

Robert Anton

President & Partner (One of 3 Founders)

Next Edge Capital Corp.



- **Year launched firm:** 2014 via the management spin out of Man Investments Canada Corp. from Man Group plc
- **Number of employees at launch:** 5
- **Number of employees today:** 20
- **Number of funds at launch:** 2 strategies via a few different structures
- **Number of funds today:** 4 funds that are currently open to new investments
- **Strategies managed:** Private Debt, Biotech and Life Sciences Equity, Resource Equity, Canadian Equity
- **Investor channels covered today:** IIROC advisors, fund of funds, investment council firms and family office channels
- **Firm prior to launching current business:** Man Investments Canada Corp. and BluMont Capital Corp. prior to that.

1 Why did you decide to launch your business?

My partners and I have been involved in starting up, building, and managing alternative asset management firms since 2000. So it is second nature to us having already done so at two prior firms. In addition, timing and other factors in 2014 afforded us the opportunity to effect a management spin-out, of the Man Investments Canada Corp. business which we had launched for Man Group plc in 2006. At the completion of the management spin out, the firm was renamed Next Edge Capital Corp.

2 What does it take to succeed in Canada as an alternative manager?

Education, persistence, and patience. There are rarely overnight successes. Clients in general tend to be good, “sticky” investors as long as they understand what they are invested in.

3 Tell us about your growth story. Any particular early-day struggles or success stories that stand out in your mind?

In the early days, our predominant focus was on private lending strategies which proved quite fruitful from both a client risk/reward standpoint as well as from an asset raising perspective. Over the past two years, we have started to diversify our business into other unique investment opportunities to supplement our existing product lineup and which will aid in future growth of the firm.

In regards to struggles, as with each firm we started up, the first \$20MM, \$50MM and then \$100MM are always the hardest to raise. It never necessarily becomes easy after that, but that always is the toughest part of the journey.

We have had numerous successes over the years. Some of these highlights would include: raising \$212MM in a TSX-listed closed-end hedge fund in 2002 (the largest at its time); raising over \$600MM in principal protected, guaranteed hedge fund linked notes between 2003-2008 (the largest at its time); an early adopter of liquid alternatives in 2009 via a National Instrument 81-104 commodity pool offering; and more recently, our flagship Next Edge Private Debt Fund has been a great success story over the past 7+ years.

4 What has been the hardest part of your entrepreneurial journey?

In the alternative business, what may make logical, rational, fundamental, and academic sense on why one would add alternatives to a traditional investment portfolio does not always translate into adoption within the investing community. That is the hardest and quite frankly, most frustrating part.

5 What advice do you have for others considering launching a fund business in Canada?

Distribution in Canada can be very quirky, especially when focussed on the retail channels via broker-dealers. Spend time understanding the market prior to launching a product.

6 What are your 3-5 year goals for your business as you look ahead?

Some of our primary goals are to:

- Increase investor exposure towards and add AUM to some of our newer launched funds/strategies.
- Diversify our distribution outside of predominantly Canadian wealth advisors. This also includes offshore channels.
- Continue to be a leader, educator, and a passionate advocate for alternatives in Canada.

7 How has being an AIMA member benefited your firm's growth journey?

Through our various business ventures in the alternative asset management business, we have been members of AIMA for approximately 20 years. AIMA has been a great partner in educating the industry, being a sounding board, and being a voice and advocate for the alternatives industry for changes to the regulatory regime and other issues to continue moving the industry forward in Canada.

8 What are you most proud of looking back at your entrepreneurial journey?

Since 2020, we have played a significant part in educating the Canadian market, predominantly wealth advisors, about alternatives, their various styles and strategies, and the benefits of their inclusion within traditional investment portfolios. There is still a long way to go, but when we started in 2000, the average allocation to alternative investments was zero. So we have seen some progress. That part is rewarding.

9 How do you think about innovation at your firm?

Our firm's culture is one where we are always open to and looking for new ideas and opportunities. Many of the strategies that we have launched over the past 20+ years, we have either been the first to launch or one of the very early adopters to bring them to the Canadian market. In addition, we are quite humble and understand that we don't have all the answers. As such we believe there is always more to learn and that continues to fuel our innovative curiosity going forward.

10 What headwinds do you see in Canada to grow the alternative investment management industry?

Recent regulatory changes, in addition to a large concentration of wealth being managed by very few companies; some very protectionist in nature as to what products and which firms can be distributed through their channels, make investor and advisor choices vastly compromised. I don't see this changing anytime soon unfortunately.

11 How can Canada better support alternative managers?

Open the distribution networks to allow investors to be able to purchase alternative funds. Although dealer dependant on access, a small percentage of alternative funds are available to investors. Recent regulatory changes have had a huge setback toward innovation and investor choices towards investment products.

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