

**Headnote:**

Exemption from the requirements in subsections 22(1) and 22(2) of the General Securities Rules to maintain a business office and business office manager in Nova Scotia and from the requirements of subsections 30(5) and 30(6) of the General Securities Rules to maintain books and records in Nova Scotia – A foreign advisor seeks relief from the requirements to maintain a business office, business office manager and books and records in Nova Scotia – The foreign advisor will not have a business office in any jurisdiction in Canada- The foreign advisor will remain registered as an investment advisor in the USA, its principal jurisdiction, will provide advice to residents of Nova Scotia mainly with respect to foreign securities and will only provide advice to institutional and high net worth investors.

**Applicable Legislative Provisions:**

General Securities Rules, previously the Securities Regulations, subsections 20(2), 22(1), 22(2), 30(5) and 30(6)

In the Matter of  
the Securities Act, R. S. N. S. 1989, c. 418,  
as amended (the “Act”)

- and -

In the Matter of  
Schroder Investment Management North America Limited

RULING

Subsection 20(2) of the Securities Rules

UPON the application of Schroder Investment Management North America Limited (“SIMNAL”) to the Nova Scotia Securities Commission (the “Commission”) pursuant to subsection 20(2) of the rules of the Commission deemed by subsection 150A(9) of the Act to have been made pursuant to Section 150 of the Act (the “Securities Rules”) for a ruling that SIMNAL be exempted from the requirements of subsections 22(1) and 22(2) of the Securities Rules to maintain a business office and business office manager in Nova Scotia and from the requirements of subsections 30(5) and 30(6) of the Securities Rules to maintain books and records in Nova Scotia, in connection with the registration of SIMNAL as an adviser in the categories of investment counsel and portfolio manager under the Act;

AND UPON reading the application and the recommendation of staff of the Commission;

AND UPON SIMNAL having represented to the Commission that:

1. SIMNAL was incorporated under the laws of the United Kingdom;
2. SIMNAL is not a reporting issuer. SIMNAL is currently registered in good standing as an investment adviser in the United States of America ("USA") and its primary regulator is the Securities and Exchange Commission. SIMNAL is registered with the Ontario Securities Commission as a Non-Canadian Adviser in the categories of investment counsel and portfolio manager. SIMNAL is registered with the Financial Services Authority as an investment adviser in the United Kingdom;
3. SIMNAL's head office is located at 31 Gresham Street, London, UK, EC2V7QA;
4. the advice being provided by SIMNAL to residents of Nova Scotia will be mainly with respect to foreign securities, and any advice given on Canadian securities would be strictly and entirely incidental to the main business of providing advice on foreign securities;
5. The nature of SIMNAL's business is an investment adviser. SIMNAL is engaged principally in the USA in the business of advising in respect of the buying and selling of securities, primarily to institutional and high net worth investors and wishes to provide similar services to clients in Nova Scotia;
6. SIMNAL is a non-resident of Canada and as such does not maintain a business office from which it provides advice nor financial records anywhere in Canada;
7. The costs of maintaining an office, staff and records in Nova Scotia, some of which would be indirectly borne by SIMNAL's clients, would far outweigh the benefits to be provided to these clients and would impede SIMNAL's ability to compete in an effective and cost efficient manner with other advisers;
8. SIMNAL has made the necessary arrangements which will enable it to comply with the statutory and other obligations to its clients in Nova Scotia. Services will be provided to SIMNAL clients through the branch office of SIMNAL located at 875 Third Avenue, 22<sup>nd</sup> Floor, New York, New York 10022. Supervision of all SIMNAL's activities with clients in Nova Scotia will be provided by the Chief Compliance officer of SIMNAL.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS RULED pursuant to subsection 20(2) of the Securities Rules that SIMNAL is exempted from the requirements of subsections 22(1) and 22(2) of the Securities Rules to maintain a business office and business office manager in Nova Scotia and from the requirements of subsections 30(5) and 30(6) of the Securities Rules to maintain books and

records in Nova Scotia, in connection with SIMNAL's registration as an adviser in the categories of investment counsel and portfolio manager under Act, provided that:

1. SIMNAL is registered in the USA as an investment adviser;
2. SIMNAL acts as an adviser in Nova Scotia solely for the persons or companies described in paragraph (iii) on page 4 of the Commission's Blanket Order No. 40, acting as principal only unless otherwise stated;
3. any acting as an adviser in Nova Scotia in respect of Canadian securities is incidental to SIMNAL's acting as an adviser in Nova Scotia in respect of foreign securities;
4. all funds, securities and other assets of SIMNAL's clients who are in Nova Scotia are held by the clients or by a custodian which satisfies the requirements for acting as a custodian or sub-custodian of the portfolio securities of a mutual fund in National Instrument 81-102 Mutual Funds;
5. all partners, directors and officers of SIMNAL who seek registration or are required to be registered in Nova Scotia are registered in the USA in relation to SIMNAL's registration as an investment adviser in the USA;
6. SIMNAL promptly notifies the Director if there are any terms, conditions or restrictions imposed at any time on the registration of SIMNAL or its partners, directors, officers and salespeople who are registered in Nova Scotia, by the securities regulator in the USA or if that regulator reprimands at any time any of those registrants;
7. SIMNAL promptly notifies the Director if it establishes an office in Nova Scotia or employs a Nova Scotia resident;
8. SIMNAL:
  - (i) files a duly executed submission to jurisdiction and appointment of agent for service of process substantially in the form attached as Appendix A to the Commission's Blanket Order No. 31-504 ("BO 31-504"); and
  - (ii) advises each Nova Scotia resident client of the name and address of the agent so appointed from time to time;
9. SIMNAL files with the Director such reports relating to its advising activities with respect to its Nova Scotia resident clients as the Director may require from time to time;
10. SIMNAL maintains the books and records which would otherwise be required to be maintained in Nova Scotia pursuant to subsection 30(6) of the Securities Rules at a business office in a jurisdiction satisfactory to the Director; and

11. SIMNAL files with the Director a written undertaking substantially in the form attached as Appendix B to BO 31-504 and complies with the undertaking.

DATED at Halifax, Nova Scotia, this 7<sup>th</sup> day of May, 2008.

NOVA SCOTIA SECURITIES COMMISSION

"H. Leslie O'Brien"

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H. Leslie O'Brien, QC

"R. Daren Baxter"

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