Please respond to ALL 24 questions in this questionnaire. We understand that the responses may require a high level of professional judgement. By completing this questionnaire, you acknowledge that the information provided to us is, to the best of your knowledge, complete and accurate. Please complete the following questionnaire with information that is current as at Dec. 31, 2007. (Note: Only one user at a time should enter data into the questionnaire. If multiple users enter data into the questionnaire at the same time, the system will maintain only the last saved copy of the questionnaire).

Please submit the completed questionnaire by Feb. 22, 2008. If you have any questions, please send an email to ‘compliance@osc.gov.on.ca’.

We appreciate your feedback. Please feel free to complete the feedback box at the end of the questionnaire. Thank you.

Instructions:
Click the “Start” button to begin. You can later retrieve the saved questionnaire using the link in the email we sent you.

You will find these buttons on the following pages.

- Start
  - Begin the questionnaire.
- <<
  - Go to previous question.
- >>
  - Go to next question.
- 
  - Go to selected question.
- 
  - Print copy of the questionnaire (note: the print image of the questionnaire will take some time to generate). Please print a copy for your own records.
- 
  - Save incomplete questionnaire.
- Submit
  - Send completed questionnaire to the OSC. If a mandatory field(s) has not been completed, you will be returned to that page.

Mandatory questions are high-lighted. Once it is answered, the color changes to white.

8. Part I – Identify what percentage of your investment funds, based on total AUM, are NOT open-ended/conventional mutual funds:
- None
- Less than 10%
- Greater than or equal to 10% and less than 30%
- Greater than or equal to 30% and less than 50%
- Greater than or equal to 50%
1. Part I – Identify which one of the following statements best describes your total asset under management (AUM):
   ○ Greater than or equal to $10 billion
   ○ Greater than or equal to $1 billion and less than $10 billion
   ○ Greater than or equal to $200 million and less than $1 billion
   ○ Greater than or equal to $25 million and less than $200 million
   ○ Less than $25 million

Part II – If you wish to provide more information, please describe below.
2. Part I – Identify which one of the following statements best describes how long your organization has been a fund manager:

- Greater than 15 years
- Greater than 10, but less than 15 years
- Greater than 5, but less than 10 years
- Greater than 2, but less than 5 years
- Less than 2 years

Part II – Identify below which functions you have outsourced to service providers, and provide the name of the service providers:

- Portfolio management
- Marketing
- Fund accounting
- Transfer agency
- Trust accounting
- Custody
- Auditor [you and your funds]
- Legal counsel [you and your funds]
- Other functions – please specify
3. Part I – Identify which one of the following statements best describes your average annual percentage increase or decrease in total AUM over the last two years:

- Less than 20%
- Greater than or equal to 20% and less than 50%
- Greater than or equal to 50% and less than 70%
- Greater than or equal to 70% and less than 100%
- Greater than or equal to 100%

Part II – If you wish to provide more information, please describe below.
4. Part I – Identify which of the following types of investments are held in the investment funds, as defined in the Securities Act (Ontario), you manage:

- [ ] Derivatives
- [ ] Private placements
- [ ] Illiquid securities
- [ ] Non-financial assets (e.g. real estate)
- [ ] Debt securities with embedded derivatives
- [ ] Structured products (e.g. asset-backed securities, securitization vehicles)
- [ ] None of the above

Part II – Identify which one of the following statements best describes the number of your investment funds that hold more than 10% of their portfolios in the investments listed in Part I above:

- [ ] None
- [ ] Less than 25%
- [ ] Greater than or equal to 25% and less than 50%
- [ ] Greater than or equal to 50% and less than 75%
- [ ] Greater than or equal to 75%

Part III – If you wish to provide more information, please describe below.
5. Part I – Identify which of the following strategies your investment funds engage in:

☐ Short selling
☐ Use of margin/leverage
☐ Securities lending/repurchase transactions or reverse repurchase transactions
☐ Other types of financing agreements
☐ None of the above

Part II – Identify which one of the following statements best describes the number of your investment funds that engage in any of the strategies listed in Part I above:

☐ None
☐ Less than 25%
☐ Greater than or equal to 25% and less than 50%
☐ Greater than or equal to 50% and less than 75%
☐ Greater than or equal to 75%

Part III – If you wish to provide more information, please describe below.
6. Part I – Identify what percentage of your investment funds, based on total AUM, are NOT open-ended/conventional mutual funds:

- None
- Less than 10%
- Greater than or equal to 10% and less than 30%
- Greater than or equal to 30% and less than 50%
- Greater than or equal to 50%

Part II – Please provide the following details with respect to each of your investment products:

- [ ] Open-ended/conventional mutual funds
  - % of Assets under management
  - Number of funds
- [ ] Exchange-traded funds
  - %
- [ ] Commodity pools
  - %
- [ ] Labour-sponsored investment funds
  - %
- [ ] Prospectus-exempt funds/hedge funds
  - %
- [ ] Flow-through limited partnerships
  - %
- [ ] Scholarship plans
  - %
- [ ] Pooled funds that are only offered to your managed account clients
  - %
- [ ] Others, please specify
  - %
  - Number of funds
7. Part I – Taking the 3 year period which includes the last 24 months and the next 12 months, identify which of the following changes you have made or will make:

- Change in strategic direction or business plan [e.g. acquisition or disposition of funds/businesses, development of a new line of investment products]
- Change in auditor and/or legal counsel
- Change in service provider [e.g. portfolio adviser, fund accountant, transfer agent, trust accountant]
- Change in information technology systems
- None of the above

Part II – Identify how many of the changes listed above you have made or will make:

- None
- One of the above
- Two of the above
- Three of the above
- All of the above

Part III – Briefly describe each of the changes indicated above.
8. Part I – Identify which one of the following statements best describes the profitability and liquidity of your business in the last 24-month period:

- Adequate amount of positive working capital, satisfactory cash flow to meet debt obligations and steady growth in revenue stream
- Adequate amount of positive working capital, satisfactory cash flow to meet debt obligations and little or no growth in revenue stream
- Small amount of positive working capital and adequate cash flow to meet debt obligations
- Negative working capital and low cash flow to meet debt obligations
- Negative working capital and negative cash flow

Part II – If you wish to provide more information, please describe below.
9. Part I – Identify which one of the following statements best describes the number of your funds which have annual audited financial statements:

○ All of the funds have annual audited financial statements
○ Greater than 75% of the funds have annual audited financial statements
○ Greater than 50% of the funds have annual audited financial statements
○ Greater than 25% the funds have annual audited financial statements
○ None of the funds have annual audited financial statements

Part II – If you wish to provide more information, please describe below.
10. Part I – Identify which one of the following statements best describes any pending litigation and/or claim(s) that may exist against you or your funds:

- No claim(s) or litigation outstanding
- No significant claim(s) or litigation outstanding and there is adequate insurance coverage
- Possible significant claim(s) or litigation, however there is adequate insurance coverage
- Possible significant claim(s) or litigation beyond insurance coverage, but excess claims are able to be covered
- Significant claim(s) or litigation well beyond insurance coverage

Part II - If any pending litigation and/or claim(s) are outstanding, briefly describe the nature of such pending litigation and/or claim(s) and the amount of the claim(s). Also, if you selected one of the last three responses in Part I above, please describe the note disclosure in your audited financial statements.
11. Part I – Identify which one of the following statements best describes the number of complaints received from your fund investors and/or dealers over the past 2 years:

- None
- Few complaints received relative to the number of fund investors
- Moderate number of complaints received relative to the number of fund investors
- Large number of complaints received relative to the number of fund investors
- Significant number of complaints received relative to the number of fund investors

Part II – If you wish to provide more information, please describe below.
12. Part I – If you have an individual responsible for the day-to-day monitoring of your compliance with securities legislation and internal policies and procedures, identify which one of the following statements best describes how long the individual has been with you or had a similar role with other companies:

- Greater than or equal to 10 years
- Greater than or equal to 4 years and less than 10 years
- Greater than or equal to 1 year and less than 4 years
- Less than 1 year
- Not applicable, there is no individual responsible for the compliance function

Part II – If you wish to provide more information, please describe below.
13. Part I - Identify which one of the following statements best describes your current data integrity procedures:

○ Emphasis on data integrity and security includes passwords used, passwords changed frequently, virus software used, virus software updated at time of new releases, firewalls in place if data accessed through the Internet.

○ Emphasis on data integrity and security includes passwords used, passwords changed regularly, virus software used, virus software updated regularly, firewalls in place if data accessed through the Internet. Office space is shared with another company or other companies but there are appropriate procedures in place to ensure the confidentiality of client records. A written confidentiality agreement is in place with any parties with whom office space is shared.

○ Emphasis on data integrity and security includes passwords used, passwords changed infrequently, virus software used, virus software updated infrequently, firewalls in place if data accessed through the Internet. Office space is shared with another company or other companies but there are appropriate procedures in place to ensure the confidentiality of records. A written confidentiality agreement is not in place with any parties with whom office space is shared.

○ Emphasis on data integrity and security includes passwords used, passwords not changed, virus software used, virus software not updated regularly, some firewalls in place if data accessed through the Internet. If office space is shared with another company or other companies, a written confidentiality agreement is not in place with any parties with whom office space is shared.

○ Emphasis on data integrity and security includes no passwords used, no virus software used, no firewalls in place if data accessed through the Internet. If office space is shared with another company or other companies, a written confidentiality agreement is not in place with any parties with whom office space is shared.

Part II - If you wish to provide more information, please describe below.
14. Part I – Identify which one of the following statements best describes your business continuity plan (BCP):

- A written BCP is in place which covers the key functions of the firm and its people, premises, systems, records, and back-up procedures. The BCP is tested and updated on an annual basis. An alternate back-up site is available.

- A written BCP is in place which covers the key functions of the firm and its people, premises, systems, records, and back-up procedures. The BCP has been tested at least once, but not regularly, and the BCP is updated periodically. An alternate back-up site is available.

- A written BCP is in place which covers some of the key functions of the firm and its people, premises, systems, records, and back-up procedures. The BCP has not been tested. An alternate back-up site is available.

- A BCP is in place, however it is not in writing, and has not been tested.

- A BCP has not been put in place.

Part II – If you wish to provide more information, please describe below.
15. Part I – Identify which of the following media you use in your marketing and selling practices:

- Printed media, i.e. Newspapers, magazines
- Marketing brochures/ pamphlets
- Electronic media, i.e. websites, email
- Audio/visual media, i.e. T.V., radio
- Presentations to prospective clients
- Seminars/conferences
- Sales practices under Part 5 of NI 81-105
- Other. Please specify below
- Not applicable

Please describe the other types of marketing media you use, or provide any additional information regarding the types of marketing media you use.

Part II – Identify which one of the following statements best describes your policies and procedures surrounding performance data in your marketing materials:

- Performance data is not presented in marketing materials.
- Performance data is systematically calculated and does not require any manual calculations. An individual independent from the preparer reviews performance data prior to its inclusion in marketing materials.
- Performance data is mostly systematically calculated with some manual calculations required. An individual independent from the preparer reviews performance data prior to its inclusion in marketing materials.
- Performance data is partly systematically calculated, however a significant number of manual calculations are required. There may or may not be an individual independent from the preparer review the performance data prior to its inclusion in marketing materials.
- Performance data is primarily manually calculated. There may or may not be an individual independent from the preparer review the performance data prior to its inclusion in marketing materials.
16. Part I - Identify which one of the following statements best describes the percentage of trades received via FundSERV:

- Greater than or equal to 90%
- Greater than or equal to 70% and less than 90%
- Greater than or equal to 50% and less than 70%
- Less than 50%
- Not applicable – please provide details below

Part II - Please describe how trades are received if FundSERV is not being used.
17. Part I - Identify which one of the following statements best describes how you generally oversee the service providers to which you have outsourced the portfolio management, fund accounting, transfer agency, and/or trust accounting functions:

- Ongoing monitoring of service provider(s) to ensure service provider(s) performing contracted functions correctly
- Monthly monitoring of service provider(s) to ensure service provider(s) performing contracted functions correctly
- Quarterly monitoring of service provider(s) to ensure service provider(s) performing contracted functions correctly
- Monitoring of service provider(s) on an ad-hoc or exception basis
- Not applicable – please provide details below

Part II - If you wish to provide more information, please describe below.
Trust account – An account established for the purpose of holding unitholder monies in trust for investment in, or on the redemption of, securities of mutual funds. For purchases, the account(s) is/are used to receive unitholder monies prior to distribution to the funds' operating accounts. For redemptions, the account(s) is/are used to receive unitholder monies prior to distribution to dealers or directly to unitholders’ bank accounts.

18. Part I – Identify which one of the following statements best describes the frequency of reconciliations between money held in the trust accounts according to the bank records and the cash balances resulting from your purchase and redemption trade records:

- Reconciliations are performed as frequently as the net asset values of the funds are determined. Reconciling differences are resolved promptly. There is an independent review and approval of the reconciliations.

- Reconciliations are performed as frequently as the net asset values of the funds are determined. Reconciling differences are resolved within two weeks. The reconciliations are not always reviewed and approved by an independent person.

- Reconciliations are performed less frequently than the net asset values of the funds are determined. Reconciling differences are resolved within two weeks. There is an independent review and approval of the reconciliations.

- Reconciliations are performed less frequently than the net asset values of the funds are determined. It takes on average more than 2 weeks to resolve the reconciling differences. The reconciliations are not always reviewed and approved by an independent person.

- No reconciliations are performed

Part II – If you wish to provide more information, please describe below.
19. Where your funds hold securities for which a public price is not available, identify which one of the following statements best describes your valuation policy:

○ An independent valuation committee is required to review and approve the pricing of all securities.
○ An independent valuation committee is required to review and approve the pricing of certain securities.
○ An internal group reviews and approves the pricing of all securities.
○ An internal group reviews and approves the pricing of securities on a sample basis.
○ Pricing of securities is not subject to a secondary review.

Part II - If you wish to provide more information, please describe below.
20. Part I – Identify which one of the following statements best describes the frequency of reconciliations of your funds’ portfolio holdings to the custodian records (in terms of number of shares and dollar value):

- Reconciliations are performed as frequently as the net asset values of the funds are determined. Reconciling differences are resolved promptly. There is an independent review and approval of the reconciliations.

- Reconciliations are performed as frequently as the net asset values of the funds are determined. Reconciling differences are resolved within two weeks. The reconciliations are not always reviewed and approved by an independent person.

- Reconciliations are performed less frequently than the net asset values of the funds are determined. Reconciling differences are resolved within two weeks. There is an independent review and approval of the reconciliations.

- Reconciliations are performed less frequently than the net asset values of the funds are determined. Reconciling differences are resolved in more than two weeks. The reconciliations are not always reviewed and approved by an independent person.

- No reconciliations are performed.

Part II - If you wish to provide more information, please describe below.
21. Part I - Identify which one of the following statements best describes the frequency of
your review to ensure that your funds' holdings are in compliance with stated investment
objectives and restrictions:

- Reviews are performed at least on a monthly basis.
- Reviews are performed at least on a quarterly basis.
- Reviews are performed on a semi-annually basis.
- Reviews are performed on an annual basis.
- Reviews are not performed by you. They are conducted by the portfolio managers of the funds.

Part II – If you wish to provide more information, please describe below.
22. Part I – Identify which one of the following statements best describes the frequency and significance of any NAV errors you have had in the past 12 months (as determined in accordance with your own internal policies):

- There were no NAV errors
- There were a few NAV errors, however no restatement of NAV and no monetary reimbursement to the funds and/or investors was required.
- There were some NAV errors, however no restatement of NAV and no monetary reimbursement to the funds and/or investors was required.
- There were a few NAV errors with restatement of NAV and monetary reimbursement to the funds and/or investors required.
- There were some NAV errors with restatement of NAV and monetary reimbursement to the funds and/or investors required.

Part II – If you wish to provide more information, please describe below.
23. Part I – Identify below the areas which are covered in your written policies and procedures manual:

- Fund accounting
- Transfer agency
- Trust accounting
- Portfolio management
- Marketing
- Performance data
- Mutual fund sales practices (NI 81-105)
- Other, please describe below
- None of the above

Please describe the other areas covered in your written policies and procedures manual.

Part II - Please identify which of the following statements best describes your firm's policies and procedures.

- Have established extensive, written policies and procedures over all key areas of the business, which are maintained, enforced and updated at least annually.
- Have established written policies and procedures over all key areas of the business, which are maintained, enforced, and updated but not as frequently as annually.
- Have established written policies and procedures over some areas of the business, which are maintained, enforced, and updated periodically.
- Have established policies and procedures over some areas of the business, but not all of the policies and procedures are in writing.
- Have established policies and procedures over some areas of the business, but none of the policies and procedures are in writing.
24. Identify which one of the following statements best describes the percentage of your funds that are subject to performance fees (percentage based on total AUM):

○ No performance fee-based funds
○ Less than 20% of the funds are subject to performance fees
○ Greater than or equal to 20% and less than 40% of the funds are subject to performance fees
○ Greater than or equal to 40% and less than 60% of the funds are subject to performance fees
○ Greater than or equal to 60% of the funds are subject to performance fees

Final Feedback Box: