

**PW Portfolio Analytics (PWPA) Inc.**

1 Adelaide Street East, Suite 3001, Toronto, ON M5C 2V9



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Member Regulation Policy  
Canadian Investment Regulatory Organization  
Suite 2600  
40 Temperance Street  
Toronto, Ontario M5H 0B4

To whom it may concern,

**Re: Non- tailored Advice in the Order Execution Only Channel Consultation**

We are an independent Canadian Fintech company based in Toronto. Our company was founded on the principles of improving investor education and outcomes. Through our product, Wealthscope, we provide data-driven, unbiased portfolio analysis and retirement planning for DIY investors. Our team has substantial domain expertise in finance.

Currently, we have three OEO enterprise clients: CI Direct Trading, Qtrade Investors, and National Bank Direct Brokerage.

We have provided our opinion on the consultation topics below.

**Question #1 – Notifications and alerts**

***a) Are there particular products or services in respect of which you think OEO Dealers should be encouraged to issue alerts or other proactive information?***

Portfolio risk monitoring, activated by the investor. An alert will show if their portfolio risk has drifted outside of an acceptable range. No trade will be triggered, just an alert to the investor. They can choose to revisit their portfolio or choose another portfolio risk range (perhaps because their personal circumstances or investment goals have changed).

***b) What consistent criteria could OEO Dealers use in choosing to issue alerts or other proactive information?***

Alerts that are explicitly chosen and set up by the investor.

**Question #2 – Self-help tools**

**a) Specific tools. Are there any specific tools or services you believe should be included or excluded from the list of non-tailored advice?**

Tools and analyzers that help investors build portfolios, such as determining the weights of their chosen securities in a portfolio, based on some objective criteria.

**b) Model portfolios. The current guidance contemplates model portfolio tools that are “limited to class of investor, asset class, industry sector and/or time horizon.” Model portfolios that reference specific securities are not contemplated. Would you support allowing model portfolios that do reference specific securities, providing no recommendation is made by the OEO dealer based on client information?**

Passive investment vehicles such as exchange traded funds or index mutual funds should be allowed. Can require the list to be exhaustive for each asset class in a model portfolio. Investors can then compare the funds themselves and make a decision as to how best to implement a model portfolio. Should always provide a portfolio analyzer for each model portfolio for a proper understanding of the risks. Allowing this would be of great help to investors.

**c) Self-assessment tools. The current guidance does not contemplate OEO dealers providing tools that help clients determine what class of investor they are. Would you support allowing OEO dealers to provide self-assessment tools?**

Yes. DIY investors should have the same understanding of their risk class as those who receive advice.

**d) Filters. OEO Dealers provide their clients with tools for filtering the investments available on their platforms (e.g., large cap Canadian equities or TSX 60 index tracking ETFs). Would you impose limits on how specific such tools can be made (e.g., narrowing down large sets of investments such as those in the example above by price, performance or other criteria)?**

These filtering tools are widely available online, with many free of charge. As long as they are data driven and filters are applied by the investor there should be minimal limitations.

**d) Combining tools. What is your opinion on the potential effects of combining tools of various kinds (e.g., if a client uses each of the following in succession: a self-assessment tool, an asset allocation tool, a securities filter and a rebalancing tool)?**

From an investor’s perspective this is desirable and efficient. A new investor, for example, may find this work flow very helpful. Emphasis should be on the user flow (the steps). “Combining” is probably not the right description.

**e) Limited client-specific information. Should there be greater allowance for the use of limited client-specific information that does not include a recommendation and is not based on KYC information? For example, in situations where a new client has funded their account but has not made any investments after a certain period, would it be appropriate to reach out with educational information about the benefits of investing some or all of their cash holdings?**

Yes, we think this example should be allowed, as long as the educational information and tools are non-tailored.

### Question #3 – Finfluencers

**a) Some CIRO OEO Dealers have entered into referral arrangements with Finfluencers and in certain cases have integrated their trading platform with the third-party platform, (e.g. “Trade Now” functionality that provides the ability to trade directly through the third-party platform).**

**What are your views on this practice and to what level of initial due diligence and ongoing monitoring should be required on the part of the OEO Dealer?**

Should have a due diligence layer first before trading. For example, if it is a model portfolio, should take the investor to a portfolio analyzer first. Then investors can decide whether to purchase it.

### Question #4 – Copy trading

**a) Should OEO Dealers be allowed to provide their clients with “copy trading” functionality that provides the ability to automatically replicate the trades of other investors?**

Information is fine and might be interesting, but not direct to trading, i.e., not without due diligence.

**b) What measures can be implemented to ensure that copy trading is used in a way that is beneficial to investors?**

Put the ideas through an analyzer first, so the investor can see how it might impact their portfolio and how it might change portfolio risk.

### Question #5 – Delivery of tools and information

**a) Should the guidance distinguish information and tools provided directly on OEO Dealer websites or by email or made available through apps or social media sources?**

The tools and information on the dealer’s platform versus email/social are likely to be of different nature, so yes.

Sincerely,

A handwritten signature in grey ink, appearing to read 'Pauline Shum Nolan', with a wavy, cursive style.

Pauline Shum Nolan, PhD.  
Founder and CEO