**General expectations**

- 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.
- Apply the specified time period stated in the question. If the question does not have a specified time period, use December 31, 2017.
- Some of the questions may not be applicable to you if you are a newly registered or inactive firm. Try answering the questions as best as you could. Provide comments to explain your situation if necessary.

**Question P2 (A) – Type of Authority and Products**

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.

**Question P2 (B) – Type of Authority and Products**

This question asks for the types of securities your clients hold in their managed accounts with you. Some portfolio managers invest their clients in non-prospectus qualified pooled funds. If you invest your clients in securities of a pooled fund managed by your firm, specify the underlying types of securities held within the pooled fund, such as equities or fixed income, rather than “non-prospectus qualified funds”. In cases where the pooled fund is managed by another party, specify “non-prospectus qualified funds”, rather than the underlying types of securities in the fund.

**Question P5 – Involvement in Companies**

When answering this question, consider not only your registered advising or dealing individuals, but also your firm’s officers, directors, employees, and permitted individuals.

**Question P9 (A) – Custodian Information**

Column 3 of the custodial information table requires you to determine whether the custodian(s) used by your portfolio management clients are functionally independent from your firm. A custodian would not be considered to be functionally independent from your firm when any of the following apply (although there may be other examples as well):
• 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
• The custodial activities are performed by personnel that are not separate from, or are unable to act independently from, personnel of your firm,
• There is a lack of systems and controls to ensure the functional independence of personnel performing the custodial function

In addition, the custodial information table allows for a **maximum** number of **15** entries. Should a firm have more than 15 custodians to enter, use the table provided for the first 15 entries and provide the same information for each additional entry in the ‘**Final Overall Feedback**’ comment box located on the final page of the section.

**Questions P6 & P7 – Residency and Age of Clients**
Responses to both questions must reflect your client list as at **December 31, 2017**.

**Question P12 (C) – Trade Order/Portfolio Management Systems**
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.

**Question P13 (B) – Performance Data**
Hypothetical performance returns illustrate performance data that is not 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 **CSA Staff Notice 31-325 – Marketing Practices of Portfolio Managers** for more guidance as to what types of performance data are considered hypothetical.