

**General expectations**

- Responses to questions in the General Section should reflect all the business activities at the firm level across all its business lines.
- Responses to questions in the specific registration category (i.e. PM/RPM, IFM, EMD/RD) should reflect the respective business lines.
- Apply the specified time period stated in the question, as the default should be as of December 31, 2021.
- Some of the questions may not be applicable to you if you are a newly registered or inactive firm. Please answer all questions to the best of your ability and provide comments to explain your situation if necessary.
- Questions or comment boxes highlighted in yellow are mandatory and require a response. Any blank response will prompt the system to alert you until it is completed. Submission will not be allowed until you have completed all mandatory fields.
- Each comment box has a maximum character limit that is specified when you hover over them. If your comments exceed the set character limit, include the remainder of your comments in the “Final feedback” box at the end of this section. Please identify the question number these additional comments pertain to.
- All dollar amounts in the questionnaire should be reported in Canadian dollars as the functional currency. For amounts denoted in a foreign currency, please use an appropriate exchange rate and convert all amounts to Canadian dollars (\$).

Question number	Question	Guidance
<b>Question P1 – Assets under management</b>	What do I need to know before starting this question?	Include in Row A: Individuals, <ul style="list-style-type: none"> <li>• AUM for individual clients (i.e. natural persons) and their personal holding companies, foundations, or trusts.</li> <li>• AUM from both individual managed accounts (discretionary) and individual non-discretionary accounts</li> </ul> Include in Row B: Institutions, <ul style="list-style-type: none"> <li>• AUM for institutional clients which include non-individuals such as third-party investment funds where your firm is the PM to the funds,</li> </ul>

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		<p>pension plans, corporations, university endowments and charitable organizations.</p> <ul style="list-style-type: none"> <li>• AUM from both institutional managed accounts (discretionary) and institutional non-discretionary accounts</li> </ul> <p>Include in Row C: Investment funds where your firm is both the PM and IFM,</p> <ul style="list-style-type: none"> <li>• AUM for your proprietary funds.</li> </ul> <p>To avoid double counting, exclude from Row C the AUM of proprietary funds that your individual or institutional clients invested in.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• If you have AUM of \$1 million from individual managed account clients and that amount is invested in your proprietary investment funds, enter \$1 million in Row A: Individuals and \$0 in Row C: Investment Funds where your firm is both the PM and IFM.</li> <li>• If you have AUM of \$1 million from individual managed account clients, \$1 million from institutional managed account clients, and both are invested in your proprietary investment funds, enter \$1 million in Row A: Individuals, \$1 million in Row B: Institutions and \$0 in Row C: Investment Funds where your firm is both the PM and IFM.</li> <li>• If you have AUM of \$2 million invested in your proprietary investment funds but units of the funds are distributed by 3<sup>rd</sup> parties or by you acting as an exempt market dealer, enter \$2 million in Row C: Investment Funds where your firm is both the PM and IFM and \$0 in both Row A: Individuals and Row B: Institutions.</li> <li>• If you have AUM of \$10 million invested in your proprietary investment funds where \$2 million is from your individual managed account clients, \$3 million is from your institutional managed account clients, and \$5 million distributed by you acting as an</li> </ul>

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		<p>exempt market dealer, enter \$2 million in Row A: Individuals, \$3 million in Row B: Institutions and \$5 million in Row C: Investment Funds where your firm is both the PM and IFM.</p> <p>Consider including a brief description in the comment box to explain your business model, e.g. only managed account clients can invest in the proprietary funds.</p>
<b>Question P2(A) – Type of authority and products</b>	What does discretionary trading mean?	Discretionary trading means a client has given you written authority to make purchase and sale investment decisions in their account with you, without the client’s express consent for each purchase or sale.
<b>Question P2(B) – Type of authority and products</b>	What do I need to know if I invest my clients in non-prospectus qualified funds?	<p>If you invest your clients in securities of a non-prospectus qualified fund managed by your firm, specify the underlying types of securities held within the fund, such as equities or fixed income, rather than “non-prospectus qualified funds”.</p> <p>If you invest your clients in securities of a non-prospectus qualified fund managed by another party, specify “non-prospectus qualified funds”.</p>
<b>Question P2(B) – Type of authority and products</b>	How do I classify preferred shares?	If you invest your clients in preferred shares, categorize them as you would categorize them for internal purposes. Some firms categorize preferred shares as fixed income (because of the dividends), while others classify them as equity.
<b>Question P2(B) – Type of authority and products</b>	What should I include under Crypto?	If you invest your clients in investment products that provide crypto exposure (e.g. publicly-traded issuers, exchange-traded funds, or investment funds), please include those assets under the “Crypto” heading.

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		<p>For the purposes of this asset class please “look through” to the underlying investment. As an example, if your managed account clients are invested in an exchange-traded crypto fund, please include this in the Crypto asset category as opposed to the exchange-traded funds asset category.</p> <p>For the purposes of the 2022 Risk Assessment Questionnaire, we are taking a broad interpretation of crypto and so it is better to include an investment as crypto rather than to exclude it. Further, the below staff notice speaks about the different types of crypto assets and items to consider when making a crypto determination.</p> <p><a href="#"><u>CSA Staff Notice 21-327 – Guidance on the Application of Securities Legislation to Entities Facilitating the Trading of Crypto Assets</u></a></p>
<b>Question P2(B) – Type of authority and products</b>	How do I express short positions?	If you take short positions for your clients, please aggregate by type of Investment Product and report these by entering negative values.
<b>Question P2(B) – Type of authority and products</b>	What do I do for holdings that don’t fit into an Investment Product listed?	For holdings that do not fit into the investment products listed in the table, include them in “Other” and provide an explanation in the comment box.
<b>Question P5 – Involvement in companies</b>	What do I need to know before starting this question?	When answering this question, consider not only your registered advising or dealing individuals, but also your firm’s officers, directors, employees, and permitted individuals.
<b>Question P6 – Residency of clients</b>	Can you provide some examples?	This question asks for the number of clients as at <b>December 31, 2021</b> .

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		<p>Examples of how to account for clients that have joint accounts, personal holding companies or “in trust” accounts:</p> <ul style="list-style-type: none"> <li>• The firm manages accounts for two individuals that are spouses as follows: Both have an unregistered account, both have an RRSP account, a joint account, and an account for a holding company. The firm should reflect the client relationship with these two individuals as two clients in the relevant jurisdiction in the Questionnaire.</li> <li>• The firm manages the accounts for an individual and their family members as follows: The individual has an unregistered account, an RRSP account, and an account “in trust” for each of their 3 children who are under 18 years old. The firm should reflect the client relationship with this individual as one client in the relevant jurisdiction in the Questionnaire.</li> </ul>
<b>Question P6 – Residency of clients</b>	How do I account for clients in a fund I manage?	<p>Do not include the underlying clients in a fund you manage unless those underlying clients have a signed investment management agreement with you. Examples:</p> <ul style="list-style-type: none"> <li>• The firm manages a fund, where there are ten underlying clients. The firm does not have signed investment management agreements with any of the underlying clients. The firm should reflect the client relationship with the fund only, as a total of one client in the relevant jurisdiction in the Questionnaire.</li> <li>• The firm manages a fund, where there are ten underlying clients. The firm has signed investment management agreements with five of the underlying clients. The firm should reflect the client relationships with the fund and the five underlying clients, as total of six clients in the relevant jurisdiction in the Questionnaire.</li> </ul>

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<b>Question P7 - Age of clients</b>	What do I need to know before starting this question?	<p>This question asks for the percentage of individual clients that are 60 years or older as at <b>December 31, 2021</b>.</p> <p>The definition of “Individual” is “a natural person and their personal holding companies, foundations and trusts”. Therefore, if a client has several different holding companies, foundations or trusts, the firm should count that client relationship only once when calculating the percentage of clients over 60.</p> <p>Example: A client who is 65 years old has an unregistered account, an account for a holding company and an account for a family trust. This client relationship should be counted as one in both the numerator and the denominator when the firm calculates the percentage of individual clients that are 60 years or older</p>
<b>Question P9 – Custodian information</b>	What do I need to know before starting this question?	<p>To avoid double counting, do not include the custodian information for the investment funds that you manage since this information has already been provided in the “Questions for Investment Fund Managers” section of the questionnaire. For example, if your client invests in your proprietary funds, do not include the custodian information in P9 - Custodian information.</p> <p>In addition, the custodial information table allows for a <b>maximum</b> number of <b>20</b> entries. Should a firm have more than 20 custodians to enter, use the table provided for the first 20 entries and provide the same information for each additional entry in the ‘<b>Final feedback</b>’ comment box located on the final page of the section.</p>

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<b>Question P9 – Custodian information</b>	What is meant by “functionally independent” from my firm?	<p>Column 3 of the custodial information table requires you to determine whether the custodian(s) used by your portfolio management clients are <u>functionally independent</u> from your firm. A custodian would <u>not</u> be considered to be functionally independent from your firm when any of the following apply (although there may be other examples as well):</p> <ul style="list-style-type: none"> <li>• Your firm and the custodian share the same mind and management such that your firm and the custodian would not reasonably be considered to be operating independently,</li> <li>• The custodial activities are performed by personnel that are not separate from, or are unable to act independently from, personnel of your firm,</li> <li>• There is a lack of systems and controls to ensure the functional independence of personnel performing the custodial function.</li> </ul>
<b>Question P12 (C) – Trade order/portfolio management systems</b>	What do I need to know before starting this question?	This question does not attempt to differentiate between firms that use an automated trade order or portfolio management system and those that do not. Your response should reflect all monitoring processes in place. For example, a firm may monitor compliance through the use of an automated system, through manual processes or a combination of both.
<b>Question P13 (B) – Performance data</b>	What types of performance are considered hypothetical?	Hypothetical performance returns illustrate performance data that is <u>not</u> the performance of your actual client portfolios. Some examples include back-tested data (i.e. past period), and model performance data (i.e. real time or future periods.) Please refer to <a href="#">CSA Staff Notice 31-325 – Marketing Practices of Portfolio Managers</a> for more guidance as to what types of performance data are considered hypothetical.