

Questions: Annual reports and AIFs

BUSINESS BASICS

Is the company carrying out the same business as it was last year?

Are you comfortable that the management team has the right experience to carry on the company's business?

BUSINESS CHANGES

Have there been any significant changes in direction?

If there are changes in direction, are you still comfortable owning shares in this company?

Does the annual report or annual information form (AIF) mention significant purchases of assets or businesses?

- If yes, can you see how the purchases added value to the company and to your investment?
- Does it appear that the purchases will help the company carry out its stated development plan?

Does the annual report or AIF mention significant sales of assets or businesses?

- If yes, is it clear how the sale fits into the longer-term plans of the company?
- Does management's explanation of the sale make sense to you?

Has the company announced any proposed changes to its business for the coming year?

Are you comfortable with how the company will manage any proposed changes?

BUSINESS RISKS

Are there specific risks or trends that may affect the company's current or future operations?

- What are those specific risks or trends?
- Are you comfortable with management's plans for dealing with these risks or trends?

If the company lost money last year:

- Does management's explanation for the losses make sense?
- Does management have a plan to move to profitability over time?
- Does management's plan for moving to profitability make sense?