

IN THE MATTER OF
THE SECURITIES ACT, 1988

-AND-

IN THE MATTER OF
AQR CAPITAL MANAGEMENT, LLC

EXEMPTION ORDER

(Subsection 83(1) of *The Securities Act, 1988*)

WHEREAS the Financial and Consumer Affairs Authority of Saskatchewan (**Authority**) received an application on behalf of AQR Management, LLC (**Filer**) pursuant to subsection 83 of *The Securities Act, 1988* (**Act**) requesting an order exempting the Filer, and any individual acting on behalf of the Filer, from the requirement to register as an adviser under paragraph 27(2)(b) of the Act (**Adviser Registration Requirement**) where the Filer advises a person or company falling within the definition of a Permitted Client under Part 1.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) regarding investments in:

- (a) exchange-traded derivatives listed on regulated exchanges and marketplaces outside of Canada; and
- (b) over-the-counter (**OTC**) derivatives cleared through non-Canadian clearing facilities and/or with non-Canadian counterparties

(collectively, **Foreign Derivatives**);

AND WHEREAS the Authority has assigned to the Director of the Securities Division of the Authority (**Director**) the power to make exemption orders under the provisions of the Act;

AND WHEREAS in this Exemption Order terms defined in the Act, NI 31-103, and National Instrument 14-101 *Definitions* have the same meanings set out therein, unless otherwise defined;

AND WHEREAS in this Exemption Order:

“**2014 Relief**” means exemptive relief granted by the Authority on June 27, 2014 from the Adviser Registration Requirement to permit the Filer to provide the Foreign Derivatives Advisory Services to permitted clients in Saskatchewan;

“**CFTC**” means the U.S. Commodity Futures Trading Commission;

“Foreign Derivatives Advisory Services” means discretionary and non-discretionary investment management and advisory services provided by the Filer to permitted clients in Saskatchewan regarding investments in Foreign Derivatives;

“International Adviser Exemption” means the international adviser exemption set out in Part 8.26 of NI 31-103;

“NFA” means the U.S. National Futures Association;

“Ontario CFA” means the *Commodity Futures Act* (Ontario);

“Ontario Order” means exemptive relief granted by the Ontario Securities Commission dated August 14, 2017 exempting the Filer from the requirement to register as an adviser under Section 22 of the Ontario CFA;

“Permitted Client” means Permitted Client as defined under Part 1.1 of NI 31-103;

“SEC” means U.S. Securities and Exchange Commission; and

“U.S.” means the United States of America;

AND WHEREAS it has been represented to the Director that:

- (a) The Filer is a limited liability company organized under the laws of the State of Delaware. Its principal place of business is located at Two Greenwich Plaza, 3rd Floor, Greenwich, CT, 06830, United States.
- (b) The Filer is a specialized portfolio manager that manages investments for institutional investors across multiple strategies and financial instruments. As of March 31, 2019 the Filer had over US\$203 billion in assets under management.
- (c) The Filer is:
 - (i) registered with the SEC as an investment adviser under the U.S. *Investment Advisers Act of 1940*, as amended;
 - (ii) registered in the United States with the CFTC as a commodity pool operator and a commodity trading adviser; and
 - (iii) an approved member of the NFA.
- (d) The Filer is not resident in, or registered in any province or territory of Canada.
- (e) The Filer currently relies on the International Adviser Exemption in Alberta, British Columbia, Manitoba, Newfoundland and Labrador, Nova Scotia, Ontario, Quebec and Saskatchewan to advise permitted clients regarding investments in securities in those provinces.

- (f) The Filer relies on the non-resident investment fund manager exemption under Multilateral Instrument 32-102 *Non-Resident Investment Fund Managers* in Ontario, Newfoundland and Labrador and Quebec to distribute securities of investment funds managed by the Filer to permitted clients in those jurisdictions.
- (g) AQR Capital Management (Canada), LLC, a wholly-owned subsidiary of the Filer, is registered as an exempt market dealer in Alberta, British Columbia, Manitoba, Newfoundland and Labrador, Nova Scotia, Ontario, Quebec and Saskatchewan.
- (h) The Filer relies on the Ontario Order to advise permitted clients in Ontario and to sub-advise registered advisers in Ontario regarding investments in Contracts (as defined in the Ontario CFA) listed on non-Canadian exchanges.
- (i) The Filer relies on the 2014 Relief to provide the Foreign Derivatives Advisory Services to Permitted Clients in Saskatchewan.
- (j) The Filer does not advise Permitted Clients in Saskatchewan regarding derivatives that are not Foreign Derivatives, unless providing such advice is incidental to the Foreign Derivatives Advisory Services or to the advisory services provided by the Filer to permitted clients in Saskatchewan in reliance on the International Adviser Exemption.
- (k) In connection with the Foreign Derivatives Advisory Services, the Filer may exercise discretionary authority on behalf of Permitted Clients in respect of all or a portion of the assets of the investment portfolios of such Permitted Clients. The Filer ensures and will continue to ensure that its exercise of discretionary authority is consistent with the investment objectives and strategies of each Permitted Client.
- (l) There is currently no exemption in the Act or NI 31-103 from the Adviser Registration Requirement applicable to advising in derivatives that is equivalent to the International Adviser Exemption.
- (m) The Filer only provides the Foreign Derivatives Advisory Services to Permitted Clients in Canada. The Filer does not advise in Canada on derivatives traded on Canadian derivative trading facilities or exchanges, or OTC derivatives cleared through Canadian clearing facilities and/or with Canadian counterparties, unless providing such advice is incidental to the Foreign Derivatives Advisory Services or advisory services provided under the International Adviser Exemption.
- (n) Permitted Clients in Saskatchewan seek certain specialized portfolio management services provided by the Filer, including the Foreign Derivatives Advisory Services.
- (o) The Filer will meet all prescribed conditions of the International Adviser Exemption when providing the Foreign Derivatives Advisory Services.
- (p) The Filer ceased to be a registrant in Saskatchewan in February, 2017 following the surrender of its registration as an exempt market dealer in Saskatchewan. The Filer

submitted a *Submission to Jurisdiction and Appointment of Agent for Service* and a *Notice of Regulatory Action* to the Authority in February 2017.

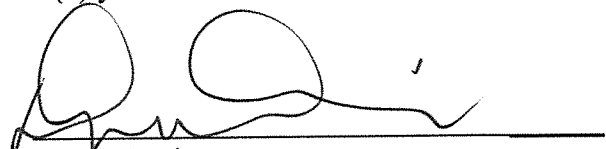
AND WHEREAS the Director is of the opinion that it would not be prejudicial to the public interest to make this Order;

IT IS HEREBY ORDERED by the Director pursuant to subsection 83(1) of the Act that the Filer, and any individual acting on behalf of the Filer, is exempt from the Adviser Registration Requirement provided that:

- (a) the Filer advises only Permitted Clients in Saskatchewan regarding investments in Foreign Derivatives and does not advise any Permitted Client regarding investments in derivatives that are not Foreign Derivatives, unless providing such advice is incidental to its providing advice on Foreign Derivatives and in accordance with the International Adviser Exemption;
- (b) the Filer's head office or principal place of business remains in the United States;
- (c) the Filer remains:
 - (i) registered with the SEC as an investment adviser under the U.S. *Investment Advisers Act of 1940*;
 - (ii) registered with the CFTC as a commodity pool operator and commodity trading advisor; and
 - (iii) an approved member of the NFA on a basis which permits it to carry on the activities in the U.S. that registration under the Act as an adviser would permit it to carry on in Saskatchewan;
- (d) the Filer continues to engage in the business of an adviser in the U.S. as defined in the U.S. *Investment Advisers Act of 1940*;
- (e) in respect of providing Foreign Derivatives Advisory Services:
 - (i) as at the end of the Filer's most recently completed financial year, not more than 10% of the aggregate consolidated gross revenue of the Filer, its affiliates and its affiliated partnerships (excluding the gross revenue of an affiliate or affiliated partnership of the Filer that is registered under securities legislation, commodities legislation or derivatives legislation in a jurisdiction of Canada) is derived from the portfolio management activities of the Filer, its affiliates and its affiliated partnerships in Canada (which, for greater certainty, includes both securities-related and derivatives-related activities);
 - (ii) before providing Foreign Derivatives Advisory Services to a Permitted Client, the Filer notifies each Permitted Client of all of the following:

- (A) the Filer is not registered in Saskatchewan to provide the Foreign Derivatives Advisory Services;
 - (B) the foreign jurisdiction in which the Filer's head office or principal place of business is located;
 - (C) all or substantially all of the Filer's assets may be situated outside of Canada;
 - (D) there may be difficulty enforcing legal rights against the Filer because of the above; and
 - (E) the name and address of the Filer's agent for service of process in Saskatchewan;
- (iii) The Filer shall notify the Authority of any regulatory action initiated after the date of this Exemption Order in respect of the Filer, or any predecessors or specified affiliates of the Filer, by completing and filing the *Notice of Regulatory Action* Form attached hereto as Appendix A within ten (10) days of the commencement of such action; and
 - (iv) by December 1 of each year, the Filer shall notify the Authority of its continued reliance on the exemption from the Adviser Registration Requirement;
- (f) this Exemption Order shall expire five (5) years after the date hereof.

DATED June 26, 2019



Dean Murrison
Director, Securities Division
Financial and Consumer Affairs Authority

APPENDIX A

Notice of Regulatory Action

1. Has the firm, or any predecessors or specified affiliates¹ of the firm entered into a settlement agreement with any financial services regulator, securities or derivatives exchange, Self-Regulatory Organization (SRO) or similar agreement with any financial services regulator, securities or derivatives exchange, SRO or similar organization?

Yes _____ No _____

If yes, provide the following information for each settlement agreement:

Name of entity
Regulator/organization
Date of settlement (yyyy/mm/dd)
Details of settlement
Jurisdiction

2. Has any financial services regulator, securities or derivatives exchange, SRO or similar organization:

	Yes	No
(a) Determined that the firm, or any predecessors or specified affiliates of the firm violated any securities regulations or any rules of a securities or derivatives exchange, SRO or similar organization?	<input type="checkbox"/>	<input type="checkbox"/>
(b) Determined that the firm, or any predecessors or specified affiliates of the firm made a false statement or omission?	<input type="checkbox"/>	<input type="checkbox"/>
(c) Issued a warning or requested an undertaking by the firm, or any predecessors or specified affiliates of the firm?	<input type="checkbox"/>	<input type="checkbox"/>
(d) Suspended or terminated any registration, licensing or membership of the firm, or any predecessors or specified affiliates of the firm?	<input type="checkbox"/>	<input type="checkbox"/>
(e) Imposed terms or conditions on any registration or membership of the firm, or predecessors or specified affiliates of the firm?	<input type="checkbox"/>	<input type="checkbox"/>

¹ In this Appendix, the term "specified affiliate" has the meaning ascribed to that term in Form 33-109F6 to National Instrument 33-109 *Registration Information*.

(f) Conducted a proceeding or investigation involving the firm, or any predecessors or specified affiliates of the firm?		
(g) Issued an order (other than an exemption order) or a sanction to the firm, or any predecessors or specified affiliates of the firm for securities or derivatives-related activity (e.g., cease trade order)?		

If yes, provide the following information for each action:

Name of Entity	
Type of Action	
Regulator/organization	
Date of action (yyyy/mm/dd)	Reason for action
Jurisdiction	

3. Is the firm aware of any ongoing investigation of which the firm or any of its specified affiliates is the subject?

Yes _____ No _____

If yes, provide the following information for each investigation:

Name of entity
Reason or purpose of investigation
Regulator/organization
Date investigation commenced (yyyy/mm/dd)
Jurisdiction

Name of firm

Name of firm's authorized signing officer or partner
Title of firm's authorized signing officer or partner
Signature
Date (yyyy/mm/dd)

Witness

The witness must be a lawyer, notary public or commissioner of oaths.

Name of witness
Title of witness
Signature
Date (yyyy/mm/dd)

This form is to be submitted to the following address:
 Financial and Consumer Affairs Authority of Saskatchewan
 Suite 601
 1919 Saskatchewan Drive
 Regina, SK S4P 4H2
 Attention: Deputy Director, Legal, Securities Division
 Telephone: (306) 787-5879
 email: sonne.udemgba@gov.sk.ca