



**PORTFOLIO MANAGEMENT ASSOCIATION OF
CANADA (PMAC)
ASSOCIATION DES GESTIONNAIRES DE PORTEFEUILLE
DU CANADA (AGPC)**

**MEMBERSHIP APPLICATION
INFORMATION PACKAGE**

SECTION

- (A) MEMBERSHIP ELIGIBILITY CRITERIA**

- (B) STATEMENT OF FUNCTION AND PRINCIPLES OF THE PROFESSION
OF INVESTMENT COUNSEL**

- (C) FEES AND INVOICES**

- (D) INSURANCE INFORMATION**
 - **Insurance Coverage Requirements**
 - **Certificate of Insurance**

SECTION A



PORTFOLIO MANAGEMENT ASSOCIATION OF CANADA (PMAC)

MEMBERSHIP ELIGIBILITY CRITERIA

The following is an excerpt from the corporation's Bylaw No. 1:

Any person (whether a corporation, partnership or sole proprietorship) may become a Member, provided:

- (a) it is engaged in the professional practice of investment counsel and portfolio management;
- (b) it is registered as an adviser or in a similar capacity under the governing securities legislation in any province or territory of Canada;
- (c) it qualifies for and maintains mandatory insurance coverage as prescribed by the board of directors of the Corporation from time to time or is otherwise acceptable to the directors;
- (d) not more than 30% of its active business income is derived from a source or sources other than an investment counsel and portfolio manager; and
- (e) it is not owned or affiliated, either directly or indirectly, by or with any stock broker, investment dealer or securities underwriter (each, an "Affiliate") unless all of the following conditions apply:
 - (i) such Member is incorporated separately from the Affiliate, maintains a separate board of directors and premises and has a separate compliance staff;
 - (ii) all employees of the Member who have contact with clients in matters relating to the allocation of assets and client portfolios are registered as investment counsel with the relevant securities regulatory authority; and
 - (iii) the Member does not effect security transactions through an Affiliate unless:
 - a) the client otherwise specifically authorizes the Member in writing;
 - b) the client acknowledges in writing to the Member that it understands there is a potential for conflict of interest; and
 - c) the use of the Affiliate is reasonably expected to result in overall financial benefit to the client having regard for research provided and the difficulty of effecting certain trades.

(Effective September 2001)

SECTION A

PORTFOLIO MANAGEMENT ASSOCIATION OF CANADA (PMAC)

(Formerly Investment Counsel Association of Canada)

APPLICATION FOR MEMBERSHIP

(PLEASE ANSWER ALL QUESTIONS AND ATTACH ADDITIONAL PAGES AS NECESSARY)

WE HEREBY APPLY FOR MEMBERSHIP IN PORTFOLIO MANAGEMENT ASSOCIATION OF CANADA

APPLICANT

NAME OF FIRM: _____

ADDRESS: _____

TEL: () _____ FAX: () _____

NAME OF PRIMARY FIRM REPRESENTATIVE FOR ASSOCIATION BUSINESS:

TEL: () _____ FAX: () _____ e-mail _____
(if other than above) (if other than above)

ORGANIZATION

PLEASE PROVIDE:

1. Principals of firm: (Shareholders, Officers, and Directors of Limited Company: Partners, Limited or General, of Partnership) Attach list if necessary.

2. Name and home address of persons licensed by a Canadian Securities Commission to act as Investment Counsel with firm: (Attach list if necessary or refer to a relevant Directory.)

- 3.(a) Date of registration as Portfolio Manager with the Securities Commission which is in your firm's primary jurisdiction: _____

- (b) Please circle all jurisdictions in which your firm is registered as portfolio manager.

B.C.; Alta; Sask.; Man.; Ont.; Que.; N.B.; N.S.; PEI; Nfld.; Yukon;
NWT; SEC;
Other (Please explain)

4. Is your firm primarily engaged in providing discretionary portfolio management services on the basis of the individual objectives of each client?
YES___ NO___ If NO, please explain.
5. Does the percentage of your firm's gross revenues, derived from fees for investment counsel/portfolio management services, presently exceed 70%?
YES___ NO___
6. If your firm is owned by, or affiliated either directly or indirectly with, any stockbroker, investment dealer or securities underwriter, DOES IT COMPLY WITH ALL SIX PROVISIONS OF SECTION 3 OF THE MEMBERSHIP ELIGIBILITY CRITERIA?
YES___ NO___ Our firm is not so owned or affiliated___ (If NO, please explain separately)
7. Has your firm, or any individual associated with your firm, ever been subject to proceedings initiated by any Securities Commission or any other regulatory authority for violation of Federal or Provincial securities laws?
YES ___ NO ___. If "Yes", please list and explain on a separate sheet.
8. Our firm has Form 14 Financial Institution Bond and we have completed the attached Certificate of Insurance.
YES___ NO_____, Please comment..

ACKNOWLEDGEMENT

WE HAVE READ AND UNDERSTAND THE STATEMENT OF FUNCTION AND PRINCIPLES RETURNED HERewith AND UNDERTAKE TO PROVIDE OUR CLIENTS WITH A COPY THEREOF. WE ALSO UNDERSTAND THAT THE ACCEPTANCE OF THIS APPLICATION IS CONDITIONAL UPON SATISFACTORY EVIDENCE OF REQUIRED INSURANCE COVERAGE.

Dated at _____ this _____ day of _____ 20_____

(NAME OF AUTHORIZED OFFICER)

(SIGNATURE)

SECTION B



FUNCTION AND PRINCIPLES OF THE PROFESSION OF INVESTMENT COUNSEL

AS ADOPTED BY THE

PORTFOLIO MANAGEMENT ASSOCIATION OF CANADA (PMAC)

WHEREAS, the profession of investment counsel came into being to meet a growing need for a type of competent and unprejudiced service in the investment field not otherwise rendered, and

WHEREAS, experience in the rendering of investment counsel services has established certain basic principles of responsibility and conduct requisite to sound professional practice, and

WHEREAS, these basic principles must be accepted and maintained if the investing public is to be assured of the standard of investment counsel services to which it is entitled:

NOW THEREFORE, we declare the following principles to guide all those who profess to render investment counsel services:

I DEFINITION AND LIMITATION OF FUNCTIONS

It is the prime function of the profession of Investment Counsel to render to individual and corporate clients on a personal basis competent, unbiased and continuous advice regarding the sound management of their investments as arranged with the client. Investment Counsel should devote their time primarily to the performance of this function and services incidental thereto. Neither the firm nor any principal or employee should directly or indirectly engage in any activity which may jeopardize the firm's ability to render unbiased investment advice. Investment Counsel must frequently exercise complete discretionary power regarding clients' funds. Therefore, their actions and decisions must be free of bias or self-interest and the opportunity to deviate from this principle should not exist. In particular, no Investment Counsel firm or employee should have any business affiliation or gainful association, except as expressly provided in Article III of the Association's Constitution, with individuals or companies transacting business in securities other than for regular investment counsel fees for personalized and continuous investment advice.

II COMPETENCE AND RESPONSIBILITY

To serve its clients effectively and continuously Investment Counsel should be of demonstrated investment ability and unquestioned integrity. No assignment of a contract for Investment Counsel services should be made without the consent of the client and the firm should notify the client and the Association promptly of any material change in its ownership.

III. COMPENSATION FOR SERVICE

Compensation for Investment Counsel services should consist exclusively of direct charges to clients for services rendered. Compensation should never be contingent upon the number or value of transactions.

There should never be a division of Investment Counsel fees between a member of the Association and any other person without full disclosure to the client.

In cases where fees are charged in advance of the actual performance of the services involved, sufficient capital and reserves should be maintained at all times to enable the firm to refund all unearned fee income.

IV. SOLICITATION OF NEW CLIENTS

The methods employed and all written or oral statements made by Investment Counsel in securing new clients should conform to standards consistent with the professional nature of Investment Counsel services.

V. CONFIDENTIAL RELATIONSHIP

All information, concerning the security holdings and financial circumstances of clients, should be held in strict confidence by Investment Counsel.

.....

I have read and confirm that _____ agrees to abide with the Function and Principles of the profession of Investment Counsel as adopted by Portfolio Management Association of Canada (PMAC) and filed with the Ontario Securities Commission in 1967.

Member Firm _____

Firm Primary Representative _____

Position _____

Signature _____

Date _____

Membership Accepted by the Portfolio Management Association of Canada (PMAC)

Katie A. Walmsley
President

Date: _____

This document is proprietary to the PMAC for the exclusive use of its Members.



PORTFOLIO MANAGEMENT ASSOCIATION OF CANADA
Association des gestionnaires de portefeuille du Canada (AGPC)

INVOICE
MEMBERSHIP FEES FOR THE YEAR JULY 1ST, 2011 TO JUNE 30TH, 2012

To determine appropriate GST/HST applicable, please indicate the province in which your head office is located

Assets on which ICAC fee will be based

Total Assets under management at June 30, 2011 (millions)
 (For new members, enter most recent month ending AUM) _____

Less: IFIC Members Only–Deduct Mutual Fund assets for
 which fees paid to IFIC _____

Net Assets \$ _____

<u>VALUE OF ASSETS MANAGED</u> <u>AT JUNE 30, 2011</u>	<u>FEE PER</u> <u>\$MILLION</u>	<u>AMOUNT</u> <u>\$</u>
(For New members, enter most recent month ending AUM)		

On the first \$100 MILLION or less	\$13.2825	_____
On the next \$400 MILLION or part thereof	\$2.6565	_____
On the next \$1.5 BILLION or part thereof	\$0.664125	_____
On the next \$5 BILLION or part thereof	\$0.543375	_____
On the next \$13 BILLION or part thereof	\$0.398475	_____
On assets above \$20 BILLION	\$0.19929	_____

Total **(minimum fee is \$1,575 & maximum fee is \$15,750)** _____

Plus applicable tax _____

TOTAL FEE REMITTED \$ _____

For New Member applications received between April 1-June 30, 2011, first three months of membership is free with membership continuing until June 30, 2012.

REMIT THE APPROPRIATE AMOUNT, **PAYABLE TO: PORTFOLIO MANAGEMENT ASSOCIATION OF CANADA (PMAC)**, 110 YONGE STREET, SUITE 1602, TORONTO, ON M5C 1T4 TOGETHER WITH **ONE** COPY OF THIS NOTICE.

 NAME OF FIRM

 REPRESENTATIVE



Advancing Standards™

CERTIFICATE OF INSURANCE

The Portfolio Management Association of Canada requires that members comply with all NI 31-103 insurance requirements. Below is an excerpt from sections 12.4 and 12.5:

12.4 Insurance - Adviser

- (1) A registered adviser must maintain bonding or insurance
 - (a) that contains the clauses set out in Appendix A [bonding and insurance clauses], and
 - (b) that provides for a double aggregate limit or a full reinstatement of coverage.

- (2) A registered adviser that does not hold or have access to client assets must maintain bonding or insurance in respect of each clause set out in Appendix A and in the amount of \$50,000 for each clause.

- (3) A registered adviser that holds or have access to client assets must maintain bonding or insurance in respect of each clause set out in Appendix A and in the highest of the following amounts for each clause:
 - (a) one per cent of assets under management that the adviser holds or has access to, as calculated using the adviser's most recent financial records, or \$25,000,000, whichever is less;
 - (b) one per cent of the adviser's total assets, as calculated using the adviser's most recent financial records, or \$25,000,000 whichever is less;
 - (c) \$200,000;
 - (d) the amount determined to be appropriate by a resolution of the adviser's board of directors or individuals acting in a similar capacity for the firm.

12.5 Insurance – Investment fund manager

- (1) A registered investment fund manager must maintain bonding or insurance
 - (a) that contains the clauses set out in Appendix A [bonding and insurance clauses], and
 - (b) that provides for a double aggregate limit or a full reinstatement of coverage.

- (2) A registered investment fund manager must maintain bonding or insurance in respect of each clause set out in Appendix A and in the highest of the following amounts for each clause:
 - (a) one per cent of assets under management, as calculated using the investment fund manager's most recent financial records, or \$25,000,000, whichever is less;
 - (b) one per cent of the investment fund manager's total assets, as calculated using the investment fund manager's most recent financial records, or \$25,000,000, whichever is less;
 - (c) \$200,000;
 - (d) the amount determined to be appropriate by a resolution of the investment fund manager's board of directors or individuals in a similar capacity for the firm.

30 days prior notice of cancellation or non-renewal to be provided to:

Portfolio Management Association of Canada
 110 YONGE Street, Suite 1602
 Toronto, Ontario M5C 1T4

Please indicate your coverage information below. Please note members who do not have Professional Liability/E&O Insurance are not listed in the public section of the PMAC website.

Optional	Required
<i>Investment Counsel/Portfolio Manager Professional Liability Insurance</i>	Form 14 Financial Institution Bond
Insured's Name:	Insured's Name:
Insurer:	Insurer:
Policy #:	Policy #:
Limit:	Limit:
Retention/ Deductible:	Retention Deductible:
Expiry Date:	Expiry Date:

PLEASE RETURN THIS FORM WITH THE APPLICATION FOR MEMBERSHIP