurisdiction.

2. **THAT** the fee for this order is \$650.00.

BY ORDER OF THE COMMISSION

Deputy Director – Legal