



Outreach Session for the 2018 Risk Assessment Questionnaire

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Agenda

Part 1 - Introduction

Part 2 - Key changes from previous years and navigating the Questionnaire

Part 3 - Common questions received from registrants

Part 4 - Prospectus-exempt funds data collection

Part 5 - Resources

Part 6 - Question and Answer session



Part 1 - Introduction

Purpose

- The OSC uses a risk-based approach to oversee and monitor our registrants
- The information that we collect through the Risk Assessment Questionnaire (Questionnaire) will be used to support our oversight activities and evidence-based decision making



Part 2 - Key changes from previous years and navigating the Questionnaire

Key Changes from Previous Years

- Separate form for each section of the Questionnaire
 - General section – questions for all registrants
 - Investment fund manager section
 - Portfolio manager and restricted portfolio manager section
 - Exempt market dealers and restricted dealers section
- Prospectus-Exempt Fund Form
- Each form can be completed independently
 - Multiple people can work on different forms simultaneously
 - Only one person can access and save responses to a particular form at any given time

Key Changes from Previous Years






- Home page – a central area for key information and where you can access your firm’s Questionnaire and the Prospectus-Exempt Fund Form, if applicable
- New “Help Page” in each section providing specific help on questions we are commonly asked about
- Information should be for the period(s) ending December 31, 2017
- Two due dates:
 - **May 30, 2018** for all sections of the Questionnaire
 - **June 30, 2018** for the Prospectus-Exempt Fund Form

Secure URL Link

- Unique to each firm
- Provides access to your firm's Questionnaire, even after the submission
- Do not forward email with the URL link to people who are not authorized to have access to the Questionnaire

Sections of the Questionnaire that are Applicable to Your Firm

- The Questionnaire has four sections:
- If you are an investment fund manager who manages prospectus-exempt investment funds, you also have to complete the Prospectus-Exempt Fund Form.

Sections of the Questionnaire	Click on the icon to open the section	Status	Last updated on
General Section - Questions for All Registrants		Not Started	N/A
Portfolio Manager and Restricted Portfolio Manager Section		Not Started	N/A
Investment Fund Manager (IFM) Section		Not Started	N/A
Exempt Market Dealer and Restricted Dealer Section		Not Started	N/A
Prospectus-Exempt Fund Form (To be completed only if you are an IFM that manages prospectus-exempt investment funds)		Not Started	N/A

Sections of the Questionnaire that are Applicable to Your Firm (cont'd)

- The Questionnaire is customized to your firm's registration categories. For example, if your firm is not registered as an investment fund manager, your Questionnaire will not contain the IFM section and the Prospectus-Exempt Fund Form
- Make sure you review the registration categories checked off for your firm on the first page of the Questionnaire. Call the contact person immediately if there are any discrepancies

Current Registered Categories:

Investment Fund Manger (IFM)

Portfolio Manager (PM)

Exempt Market Dealer (EMD)

- Confirm the validity of the information

Click [here](#) to confirm that the information above is valid.

The Questionnaire supports the following web browsers:

- Microsoft Internet Explorer 10, 11
- Mozilla Firefox 43 and future fix packs
- Mozilla Firefox ESR 38 and future fix packs
- Google Chrome 46 and future fix packs
- Apple Safari 8.0

The Questionnaire may not function properly if other browsers are used.

120-minute inactivity limit:

- After 120 minutes of inactivity, the Questionnaire session will expire and any unsaved data will be lost
- The Questionnaire remains open and only when you click on Save will there be a notice that the session has expired
- If you have not worked on the Questionnaire for sometime, re-open or try to save before you start working on it again

Save frequently!

Functions on the Tool Bar:

- Help
- FAQ & User Guide
- Print
- Save and return to Home page
- Go to page...
- Next

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2018 Risk Assessment Questionnaire - General Section

[HELP](#) [FAQ & User Guide](#) [Print](#) [Save and return to Home page](#) [Next](#)

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2018 Risk Assessment Questionnaire - General Section

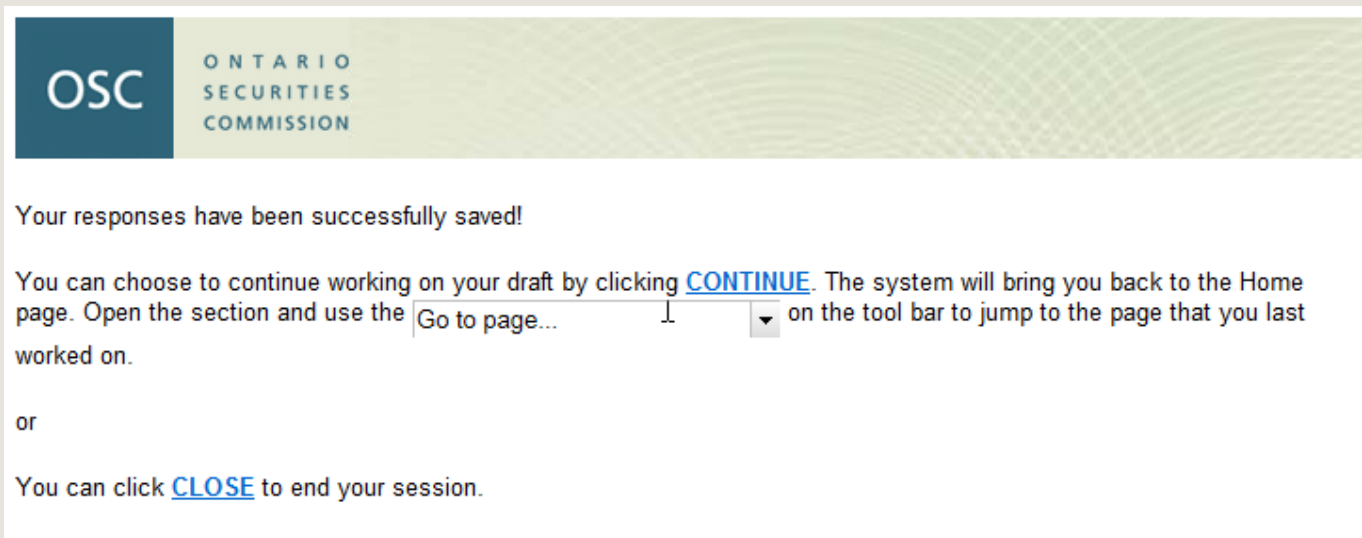
[HELP](#) [FAQ & User Guide](#) [Print](#) [Save and return to Home page](#) **Submit** [Previous](#)

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Final Overall Feedback

Saving the Questionnaire

- Save often by clicking the **Save** button
- Look for the following screen to ensure information entered is successfully saved on our secured server



The screenshot shows the top header of the OSC website with the logo and text 'ONTARIO SECURITIES COMMISSION'. Below the header, a message states: 'Your responses have been successfully saved!'. It then provides instructions: 'You can choose to continue working on your draft by clicking [CONTINUE](#). The system will bring you back to the Home page. Open the section and use the on the tool bar to jump to the page that you last worked on.' Below this, it says 'or' and 'You can click [CLOSE](#) to end your session.'

Mandatory Fields

- Mandatory fields are highlighted in yellow
 - you must complete all mandatory fields in order to submit your Questionnaire
- Some answers require you to provide additional information in a comment box – the comment box will be highlighted in yellow

Question G3 – Special committees

Does your firm have committees responsible for the following functions? Check all that apply.

- a) Risk management
- b) Policy review
- c) New product review
- d) Investment
- e) Valuation
- f) Audit
- g) Other - provide details in comment box below
- h) None

Other committees that your firm has



A large yellow rectangular comment box is positioned below the list of options. A red arrow points from the text 'provide details in comment box below' in option g) to the top-left corner of this yellow box. The box is highlighted in yellow to indicate it is a mandatory field.

Error Messages

- Mandatory information is not complete
- Inputted value is not permitted or is outside of allowed range

Question G1 – Revenue

Fill in the table below.

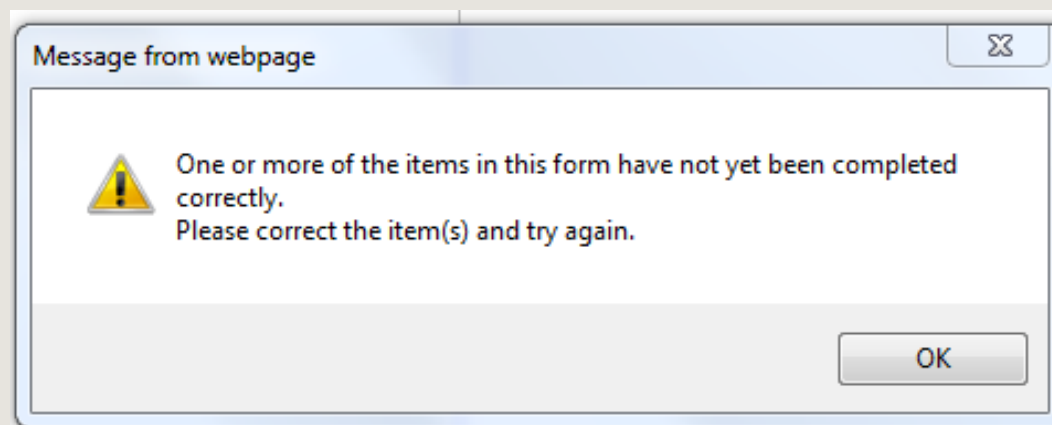
	Amount in financial (fiscal) year ended in 2017 (in CAD dollars)	Amount in financial (fiscal) year ended in 2016 (in CAD dollars)
Total gross revenue of your firm	\$0.00	\$100,000.00
Specified Ontario revenues	\$100,000.00	\$100,000.00

Specified Ontario revenues: Define **Invalid information entered.** Refer to the OSC website for the rule. Enter \$0 to \$900,000,000.000 and Ontario revenue must be less than or equal to the total revenue for the same year. file 13-

Additional comments, if necessary

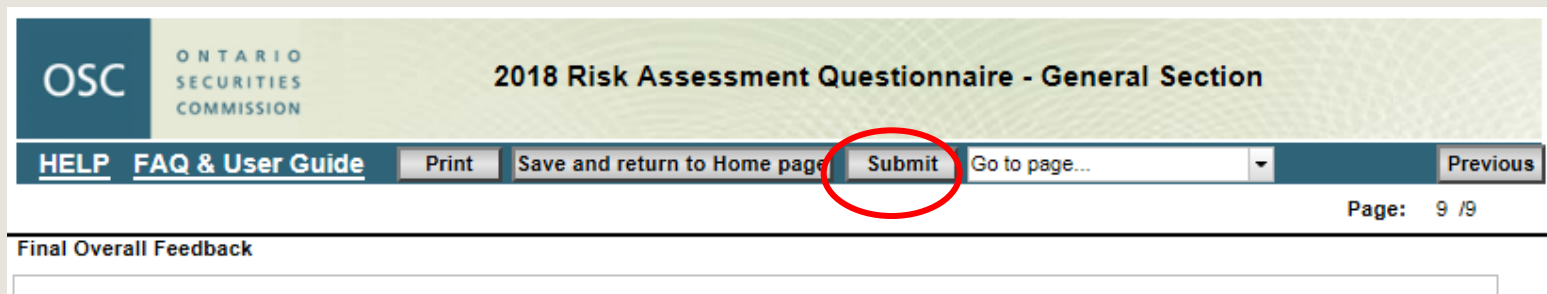
Error Messages (cont'd)

- The Questionnaire cannot be submitted if any inputted values are not permitted or if any mandatory fields have not been completed, including required comment boxes, certification by your Ultimate Designated Person (UDP), and required attachments



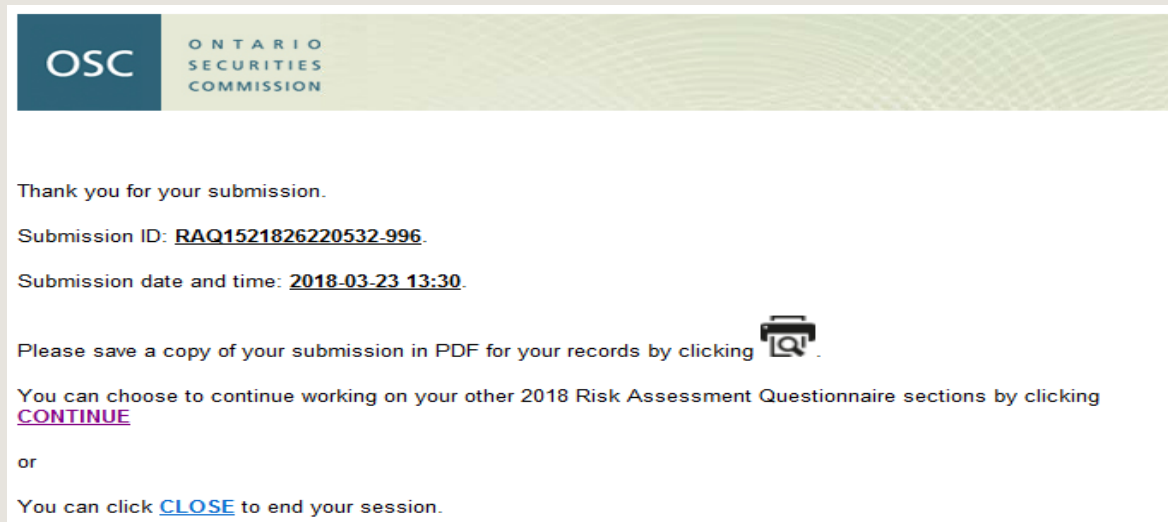
Submitting the Questionnaire

- **Save your responses first** before submitting your Questionnaire to avoid any data being lost during the submission process
- Ensure that you are **satisfied with your responses** prior to clicking the **“Submit”** icon. Once a section has been submitted, you will not be able to make changes
- The Submit icon is located on the **last** page of each section



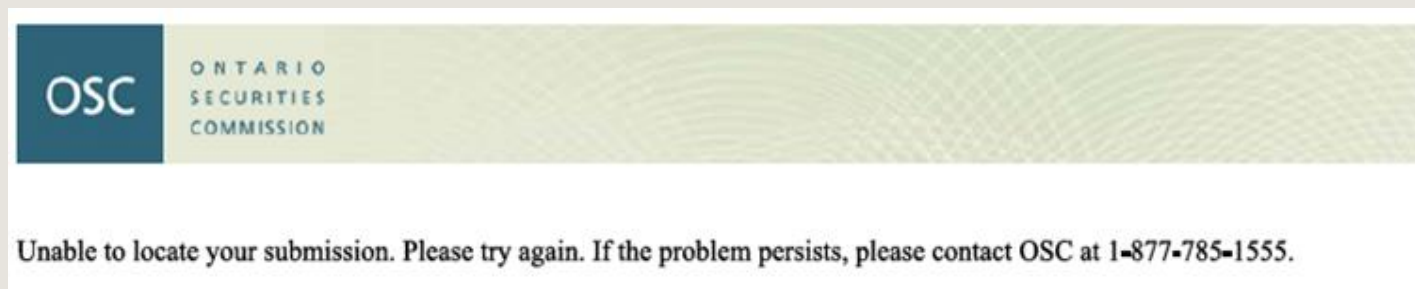
Submitting the Questionnaire (cont'd)

- Upon successfully submitting a section, you will see the following confirmation page
- If the server is busy, this could take several minutes – do not close your browser until you receive your confirmation with submission ID
- Wait until you see the submission ID before accessing the PDF file



Submitting the Questionnaire (cont'd)

- If you receive the following error message, close the browser and use the URL link to access the Home Page again
- Open the applicable section of the Questionnaire, and re-submit the section





Part 3 - Common questions received from registrants

General Questions

Is there a difference in how I should respond to questions in the General Section compared to questions in the specific registration category?

- Yes
 - Responses to questions in the General Section should reflect the business activities at the firm level
 - Responses to questions in the specific registration category (i.e. PM, IFM, EMD, etc.) should reflect the respective business lines
- Which time period should I apply to the questions?
 - Use the specified time period stated in the question
 - If the question does not have a specified time period, use December 31, 2017

General Questions (cont'd)

- How do I respond to the questions when...
 - my firm is only recently registered in Ontario
 - my firm is “inactive” and I have not applied to surrender my registration
 - my business model does not fit with the type of questions being asked

General Questions (cont'd)

- What if my firm isn't located in Ontario?

Firms registered with the OSC but:

- Located in a different country
 - Fill out the General Section based on your world-wide activities
 - For each specific registration category, respond to questions based on your Canadian operations
- Their principal regulator is another province
 - All of the firm's operations should be considered when responding to questions
- Also registered with an SRO
 - Consider your non-SRO operations when answering the questions

General Section - Referral Arrangements

- Provide information about the arrangements under which you receive a referral fee as at December 31, 2017
 - Two ways to provide the information, depending on the number of arrangements you have

Question G10 - Referral arrangements

(A) Do you have any referral arrangements under which you or one of your representatives **receives** a referral fee as at December 31, 2017?

No

Yes - enter the total number of these referral arrangements below

The total number of referral arrangements under which you or one of your representatives **receives** a referral fee as at December 31, 2017:

(B) Do you have any referral arrangements under which you **pay** a referral fee as at December 31, 2017?




a) No

b) Yes, we have 100 or less of these referral arrangements – fill in the table below

c) Yes, we have more than 100 of these referral arrangements - fill in the table below the first 100 referral arrangements. Provide information about the remaining arrangements in the spreadsheet provided and attach it below

Please attach the spreadsheet if you have more than 100 referral arrangements under which you **pay** a referral fee, or if there are more than 10 individuals associated with an arrangement (refer to the question in the table below)

-click on the icon with the paperclip to attach your spreadsheet
-click on the trash can icon to remove the spreadsheet if you need to revise it
-click on the eyeglasses icon to open the spreadsheet

REFERRAL ARRANGEMENT 1

Is the party that you have a referral arrangement with a firm or an individual?

General Section - Referral Arrangements (cont'd)

- Provide information for the first 100 arrangements in the table illustrated below
- If you have more than 100 arrangements, provide information about the remaining arrangements by completing a spreadsheet which can be downloaded from the Home Page

REFERRAL ARRANGEMENT 1 Add Arrangement Delete Current Arrangement < 1 of 1 >

Is the party that you have a referral arrangement with a firm or an individual?

If the party is an individual, enter the individual's name

First name	Middle name	Last name
<input type="text"/>	<input type="text"/>	<input type="text"/>

If the party is a firm, enter the firm's full legal name

If the party is a firm, who at the firm is part of this referral arrangement? Enter the names of the individuals below. If there are more than 10 individuals, enter the additional names in the spreadsheet provided and attach it to the box above.

First name	Middle name	Last name
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
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<input type="text"/>	<input type="text"/>	<input type="text"/>

General Section – Finder’s Fee Arrangement

Question G11 – Finder’s fees

Do you have any arrangements under which you pay a finder’s fee, solicitation fee or similar fee (other than a referral arrangement as described in question G10) (collectively referred to herein as finder’s fee) as at December 31, 2017?

- a) No
- b) Yes - fill in the table below

If there are more than 10 individuals associated with a finder arrangement, enter the additional names in the spreadsheet provided and attach it here

- click on the icon with the paperclip to attach your spreadsheet
- click on the trash can icon to remove the spreadsheet if you need to revise it
- click on the eyeglasses icon to open the spreadsheet



FINDER ARRANGEMENT 1

Is the party that you have a finder arrangement with a firm or an individual?

If the party is an individual, enter the individual's name

Portfolio Manager Section – Advising vs Dealing

- What is the difference between advising activity and dealing activity and how do I report each type of activity?
 - Reporting advising activity
 - where the firm has entered into an **advisory agreement** (or an investment management agreement) with the clients to provide **advisory services** to them, this is generally advising activity and should be included in the **portfolio manager and restricted portfolio manager section** of the Questionnaire
 - Reporting dealing activity
 - where the firm is **selling/distributing/trading** exempt market products to clients that **do not have an advisory relationship** with the firm, this would most likely be dealing activity that should be captured in the **exempt market dealer and restricted dealer section** of the Questionnaire.

Portfolio Manager Section – Assets under Management

- **Individuals** are natural persons and their personal holding companies, foundations, or trusts
- **Institutions** include non-individuals such as investment funds, pension plans, corporations, university endowments, charitable organizations and any other type of client that is not an individual

Question P1 - Assets Under Management

Provide your assets under management (AUM) for your **Canadian** advisory services as of the dates indicated below. For example, a firm with its principal office in Canada is to provide the AUM for all of its clients, and a firm with its principal office outside of Canada is to provide the AUM for only its Canadian clients.

Enter zero in rows that are not applicable to you.

Type of Client	AUM as at December 31, 2017 (in CAD dollars)	AUM as at December 31, 2016 (in CAD dollars)
Individuals		
Institutions		
Total	\$0.00	\$0.00

Individuals are natural persons and their personal holding companies, foundations, or trusts.

Institutions include non-individuals such as investment funds, pension plans, corporations, university endowments, charitable organizations and any other type of client that is not an individual.

Portfolio Manager Section - Products

- For securities that you invest your clients in:
 - If the investment is in a fund managed by your firm, specify the underlying types of securities held within the investment fund, such as equities or fixed income
 - If the investment is in a fund managed by another party, specify the type of fund (e.g. prospectus qualified funds, exchange traded funds)

(B) For those accounts where you have discretionary trading authority, what type of securities (investment products) do your clients hold in them?

Enter zero in rows that are not applicable to you.

Investment Product	Approximate percentage of total AUM as at December 31, 2017
Equities (exchange traded)	<input type="text"/> %
Equities (non-exchange traded)	<input type="text"/> %
Fixed income	<input type="text"/> %
Prospectus qualified funds (excluding exchange traded funds)	<input type="text"/> %
Exchange traded funds	<input type="text"/> %
Non-prospectus qualified funds	<input type="text"/> %
Cash equivalents	<input type="text"/> %
Other (describe below)	<input type="text"/> %
Total	0 %

Portfolio Manager Section – Involvement in Companies

- In answering this question, consider the activities of your registered individuals, your firm’s officers, directors, employees and permitted individuals

Question P5 - Involvement in Companies

Are you actively involved in the management of the companies you invest in for clients? Check all that apply.

- a) Representation on the board of directors
- b) Direct involvement in the appointment of managers
- c) A say in material management decisions
- d) Other - provide details in the comment box below
- e) No - not actively involved in the management of companies invested in for clients

Provide details if d) is selected

Portfolio Manager Section - Age of Clients

- Who do I include and do I have to provide an exact percentage or is an approximation sufficient?
 - Include “natural” persons who are 60 years or older
 - Where possible, provide an exact percentage or as accurate a response as possible

Question P7 - Age of Clients

Provide the percentage of your individual clients that are 60 years or older.

%

Additional comments, if necessary

IFM Section – Assets Under Management (AUM)

- Report the AUM of investment funds that you are the investment fund manager for
- In the case of a fund-of-fund structure, the AUM should only be counted once. For example,
 - If Top Fund (AUM: \$50) is 100% invested in Bottom Fund (AUM: \$100) you should report a total of two funds and AUM of \$100

Question F1 – Assets under management (AUM)

(A) Are you the investment fund manager for any prospectus qualified funds?

- Yes - complete the table below
- No

For investment funds that have a fund-of-fund structure, the AUM should only be counted once if you are the investment fund manager of both the top fund and the underlying fund.

Type of fund	Do you manage this type of investment fund? If yes, complete information across the row. If no, skip to the next row.	AUM as at December 31, 2017 (in CAD dollars)	Number of funds as at December 31, 2017	AUM as at December 31, 2016 (in CAD dollars)	Number of funds as at December 31, 2016
Open-end/conventional mutual funds (other than money market funds)	<input type="checkbox"/>				
Money market funds	<input type="checkbox"/>				
Closed-end funds	<input type="checkbox"/>				
Exchange-traded funds	<input type="checkbox"/>				
Commodity pools	<input type="checkbox"/>				

IFM Section – Performance Returns

- Performance information should be reported net of fees
 - Report this information at the fund level or fund series level
 - If reported at the fund series level, use the fund series that has the greatest assets under management

Question F3 – Performance returns

(A) Are you the investment fund manager for any prospectus qualified funds that have at least a full year of performance?

a) Yes – complete the table below in respect of such funds

b) No

Prospectus qualified funds			
Range of annual performance returns	In calendar years 2016 and 2017, did any of your funds have returns that fall within this range? If yes, provide the number of applicable funds in each year	Number of applicable funds in calendar year 2017	Number of applicable funds in calendar year 2016
Greater than or equal to 80%			
60% to less than 80%			
40% to less than 60%			
20% to less than 40%			
0% to less than 20%			
-20% to less than 0%			
-40% to less than -20%			
-60% to less than -40%			
-80% to less than -60%			
Less than or equal to -80%			
Total		0	0

IFM Section – Trust Accounts

- A trust account is a bank account designated as a trust account
 - The account is used to hold cash for investment in, or on the redemptions of, securities of an investment fund

Question F5 – Trust accounts

Do you use trust accounts to process investor transactions (e.g. purchases, redemptions and cash distributions)?

a) Yes – fill in the table below

b) No – provide explanation in comment box below

Explain why trust accounts are not used to process investor transactions

Add Row

Full legal name of the trust account	Beneficial owners of the trust account	Is this trust account used solely for processing investor transactions related to your funds? If no, provide details in comment box below	Are there any parties other than your firm who have signing authority over the trust account? If yes, provide details in comment box below

IFM Section – Net Asset Value (NAV) Errors

- Report NAV errors in the past 12 months ending December 31, 2017.
- Example:
 - An incident affected the valuation of a fund over a five-day period
 - The fund has three classes of security holders, NAV is struck daily and the incident resulted in 15 restatements of NAV
 - Report one NAV error and 15 of restatements of NAV

Question F19 – Net asset value (NAV) errors

Did you have any NAV errors (as determined in accordance with your internal policies) in the past 12 months ending December 31, 2017?

a) Yes – Provide details in the table below

b) No

Total number of NAV errors	Total number of NAV restatements required due to NAV errors	Dollar amount reimbursed to funds due to NAV errors (in CAD dollars)	Dollar amount reimbursed to investors due to NAV errors (in CAD dollars)

Additional comments, if necessary

Exempt Market Dealer and Restricted Dealer Section

- If registered in multiple categories - respond only as it relates to activities carried out as a dealer
- Respond based only on actual results and activities carried out – theoretical results and future plans can be provided in the **Comment box** at the end of the Questionnaire

Dealer Section – Investor Clients and Capital Raised

Question E2 – Investor Clients and Prospectus Exemptions

Fill in the table below in respect of investor clients and capital raised during the two year period ending December 31, 2017 in each of the following categories. Note that capital raised is the gross amount raised, inclusive of any commissions/fees.

Enter zero in the rows that are not applicable to you.	Number of investor clients	Capital raised
a) Section 2.3 of NI 45-106 – accredited investor exemption		
i) Clients that meet the permitted client definition		
ii) Clients that meet the accredited investor definition but are not permitted clients		
b) Section 2.10 of NI 45-106 - minimum investment of \$150,000		
c) Section 2.4 of NI 45-106 – private issuer exemption		
d) Section 2.5 of NI 45-106 – family, friends and business associates exemption		
e) Section 2.9 of NI 45-106 – offering memorandum exemption:		
i) Non-eligible investor		
ii) Eligible investor – did not receive advice		
iii) Eligible investor – received advice from a registered portfolio manager, investment dealer or exempt market dealer		
f) Multilateral Instrument 45-108 Crowdfunding		

Dealer Section – Investor Clients and Capital Raised

- Who is an investor client of my firm?
- Who is considered an investor client of my firm during a specific period of time?
 - Generally, investor client means all the individual and/or institutional clients the registered firm has actively serviced or distributed/traded exempt products to, during the two-year period ending December 31, 2017
 - Investor clients can include both new clients and existing clients, who the registered firm provides transactional or ongoing services to or distributes/trades exempt products to

Dealer Section – Investor Clients and Capital Raised

- What is the meaning of capital raised?
 - Generally, capital raised means the total amount of funds raised from the registered firm's investor clients through the distribution/trading of securities
 - The capital raised amount should be the gross amount, which means you include any fees
 - All values in the Questionnaire should be reported in Canadian dollars

Dealer Section – Role of the CCO

- What do I answer if my Chief Compliance Officer (CCO) is registered as a dealing representative but he has not acted as a dealing representative?
 - If your CCO has not acted as a dealer by trading in securities that are distributed under an exemption from the prospectus requirement then answer No

Question E5 – Role of the Chief Compliance Officer

Does your chief compliance officer also act as a dealing representative for your firm?

a) Yes

b) No

Additional comments, if necessary

Dealer Section - Revenue

- If revenue and expenses are not recorded separately for dealer activities, provide best estimates and include a comment that the figures are estimates and explain why estimates were used
- If your financial year end is different to December 31 then please use an appropriate recalculation method to report accurate figures

Question E6 – Size of Dealer Activities – Revenue

Provide the following information in the table below.

In the table below, do NOT include fees earned as a portfolio manager or investment fund manager if you are registered in one or both of those categories. For example, do not include management fees earned as a portfolio manager on assets under management or performance fees for surpassing a high-water mark. Include revenues for the business activities of your Dealer operations during the period. For example, include sales commissions or trailer fees for investment products sold/traded/distributed, success fees for an M&A transaction, the value of warrants/options for an equity financing transaction, fees for soliciting investors to purchase an investment product, and fees for facilitating a secondary market transaction.

<i>Enter zero in the rows below where there was no revenue earned during the period.</i>	Amount in financial (fiscal) year 2017 (in CAD dollars)	Amount in financial (fiscal year 2016 (in CAD dollars)
a) Service oriented – Mergers and acquisitions: provide assistance in mergers and acquisitions and disposition of securities of corporations; find potential buyers/investors for acquisitions or divestitures		
b) Service oriented – Debt/equity financing: provide advice on capital structuring to raise capital for financing and/or distribute products under private placements; find potential lenders/investors to invest in debt/equity securities		
c) Service oriented – Relationship facilitator: facilitate relationships between investors and registrants, or investors and third parties; do not distribute securities or products		
d) Distributor of prospectus-exempt products		
e) Facilitating secondary market trading of prospectus-exempt products		

Dealer Section – Related or Connected Issuers

- Meaning of related issuer, influential securityholder and connected issuer
 - Help page
 - Definition can also be found in question E9 (page 6)

Question E7 – Investment Products – Types of Products

Select the types of investment products you have sold/distributed/traded in the last two years ending December 31, 2017, and whether these products are those of your related/connected issuers.

- a) Not applicable – do not sell/distribute/trade investment products
- b) Sell/distribute/trade investment products – provide information in the table below:

Type of Investment Products	Do you sell/distribute/trade the following types of products?	Are these products of your related/connected issuers?
Asset backed securities		
Blind pools/capital pool companies		
Common or preferred shares		
Contracts for difference		
Debt securities (e.g. promissory notes, bonds, debentures, etc.)		
Foreign exchange contracts (forex or FX)		
Guaranteed debts		
Life settlements		
Limited partnerships		

Dealer Section – Types of Business or Industry of Products

- If a given product fits multiple categories, or no category accurately describes the product – then select Other and describe in comment box

Question E8 – Investment Products – Types of Business or Industry of Products

Select the types of business/industry of the investment products you have sold/distributed/traded in the last two years ending December 31, 2017, and whether these products are those of your related/connected issuers.

- a) Not applicable – do not sell/distribute/trade investment products
- b) Sell/distribute/trade investment products – please provide information in the following table:

Type of business/industry of the investment products	(A) Do you sell/distribute/trade products of the following types of business/industry?	(B) Are these products of your related/connected issuers?
Financial services - consumer loans, factoring (purchase of accounts receivables)	<input type="checkbox"/>	<input type="checkbox"/>
Financial services - non-conventional loans financing	<input type="checkbox"/>	<input type="checkbox"/>
Mining - exploration, development or production	<input type="checkbox"/>	<input type="checkbox"/>
Oil & gas	<input type="checkbox"/>	<input type="checkbox"/>
Alternative energy (e.g. solar, wind)	<input type="checkbox"/>	<input type="checkbox"/>
Real estate investment trusts	<input type="checkbox"/>	<input type="checkbox"/>
Real estate - land development/construction development	<input type="checkbox"/>	<input type="checkbox"/>
Real estate - rental/leasing	<input type="checkbox"/>	<input type="checkbox"/>
Manufacturing & Industrial	<input type="checkbox"/>	<input type="checkbox"/>
Technology (e.g. software, mobile apps)	<input type="checkbox"/>	<input type="checkbox"/>
Other - describe in comment box below	<input type="checkbox"/>	<input type="checkbox"/>

Dealer Section – Sales and Trailing Commissions

- Generally,
 - sales commission means any payment in connection with a sale, distribution or trade of a security, to a registered firm or registered individual, from any party
 - trailing commission means any payment related to a client’s ownership of a security that is part of a continuing series of payments to a registered firm

Question E16 – Sales Commissions

What is the range of sales commissions that you receive on investment products sold/distributed/traded? Check all that apply.

- a) None - do not receive a sales commission
- b) Less than 3%
- c) 3% but less than 6%
- d) 6% but less than 11%
- e) 11% or more – list names of issuers in comment box below
- f) Receive other forms of compensation for investment products sold/distributed/traded– please describe below
- g) Not applicable – do not sell/distribute/trade investment products

Question E17 – Trailing Commissions

What is the range of trailing commissions that you receive on the investment products sold/distributed/traded? Check all that apply.

- a) None – do not receive a trailing commission
- b) Less than 2%
- c) 2% but less than 5%
- d) 5% or more
- e) Not applicable – do not sell/distribute/trade investment products



Part 4 - Prospectus-Exempt Funds Data Collection

Purpose of the Prospectus Exempt Fund Form

- The only source for prospectus-exempt funds data
- Gain knowledge and insight into the prospectus-exempt funds space
- Data-sharing across other government and international organizations on an aggregate basis
 - Bank of Canada
 - Financial Stability Board

Scope

- If you did not manage non-prospectus qualified funds as of December 31, 2017, please do not submit the fund form or the spreadsheet
- All data is requested as of December 31, 2017, only for funds that were still operational as of that date
 - Note that the fund NAV is requested for two different points in time
 - 2016 and 2017
- The prospectus-exempt funds form/spreadsheet is due June 30th 2018

What is Different this Year from Previous Years - Questionnaire Format

- Two ways of collecting the data
 1. Prospectus-Exempt Fund Form
 - Only if the IFM manages **<=10 funds**
 2. Prospectus-Exempt Fund spreadsheet
 - Only if the IFM manages **>10 funds**
- The Prospectus-Exempt Fund Form and the spreadsheet contain the same questions
 - Reduced number of questions for fund-of-funds

What is Different this Year from Previous Years - Content

- Modified/expanded questions:
 - More detailed geography of investments
 - Illiquid securities-definition
 - Asset breakdown by maturity-definition
 - “Side pocket” arrangements and suspensions/ restrictions-different format
- New questions:
 - Fund name as reported in the 2016 questionnaire
 - Performance fee charged at fund level in CAD\$
- Removed questions:
 - High-frequency trading

Prospectus-Exempt Fund Spreadsheet - Specific Instructions

- The spreadsheet is built to match the format and content of the fund form.


INSTRUCTIONS: Please provide the following information on a fund-by-fund basis for all non-prospectus qualified funds of which you are the manager. All data should be reported as of **December 31, 2017**, unless otherwise noted. Please provide data for fund of funds in the tab marked "**Fund of funds**".

1. Please fill in the spreadsheet with the requested information. Please do not send/attach other documents such as income statements, balance sheets, or marketing materials.
2. Do not modify the wording or the formatting of the spreadsheet. Please do not add or delete columns/rows from the tabs.
3. Please do not link cells with other cells or other Excel documents, make sure all numbers are hard-coded.
4. The information needs to be provided by the investment fund manager.
5. If your fund has multiple classes and fee structures, please report all fee data for the class which has the greatest assets under management. All other data (net assets, holdings info, etc.) should be reported at the overall fund level.
6. Please do not answer questions with "Yes" or "No".
7. Please do not include funds launched after the survey cut-off date (**December 31, 2017**)
8. Please do not import images and text from other sources.
9. Please contact Nevena Pencheva at NPencheva@osc.gov.on.ca if you have any questions or experience issues with the spreadsheet.

Spreadsheet - Common Questions and Issues

12 Portfolio Liquidity	<u>Estimated percentage of portfolio capable of being liquidated in:</u>	Fund 1
	1 day or less	
	2-7 days	
	8-30 days	
	31-90 days	
	91-180 days	
	181-365 days	
	Longer than 365 days	
	<u>Total</u>	0.00%
13 Investor Liquidity	<u>Estimated percentage of fund assets locked for:</u>	
	1 day or less	
	2-7 days	
	8-30 days	
	31-90 days	
	91-180 days	
	181-365 days	
	Longer than 365 days	
	<u>Total</u>	0.00%
14 Asset Breakdown by Maturity	<u>Dollar amount in CAD\$ of the reporting fund's assets that have maturity:</u>	
	Less than 3 months	
	Between 3 and 6 months	
	Between 6 and 12 months	
	More than 12 months	
	Please explain what types of assets you included	
15 Investor Access to Funds	<u>As of the reporting date, please indicate if the reporting fund is subject to:</u>	
	A "side pocket" arrangement	Yes
	A suspension of investor withdrawals/redemptions by an adviser or a fund governing body	No
	Right to suspend	No
	Currently active suspension	No
	A material restriction on investor withdrawals/ redemptions (e.g., "gates") by an adviser or a fund governing body	Yes
	Right to impose restrictions	Yes
	Currently active restriction	Yes

How to submit the spreadsheet




- Use the paper clip button to attach the spreadsheet
- You can use the  button to view the attached document
- After you attach the spreadsheet, you will be directed to the “Submit” page.
 - You can provide any comments, explanations, clarifications, feedback in the comment box at the end.

Question 1 - Number of Funds

Do you manage more than 10 funds?

Because you have indicated you manage more than 10 prospectus-exempt funds, you must provide information about the funds by completing the downloadable spreadsheet and attaching it below.

Note - Download the spreadsheet using the hyperlink provided on the Home page under “Hyperlinks to spreadsheets you may need”

Prospectus-Exempt Fund Form - Specific Instructions

- You need to answer all questions for a fund before you can add another fund
- If a field or a box is yellow, it is a required question
- Questions with an option for “Other” (“Other strategies”, “Other asset classes”)
 - If you enter a number in the “Other” field, the text box becomes mandatory - please provide the requested information

Prospectus-Exempt Fund Form - Specific Instructions

- Required autosum questions- do not delete the pre-populated 0's.

Question 5 - Fund Strategy TOTAL (% - Autosum): NaN

Indicate which of the investment strategies below best describes the reporting fund's strategies. For each strategy that you have selected, provide a good faith estimate of the **percentage** of the reporting fund's net asset value represented by that strategy. The strategies listed below are mutually exclusive (i.e. do not report the same assets under multiple strategies).

<u>EQUITY</u>		<u>CREDIT</u>		<u>MACRO</u>		<u>MANAGED FUTURES/CTA</u>	
Long/Short:	<input type="text" value="5.0"/>	Long/Short:	<input type="text" value="0.0"/>	Commodities:	<input type="text" value="0.0"/>	Fundamental:	<input type="text" value="0.0"/>
Long Only:	<input type="text" value="85.0"/>	Asset Based Lending:	<input type="text" value=""/>	Currencies:	<input type="text" value="0.0"/>	Quantitative:	<input type="text" value="0.0"/>
Short Only:	<input type="text" value="0.0"/>			Global Macro:	<input type="text" value="0.0"/>		
				Active Trading:	<input type="text" value="0.0"/>		
<u>EVENT DRIVEN</u>		<u>RELATIVE VALUE</u>		Real Estate - Related Investments (REITs, physical real estate, mortgage, etc.): <input type="text" value="0.0"/> Private Money Market Fund: <input type="text" value="0.0"/> Physical Assets (precious metals, commodities, art, etc): <input type="text" value="0.0"/>			
Distressed/ Restructuring:	<input type="text" value="0.0"/>	Fixed Income Asset Backed:	<input type="text" value="0.0"/>				
Risk Arbitrage/ Merger Arbitrage:	<input type="text" value="0.0"/>	Fixed Income Convertible Arbitrage:	<input type="text" value="0.0"/>				
Equity Special Situations:	<input type="text" value="0.0"/>	Fixed Income Corporate:	<input type="text" value="0.0"/>				
		Fixed Income Sovereign:	<input type="text" value="0.0"/>				
<u>OTHER STRATEGIES</u>		Other Strategies (Please specify in the box below):		<input type="text" value="0.0"/>			
		If you indicated "Other Strategies" in the question above, please specify:		<input type="text"/>			

General Comments

- All dollar amounts in Canadian dollars (do not round in thousands, millions, etc.)
- If the question asks to specify a definition, please do so
 - Eg. “Other types of investors”, “Other asset types”, “Other strategies”, “Fund type- other”
- Please make sure the questions asking for percentage allocations sum up to 100%
 - Eg. fund strategy, fund ownership

General Comments (cont'd)

- Fees-only largest asset class (by AUM)
 - Do not report different classes as different funds
 - If the fund doesn't charge any fees, enter 0
 - MER does not include TER
 - Include securities lending fees in TER
 - Please answer the fee questions in percentages
 - i.e. 2%, not 0.02
- Asset breakdown by maturity-only fixed income securities
- Gross returns should be reported net of trading fees

General Comments (cont'd)

- If you manage prospectus-qualified funds, but some of the asset classes are offered without a prospectus, you do not need to report the funds.
- If your firm manages offshore prospectus-exempt funds not offered to Canadian investors, you do not have to report the funds in the fund form/spreadsheet
- Definitions applicable to certain questions are provided in the prospectus-exempt funds spreadsheet (“Definitions” tab) and the Help document accessible through the fund form



Part 5 - Resources

Resources

- FAQ and User Guide (accessible by clicking the **FAQ & User Guide** icon on the tool bar of the form)
- Help Page in each section of the Questionnaire (accessible by clicking the **HELP** icon on the tool bar of each form)
- Email us at **ComplianceSurvey@osc.gov.on.ca**
- Call one of the contact people listed on the Home Page of the Questionnaire



Questions?



RegistrantOutreach@osc.gov.on.ca