



THE MANITOBA
SECURITIES
COMMISSION

THE COMMODITY FUTURES ACT)
)
Sections 66(1))

Order No. 7455

June 22, 2018

P/E GLOBAL, LLC.

WHEREAS:

(A) P/E Global, LLC (the "**Applicant**") has applied to the Manitoba Securities Commission (the "**Commission**") for an order pursuant to section 66(1) of the CFA that the Applicant and any individuals engaging in, or holding themselves out as engaging in, the business of advising others as to trading in Contracts (as defined below) on the Applicant's behalf (the "**Representatives**") be exempt, for a specified period of time, from the adviser registration requirement in section 24(2) of the CFA subject to certain terms and conditions (the "**Exemptive Relief**");

(B) The Applicant has represented to the Commission that:

1. The Applicant is a limited liability company formed under the laws of the State of Delaware with its principal place of business located at 75 State Street, 31st Floor, Boston, MA, U.S.A., 02109.
2. The Applicant is registered in the United States with the Securities and Exchange Commission (the "**SEC**") as an investment adviser under the *Investment Advisers Act* of 1940 as amended, with the Commodity Futures Trading Commission (the "**CFTC**") as a commodity trading adviser ("**CTA**") and a commodity pool operator ("**CPO**")¹ and is a member of the National Futures Association ("**NFA**").
3. The Applicant provides investment advisory and portfolio management services on a discretionary basis for persons that are "qualified eligible persons" under CFTC rules ("**QEPs**"), high net worth individuals, banking or thrift institutions, pension and profit sharing plans, pooled investment vehicles, charitable organizations, foundations, investment companies, corporations trusts and other business entities, and state or municipal government entities.
4. The Applicant's investment strategies generally may invest in futures (primarily foreign exchange, government bond and equity index futures), forwards, swaps, U.S. Treasury bills, money market securities, foreign currencies, cash or cash equivalents.

¹ The Applicant has claimed a CFTC Rule 4.7 exemption as a CTA and CPO pursuant to which the Applicant is subject to reduced disclosure and recordkeeping requirements with respect to certain qualified eligible person accounts and pools.

5. The Applicant is authorized by the CFTC and SEC to advise on, *inter alia*, securities, options, futures, swaps, forward rate agreements and any other derivative contracts.
6. The Applicant is not registered under *The Securities Act* (the "**Securities Act**") or the CFA in Manitoba or under the securities legislation or derivatives legislation, including commodity futures legislation, of any other jurisdiction of Canada.
7. The Applicant is not in default of the securities legislation or derivatives legislation, including commodity futures legislation, of any jurisdiction of Canada. The Applicant is also in compliance with securities law, commodity futures law and derivatives laws of the United States of America.
8. Certain investors that are Permitted Clients (as that term is defined in section 1.1 of National Instrument 31-103 - *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**"), except that for purposes of this Order such definition shall exclude a person or company registered as an adviser or dealer under the securities legislation or derivatives legislation, including commodity futures legislation, of a jurisdiction of Canada) including separately managed accounts, mutual funds and collective investment trust funds, may seek to engage the Applicant as an investment adviser for the purposes of implementing certain investment strategies, including employing commodity futures contracts and commodity futures options (as defined in section 1(1) of the CFA) (referred to herein as "**Contracts**", such term including, for greater certainty, Contracts based on government of Canada bonds) that are primarily traded on one or more organized exchanges located outside of Canada and primarily cleared through one or more clearing corporations located outside of Canada (collectively, "**Foreign Contracts**"), as well as derivatives that are primarily traded on the over-the-counter market with counterparties located outside of Canada.
9. Section 24(2) of the CFA prohibits a person or company from acting as an adviser in respect of Contracts unless the person or company is registered as an adviser under the CFA, or is registered as a representative or as partner or an officer of a registered adviser and is acting on behalf of a registered adviser.
10. There is currently no exemption from the adviser registration requirement in section 24(2) of the CFA that is equivalent to the international adviser exemption provided in section 8.26 of NI 31-103. Consequently, in order to advise Permitted Clients as to trading in Foreign Contracts, in the absence of this Order, the Applicant would be required to apply for and obtain registration under the CFA in the appropriate category of registration.
11. The Applicant confirms that there are currently no regulatory actions of the type contemplated by the Notice of Regulatory Action attached as Appendix "B".

(C) I am of the opinion that it would not be prejudicial to the public interest to grant the Exemptive Relief requested;

I HEREBY ORDER, pursuant to a delegation to me by the Commission under subsection 4(1) of the Act of the powers in that regard:

IT IS ORDERED:

1. **THAT**, pursuant to section 66(1) of the CFA that the Applicant and its Representatives are exempt from the adviser registration requirement in section 24(2) of the CFA in respect of providing advice to Permitted Clients as to the trading of Foreign Contracts provided that:
 - (a) the Applicant provides advice to Permitted Clients only as to trading in Foreign Contracts and does not advise any Permitted Client as to trading in Contracts that are not Foreign Contracts, unless providing such advice is incidental to its providing advice on Foreign Contracts;
 - (b) the Applicant's head office or principal place of business remains in the United States of America;
 - (c) the Applicant is registered in a category of registration, or operates under an exemption from registration, under the applicable securities or derivatives legislation, including commodity futures legislation of the United States that permits it to carry on the activities in the United States of America that registration under the CFA as an adviser in the category of commodity trading manager would permit it to carry on in Manitoba;
 - (d) the Applicant continues to engage in the business of an adviser (as defined in the CFA) in the United States of America;
 - (e) as at the end of the Applicant's most recently completed financial year, not more than 10% of the aggregate consolidated gross revenue of the Applicant, its affiliates and its affiliated partnerships (excluding the gross revenue of an affiliate or affiliated partnership of the Applicant if the affiliate or affiliated partnership is registered under securities legislation, commodities legislation or derivatives legislation of a jurisdiction of Canada) was derived from the portfolio management activities of the Applicant, its affiliates and its affiliated partnerships in Canada;
 - (f) before advising a Permitted Client with respect to Foreign Contracts, the Applicant notifies the Permitted Client of all of the following:
 - (i) the Applicant is not registered in Manitoba to provide the advice described in paragraph (a) of this Order;
 - (ii) the foreign jurisdiction in which the Applicant's head office or principal place of business is located;

- (iii) all or substantially all of the Applicant's assets may be situated outside of Canada;
- (iv) there may be difficulty enforcing legal rights against the Applicant because of the above; and
- (v) the name and address of the Applicant's agent for service of process in Manitoba;

(g) the Applicant has submitted to the Commission a completed *Submission to Jurisdiction and Appointment of Agent for Service* in the form attached as Appendix "A";

(h) the Applicant notifies the Commission of any regulatory action initiated after the date of this Order with respect to the Applicant or any predecessors or the specified affiliates of the Applicant (as such term is defined in Form 33-109F6 to National Instrument 33-109 - Registration Information) by completing and filing Appendix "B" within 10 days of the commencement of each such action; and

IT IS FURTHER ORDERED that this Order will terminate on the earliest of:

- (a) the expiry of any transition period as may be provided by law, after the effective date of the repeal of the CFA;
- (b) the Applicant becoming registered as an adviser under the commodity futures or securities legislation of any jurisdiction of Canada;
- (b) six months, or such other transition period as may be provided by law, after the coming into force of any amendment to the CFA or the Securities Act that affects the ability of the Applicant to act as an adviser to a Permitted Client in Manitoba; and
- (c) five years after the date of this Order.

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

BY ORDER OF THE COMMISSION



Director